

Independent Auditor's Report on Consolidated Financial Statements

To The Board of Directors of Escorts Limited

We have audited the accompanying consolidated financial statements of Escorts Limited ("the Company"), its subsidiaries & joint venture company (the Company, its subsidiaries & joint venture company constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the Eighteen Months period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

1. The consolidated financial statements include unaudited financial statements of a subsidiary and a joint venture company. These unaudited financial statements have been compiled by the management and reflect total assets of Rs. 50.28 crores as at March 31, 2014 and the total revenues of Rs. 51.52 crores for the eighteen months period then ended. Our opinion, insofar as it relates to the amounts included in respect of these subsidiaries and joint venture companies is based solely on such management accounts. Since the financial statements for the period ended March 31, 2014, which were compiled by the management of these companies, was not audited, any adjustments to their balances could have consequential effects on the attached consolidated financial statements.
2. The company has not considered the financial statements of Farmtrac North America LLC and Beaver Creeks Holdings LLC in preparation of consolidated financial statements. In absence of financial statements, we are not able to give our opinion on amounts not included in respect of these subsidiaries. (Refer Note 2.a)

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 in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the eighteen months period ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the eighteen months period ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.71.12 crores as at March 31, 2014 and the total revenues of Rs. 183.66 crores for the eighteen months period then ended. These financial statements and other financial information, have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of such subsidiary is based solely on the report of the other auditor.

Our opinion is not qualified in respect of this matter.

For S. N. Dhawan and Co.
Chartered Accountants
(Firm Registration No. 000050N)

(Vijay Dhawan)
Partner
M.No.:12565

Place: New Delhi
Dated: May 28, 2014

Consolidated Balance Sheet As At March 31, 2014

	Notes	As At 31.03.2014	As At 30.09.2012
₹ Crores			
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	119.27	119.27
Reserves and Surplus	4	1,746.27	1,526.18
Minority Interest		17.75	11.40
Non-Current Liabilities			
Long-term Borrowings	5	145.25	169.72
Deferred Tax Liability (Net)	6	41.76	49.32
Other Long-term Liabilities	7	29.92	25.02
Long-term Provisions	8	119.68	118.74
Current Liabilities			
Short-term Borrowings	9	207.02	290.28
Trade Payables	10	869.61	881.23
Other Current Liabilities	11	263.48	292.91
Short-term Provisions	8	82.18	81.24
Total		3,642.19	3,565.31
ASSETS			
Non Current Assets			
Fixed Assets			
12			
Tangible Assets		1,633.97	1,582.96
Intangible Assets		19.74	11.80
Capital Work-in-Progress		31.21	54.04
Intangible Assets under Development		7.49	12.80
Non-current Investments		367.57	367.09
Deferred Tax Assets (Net)	6	55.28	49.99
Long-term Loans and Advances	13	28.07	36.24
Other Assets	14	114.09	100.98
Current Assets			
Current Investments		4.46	5.83
Inventories	15	587.10	524.36
Trade Receivables	16	372.45	477.20
Cash and Bank Balances	17	169.58	145.17
Short-term Loans and Advances	13	243.50	194.27
Other Assets	14	7.68	2.58
Total		3,642.19	3,565.31
Summary of Significant Accounting Policies	2		

The accompanying Notes (1 to 41) are an integral part of the Financial Statements.

For and on Behalf of the Board

RAJAN NANDA
Chairman and
Managing Director

NIKHIL NANDA
Managing Director

Dr. P.S. PRITAM
Director

Dr. S. A. DAVE
Director

As per our Report attached
for S.N.DHAWAN and CO.
Chartered Accountants
(Firm Regn. No. 000050N)

S.C. BHARGAVA
Director

HARDEEP SINGH
Director

G. B. MATHUR
Exec. Vice-President-Company
Secretary and Strategic Advisor

BHARAT MADAN
Group Financial Controller

VIJAY DHAWAN
Partner
M No. 12565

Place: Faridabad
Date: May 28, 2014

Consolidated Statement of Profit and Loss For the Eighteen Months Period Ended March 31, 2014

₹ Crores

	Notes	Period Ended 31.03.2014	Year Ended 30.09.2012
INCOME			
Revenue from Operations (Gross)	18	6,635.17	4,153.14
Less: Excise Duty		133.43	103.68
Revenue from Operations (Net)		6,501.74	4,049.46
Other Income	19	82.86	48.29
Total Revenue (I)		6,584.60	4,097.75
EXPENSES			
Cost of Raw Material and Components Consumed	20	4,359.72	2,773.45
Purchases of Traded Goods	21	318.48	233.87
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	22	(19.76)	(56.35)
Employee Benefits Expense	23	690.31	419.79
Finance Costs	24	112.20	97.02
Depreciation and Amortisation Expense	25	85.97	50.22
Other Expenses	26	766.03	489.17
Total Expenses (II)		6,312.95	4,007.17
Profit before Exceptional Items and Tax (I-II)		271.65	90.58
Exceptional Items	27	(3.47)	(1.36)
Profit Before Tax		275.12	91.94
Tax Expense:			
(a) Current Tax		68.40	20.51
(b) Minimum Alternative Tax Entitlement		(27.34)	(14.31)
(c) Deferred Tax		(12.85)	12.54
Profit for the Period		246.91	73.20
Less: Minority Interest		0.20	(0.61)
Profit After Tax Attributable To The Company		246.71	73.81
Earnings Per Equity Share (in ₹) (face value ₹10/- each)			
Basic		20.69	6.19
Diluted		20.68	6.19
Summary of Significant Accounting Policies	2		

The accompanying Notes (1 to 41) are an integral part of the Financial Statements.

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Place: Faridabad
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Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

1. CORPORATE INFORMATION

Escorts Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's shares are listed with Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Delhi Stock Exchange Limited. The Company is engaged in the business of manufacturing of agricultural tractors, engines for agricultural tractors, round end flat tubes, heating elements, double acting hydraulic shock absorbers for railways coaches, center buffer couplers, automobile shock absorbers, telescopic front fork and Mcpherson struts, brake block, internal combustion engine and all types of brake used by railway's, construction, earth moving and material handling equipments.

