

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



May 30, 2016

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 30, 2016 has approved the following items:

1. Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2016.

Please find enclosed herewith the following:

1. Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2016.
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 5:00 p.m. and concluded at 9.50 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, 2016

(Rs. in Lacs)

Sl. No.	Particulars	STANDALONE					CONSOLIDATED	
		3 Months ended	Preceding 3 Months ended	Corresponding 3 Months ended in the Previous Year	Year ended	Previous Year ended	Year ended	Previous Year ended
		31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
PART I:								
1	Income from Operations	-	-	-	-	-	-	-
	a. Income from Operations	-	-	-	-	-	-	-
	b. Other Operating Income	12.99	9.50	6.95	76.47	43.21	76.47	43.21
	Total Income from Operations (Net)	12.99	9.50	6.95	76.47	43.21	76.47	43.21
2	Expenses							
	a. Employee Benefits Expenses	3.36	3.66	2.37	12.00	10.42	12.00	10.42
	b. Depreciation and Amortisation Expenses	-	-	-	-	0.07	-	0.07
	c. Other Expenses	7.69	4.14	9.51	28.04	41.39	28.04	41.39
	Total Expenses	11.05	7.80	11.88	40.04	51.88	40.04	51.88
3	Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	1.94	1.70	(4.93)	36.43	(8.67)	36.43	(8.67)
4	Other Income	-	-	-	-	-	-	-
5	Profit/(Loss) from Ordinary Activities before Finance	1.94	1.70	(4.93)	36.43	(8.67)	36.43	(8.67)
6	Finance Costs	-	-	-	0.01	0.01	0.01	0.01
7	Profit/(Loss) from Ordinary Activities after Finance	1.94	1.70	(4.93)	36.42	(8.68)	36.42	(8.68)
	Costs but before Exceptional Items (5-6)							
8	Exceptional Items	-	-	-	-	-	-	-
9	Profit/(Loss) from Ordinary Activities before Tax (7+8)	1.94	1.70	(4.93)	36.42	(8.68)	36.42	(8.68)
10	Tax Expense *	-	-	-	-	-	-	-
11	Net Profit/(Loss) from Ordinary Activities after Tax (9-10)	1.94	1.70	(4.93)	36.42	(8.68)	36.42	(8.68)
12	Extraordinary Items	-	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	1.94	1.70	(4.93)	36.42	(8.68)	36.42	(8.68)
14	Share of Profit/(Loss) of Associate	-	-	-	-	-	(25.70)	(21.39)
15	Net Profit After Taxes, Minority Interest and Share of Profit/(Loss) of Associates (13-14)	1.94	1.70	(4.93)	36.42	(8.68)	10.72	(30.07)
16	Paid-up Equity Share Capital (Face value of Rs.10 each)	4,017.25	4,017.25	4,017.25	4,017.25	4,017.25	4,017.25	4,017.25
17	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	(21,731.87)	(21,768.29)	(21,847.83)	(21,858.55)
18	Earnings Per Share (before and after Extraordinary Items) of Rs. 10/- each for the period							
	Basic & Diluted (in Rs.) (not annualised)	0.00	0.00	(0.01)	0.09	(0.02)	0.03	(0.07)

