

Escorts Finance Limited

Escorts Corporate Center
15/5, Mathura Road, Faridabad-121003 (HR)
Phone : 0129-2250222, 2564294
Fax : 0129-4010532
E-mail : escortsfinance@escorts.co.in
Website : www.escortsfinance.com
CIN : L65910CH1987PLC033652



June 7, 2017

BSE Limited
Phiroze Jeejeebhoy
Towers,
Dalal Street,
Mumbai – 400 051
BSE – 511716

Subject: Discrepancies in Financial Result of the Company for the Quarter\ Year ended March 2017

Dear Sir,

This is with reference to your email dated May 31, 2017 regarding discrepancies in Financial Result submitted by the Company for the quarter/ year ended March 31, 2017 under Regulation 33 of the SEBI (LODR) Regulation, 2017.

Please find enclosed the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2017 as per the format specified vide circular dated July 5, 2016.

Kindly take the same on record.

Thanking you.

Yours faithfully,
For **Escorts Finance Limited**

A handwritten signature in blue ink, appearing to read 'Vicky'.

Vicky Chauhan
Company Secretary

Encl: A/a

Escorts Finance Limited

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May 24, 2017

BSE Limited

Phiroze Jeejeebhoy
Towers,
Dalal Street,
Mumbai – 400 051
BSE – 511716

Subject: Outcome of the Board Meeting of Escorts Finance Limited pursuant to Regulation 30 & Audited Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the Board in its meeting held today i.e. May 24, 2017 has approved the following items:

1. Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2017.

Please find enclosed herewith the following:

1. Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2017.
2. Auditors' Report on the Audited Financial Results – Standalone and Consolidated
3. Statement on Impact of Audit Qualifications (Standalone and Consolidated)

We further wish to inform you that the Board Meeting held today commenced at 4:00 p.m. and concluded at 4:45 p.m.

Kindly take the same on record.

Thanking you.

Yours faithfully,
For Escorts Finance Limited


Vicky Chauhan
Company Secretary



Encl: A/a

ESCORTS FINANCE LIMITED

Regd. Office : SCO-198-200, Second Floor, Sector-34A, Chandigarh-160022 CIN : L65910CH1987PLC033652
STATEMENT OF STANDALONE & CONSOLIDATED AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

PART I:		STANDALONE RESULTS				CONSOLIDATED RESULTS	
Sl. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended	Year ended
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income						
	a) Revenue from Operations	16.88	2.68	12.99	30.47	76.47	30.47
	b) Other income	-	-	-	-	-	-
	Total income	16.88	2.68	12.99	30.47	76.47	30.47
2	Expenses						
	a) Employee benefits expense	2.94	2.94	3.36	12.07	12.00	12.00
	b) Finance costs	-	-	-	-	0.01	0.01
	c) Depreciation and amortisation expense	-	-	-	-	-	-
	d) Other expenses	7.83	4.53	7.69	24.22	28.04	24.22
	Total expenses	10.77	7.47	11.05	36.29	40.05	36.29
3	Profit/(loss) before share of net profit of investment accounted for using the equity method and exceptional items (1-2)	6.11	(4.79)	1.94	(5.82)	36.42	(5.82)
4	Share of profit/(loss) of equity accounted investments	-	-	-	-	-	(49.23)
5	Profit/(loss) before exceptional item & tax (3-4)	6.11	(4.79)	1.94	(5.82)	36.42	(56.05)
6	Exceptional Items	-	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	6.11	(4.79)	1.94	(5.82)	36.42	(55.05)
8	Tax expense	-	-	-	-	-	-
9	Net profit/(loss) for the period (7-8)	6.11	(4.79)	1.94	(5.82)	36.42	(55.05)
10	Other comprehensive income						
	a) Items that will not be reclassified to profit and loss	-	-	-	-	-	-
	b) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-	-
	c) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	d) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total other comprehensive income	-	-	-	-	-	-
11	Total comprehensive income (9+10)	6.11	(4.79)	1.94	(5.82)	36.42	(55.05)
12	Earnings per share of Rs 10 each for the period Basic & Diluted (in Rs)	0.015	(0.012)	0.005	(0.014)	0.091	(0.137)