It also trades in oils and lubricants, implements, trailers, compressor accessories and spares, construction, earth moving and material handling equipments and aero business. The Group is into Financing and Investment activities also.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principal Of Consolidation

The consolidation of accounts is prepared in accordance with the requirement of Accounting Standard 21 (AS21) "Consolidated Financial Statement", Accounting Standard 23 (AS23) "Accounting for Investments in Associates in the Consolidated Financial Statements and Accounting Standard (AS27) "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India. The consolidated financial statements include the financial statements of Escorts Limited ('the Parent Company'), its Subsidiary Companies and Joint Ventures.

- The Subsidiaries and Joint Ventures considered in the preparation of consolidated financial statements are as follows

Sl. No.	Name of Company	Country of Incorporation	Proportion of ownership as on 31.03.2014	Held by	Reporting Period
LIST OF SUBSIDIARIES					
1	FarmtracTractors Europe Sp. z.o.o	Poland	100%	Escorts Limited	January-December
2	Escorts Securities Ltd. (ESL) (Board Controlled)	India	49.00%	EAML	April - March
3	Escorts Asset Management Ltd. (EAML)(Board Controlled)	India	30.00%	Escorts Limited	April-March
4	EDDAL Credit Limited	India	99.86%	Escorts Limited	April-March
LIST OF JOINT VENTURES					
1	Hughes Communications India Limited	India	13.38%	Escorts Limited	April-March

- Since the above Subsidiaries and Joint Ventures follows different accounting year, the accounts of these companies are prepared for the 18 months period ended March 31, 2014, the reporting date of the Parent company, to facilitate consolidation
- During the year, there were no transactions in Beaver Creek Holdings LLC (BCH), total assets being insignificant, the company has not considered the financial Statements of BCH for consolidation
- At the behest of the creditors of Farmtrac North America LLC (FNA) (a subsidiary of the Company), the Superior Court Division of Country of Edgecanbe, North Carolina, USA have appointed a Receiver for FNA, who has taken over all the assets, book and records of FNA accordingly the financial statement of FNA was not considered for consolidation

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that effect the reported amount of revenues, expenses, assets and liabilities and the disclosure of the contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. any revision to the accounting estimates is recognised in the period in which the results are known.

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

c. Tangible Fixed Assets

Fixed assets are stated at cost or at replacement cost in case of revaluation, less accumulated depreciation/amortisation and impairment losses, if any. Cost of acquisition or construction is inclusive of all incidentals and other attributable costs of bringing the asset to its working condition for its intended use and is net of available duty/tax credits.

d. Intangible Fixed Assets

In accordance with AS 26- Intangible Assets are valued at cost less accumulated amortisation and any impairment losses.

- i. Prototypes including work-in-progress developed during Research and Development, tractors and parts thereof used for carrying R&D activities and advances given for tooling are written off over a period of four years.
- ii. Technical know-how fee and expenditure on major Software products are written off over a period of six years.

e. Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of cash generating units as per Accounting Standard 28- 'Impairment of Assets' issued by Institute of Chartered Accountants of India. An impairment loss is recognised in books of accounts in the financial year concerned whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

f. Depreciation and Amortisation

- i. Depreciation on Plant and Machinery is provided on Straight Line Method.
- ii. Depreciation on all other Fixed Assets is calculated on the basis of Diminishing Balance Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 except Leasehold Land, which is amortised over the lease period.
- iii. The depreciation on assets acquired/sold/discarded/demolished during the year is provided from/upto the month the asset is commissioned/sold or discarded.
- iv. Assets costing upto ₹5,000 are depreciated fully in the year of purchase.
- v. Leasehold Improvements are written off over a period of six years or lease period whichever is less.

g. Inventory Valuation

- i. Raw Material and Components, Stores and Machinery Spares are stated at lower of cost and net realisable value.
- ii. Loose Tools are stated at cost or under.
- iii. Work in Progress, Finished and Trading Goods/Spare Parts are stated at lower of cost and net realisable value.
- iv. In determining the cost of Raw Materials and Components, Tools, Jigs and Dies, Stores and Machinery Spares Weighted Average Cost Method is used while in the case of Trading goods FIFO Method is used.
- v. Work in Progress and Finished Goods include cost of conversion and other costs incurred in bringing the Inventories to their present location and condition.

h. Revenue Recognition

- i) Dividend is accounted for an accrual basis when the right to receive the dividend is established.
- ii) Income recognition/provisions on non-performing assets is in accordance with the non-banking financial prudential norms (Reserve Bank) Directions, 2007.

i. Research and Development

Revenue expenditure incurred for research and development is charged to the Statement of Profit and Loss. Fixed assets purchased for research and development activities are capitalised in the year the same are put to use.

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

j. Employee Benefits

i) Defined Contribution Plan :

Employee benefits in the form of provident fund, employee state insurance and labour welfare fund are considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss of the year when the contribution to respective funds are due.

ii) Defined Benefit Plan :

Retirement benefits in the form of Gratuity is considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet.

Actuarial gain/losses are immediately recognised in the Statement Profit and Loss.

iii) Other Long Term Benefits :

Long term compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gain/losses are immediately recognised in the Statement of Profit and Loss.

k. Investment

Investments intended to be held for less than one year are classified as current investments and are carried at lower of cost or market value. All other investments are classified as long-term investments and are carried at cost. Investments in foreign companies are stated at the exchange rates prevailing on the date of investment.

A provision for diminution is made to recognise a decline other than temporary in the value of long term investments.

l. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the dates of the transactions. Gains/losses arising out of fluctuation in exchange rates on settlement are recognised in the Statement of Profit and Loss.

Foreign currency monetary assets and liabilities are restated at the Exchange Rate prevailing at the year-end and the overall net gain/ loss is adjusted to the Statement of Profit and Loss.

