

October 30, 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 & Unaudited 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. October 30, 2019 has approved the following items:

- (i) Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2019
- (ii) Limited Review Report

Please find enclosed herewith the following:

1. Unaudited Financial Results for the quarter and half year ended September 30, 2019.
2. Limited Review Report.

We further wish to inform you that the Board Meeting held today commenced at 5:50 p.m. and concluded at 9:25 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 UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2019**

Sl. No	Particulars	Rs. In Lakhs					
		Quarter ended			Six Months ended		Year ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
1	<b>Income</b>						
a)	Revenue from operations	5.95	-	1.39	5.95	3.28	4.71
b)	Other income	0.16	20.12	0.14	20.28	0.27	39.65
	<b>Total Income</b>	<b>6.11</b>	<b>20.12</b>	<b>1.53</b>	<b>26.23</b>	<b>3.55</b>	<b>44.36</b>
2	<b>Expenses</b>						
a)	Employee benefits expense	4.09	3.43	4.19	7.52	7.40	14.61
b)	Finance costs	0.01	-	-	0.01	-	0.01
c)	Depreciation and amortisation expense	-	-	-	-	-	-
d)	Other expenses	7.36	4.05	5.55	11.41	10.41	22.94
	<b>Total expenses</b>	<b>11.46</b>	<b>7.48</b>	<b>9.74</b>	<b>18.94</b>	<b>17.81</b>	<b>37.56</b>
3	<b>Profit/(loss) before exceptional item &amp; tax (1-2)</b>	<b>(5.35)</b>	<b>12.64</b>	<b>(8.21)</b>	<b>7.29</b>	<b>(14.26)</b>	<b>6.80</b>
4	Exceptional Items	-	-	-	-	-	-
5	<b>Profit/(loss) before tax (3-4)</b>	<b>(5.35)</b>	<b>12.64</b>	<b>(8.21)</b>	<b>7.29</b>	<b>(14.26)</b>	<b>6.80</b>
6	Tax expense (*)	-	-	-	-	-	-
7	<b>Net Profit/(Loss) after tax (5-6)</b>	<b>(5.35)</b>	<b>12.64</b>	<b>(8.21)</b>	<b>7.29</b>	<b>(14.26)</b>	<b>6.80</b>
8	Other comprehensive income (OCI)	-	-	-	-	-	-
	Items that will not be reclassified to profit and loss	(4.23)	(2.33)	-	(6.56)	-	(38.98)
	Income Tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-	-
9	<b>Total comprehensive income for the period (7+8)</b>	<b>(9.58)</b>	<b>10.31</b>	<b>(8.21)</b>	<b>0.73</b>	<b>(14.26)</b>	<b>(32.18)</b>
10	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
11	Other Equity (excluding revaluation reserve)	-	-	-	-	-	(21,867.34)
12	Earnings per share (of Rs.10/- each), Basic & Diluted (Rs.)	(0.0133)	0.0315	(0.0204)	0.0181	(0.0355)	0.0169

**Notes:-**  
1 The above Standalone Financial Results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at their meeting held on 30 October 2019. The auditors have carried out a limited review of the unaudited standalone financial results.  
2 The above results are in compliance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs.  
3 The Company has a single reportable segment namely financial services (limited to recovery of loan assets) for the purpose of Ind AS-108.

Particulars	Rs. In Lakhs	
	Standalone	
	As at 30.09.2019	As at 31.03.2019
<b>ASSETS</b>		
<b>1 Non-current assets</b>		
a) Property, plant and equipment	0.11	0.11
b) Other Intangible assets	0.09	0.09
c) Financial assets		
(i) Investments	284.63	284.26
(ii) Other financial assets	-	-
d) Other non-current assets	110.78	118.41
e) Income tax assets	61.17	60.19
<b>Total non-current assets</b>	<b>456.78</b>	<b>463.06</b>
<b>2 Current assets</b>		
a) Inventories	-	-
b) Financial assets		
(i) Trade receivables	2.83	-
(ii) Cash and cash equivalents	3.74	5.00
(iii) Other financial assets	4.44	4.30
c) Other current assets	18.67	14.76
<b>Total current assets</b>	<b>29.68</b>	<b>24.06</b>
<b>Total assets</b>	<b>486.46</b>	<b>487.12</b>
<b>EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
a) Equity share capital	4,017.25	4,017.25
b) Other equity		
(i) Retained earning	(21,866.61)	(21,867.34)
<b>Total Equity</b>	<b>(17,849.36)</b>	<b>(17,850.09)</b>
<b>2 Non-current liabilities</b>		
a) Financial liabilities		
(i) Borrowings	-	-
(ii) Other financial liabilities	14,785.30	14,777.09
b) Provisions	4.33	4.33
<b>Total non-current liabilities</b>	<b>14,789.63</b>	<b>14,781.42</b>
<b>3 Current liabilities</b>		
a) Financial liabilities		
(i) Borrowings	950.00	950.00
(ii) Other financial liabilities	2,584.61	2,594.14
b) Provisions	0.09	0.09
c) Current tax liabilities	9.73	9.73
d) Other current liabilities	1.76	1.83
<b>Total current liabilities</b>	<b>3,546.19</b>	<b>3,555.79</b>
<b>Total equity and liabilities</b>	<b>486.46</b>	<b>487.12</b>