Notes:-

- The above results were reviewed and recommended by the Audit committee and approved and taken on record by the Board of Directors in their meeting held on May 30, 2016.
- The Company has a single reportable segment namely financial services for the purpose of Accounting Standard 17.
- Deferred Tax Asset has not been recognised in the accounts as there is no virtual certainty of future taxable income.
- Pursuant to the Order of The Hon'ble High Court of Delhi dated March 4, 2011, an amount of Rs.0.41 lacs has been paid to the FD Holders during the quarter ended March 31, 2016. As on the said date, the unclaimed/unpaid fixed deposit liability is Rs.1278.78 lacs which is pending to be deposited in Investor Education & Protection Fund.
- The comments of the Statutory Auditors in their Audit Report for the year ended March 31, 2016 and management replies in respect of major items wherever considered necessary are given below:
 - Non-maintenance of investments in Government Securities and non-maintenance of minimum capital adequacy ratio in terms of RBI requirements. -Maintenance of liquid assets is not required in view of substantial liquidation of fixed deposits liability & arrangements made for liquidation of remaining amount of unclaimed fixed deposits. -Due to acute financial constraints and substantial accumulated losses, the Company has not maintained the minimum capital adequacy ratio as per RBI requirement.
 - Non-provision of preference dividend on cumulative preference shares amounting to Rs. 95.00 lacs for the year. -In view of accumulated losses no provision has been made in the books of accounts for preference dividend on cumulative preference shares.
 - Non-determination of Employees Terminal Benefits on Actuarial Basis as per AS-15. -In view of lesser number of employees on rolls, the Company has made full provision for these benefits on actual basis.
 - Unpaid/unclaimed matured fixed deposit liability aggregating to Rs. 1278.78 lacs as on balance sheet date -Complete facts have been disclosed in Note 4 above which is self explanatory and does not call for any further comments.
- The Company is presently engaged in recovery of delinquent loan assets and settlement of old legal cases filed by/against the Company. Pending recovery of loan assets, the possibilities of venturing into newer business areas shall be examined subsequently.
- The Company had filed an application with Reserve Bank Of India for de-registration of its NBFC status and accordingly certificate of registration (COR) had also been surrendered. Subsequent to the Balance Sheet date of 31st March, 2016, the approval for de-registration of the NBFC status has been received from RBI vide letter dated 6th May, 2016.
- The consolidated financial results have been prepared as per the requirement of Accounting Standard-23, based on the financial results of the Company and its Associate namely Escorts Assets Management Limited.
- The figures of the quarter ended March 31, 2016 are the balancing figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year. Figures for the previous periods have been regrouped/ rearranged/ restated wherever necessary to make them comparable with those of the current period.

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

S.N. Shivakumar

CA S.N. Shivakumar
Partner
Membership No. 088113

Place: Faridabad
Date: May 30, 2016



By Order of the Board
For Escorts Finance Limited

Pritam Narang
Director

ESCORTS FINANCE LIMITED

Regd. Office : SCO-198-200, Second Floor, Sector-34A, Chandigarh-160022 CIN : L65910CH1987PLC033652

(Rs. in Lacs)

Statement of Assets & Liabilities

Particulars	Standalone		Consolidated	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share Capital	4,967.25	4,967.25	4,967.25	4,967.25
(b) Reserves and Surplus	(21,731.87)	(21,768.29)	(21,847.83)	(21,858.55)
Sub Total - Shareholders Funds	(16,764.62)	(16,801.04)	(16,880.58)	(16,891.30)
Minority Interest				
2 Non-current liabilities				
(a) Long-term provisions	2.45	2.13	2.45	2.13
Sub Total - Non Current Liabilities	2.45	2.13	2.45	2.13
3 Current Liabilities				
(a) Other Current Liabilities	17,417.89	17,422.83	17,417.89	17,422.83
(b) Short-Term Provisions	189.21	189.18	189.21	189.18
Sub Total- Current Liabilities	17,607.10	17,612.01	17,607.10	17,612.01
TOTAL EQUITY AND LIABILITIES	844.93	813.10	728.97	722.84
B ASSETS				
1 Non-Current Assets				
(a) Fixed Assets	0.20	0.20	0.20	0.20
(b) Non-Current Investments	489.93	489.93	373.97	399.67
(c) Long Term Loans and Advances	-	-	-	-
Sub Total- Non Current Assets	490.13	490.13	374.17	399.87
2 Current Assets				
(a) Current investments	0.01	0.01	0.01	0.01
(b) Inventories	0.01	0.01	0.01	0.01
(c) Trade Receivables	-	-	-	-
(d) Cash and Cash Equivalents and Bank Balances	34.54	2.55	34.54	2.55
(e) Short-Term Loans and Advances	320.18	320.37	320.18	320.37
(f) Other Current Assets	0.06	0.03	0.06	0.03
Sub Total- Current Assets	354.80	322.97	354.80	322.97
TOTAL ASSETS	844.93	813.10	728.97	722.84