In case of Forward Exchange Contracts, the difference between the forward rate and the exchange rate at the date of transaction is recognised in the Statement of Profit and Loss over the life of the contract.

m. Tax Expense

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "Minimum Alternative Tax Entitlement" The company reviews the "Minimum Alternative Tax Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred Tax is recognised, subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and accounting income/(loss) that originated in one period and are capable of reversal

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets viz. unabsorbed depreciation and carry forward losses are recognised if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

n. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such assets upto the date the assets are ready for its intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

o. Unamortised Expenditure

- i. Development expenditure represents project related development expenditure/ business process re-engineering consultancy and market research. Such expenditure is written off over a period of six years.
- ii. Upfront and structuring fees are written off during the term of the respective loan.

p. Employee Stock Option Scheme

In respect of stock options granted pursuant to Employees Stock Option Scheme, the intrinsic value of the options (Excess of market price of the share over the exercise price of the options) is accounted as employee compensation cost over the vesting period.

q. Leases

- i. Asset acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- ii. Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

r. Government Grants

Government Grants are recognised when there is a reasonable assurance that the same will be received. Cash subsidies and capital grants relating to specific assets are reduced from the gross value of the respective assets, other capital grants and cash subsidies are credited to Capital Reserve.

s. Provisions and Contingent Liabilities and Contingent Assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- i. the Company has a present obligation as a result of a past event,
- ii. a probable outflow of resources is expected to settle the obligation
- iii. the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of

- i. A present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation
- ii. A possible obligation, of which the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 3 : SHARE CAPITAL

	₹ Crores	
	As At 31.03.2014	As At 30.09.2012
Authorised		
(i) 401,000,000 (Previous Year - 401,000,000 Shares) Equity Shares of ₹10 each	401.00	401.00
(ii) 888,000,000 (Previous Year - 888,000,000 Shares) Unclassified Shares of ₹10 each	888.00	888.00
	1,289.00	1,289.00
Issued, Subscribed and Paid-Up Capital		
12,25,76,878 (Previous year 12,25,76,878) Equity Shares of ₹10/- each	122.58	122.58
Less : Amount Recoverable from Escorts Employees Benefit and Welfare Trust (face value of 33,13,612 shares allotted to trust) - (Previous Year- 33,13,612)	3.31	3.31
Total Share Capital	119.27	119.27

NOTE 4 : RESERVES AND SURPLUS

	₹ Crores	
	As At 31.03.2014	As At 30.09.2012
Capital Reserve		
Balance as per the last Financial Statements	97.70	0.30
Add : On Amalgamation	-	97.40
Closing Balance	97.70	97.70
Capital Redemption Reserve		
Balance as per the last Financial Statements	4.00	1.99
Add : On Amalgamation	-	2.01
Closing Balance	4.00	4.00
Securities Premium Reserve		
Balance as per the last Financial Statements	432.07	432.07
Closing Balance	432.07	432.07
Revaluation Reserve		
Balance as per the last Financial Statements	46.29	54.58
Less : Amount transferred to the Statement of Profit and Loss as reduction from depreciation	9.90	8.21
Less : Amount utilised for assets sold / written off	0.22	0.08
Closing Balance	36.17	46.29
Employee Stock Options Outstanding Account		
Gross employee stock compensation for options granted in earlier years	0.81	1.39
Add : Gross compensation for option granted during the period	0.05	-
Deduction during the period	0.53	0.58
Closing Balance	0.33	0.81

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 4 : RESERVES AND SURPLUS (contd.)

	₹ Crores	
	As At 31.03.2014	As At 30.09.2012
General Reserve		
Balance as per the last Financial Statements	592.16	540.53
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	18.37	1.74
Add : On Amalgamation	-	0.19
Add : Consolidation Adjustment	(2.03)	(27.18)
Add : Transfer from Other Reserves	-	76.88
Closing Balance	608.50	592.16
Reserves Fund		
(Maintained Pursuant to Section 145-1C of Reserve Bank Of India (Amendment) Act, 1997)		
Balance as per the last Financial Statements	0.51	3.80
Add : On Amalgamation	-	3.31
Add : Amount transferred from surplus balance in the Statement of Profit and Loss	0.11	-
Less : Transferred to General Reserve	-	6.60
Closing Balance	0.62	0.51
Surplus in the Statement of Profit And Loss		
Balance as per the last Financial Statements	352.64	216.99
Profit for the Period/Year	246.71	73.81
Add : On Amalgamation	-	15.38
Consolidation Adjustment	2.88	65.30
Dividend on shares held by Escorts Benefit and Welfare Trust (refer Note 38)	8.94	-
Less : Appropriations		
Transfer to Reserves	18.48	1.74
Interim Dividend @ ₹1.20 (Previous Year Nil) per share	14.71	-
Proposed Dividend @ ₹0.60 (Previous Year ₹1.20) per share	7.35	14.71
Tax on Dividend	3.75	2.39
Closing Balance	566.88	352.64
Total	1,746.27	1,526.18
Includes Joint Venture Share	19.96	16.01

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 5 : LONG TERM BORROWINGS

₹ Crores

	Non- Current Portion		Current Maturities	
	As At 31.03.2014	As At 30.09.2012	As At 31.03.2014	As At 30.09.2012
Secured				
Term Loans				
From Banks	139.17	167.70	81.77	89.37
From Other Parties	0.04	0.06	0.02	0.02
Unsecured				
Finance Lease Obligation	1.28	0.49	1.68	1.52
Other Loans and Advances	4.76	1.47	2.57	2.68
Total	145.25	169.72	86.04	93.59
Includes Joint Venture Share	0.94	0.07	0.26	0.08

Current maturities of long term borrowings are classified as other current liabilities (refer Note 11)

Nature of Security

Loans under different categories are secured against certain assets, property, equipment and other immovable properties, inventories and receivables of the parent company or concerned subsidiaries and joint ventures.

