

May 04, 2019

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 04, 2019 has approved the following items:

- (i) Audited Financial Results (Standalone) of the Company for the quarter/ year ended March 31, 2019; and
- (ii) Audited Financial Results (Consolidated) of the Company for the year ended March 31, 2019.

Please find enclosed herewith the following:

1. Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2019.
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 8:00 p.m. and concluded at 9:30 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 64-65, Third Floor, Sector-17A, Chandigarh-160017 CIN : L65910CH1987PLC033652
Website: www.escortsfinance.com, Email:escortsfinance@escorts.co.in; Phone: 0129-2564116

**STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019**

Rs. In Lakhs

Sl. No	Particulars	Standalone					Consolidated	
		Quarter ended			Year ended		Year ended	
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
1	Income							
	a) Revenue from operations	1.32	0.11	1.99	4.71	15.90	4.71	15.90
	b) Other income	39.28	0.10	0.18	39.65	0.52	36.35	165.71
	Total income	40.60	0.21	2.17	44.36	16.42	41.06	181.61
2	Expenses							
	a) Employee benefits expense	3.73	3.48	3.06	14.61	13.25	14.61	13.25
	b) Finance costs	0.01	-	-	0.01	0.01	0.01	0.01
	c) Depreciation and amortisation expense	0.00	-	-	-	-	-	-
	d) Other expenses	3.57	8.96	261.01	22.94	279.37	22.94	279.37
	Total expenses	7.31	12.44	264.07	37.56	292.63	37.56	292.63
3	Profit/(loss) before share of net profit of investment accounted for using the equity method and exceptional item & tax (1-2)	33.29	(12.23)	(261.90)	6.80	(276.21)	3.50	(111.02)
4	Share of profit/(loss) of equity accounted investments	-	-	-	-	-	3.30	0.01
5	Profit/(loss) before exceptional item & tax (3-4)	33.29	(12.23)	(261.90)	6.80	(276.21)	6.81	(111.01)
6	Exceptional Items	-	-	-	-	-	-	-
7	Profit/(loss) before tax (5-6)	33.29	(12.23)	(261.90)	6.80	(276.21)	6.81	(111.01)
8	Tax expense (*)	-	-	-	-	178.80	-	178.80
9	Net Profit/(Loss) after tax (7-8)	33.29	(12.23)	(261.90)	6.80	(97.41)	6.81	67.79
10	Other comprehensive income (OCI)							
	Items that will not be reclassified to profit and loss	(38.98)	-	-	(38.98)	(0.06)	(38.99)	(0.06)
	Income Tax relating to Items that will not be reclassified to profit and loss	-	-	-	-	-	-	-
11	Total comprehensive income for the period (9+10)	(5.69)	(12.23)	(261.90)	(32.18)	(97.47)	(32.18)	67.73
12	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
13	Other Equity (excluding revaluation reserve)	-	-	-	(21,867.34)	(21,835.16)	(21,867.34)	(21,835.15)
14	Earnings per share (of Rs.10/- each) Basic & Diluted (Rs.)	0.0829	(0.0304)	(0.6519)	0.0169	(0.2425)	0.0169	0.1687

Notes:-

- The above Standalone Financial 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 4 May 2019.
- The above results are in compliance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs.
- Assets and liabilities**