5	STANDALONE STATEMENT OF CASH FLOWS	Rs. In Lakhs	
		For the six months ended	
		30.09.19	30.09.18
<b>A. Cash flow from operating activities</b>			
Profit/(loss) after tax		0.73	(14.26)
Adjustments for :			
Provision for Gratuity & Leave Encashment			-0.55
Finance cost		0.01	-
		0.74	(13.71)
<b>Changes in assets and liabilities</b>			
(Increase)/decrease in other financial assets and inventory		(0.14)	(0.12)
(Increase)/decrease in trade receivables		(2.83)	-
(Increase)/decrease in other assets		2.37	(2.89)
Increase/(decrease) in trade payable		-	-
Increase/(decrease) in other liabilities		6.81	(1.68)
<b>Cash generated from operating activities</b>		6.95	(18.40)
Financial Expenses		(0.01)	-
<b>Net cash generated from operating activities</b>		6.94	(18.40)
<b>B. Cash Flow from Investing Activities</b>			
Purchase/Sale of property, plant and equipment		-	-
<b>Net cash generated from/(used in) investing activities</b>		-	-
<b>C. Cash flows from financing activities</b>			
Increase/(Decrease) in Fixed Deposits (matured/unclaimed)		(8.20)	(0.21)
<b>Net cash generated from/(used in) financing activities</b>		(8.20)	(0.21)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		(1.26)	(18.61)
Cash and cash equivalents at the beginning of year		5.00	31.21
<b>Cash and cash equivalents at the end of year</b>		3.74	12.60

\* The above statement of cash flow has been prepared under the ' Indirect Method'

- 6 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. No claim has been settled by EBT during the quarter ended on 30 September 2019. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1076.80 lacs as on 30 September 2019 (Rs.1076.80 lacs as on 30 June 2019).
- 7\* Deferred Tax Assets has not been recognised in the books of account as there is no virtual certainty of future taxable income.
- 8 Response to auditor's qualifications on the financial results for the quarter and six months ended 30 September 2019:
- (a) Remaining liabilities towards unclaimed matured fixed deposit and interest thereon is Rs.1076.80 lacs as on 30 September 2019 and the same is pending for deposit in Investor Education & Protection Fund.  
Complete facts have been disclosed in Note 6 above which is self explanatory and does not call for any further comments.
- 9 The Company had accumulated losses as at the close of the six months ended on 30 September 2019 with its net worth continuing to stand fully eroded. 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 also considering various options to undertake suitable business(s) and therefore the accounts have been prepared on a Going Concern Basis.
- 10 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.
- 11 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: 30 October 2019



By Order of the Board  
For Escorts Finance Limited

Rajeev Khanna  
Whole Time Director  
DIN 08471497





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

## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Standalone Unaudited Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### Review Report to The Board of Directors Escorts Finance Limited



1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results ("Statement") of **Escorts Finance Limited** ("the Company") for the quarter ended 30 September 2019 and the Standalone Unaudited Year to Date Results for the period 1 April 2019 to 30 September 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulation, 2015 (the "Regulation") as amended, including relevant circulars issued by the SEBI from time to time.
2. This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited interim standalone financial information which has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statements are free of material misstatements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. ***Notwithstanding the fact that the net worth of the company is fully eroded, in the opinion of the management, in view of the future business plans of the Company, the going concern concept is not vitiated.***
5. ***M/s Escorts Benefit Trust (EBT) created by Escorts Limited maintains adequate funds to repay the matured unpaid fixed deposit liability, in terms of the direction of Hon'ble Delhi High Court. No claim has been settled by EBT during the quarter ended on 30 September 2019. The remaining liability towards unclaimed fixed deposits and interest thereon is Rs. 1076.80 lacs as on 30 September 2019 (Rs. 1076.80 lacs as on 30 June 2019) and the same is pending for deposit in Investor Education & Protection Fund.***





6. *There is considerable delay/difficulty in collection of instalments due and recovery of advances, consequently, the Company has, as a matter of prudence, continued with the provisions created earlier amounting to Rs. 703.14 lacs for doubtful trade receivables and Rs. 253.82 lacs for doubtful advances, wherever applicable.*
7. *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.*
8. Investment in equity instruments of M/s Escorts Securities Limited (the "Investee Company") are measured at fair value in scope of Ind AS 109 for the period ended on 30 September 2019. To identify the fair value of Investee Company, we are considering the management reviewed financial statement for the six months ended on 30 September 2019 of the Investee Company which have been provided to us for our verification.
9. 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.
10. Based on our review conducted as stated above, ***except the effects of the matter described in paragraph 5 above and possible effects of the matter described in paragraph 4 & 7 above,*** nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 (Ind AS-34) specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

**Kapish Jain**  
Partner  
Membership No. 514162  
**UDIN 19514162AAAAFL5661**

Place: Faridabad  
Date: 30 October 2019