NOTE 6 : DEFERRED TAX ASSETS / (LIABILITY) - NET

₹ Crores

	As At 31.03.2014	As At 30.09.2012
Deferred Tax Liability		
Impact of difference between tax depreciation and depreciation charged for financial reporting and others	41.76	49.32
Total Deferred Tax Liability (A)	41.76	49.32
Deferred Tax Assets		
Impact of expenditure charged to the Statement of Profit and Loss in current period but allowed for tax purpose on payment basis and others	55.28	49.99
Total Deferred Tax Assets (B)	55.28	49.99
Total Deferred Tax Assets / (Liability) (A - B)	13.52	0.67
Includes Joint Venture Share	2.04	2.27

NOTE 7 : OTHER LONG TERM LIABILITIES

₹ Crores

	As At 31.03.2014	As At 30.09.2012
Others		
Security Deposits	18.52	13.62
Advance Received	11.40	11.40
Total	29.92	25.02
Includes Joint Venture Share	-	-

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 8 : PROVISIONS

₹ Crores

	Long-Term		Short-Term	
	As At 31.03.2014	As At 30.09.2012	As At 31.03.2014	As At 30.09.2012
Provision for Employee Benefits				
Gratuity	0.57	1.39	56.92	46.69
Leave Encashment	14.18	12.81	4.28	2.50
Superannuation	-	-	2.03	3.65
Others	-	-	2.76	3.10
	14.75	14.20	65.99	55.94
Others				
Provision for Warranty	-	-	7.59	8.20
Provision for Contingency / Claims	104.93	104.54	-	-
Proposed Dividend	-	-	7.35	14.71
Dividend Tax	-	-	1.25	2.39
	104.93	104.54	16.19	25.30
Total	119.68	118.74	82.18	81.24
Includes Joint Venture Share	0.37	0.44	0.19	0.11

NOTE 9 : SHORT TERM BORROWINGS

₹ Crores

	As At 31.03.2014	As At 30.09.2012
Secured		
From Banks		
Cash Credit/ Export Packing Credit and Working Capital Demand Loans	207.02	290.28
Total	207.02	290.28
Includes Joint Venture Share	0.92	-

Nature of Security

Cash Credit/Export Packing Credit and Working Capital Demand Loans from Banks are secured against First charge on current assets and second charge on movable fixed assets excluding assets specifically charges to the term lenders and repayable on demand and carries interest @ 11-13% per annum.

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 10 : TRADE PAYABLES

	₹ Crores	
	As At 31.03.2014	As At 30.09.2012
Acceptances	242.21	296.58
Trade Payables (refer Note 36)	627.40	584.65
Total	869.61	881.23
Includes Joint Venture Share	15.49	9.86

NOTE 11 : OTHER CURRENT LIABILITIES

	₹ Crores	
	As At 31.03.2014	As At 30.09.2012
Current maturities of long term borrowings (refer Note 5 for details)	86.04	93.59
Interest Accrued and due on borrowings	0.12	1.01
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Dividends	0.96	0.59
Unpaid Matured Deposits and Interest Accrued thereon	0.11	0.82
Other Payables		
Statutory Dues	50.16	38.79
Security Deposits	-	22.55
Other Liabilities	126.09	135.56
Total	263.48	292.91
Includes Joint Venture Share	5.88	4.37

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 12 : FIXED ASSETS*

₹ Crores

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 01.10.2012	Addition	Deletion	As At 01.10.2012	For the Period	Deductions during the Period	As At 31.03.2014	As At 30.09.2012
Tangible Assets:								
Land Freehold	1,082.83	-	-	1,082.83	-	-	1,082.83	1,082.83
Buildings	375.23	4.23	-	379.46	22.01	-	224.85	154.61
Plant and Machinery	706.50	118.51	26.61	798.40	50.79	22.40	453.74	344.66
Furniture and Fixtures	71.57	13.63	1.40	83.80	6.74	1.30	58.32	25.48
Office Equipment	23.59	1.80	0.45	24.94	4.01	0.40	17.77	7.17
Vehicles	10.41	1.22	1.00	10.63	1.74	0.70	7.16	3.47
Leasehold Improvements	0.61	-	-	0.61	0.02	-	0.47	0.14
Assets Under Lease :								
Land Leasehold	8.89	-	-	8.89	0.16	-	0.61	8.28
Plant and Machinery	5.31	2.23	-	7.54	0.47	0.23	1.65	5.89
IT Equipments	7.04	1.14	0.10	8.08	1.34	0.09	6.71	1.37
Vehicles	0.23	-	-	0.23	0.03	-	0.16	0.07
Total - A	2,292.21	142.76	29.56	2,405.41	87.31	25.12	771.44	1,633.97
Intangible Assets:								
Prototypes	1.25	0.92	-	2.17	0.72	-	0.75	1.42
Technical Knowhow	11.77	0.72	0.53	11.96	1.64	0.48	10.21	1.75
Software Development	15.94	14.90	0.01	30.83	6.20	0.02	14.26	16.57
Total - B	28.96	16.54	0.54	44.96	8.56	0.50	25.22	19.74
Total - (A+B)	2,321.17	159.30	30.10	2,450.37	95.87	25.62	796.66	1,653.71
Capital Work-in-Progress (C)	54.04	105.91	128.74	31.21	-	-	-	31.21
Intangible Assets under Development (D)	12.80	4.53	9.84	7.49	-	-	-	7.49
Total - (A+B+C+D)	2,388.01	269.74	168.68	2,489.07	95.87	25.62	796.66	1,692.41
Previous year	2,396.05	188.28	196.32	2,388.01	58.43	59.92	726.41	1,661.60