Rs. In Lakhs

Particulars	Standalone		Consolidated	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
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	284.26	271.37	284.26	271.38
(ii) Other financial assets	-	-	-	-
d) Other non-current assets	118.41	132.28	118.41	132.28
e) Income tax assets	60.19	60.19	60.19	60.19
Total non-current assets	463.07	464.04	463.07	464.05
2 Current assets				
a) Inventories	-	-	-	-
b) Financial assets				
(i) Trade receivables	-	-	-	-
(ii) Cash and cash equivalents	5.00	31.21	5.00	31.21
(iii) Other financial assets	4.30	4.07	4.30	4.07
c) Other current assets	14.76	13.36	14.76	13.36
Total current assets	24.06	48.64	24.06	48.64
Total assets	487.12	512.68	487.12	512.69
EQUITY AND LIABILITIES				
1 Equity				
a) Equity share capital	4,017.25	4,017.25	4,017.25	4,017.25
b) Other equity				
(i) Retained earning	(21,867.34)	(21,835.16)	(21,867.34)	(21,835.15)
Total Equity	(17,850.09)	(17,817.91)	(17,850.09)	(17,817.90)
2 Non-current liabilities				
a) Financial liabilities				
(i) Borrowings	-	-	-	-
(ii) Other financial liabilities	14,777.09	14,766.97	14,777.09	14,766.97
b) Provisions	4.33	3.68	4.33	3.68
Total non-current liabilities	14,781.42	14,770.65	14,781.42	14,770.65
3 Current liabilities				
a) Financial liabilities				
(i) Borrowings	950.00	950.00	950.00	950.00
(ii) Other financial liabilities	2,594.14	2,597.87	2,594.14	2,597.87
b) Provisions	0.09	0.07	0.09	0.07
c) Current tax liabilities	9.73	9.73	9.73	9.73
d) Other current liabilities	1.83	2.27	1.83	2.27
Total current liabilities	3,555.79	3,559.94	3,555.79	3,559.94
Total equity and liabilities	487.12	512.68	487.12	512.69



- 4 The Company has a single reportable segment namely financial services (limited to recovery of loan assets) for the purpose of Ind AS-108.
- 5 M/s Escorts Benefit Trust (EBT) in terms of the directions of Hon'ble Delhi High Court to repay the unpaid fixed deposit liability, maintains adequate funds to repay the matured unpaid fixed deposit liability. During the quarter ended on 31 March 2019, EBT has settled the claims to the extent of Rs. 7.61 lacs by repayment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1085.00 lacs as on 31 March 2019 (Rs.1092.61 lacs as on 31 December 2018) .
- 6* Deferred Tax Assets has not been recognised in the books of account as there is no virtual certainty of future taxable income.
- 7 Response to auditor's qualifications on the financial results for the quarter ended 31 March 2019:
- (a) Remaining liabilities towards unclaimed matured fixed deposit and interest thereon is Rs.1085.00 lacs as on 31 March 2019 and the same is pending for deposit in Investor Education & Protection Fund.
Complete facts have been disclosed in Note 5 above which is self explanatory and does not call for any further comments.
- 8 The Company had accumulated losses as at the close of the financial year with its net worth continuing to stand fully eroded. However the Company continues to focus on recovery of old delinquent loan assets through settlement/ compromise /legal action etc. arising out of it's earlier NBFC business. The management is considering various options to undertake suitable business(s) and therefore the accounts have been prepared on a Going Concern Basis.
- 9 The Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge of the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending for hearing before NCLT.
- 10 The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary.

For Kapish Jain & Associates,
Chartered Accountants
Firm Registration No.022743N


CA Kapish Jain
Partner
Membership No. 514162



Place: Faridabad
Date: 4 May 2019



By Order of the Board
For Escorts Finance Limited


Pritam Nakang
Whole Time Director
DIN 00982418



F.R.N. 022743N

KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office: 504, B-Wing, Statesman House, 148, Barakhamba Road, New Delhi - 110001 | Phone : +91-11-43708987
Mobile : +91 9971 921466 | Email : ca.kapish@gmail.com | Website : www.kapishjainassociates.com; www.cakja.com

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

To
Board of Directors of
Escorts Finance Limited

1. We have audited the accompanying statement of standalone financial results of **Escorts Finance Limited** ("the Company") for the quarter and year ended March 31, 2019 ("the Statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 ("the Circular"). These standalone financial results for the quarter and year ended March 31, 2019 have been prepared on the basis of the standalone financial results for the nine month period ended December 31, 2018, the audited annual standalone finance statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine months period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind-AS) 34 Interim Financial Reporting, specified 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 audit of the annual standalone financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
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:

Note 7(a) to the financial results, the remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1085.00 lacs as on balance sheet date and the same is pending for deposit in Investor Education & Protection Fund.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described under the Basis for Qualified Opinion paragraph*, 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, as amended, 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, other comprehensive income and other financial information for the quarter ended March 31, 2019 as well as the year to date results for the period from April 01, 2018 to March 31, 2019.

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, however, the financial statements have been prepared on a going concern basis for reasons explained by the management, including the possibilities of considering various options to undertake suitable business(s). We have relied on the representation made to us by the management.
- (ii) the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of its earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.
- (iii) interest on preference shares amounting to Rs. 95 lacs pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made for the year, have been waived by the preference shareholders.
- (iv) the Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge of the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending for hearing before NCLT.