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

S.N. Shivakumar

CA S.N. Shivakumar
Partner
Membership No. 088113

Place: Faridabad
Date: May 30, 2016



By Order of the Board
For Escorts Finance Limited

Pritam Narang
Pritam Narang
Director

N. M. RAIJI & CO.

Chartered Accountants

E-7/14, Vasant Vihar

New Delhi-110057

Telephone : 41660547

Telefax : 41660548

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, 2016 and the standalone year to date results for the period April 01, 2015 to March 31, 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Accounting Standards prescribed under Section 133 of the Companies Act, 2013, 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. 5(a), regarding non-maintenance of investments in Government Securities as liquid assets in terms of Section 45-IB of Reserve Bank of India Act, 1934;
- (ii) Note No. 5(a), regarding non-maintenance of minimum capital adequacy ratio working out to - 6517.79 (negative) as against 37.77 required to be maintained in terms of Non-Banking Financial Companies requirements;
- (iii) Note No. 5(b), regarding non-provision of preference dividend on cumulative preference shares amounting to Rs.95.00 lakhs for the year;
- (iv) Note No. 5(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.
- (v) Note No. 5(d), regarding unpaid/unclaimed matured Fixed Deposit Liability aggregating to Rs.1278.78 lakhs as on balance sheet date;



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 matter described in sub-paragraph (iii), (iv) and (v) under the Basis for Qualified Opinion above*, these 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 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, 2016 as well as the year to date results for the period from April 01, 2015 to March 31, 2016.

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 had filed an application with the Reserve Bank of India for de-registration of its NBFC status and accordingly Certificate of Registration (COR) had also been surrendered. Subsequent to the balance sheet date of 31st March 2016, the approval for de-registration of the NBFC Status has been received from RBI vide letter dated 06th May 2016.
6. The statement includes the results for the quarter ended March 31, 2016 being the balancing figure between the audited figure in respect of the full financial year and the published year to date figure 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: 30th May, 2016







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, 2016 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lacs)
	1.	Turnover / Total income	76.47	76.47
	2.	Total Expenditure	40.05	40.05
	3.	Net Profit/(Loss)	36.42	36.42
	4.	Earnings Per Share	0.09	0.09
	5.	Total Assets	844.93	844.93
	6.	Total Liabilities	844.93	844.93
	7.	Net Worth	(16764.62)	(16859.62)
	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 25: regarding unpaid/unclaimed matured Fixed Deposit liability aggregating to Rs. 1278.78 lakhs as on balance sheet date;</i></p> <p><i>(ii) Note 29: regarding non-provision of preference dividend on cumulative preference shares amounting to Rs. 95.00 lakhs for the year;</i></p> <p><i>(iii) Note 30: 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 had filed an application with the Reserve Bank of India for de-registration of its NBFC status and accordingly Certificate of Registration (COR) had also been surrendered. Subsequent to the balance sheet date of 31st March 2016, the approval for de-registration of the NBFC Status has been received from RBI vide letter dated 06th May 2016.</p>
	b. Type of Audit Qualification : Qualified Opinion
	<p>c. Frequency of qualification:</p> <p>(i) 6 years</p> <p>(ii) 5 years</p> <p>(iii) 6 years</p>

	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>(i) Note 25 - In accordance with the Hon'ble Delhi High Court's Order / direction dated 04th March 2011, Escorts Benefit Trust (EBT) created by Escorts Limited, repaid matured fixed deposit liability against the claims received till 03rd March 2013. Claims received after the said date have also been entertained and settled after due verification. As at 31st March 2016, the unpaid/unclaimed matured fixed deposits liability is Rs. 1278.78 (Previous Year Rs. 1357.40 lacs) which are pending to be deposited in the Investor Education & Protection Fund.</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 29 - Due to accumulated losses and loss for the year, the Company has not made provision for preference dividend on cumulative preference shares amounting to Rs. 95.00 lakhs.</p> <p>Management Response: Provision for dividend 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 30 - The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Accounting Standard 15 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>