* Includes Joint Venture Share

Original Cost

Depreciation

Net Book Value

Capital Work-in-progress and Intangible Assets under Development

Total Fixed Assets

31.03.2014	30.09.2012
19.87	15.63
13.02	11.79
6.85	3.84
1.07	0.31
7.92	4.15

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 13 : LOANS AND ADVANCES

₹ Crores

	Non-Current		Current	
	As At 31.03.2014	As At 30.09.2012	As At 31.03.2014	As At 30.09.2012
Capital Advances				
Unsecured, considered good	6.64	15.23	-	-
Security Deposits				
Unsecured : Considered Good	16.49	15.66	-	-
: Considered Doubtful	0.72	0.63	-	-
	17.21	16.29	-	-
Less: Provision for Doubtful Deposits	0.72	0.63	-	-
	16.49	15.66	-	-
Advances recoverable in cash or in kind or for value to be received				
Unsecured : Considered Good	4.94	5.35	168.15	139.79
: Considered Doubtful	0.07	0.03	34.11	33.37
	5.01	5.38	202.26	173.16
Less: Provision for Doubtful Advances	0.07	0.03	34.11	33.37
	4.94	5.35	168.15	139.79
Other Loans and Advances				
Advance Income Tax (net of provisions)	-	-	30.70	37.11
MAT Credit Entitlement	-	-	44.65	17.37
Total	28.07	36.24	243.50	194.27
Includes Joint Venture Share	4.20	2.87	7.64	5.11

Note 14 : OTHER ASSETS

₹ Crores

	Non-Current		Current	
	As At 31.03.2014	As At 30.09.2012	As At 31.03.2014	As At 30.09.2012
Bank Balances				
In Escrow Account	101.13	82.80	-	-
Deposite With Maturity period more than 12 months	7.99	2.81	-	-
Others				
Interest accrued on Bank Deposits	2.02	12.03	3.17	1.32
Unamortised Expenditure (refer Note 29)	0.02	-	0.59	1.26
Others	2.93	3.34	3.92	-
Total	114.09	100.98	7.68	2.58
Includes Joint Venture Share	0.30	0.24	3.86	0.70

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 15 : INVENTORIES

	₹ Crores	
	As At 31.03.2014	As At 30.09.2012
Raw Materials and Components	272.97	239.33
Goods-in-transit	3.75	1.27
Less: Provision for obsolete and slow moving	32.78	37.68
	243.94	202.92
Work-in-progress	46.18	52.46
Finished Goods	194.93	186.27
Goods-in-transit	13.24	0.21
Less: Provision for obsolete and slow moving	0.61	2.21
	207.56	184.27
Traded Goods	62.98	61.20
Goods-in transit	1.09	-
Less: Provision for obsolete and slow moving	0.74	0.62
	63.33	60.58
Stores and Spares	14.04	10.79
Loose Tools	13.64	13.34
Less: Provision for obsolete and slow moving	1.59	-
	12.05	13.34
Total	587.10	524.36
Includes Joint Venture Share	2.81	2.50

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 18 : REVENUE FROM OPERATIONS

		₹ Crores
	Period Ended 31.03.2014	Year Ended 30.09.2012
Sale		
Gross Sales	6,569.21	4,106.17
Less : Excise Duty	133.43	103.68
Net Sale (A)	6,435.78	4,002.49
Other Operating Income		
Erection and Servicing	5.67	7.11
Export Incentive	4.18	0.35
Scrap Sale	10.24	7.09
Others	45.87	32.42
	(B)	46.97
Total (A+B)	6,501.74	4,049.46
Includes Joint Venture Share	34.47	25.90

NOTE 19 : OTHER INCOME

		₹ Crores
	Period Ended 31.03.2014	Year Ended 30.09.2012
Interest Income		
Bank Deposits	21.48	17.12
Others	45.75	17.44
Dividend Income From Long Term Investment	0.04	3.10
Net Gain on Sale of Current Investments	0.24	0.13
Foreign Exchange Variation (Net)	1.71	(0.96)
Miscellaneous Income	13.64	11.46
Total	82.86	48.29
Includes Joint Venture Share	0.16	1.01

NOTE 20 : COST OF RAW MATERIAL AND COMPONENTS CONSUMED

		₹ Crores
	Period Ended 31.03.2014	Year Ended 30.09.2012
Opening Stock	240.60	239.50
Add : Purchases	4,395.84	2,774.55
	4,636.44	3,014.05
Less : Closing Stock	276.72	240.60
Raw Material and Components Consumed*	4,359.72	2,773.45
Includes Joint Venture Share	-	-

*Net of Duty Drawback

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 21 : PURCHASE OF TRADED GOODS

	₹ Crores	
	Period Ended 31.03.2014	Year Ended 30.09.2012
Purchases of Traded Goods	318.48	233.87
Total	318.48	233.87
Includes Joint Venture Share	14.75	6.13

NOTE 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

	₹ Crores	
	Period Ended 31.03.2014	Year Ended 30.09.2012
Opening Stock		
Finished Goods	184.27	138.68
Work-In-Progress	52.46	47.22
Traded Goods	60.58	55.06
	297.31	240.96
Closing Stock		
Finished Goods	207.56	184.27
Work-In-Progress	46.18	52.46
Traded Goods	63.33	60.58
	317.07	297.31
(Increase)/Decrease In Stock	(19.76)	(56.35)
Includes Joint Venture Share	(0.31)	(1.41)

NOTE 23 : EMPLOYEE BENEFITS EXPENSE

	₹ Crores	
	Period Ended 31.03.2014	Year Ended 30.09.2012
Salary, Wages and Bonus	568.59	341.23
Employee Stock Option Scheme	(0.50)	(0.51)
Contribution to Gratuity Fund	25.41	14.38
Contribution to Provident Fund and Other Funds	27.25	16.90
Staff Welfare Expenses	69.56	47.79
Total	690.31	419.79
Includes Joint Venture Share	4.02	3.11

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 24 : FINANCE COSTS

	₹ Crores	
	Period Ended 31.03.2014	Year Ended 30.09.2012
Interest Expense		
On Long Term Loans	46.88	38.93
On Cash Credit and Short Term Loans	25.47	25.03
Others	21.13	17.79
Bank and Finance Charges	18.72	15.27
Total	112.20	97.02
Includes Joint Venture Share	0.80	0.25