6. We report that the figures for the quarter ended March 31, 2019 represents the derived figures between the audited figure in respect of the financial year ended March 31, 2019 and the published year to date figure up to December 31, 2018, being the date of the end of the third quarter of the current financial year which were subjected to a limited review as required under the Regulation and the Circular.

For **Kapish Jain & Associates**

Chartered Accountants

Firm Registration Number 022743N



CA. Kapish Jain

Partner

Membership No. 514162



Place: Faridabad

Date: 4 May 2019



F.R.N. 022743N

KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office: 504, B-Wing, Statesman House, 148, Barakhamba Road, New Delhi - 110001 | Phone : +91-11-43708987
Mobile : +91 9971 921466 | Email : ca.kapish@gmail.com | Website : www.kapishjainassociates.com; www.cakja.com

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

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 share of the net profit / (loss) after tax and total comprehensive income of its associate for the year ended March 31, 2019, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended 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 standards of auditing 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:

Note 7(a) to the financial results, the remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1085.00 lacs as on balance sheet date and the same is pending for deposit in Investor Education & Protection Fund.



4. We did not audit the financial statements of the associate; whose financial statements reflect total assets of Rs. 2957.06 lacs as at 11 May 2018; as well as the total revenue of Rs. 82.41 lacs for the period 1 April 2018 to 11 May 2018. These financial statements have been certified by the management. In our opinion, and according to the information and explanation given to us by the management, these financial results/statements and other financial information are not material to the Company. Our opinion is not modified in respect of this matter.
5. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects/possible effects of the matter described under the Basis for Qualified Opinion paragraph*, these consolidated financial results:
- (a) include the financial results of the following entity:
- Escorts Securities Limited - an associate (ceased to be an associate on 11 May 2018)
- (b) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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, 2018.

7. 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, however, the financial statements have been prepared on a going concern basis for reasons explained by the management, including the possibilities of considering various options to undertake suitable business(s). We have relied on the representation made to us by the management.
- (ii) the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of its earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.
- (iii) interest on preference shares amounting to Rs. 95 lacs pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made for the year, have been waived by the preference shareholders.



- (iv) the Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge of the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending for hearing before NCLT.

For **Kapish Jain & Associates**

Chartered Accountants

Firm Registration Number 022743N



CA. Kapish Jain

Partner

Membership No. 514162



Place: Faridabad

Date: 4 May 2019

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, 2019 [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	5.38	5.38
	2.	Total Expenditure	37.56	37.56
	3.	Net Profit/(Loss)	(32.18)	(32.18)
	4.	Earnings Per Share	0.02	0.02
	5.	Total Assets	487.12	487.12
	6.	Total Liabilities	487.12	487.12
	7.	Net Worth	(17850.09)	(17850.09)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>Details of Audit Qualification:</p> <p>(i) <i>Note 7(a) to the financial results, the remaining liability towards unclaimed fixed deposit and interest thereon is Rs. 1085.00 lacs as on balance sheet date and the same is pending for deposit in Investor Education & Protection Fund;</i></p> <p>Details of Emphasis of Matters (opinion not qualified):</p> <p>(i) the Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on a going concern basis for reasons explained by the management, including the possibilities of considering various options to undertake suitable business(s). We have relied on the representation made to us by the management.</p> <p>(ii) the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of it's earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.</p> <p>(iii) interest on preference shares amounting to Rs. 95 lacs pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made for the year, have been waived by the preference shareholders.</p> <p>(iv) the Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge of the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending for hearing before NCLT.</p>

	a. Type of Audit Qualification : Qualified Opinion
	b. Frequency of qualification: (i) 9 years
	c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: (i) Note 7(a) - M/s Escorts Benefit Trust (EBT) in terms of the directions of Hon'ble Delhi High Court to repay the matured unpaid fixed deposit liability, maintains adequate funds to repay the matured unpaid fixed deposit liability. During the year ended 31 March 2019, EBT has settled the claims to the extent of Rs. 10.13 lacs by payment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1085.00 lacs as on 31 March 2019 (Rs. 1095.13 lacs as on 31 March 2018) and is pending for deposit in Investor Education & Protection Fund. Management Response: Complete facts have been disclosed in the note 5 which is self-explanatory and do not call for any further comments.
	d. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Not Applicable (ii) If management is unable to estimate the impact, reasons for the same: Not Applicable (iii) Auditors' Comments on (i) or (ii) above: Audit qualifications, as restated above, are self-explanatory.