5.	Signed by-  P.K. Marwah Manager	 Rochak Puri Audit Committee Chairman
	 Donald Fernandez Chief Financial Officer	 S.N. Shivakumar, Partner of N.M. Rajji & Co. Statutory Auditors of the Company



Place: Faridabad
 Date: May 30, 2016

N. M. RAIJI & CO.

Chartered Accountants

E-7/14, Vasant Vihar
New Delhi-110057
Telephone : 41660547
Telefax : 41660548

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, 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Accounting Standard prescribed under Section 133 of the Companies Act, 2013, 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. 5(a), regarding non-maintenance of investments in Government Securities as liquid assets in terms of Section 45-IB of Reserve Bank of India Act, 1934;
- (ii) Note No. 5(a), regarding non-maintenance of minimum capital adequacy ratio working out to - 6517.79 (negative) as against 37.77 required to be maintained in terms of Non-Banking Financial Companies requirements;
- (iii) Note No. 5(b), regarding non-provision of preference dividend on cumulative preference shares amounting to Rs.95.00 lakhs for the year;
- (iv) Note No. 5(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.
- (v) Note No. 5(d), regarding unpaid/unclaimed matured Fixed Deposit Liability aggregating to Rs.1278.78 lakhs as on balance sheet date;



4. We did not audit the financial statements of the associate included in the consolidated financial results, whose financial statements reflect total assets of Rs. 1325.78 lakhs as at March 31, 2016; as well as the total revenue of Rs. 195.68 lakhs for the year ended March 31, 2016. 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 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, 2016.

6. 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 had filed an application with the Reserve Bank of India for de-registration of its NBFC status and accordingly Certificate of Registration (COR) had also been surrendered. Subsequent to the balance sheet date of 31st March 2016, the approval for de-registration of the NBFC Status has been received from RBI vide letter dated 06th May 2016.

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: 30th May, 2016

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, 2016 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lacs)
	1.	Turnover / Total income	76.47	76.47
	2.	Total Expenditure	65.75	65.75
	3.	Net Profit/(Loss)	10.72	10.72
	4.	Earnings Per Share	0.03	0.03
	5.	Total Assets	728.97	728.97
	6.	Total Liabilities	728.97	728.97
	7.	Net Worth	(16880.58)	(16975.58)
	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 25: regarding unpaid/unclaimed matured Fixed Deposit liability aggregating to Rs. 1278.78 lakhs as on balance sheet date;</i></p> <p><i>(ii) Note 29: regarding non-provision of preference dividend on cumulative preference shares amounting to Rs. 95.00 lakhs for the year;</i></p> <p><i>(iii) Note 30: 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 had filed an application with the Reserve Bank of India for de-registration of its NBFC status and accordingly Certificate of Registration (COR) had also been surrendered. Subsequent to the balance sheet date of 31st March 2016, the approval for de-registration of the NBFC Status has been received from RBI vide letter dated 06th May 2016.</p>
	b. Type of Audit Qualification : Qualified Opinion
	<p>c. Frequency of qualification:</p> <p>(i) 6 years</p> <p>(ii) 5 years</p> <p>(iii) 6 years</p>

	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>(i) Note 25 - In accordance with the Hon'ble Delhi High Court's Order / direction dated 04th March 2011, Escorts Benefit Trust (EBT) created by Escorts Limited, repaid matured fixed deposit liability against the claims received till 03rd March 2013. Claims received after the said date have also been entertained and settled after due verification. As at 31st March 2016, the unpaid/unclaimed matured fixed deposits liability is Rs. 1278.78 (Previous Year Rs. 1357.40 lacs) which are pending to be deposited in the Investor Education & Protection Fund.</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 29 - Due to accumulated losses and loss for the year, the Company has not made provision for preference dividend on cumulative preference shares amounting to Rs. 95.00 lakhs.</p> <p>Management Response: Provision for dividend 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 30 - The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Accounting Standard 15 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>

5. Signed by-

 P.K. Marwah Manager	 Rochak Puri Audit Committee Chairman
 Donald Fernandez Chief Financial Officer	 S.N. Shivakumar, Partner of N.M. Rajji & Co. Statutory Auditors of the Company 

Place: Faridabad

Date: May 30, 2016