NOTE 25 : DEPRECIATION AND AMORTISATION

	₹ Crores	
	Period Ended 31.03.2014	Year Ended 30.09.2012
Depreciation and Amortisation		
Depreciation and Amortisation	95.87	58.43
Less: Transfer from Revaluation Reserve	9.90	8.21
Total	85.97	50.22
Includes Joint Venture Share	1.61	1.03

NOTE 26 : OTHER EXPENSES

	₹ Crores	
	Period Ended 31.03.2014	Year Ended 30.09.2012
Consumption of stores, spares and tools	63.89	34.65
Power and Fuel	64.48	39.83
Excise Duty on increase/(decrease) in stock of finished goods	2.73	2.41
Repair and Maintainance		
Building	10.42	6.00
Plant and Machinery	24.83	18.44
Other	42.34	13.22
Warranties	24.68	21.05
Rent	10.15	6.47
Rates and Taxes	10.42	3.20
Insurance	5.97	4.66
Travelling and Conveyance	59.16	37.47
Postage, Telegram and Telephones	11.38	7.83
Legal and Professional	37.30	23.48

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 26 : OTHER EXPENSES (contd.)

	₹ Crores	
	Period Ended 31.03.2014	Year Ended 30.09.2012
Commission, Discount and Sale Incentive	140.62	93.88
Advertisement	69.10	45.70
Royalty	33.42	19.54
Packing, Freight and Forwarding	91.19	66.63
Directors Sitting Fees and Commission	0.28	0.48
Provision for		
Doubtful Debts	7.72	7.26
Advances and Deposits	1.28	0.10
Obsolete Inventories	4.29	0.74
Miscellaneous Expenses	50.38	36.13
Total	766.03	489.17
Includes Joint Venture Share	24.75	16.12

NOTE 27 : EXCEPTIONAL ITEMS

	₹ Crores	
	Period Ended 31.03.2014	Year Ended 30.09.2012
Loss/(Surplus) on Sale of Fixed Assets	(2.26)	(1.10)
Fixed Assets Written Off	0.01	0.09
Loss on Sale of Long Term Investment	0.14	0.32
Voluntary Retirement Expenses	3.34	-
Liabilities written back	(4.70)	-
Service Tax	-	(0.67)
Bad Dedts Written off	0.41	-
Less : Provision already held	0.41	-
Total	(3.47)	(1.36)
Includes Joint Venture Share	-	-

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 28 : SEGMENT INFORMATION FOR THE PERIOD ENDED MARCH 31, 2014

₹ Crores

	Agri Machinery	Auto Ancillary Products	Railway Equipment	Construction Equipments	Others	Unallocated	Escorts Limited
External Revenue	5,248.90	192.41	253.44	758.21	58.13	6.28	6,517.37
	(3,006.32)	(124.33)	(146.70)	(747.95)	(34.59)	(3.30)	(4,063.19)
Internal Revenue	55.01	18.17	2.34	4.99	0.29	0.46	81.26
	(59.12)	(18.86)	(2.10)	(0.64)	(0.20)	(1.95)	(82.87)
Segment Revenue	5,303.91	210.58	255.78	763.20	58.42	6.74	6,598.63
	(3,065.44)	(143.19)	(148.80)	(748.59)	(34.79)	(5.25)	(4,146.06)
Eliminations	55.01	18.17	2.34	4.99	0.29	0.46	81.26
	(59.12)	(18.86)	(2.10)	(0.64)	(0.20)	(1.95)	(82.87)
Total Revenue							6,517.37
							(4,063.19)
Segment Result	494.09	(29.63)	14.56	(32.22)	5.32	(88.40)	363.72
	(230.94)	11.83	(9.36)	(1.35)	(2.21)	58.72	(173.31)
Interest Expense							112.20
							(97.02)
Unallocated Corporate Interest Income							20.13
							(14.29)
Exceptional Items							(3.47)
							1.36
Profit Before Taxation							275.12
							(91.94)
Provision for Taxation:							
Current Tax							68.40
							(20.51)
MAT Entitlement							(27.34)
							14.31
Deferred Tax							(12.85)
							(12.54)
Profit After Tax							246.91
							(73.20)
Minority Interest							0.20
							0.61
Other Information	As At 31/03/2014	As At 31/03/2014	As At 31/03/2014	As At 31/03/2014	As At 31/03/2014	As At 31/03/2014	As At 31/03/2014
Segment Assets	1,880.67	116.86	154.86	404.83	88.09	955.12	3,600.43
	(1,914.92)	(118.98)	(127.98)	(421.63)	(77.10)	(855.38)	(3,515.99)
Segment Liabilities	930.49	95.11	54.57	223.13	36.17	82.82	1,422.29
	(986.32)	(64.68)	(42.25)	(323.95)	(34.43)	(94.03)	(1,545.66)
Additions to Tangible Fixed Assets	112.97	4.10	3.31	9.58	4.36	8.44	142.76
	(70.57)	(0.77)	(1.58)	(3.01)	(1.54)	(8.60)	(86.07)
Addition to Intangible Fixed Assets	4.59	-	0.54	0.80	0.07	10.54	16.54
	(2.32)	-	(0.34)	(1.77)	(0.03)	(0.58)	(5.04)
Depreciation	50.87	3.48	5.21	11.77	1.91	12.73	85.97
	(30.04)	(2.26)	(3.67)	(7.87)	(1.34)	(5.04)	(50.22)
Non - Cash Expenses other than Depreciation	-	-	-	-	-	0.67	0.67
	-	-	-	(0.14)	-	(0.61)	(0.75)

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 28 : SEGMENT INFORMATION FOR THE PERIOD ENDED MARCH 31, 2014 (contd.)