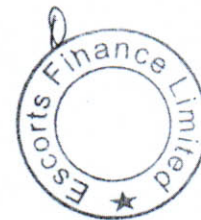
- Notes:-
- The above Standalone and Consolidated Financial Results were reviewed by the Audit committee and approved and taken on record by the Board of Directors in their meeting held on May 24, 2017.
 - The Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2016 (transition date being April 1, 2015) and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2016 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
 - The format for quarterly and yearly results as prescribed in SEBI circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified in line with the requirements of SEBI's circular dated July 5, 2016 and Schedule III (Division II) of the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
 - The Ind AS financial results and financial information for the quarter and year ended March 31, 2016 have not been subjected to any limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true & fair view of the results in accordance with Ind AS.
 - Reconciliation of standalone and consolidated financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows.

Particulars	Standalone		Consolidated
	Quarter ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2016
Profit after tax as reported under previous GAAP	1.94	36.42	10.72
Adjustments	-	-	-
Profit after tax as reported under Ind AS	1.94	36.42	10.72
Other comprehensive income (net of tax)	-	-	-
Total comprehensive income as reported under Ind AS	1.94	36.42	10.72

6 There are no reconciliation item between total equity as on March 31, 2016 as previously reported under GAAP and as per Ind AS

7 **Statement of Assets and Liabilities**

Particulars	Rs. in Lakhs			
	Standalone		Consolidated	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
ASSETS				
(1) Non-Current Assets				
(a) Property, plant and equipment	0.11	0.11	0.11	0.11
(b) Other intangible assets	0.09	0.09	0.09	0.09
(c) Financial assets				
(i) Investments	489.93	489.93	324.74	373.97
(ii) Other financial assets	-	-	-	-
Total non-current assets	490.13	490.13	324.94	374.17
(2) Current assets				
(a) Inventories	0.01	0.01	0.01	0.01
(b) Financial assets				
(i) Investments	0.01	0.01	0.01	0.01
(ii) Trade receivables	-	-	-	-
(iii) Cash and cash equivalents	0.24	3.75	0.24	3.75
(iv) Bank balances other than (iii) above	29.50	30.79	29.50	30.79
(v) Other financial assets	3.83	4.35	3.83	4.35
(c) Other current assets	316.17	315.89	316.17	315.89
Total current assets	349.76	354.80	349.76	354.80
Total assets	839.89	844.93	674.70	728.97



EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	4,017.25	4,017.25	4,017.25	4,017.25
(b) Other equity	(21,737.69)	(21,731.87)	(21,902.88)	(21,847.83)
Total Equity	(17,720.44)	(17,714.62)	(17,885.63)	(17,830.58)
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	-	950.00	-	950.00
(ii) Other financial liabilities	14,729.89	14,584.01	14,729.89	14,584.01
(b) Provisions	2.76	2.45	2.76	2.45
Total non-current liabilities	14,732.65	15,536.46	14,732.65	15,536.46
(3) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	950.00	-	950.00	-
(ii) Other financial liabilities	2,686.03	2,831.84	2,686.03	2,831.84
(b) Provisions	0.70	0.67	0.70	0.67
(c) Current tax liabilities	188.54	188.54	188.54	188.54
(d) Other current liabilities	2.41	2.04	2.41	2.04
Total current liabilities	3,827.68	3,023.09	3,827.68	3,023.09
Total equity and liabilities	839.89	844.93	674.70	728.97

- 8 The Company has a single reportable segment namely financial services for the purpose of Ind AS-108.
- 9 Deferred Tax Asset has not been recognised in the accounts as there is no virtual certainty of future taxable income.
- 10 Pursuant to the Order of The Hon'ble High Court of Delhi dated March 4, 2011, an amount of Rs.120.49 lakhs has been paid to the FD Holders by the Trust created for the purpose during the quarter ended March 31, 2017. As on March 31, 2017, the unclaimed/unpaid fixed deposit liability is Rs.1132.57 lakhs. The Board is of the opinion that said liability is not required to be deposited in Investor Education & Protection Fund in view of the fact that the repayment is being made by a specially created Trust under the order of The Hon'ble High Court of Delhi.
- 11 Response to auditor's qualifications on the financial results for the year ended March 31, 2017:
- (a) Unpaid/unclaimed matured fixed deposit liability aggregating to Rs.1132.57 lakhs as on March 31, 2017. Complete facts have been disclosed in Note 10 above which is self explanatory and does not call for any further comments.
- (b) Non-provision of interest on redeemable cumulative preference shares. In view of accumulated losses no provision has been made in the books of accounts for interest on redeemable cumulative preference shares.
- (c) Non-determination of Employees Terminal Benefits on Actuarial Basis as per Ind AS-19. In view of lesser number of employees on rolls, the Company has made full provision for these benefits on actual basis.
- 12 The Company continues to focus on recovery of delinquent loan assets through settlement/ compromise/ legal action etc. Besides the efforts on recovery of loan assets, the possibilities of venturing into newer business areas are under consideration. The accounts of the Company have been prepared on a going concern basis.
- 13 The Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration had been received vide letter no DNBS(NDI)S 3242/MSA/06 05 001/2015-16 dated May 6, 2016.