III.	Signed by-  Pritam Nārang Whole Time Director	 Sumit Raj Audit Committee Chairman
	 Donald Fernandez Chief Financial Officer	  Kapish Jain, Partner of M/s Kapish Jain & Associates, Statutory Auditors of the Company

Place: Faridabad

Date: May 4, 2019




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, 2019 [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	44.36	44.36
	2.	Total Expenditure	76.54	76.54
	3.	Net Profit/(Loss)	(32.18)	(32.18)
	4.	Earnings Per Share	0.02	0.02
	5.	Total Assets	487.12	487.12
	6.	Total Liabilities	487.12	487.12
	7.	Net Worth	(17850.09)	(17850.09)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II.	<u>Audit Qualification (each audit qualification separately):</u>
	<p>Details of Audit Qualification:</p> <p>(i) <i>Note 7(a) to the financial results, the remaining liability towards unclaimed fixed deposit and interest thereon is Rs. 1085.00 lacs as on balance sheet date and the same is pending for deposit in Investor Education & Protection Fund;</i></p> <p>Details of Emphasis of Matters (opinion not qualified):</p> <p>(i) the Company had accumulated losses at the close of the financial year with its net worth continuing to stand fully eroded and, however, the financial statements have been prepared on a going concern basis for reasons explained by the management, including the possibilities of considering various options to undertake suitable business(s). We have relied on the representation made to us by the management.</p> <p>(ii) the Company is no longer registered with Reserve Bank of India (RBI) as Non-Banking Financial Institution (NBFI) after cancellation of it's earlier registration vide RBI letter no DNBS(NDI) S.3242/MSA/06.05.001/2015-16 dated 6th May 2016. Accordingly, the related provisions pertaining to NBFI are currently not applicable to the Company.</p> <p>(iii) interest on preference shares amounting to Rs. 95 lacs pertaining to 10% Redeemable Cumulative Preference Shares of Rs. 10/- each for which no provision was made for the year, have been waived by the preference shareholders.</p> <p>(iv) the Company had issued 10% Cumulative Redeemable Preference Shares of Rs. 10 each maturing on 30 March 2019. Due to liquidity crunch, the discharge of the said liability before or on due date of redemption has not been done. The Company has received a No Objection Certificate from the preference share holder extending the maturity period of said Preference Shares for a further period of 20 years. Accordingly, the Company has filed a petition before National Company Law Tribunal (NCLT) on 29 March 2019 seeking issuance of 1% Cumulative Redeemable Preference Shares in place of said Preference Shares with new terms and conditions. This aforesaid matter is pending for hearing before NCLT.</p>

	a. Type of Audit Qualification: Qualified Opinion
	b. Frequency of qualification: (i) 9 years
	c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: (i) Note 7(a) - M/s Escorts Benefit Trust (EBT) in terms of the directions of Hon'ble Delhi High Court to repay the matured unpaid fixed deposit liability, maintains adequate funds to repay the matured unpaid fixed deposit liability. During the year ended 31 March 2019, EBT has settled the claims to the extent of Rs. 10.13 lacs by payment to respective fixed deposit holders. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1085.00 lacs as on 31 March 2019 (Rs. 1095.13 lacs as on 31 March 2018) and is pending for deposit in Investor Education & Protection Fund. Management Response: Complete facts have been disclosed in the note 5 which is self-explanatory and do not call for any further comments.
	d. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Not Applicable (ii) If management is unable to estimate the impact, reasons for the same: Not Applicable (iii) Auditors' Comments on (i) or (ii) above: Audit qualifications, as restated above, are self-explanatory.

III.	Signed by-  Pritam Nārang Whole Time Director	 Sumit Raj Audit Committee Chairman
	 Donald Fernandez Chief Financial Officer	  Kapish Jain, Partner of M/s Kapish Jain & Associates, Statutory Auditors of the Company

Place: Faridabad

Date: May 4, 2019