SEGMENT INFORMATION FOR THE PERIOD ENDED MARCH 31, 2014

	₹ Crores		
	India	Outside India	Consolidated Total
Revenue By Geographical market - External	6,338.82	178.55	6,517.37
	(3,909.58)	(153.61)	(4063.19)
Carrying Amount of Segement Assets	3,542.91	57.52	3,600.43
	(3,450.02)	(51.74)	(3501.76)
Addition to Tangible Fixed Assets	142.37	0.39	142.76
	(85.85)	(0.22)	(86.07)
Addition to Intangible Fixed Assets	16.08	0.46	16.54
	(5.03)	(0.01)	(5.04)

NOTE 29 : UNAMORTISED EXPENDITURE REPRESENTS

	₹ Crores	
	Period Ended 31.03.2014	Year Ended 30.09.2012
(a) Upfront Fee / Employee Stock Option Scheme		
As per the last Financial Statements	1.26	2.01
Add : Addition during the period	0.02	-
Less : Written off during the period	0.67	0.75
Closing Balance	0.61	1.26

NOTE 30 : EARNINGS PER SHARE

		Period Ended 31.03.2014	Year Ended 30.09.2012
Net Profit After Tax (₹ Crores)	Basic	246.71	73.81
	Diluted	246.71	73.81
Weighted Average Number of Shares Outstanding	Basic	119,263,266	119,263,266
	Diluted	119,293,579	119,263,266
Earnings per Share (face value ₹10 per share)	Basic	20.69	6.19
	Diluted	20.68	6.19

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

Note 31 : DISCLOSURE REQUIRED BY ACCOUNTING STANDARD (AS) 29 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS':

Contingent Liabilities

	₹ Crores	
	As At 31.03.2014	As At 30.09.2012
I) Estimated amounts of contracts remaining to be executed on capital account and not provided for	33.90	48.35
II) Claims not acknowledged as debts	0.71	0.69
III) There is a contingent liability of :		
(a) Excise Duty / Customs Duty / Service Tax demands not acknowledged as liability	19.46	12.66
(b) ESI additional demand not acknowledged as liability	4.16	4.16
(c) Sales Tax and other demands not acknowledged as liability	10.93	13.50
(d) Pending legal cases - Personnel	3.79	4.06
- Others	89.91	23.41
(e) Demand raised by Faridabad Municipal Corporation for external development charges where the Company is in litigation	2.38	2.38
(f) Guarantees given to banks under Channel Finance Program	32.70	26.98
(g) LC/Guarantees executed in favour of others	23.64	25.49
(h) Demand raised by Income Tax Department, disputed by the Company and pending in appeal (Against demand a sum of ₹28.28 crores (Previous year ₹26.80 crores) deposited under protest)	139.48	139.41
(i) Demand raised by Department of Telecommunication (DOT)	9.92	9.92
(j) Liability towards Surety Bond in favour of Governor of Haryana for Sales Tax registration under VAT	3.50	3.50

NOTE 32 : PROPORTIONATE SHARE OF JOINT VENTURES IN THE FOLLOWING LINE ITEMS IS GIVEN BELOW AS THERE IS NO SEPARATE NOTE ATTACHED

	Period Ended 31.03.2014	Year Ended 30.09.2012
Provision for Taxation:		
- Current Taxation	1.42	0.69
- Deferred Taxation	0.23	(0.18)
Contingent Liability	14.98	16.26

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

Note 33 :

The Company revalued its freehold land and buildings as on April 01, 2009 and amount added on revaluation is ₹672.72 crores, the revaluations was carried out by reputed independent valuer.

Note 34 :

During 2008 the Haryana State Government introduced Haryana Tax On Entry Of Goods InTo Local Areas Act, 2008 ("Entry Tax") by repealing the Haryana Local Area Development Tax Act, 2000 ("HLADT"). The said Act was held unconstitutional by the Hon'ble Punjab and Haryana High Court in their judgment dated October 01, 2008. The State Government of Haryana has preferred an appeal before the Hon'ble Supreme Court which is pending for adjudication before the Constitutional Bench. Based on the legal advice received by the Company no further provision on this account is considered necessary after March 31, 2008.

Note 35 :

The Company has executed an Agreement to Sell for transfer of 25 acres of land at Plot No. 219, Sector 58, Balabhgarh, Haryana for a consideration of ₹9.00 crores . The said transfer is subject to necessary approval from HUDA and accordingly the consideration amount of ₹9.00 crores is being treated as advance.

Note 36 :

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the period end together with interest paid / payable under this Act and as required by Schedule VI of Companies Act, 1956 have not been given.

Note 37 :

The Scheme of Compromise and Arrangement pending before the Delhi High Court to bail out the fixed deposit holders of Escorts Finance Limited stands disposed-off vide order dated March 4, 2011. On the interim directions of the said High Court, fixed deposit liability of ₹130.32 crores has already been discharged by the Hardship Committee constituted under the directions of the said High Court for discharging the unclaimed deposit, balance 24,01,050 shares have been transferred to Escorts Benefit Trust (Trust) and the Hardship Committee has been dissolved. The Trust shall, in due course and in terms of the directions of the High Court, discharge the unclaimed deposits. No further instructions have received from the Court during the period.

Note 38 :

Escorts Benefit and Welfare Trust holds 37,300,031 Lacs equity shares of Escorts Limited, the sole beneficiary of which is the Company. The Dividend received by the Trust on these shares is recognised in the Statement of Profit and Loss Account in Note No: 4 - Reserves and Surplus

Notes to Consolidated Financial Statements For the Eighteen Months Period Ended March 31, 2014

NOTE 39 : DISCLOSURE UNDER ACCOUNTING STANDARD - 19 (LEASES)

(a) The details of Minimum Lease Payments Outstanding as at March 31, 2014 and Present Value thereof are as under:

₹ Crores

	Minimum Lease Payments Outstanding		Present Value of Minimum Lease Payments Outstanding		Future Interest on Outstanding Lease Payments	
	As At 31.03.2014	As At 30.09.2012	As At 31.03.2014	As At 30.09.2012	As At 31.03.2014	As At 30.09.2012
– Total amount due	3.39	2.20	2.96	2.01	0.43	0.19
– Due within one year	1.91	1.68	1.68	1.52	0.23	0.16
– Due later than one year and not later than five years	1.48	0.52	1.28	0.49	0.20	0.03

(b) Assets taken on Operating Cancellable leases

The total lease payments recognised in Profit and loss account for the period ended March 31, 2014 is ₹0.66 crores (Previous Year ₹0.38 Crores)

Note 40 :

Figures have been rounded off to the nearest lakh rupees. Previous year figures regrouped/rearranged wherever necessary.