For N.M. Raiji & Co.
Chartered Accountants
Firm Regn. No. 108296W

S.N. Shivakumar

CA S.N. Shivakumar
Partner
Membership No. 088113

Place: Fandabad
Date: May 24, 2017



By Order of the Board
For Escorts Finance Limited

Pritam Narang
Pritam Narang
Whole Time Director
DIN: 00982418

Auditor's Report On Standalone Quarterly Financial Results and Standalone Year to Date Results of Escorts Finance Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of **Escorts Finance Limited**

1. We have audited the standalone quarterly financial results of **Escorts Finance Limited** ("the Company") for the quarter ended March 31, 2017 and the standalone year to date results for the period April 01, 2016 to March 31, 2017, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016. These results included in the Statement, which are the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of the related financial statement which is in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the results included in the statement.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. Basis of Qualified Opinion

Attention is invited to the following matters in the Notes to the Financial Results:

- (i) Note No. 11(a), regarding unpaid/unclaimed matured Fixed Deposit Liability aggregating to Rs.1132.57 lakhs as on balance sheet date;
- (ii) Note No. 11(b), regarding non-provision towards interest on cumulative preference shares amounting to Rs.95.00 lakhs for the year;
- (iii) Note No. 11(c), regarding non-determination of Employee Terminal Benefits on actuarial basis. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained;

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matters described in sub-paragraph (i), (ii) and (iii) under the Basis for Qualified Opinion above*, these standalone quarterly financial results as well as the year to date results:

- (a) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, in this regard; and



- (b) give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2017 as well as the year to date results for the period from April 01, 2016 to March 31, 2017.

5. Emphasis of Matters

Without qualifying our opinion, we draw attention on the following matters:

- (i) The Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of venturing into newer business areas. We have relied on the representation made to us by the management.
- (ii) The Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration had been received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated May 06, 2016. Accordingly, the related provisions pertaining to NBFC will no longer be applicable to the Company post receipt of the RBI order.
6. The statement includes the results for the quarter ended March 31, 2017 being the balancing figure between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.

For N M Raiji & Co.
Chartered Accountants
Firm Registration Number 108296W

S.N. Shivakumar

CA. S. N. Shivakumar
Partner
Membership No. 088113

Place: Faridabad
Date: May 24, 2017



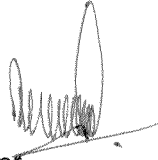




ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	30.47	30.47
	2.	Total Expenditure	36.29	36.29
	3.	Net Profit/(Loss)	(5.82)	(5.82)
	4.	Earnings Per Share	(0.014)	(0.014)
	5.	Total Assets	839.89	839.89
	6.	Total Liabilities	839.89	839.89
	7.	Net Worth	(17720.44)	(17815.44)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>a. Details of Audit Qualification:</p> <p>(i) <i>Note 11(a) of Financial Results: regarding unpaid/unclaimed matured Fixed Deposit liability aggregating to Rs. 1132.57 lakhs as on balance sheet date;</i></p> <p>(ii) <i>Note 11(b) of Financial Results: regarding non-provision towards interest on cumulative preference shares amounting to Rs. 95.00 lakhs for the year;</i></p> <p>(iii) <i>Note 11(c) of Financial Results: regarding non-determination of Employees Terminal Benefits on actuarial basis. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained.</i></p> <p>Details of Emphasis of Matters (opinion not qualified):</p> <p>(i) The Company has accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of venturing into newer business areas. We have relied on the representation made to us by the management.</p> <p>(ii) The Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration had been received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated May 06, 2016. According, the related provision pertaining to NBFC will not be applicable to the Company post RBI order.</p>
	b. Type of Audit Qualification : Qualified Opinion
	<p>c. Frequency of qualification:</p> <p>(i) 7 years</p> <p>(ii) 6 years</p> <p>(iii) 7 years</p>

<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>(i) Note 11(a) - Pursuant to the Order of The Hon'ble High Court of Delhi dated March 04, 2011, an amount of Rs.120.49 lacs have been paid to the FD Holders by the trust created for the purpose during the quarter ended March 31, 2017. As on the said date, the unclaimed /unpaid fixed deposit liability is Rs.1132.57 lacs. The Board is of the opinion that said liability is not required to be deposited in Investor Education & Protection Fund in view of the fact that the repayment is being made by a specially created trust under the order of the court.</p> <p>Management Response: Complete facts have been disclosed in the note which is self-explanatory and do not call for any further comments.</p> <p>(ii) Note 11(b) - Due to accumulated losses and loss for the year, the Company has not made provision towards interest on cumulative preference shares amounting to Rs. 95.00 lakhs.</p> <p>Management Response: Provision for interest on preference share could not be made in view of substantial accumulated losses from earlier year.</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification:</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>Note 11(c) - The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by IND AS 19 issued by the Institute of Chartered Accountants of India. In view of lesser number of employees on rolls, the Company has made provision for these benefits on actual basis as on the Balance Sheet date. In the absence of the same, the exact impact cannot be ascertained in the books of accounts.</p> <p>Management Response: The Company had only three employees on its rolls at the end of the financial year. The gratuity liability is being provided on actual basis as per the provisions of Payment of Gratuity Act, 1972. Similarly, leave encashment liability is also provided on actual basis. The management feels that provision on actual basis is more prudent than the actuarial estimate in view of only three employees on roll.</p> <p>(iii) Auditors' Comments on (i) or (ii) above: NIL</p>

III.	Signed by-		
	 Pritam Narang Whole Time Director	 Rochak Puri Audit Committee Chairman	
	 Donald Fernandez Chief Financial Officer	 S.N. Shivakumar, Partner of N.M. Raiji & Co. Statutory Auditors of the Company	

Place: *Faridabad*

Date: *24.05.2017*

Auditor's Report On Consolidated Financial Results of Escorts Finance Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of **Escorts Finance Limited**

1. We have audited the accompanying consolidated financial results of **Escorts Finance Limited** ("the Company") and its associate for the year ended March 31, 2017, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016. These consolidated results included in the statement, which are the responsibility of the Company's Management and approved by the Board of Directors have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Consolidated financial results included in the Statement.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. **Basis of Qualified Opinion**
Attention is invited to the following matters in the Notes to the Financial Results:
 - (i) Note No. 11(a), regarding unpaid/unclaimed matured Fixed Deposit Liability aggregating to Rs.1132.57 lakhs as on balance sheet date;
 - (ii) Note No. 11(b), regarding non-provision towards interest on cumulative preference shares amounting to Rs.95.00 lakhs for the year;
 - (iii) Note No. 11(c), regarding non-determination of Employee Terminal Benefits on actuarial basis. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained;
4. We did not audit the financial statements of the associate included in the consolidated financial results, whose consolidated financial statements reflect total assets of Rs. 1405.95 lakhs as at March 31, 2017; as well as the total revenue of Rs. 171.39 lakhs for the year ended March 31, 2017. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion on the financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.



5. In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matter described in sub-paragraph (iii), (iv) and (v) under the Basis for Qualified Opinion above*, these consolidated financial results:
- (a) include the financial results of the following entity:
 - Escorts Assets Management Limited (an associate)
 - (b) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, in this regard; and
 - (c) give a true and fair view of the net profit and other financial information for the year ended March 31, 2017.

7. Emphasis of Matters

Without qualifying our opinion, we draw attention on the following matters:

- (i) The Company has accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of venturing into newer business areas. We have relied on the representation made to us by the management.
- (ii) The Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration had been received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated May 06, 2016. Accordingly, the related provision pertaining to NBFC will not be applicable to the Company post RBI order.

For N M Raiji & Co.
Chartered Accountants
Firm Registration Number 108296W

S. N. Shivakumar

CA. S. N. Shivakumar
Partner
Membership No. 088113



Place: Faridabad
Date: May 24, 2017

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	30.47	30.47
	2.	Total Expenditure	85.52	85.52
	3.	Net Profit/(Loss)	(55.05)	(55.05)
	4.	Earnings Per Share	(0.137)	(0.137)
	5.	Total Assets	674.70	674.70
	6.	Total Liabilities	674.70	674.70
	7.	Net Worth	(17885.63)	(17980.63)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>a. Details of Audit Qualification:</p> <p><i>(i) Note 11(a) of Financial Results: regarding unpaid/unclaimed matured Fixed Deposit liability aggregating to Rs. 1132.57 lakhs as on balance sheet date;</i></p> <p><i>(ii) Note 11(b) of Financial Results: regarding non-provision towards interest on cumulative preference shares amounting to Rs. 95.00 lakhs for the year;</i></p> <p><i>(iii) Note 11(c) of Financial Results: regarding non-determination of Employees Terminal Benefits on actuarial basis. In the absence of the same, the impact thereof on the profit and liabilities of the Company cannot be ascertained.</i></p> <p>Details of Emphasis of Matters (opinion not qualified):</p> <p>(i) The Company has accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and the financial statements have been prepared on going concern basis for reasons explained by the management, including the possibilities of venturing into newer business areas. We have relied on the representation made to us by the management.</p> <p>(ii) The Company was registered under section 45-IA of the Reserve Bank of India Act, 1934. The approval for cancellation of its NBFC registration had been received vide letter no. DNBS(NDI)S.3242/MSA/06.05.001/2015-16 dated May 06, 2016. According, the related provision pertaining to NBFC will not be applicable to the Company post RBI order.</p>
	b. Type of Audit Qualification : Qualified Opinion
	<p>c. Frequency of qualification:</p> <p>a. 7 years</p> <p>b. 6 years</p> <p>c. 7 years</p>

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

- (i) **Note 11(a)** - Pursuant to the Order of The Hon'ble High Court of Delhi dated March 04, 2011, an amount of Rs.120.49 lacs have been paid to the FD Holders by the trust created for the purpose during the quarter ended March 31, 2017. As on the said date, the unclaimed /unpaid fixed deposit liability is Rs.1132.57 lacs. The Board is of the opinion that said liability is not required to be deposited in Investor Education & Protection Fund in view of the fact that the repayment is being made by a specially created trust under the order of the court.

Management Response: Complete facts have been disclosed in the note which is self-explanatory and do not call for any further comments.

- (ii) **Note 11(b)** - Due to accumulated losses and loss for the year, the Company has not made provision towards interest on cumulative preference shares amounting to Rs. 95.00 lakhs.

Management Response: Provision for interest on preference share could not be made in view of substantial accumulated losses from earlier year.

f. For Audit Qualification(s) where the impact is not quantified by the auditor:

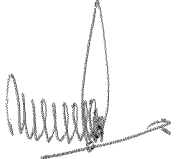




- (i) **Management's estimation on the impact of audit qualification:**

- (ii) **If management is unable to estimate the impact, reasons for the same:**

Note 11(c) - The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by IND AS 19 issued by the Institute of Chartered Accountants of India. In view of lesser number of employees on rolls, the Company has made provision for these benefits on actual basis as on the Balance Sheet date. In the absence of the same, the exact impact cannot be ascertained in the books of accounts.

Management Response: The Company had only three employees on its rolls at the end of the financial year. The gratuity liability is being provided on actual basis as per the provisions of Payment of Gratuity Act, 1972. Similarly, leave encashment liability is also provided on actual basis. The management feels that provision on actual basis is more prudent than the actuarial estimate in view of only three employees on roll.

- (iii) **Auditors' Comments on (i) or (ii) above: NIL**

III.	Signed by-		
	 Pritam Narang Whole Time Director	 Rochak Puri Audit Committee Chairman	
	 Donald Fernandez Chief Financial Officer	 S.N. Shivakumar, Partner of N.M. Raiji & Co. Statutory Auditors of the Company	

Place: *Faridabad*

Date: *24.05.2017*