Note 41 :

Current accounting period is for 18 months from October 01, 2012 to March 31, 2014 and is not comparable with the previous year.

For and on Behalf of the Board

RAJAN NANDA
Chairman and
Managing Director

NIKHIL NANDA
Managing Director

Dr. P.S. PRITAM
Director

Dr. S. A. DAVE
Director

As per our Report attached
for S.N.DHAWAN and CO.
Chartered Accountants
(Firm Regn. No. 000050N)

S.C. BHARGAVA
Director

HARDEEP SINGH
Director

G. B. MATHUR
Exec. Vice-President-Company
Secretary and Strategic Advisor

BHARAT MADAN
Group Financial Controller

VIJAY DHAWAN
Partner
M No. 12565

Place: Faridabad
Date: May 28, 2014

Consolidated Cash Flow Statement For the Eighteen Months Period Ended March 31, 2014

₹ Crores

	Period Ended 31.03.2014	Year Ended 30.09.2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	275.12	91.94
Adjustments for :		
Gain on Sale of Investments (Net)	(0.10)	0.19
Gain on Sale of Assets (Net)	(2.26)	(1.10)
Depreciation	85.97	50.22
Misc. Exp. / Assets Write off / Provisions	(1.79)	5.78
Interest Expense	93.47	81.75
Dividend Income	(0.04)	(3.10)
Interest Income	(67.23)	(34.56)
Operating Profit before Working Capital Changes	383.14	191.12
Adjustments for :		
Trade and Other Receivables	75.09	17.45
Inventories	(66.97)	(74.47)
Trade Payables and Others	(5.03)	(38.70)
	3.09	(95.72)
Cash Generated from Operations	386.23	95.40
Direct Taxes (Paid) / Refunds	(61.93)	(36.98)
Net Cash Flow from Operating Activities	324.30	58.42
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Fixed Assets	(124.64)	(108.18)
Movement in Loans and Advances	(21.79)	(50.43)
Sale / (Purchase) of Investments	0.99	(3.94)
Interest Received	75.40	29.02
Dividend Received	0.04	3.10
Net Cash Flow from Investing Activities	(70.00)	(130.43)
C. CASH FLOW USED IN FINANCING ACTIVITIES		
Proceeds from Minority Interest	5.11	2.50
Proceeds / (Repayment) from Long Term Borrowings	(32.02)	(28.94)
Proceeds / (Repayment) from Short Term Borrowings (Net)	(83.26)	96.72
Interest Paid	(94.36)	(81.35)
Dividend and Dividend Tax paid	(25.36)	(17.10)
Net Cash Generated from / (used in) Financing Activities	(229.89)	(28.17)
Net Increase / (Decrease) in Cash and Cash Equivalents	24.41	(100.18)
Cash and Cash Equivalents as at 01.10.2012	145.17	245.33
Addition On Amalgamation	-	0.02
Cash and Cash Equivalents as at 31.03.2014	169.58	145.17

Note:

1. Cash and cash equivalents include cash in hand, demand deposits with banks and short term highly liquid investments.
2. Previous years figures have been regrouped wherever necessary.
3. Figures in bracket shows cash outflow.

For and on Behalf of the Board

RAJAN NANDA
Chairman and
Managing Director

NIKHIL NANDA
Managing Director

Dr. P.S. PRITAM
Director

Dr. S. A. DAVE
Director

As per our Report attached
for **S.N.DHAWAN and CO.**
Chartered Accountants
(Firm Regn. No. 000050N)

S.C. BHARGAVA
Director

HARDEEP SINGH
Director

G. B. MATHUR
Exec. Vice-President-Company
Secretary and Strategic Advisor

BHARAT MADAN
Group Financial Controller

VIJAY DHAWAN
Partner
M No. 12565

Place: Faridabad
Date: May 28, 2014

Statement Regarding Subsidiary Companies

Pursuant To Section 212 Of The Companies Act, 1956

Sr. No.	Name of The Company	Share Capital	Reserves and Surplus	Total Assets			Total Liabilities			Details of Investments Other Than In Subsidiaries	Turnover and Other Income	Profit Before Tax	Provision For Tax	Profit After Tax		
				Total Fixed Assets	Total Investments	Current Assets	Deferred Tax Assets	Non - Current Assets	Deffered Tax Liability						Current Liabilities	
1	Escorts Asset Management Limited	139,500.00	(20,861.17)	976.51	47,330.47	17,612.84	13,698.93	49,718.83	2,433.40	-	8,265.35	27,632.47	20,413.38	(4,700.74)	(1,414.00)	(3,286.74)
2	Escorts Securities Ltd	62,000.00	29,775.80	7,133.53	1,989.63	81,368.49	8,892.65	117,470.65	5,406.33	-	119,672.82	1,989.63	45,969.84	3,053.78	1,159.39	1,894.39
3	EDDAL Credit Limited	25,500.70	19,037.14	-	-	45,794.78	-	-	-	-	1,256.94	-	1,987.63	1,941.03	607.26	1,333.77
4	Farmtrac Tractors Europe Spolka Zo.o (1PLN = ₹20.35 INR)	83,465.62	127,912.70	34,067.51	-	587,702.91	20,989.54	-	-	-	431,381.64	-	1,223,752.74	(15,127.80)	185.11	(15,312.91)

NOTES:

- The Annual Accounts alongwith the reports thereon and other documents/statements as required to be attached in accordance with section 212 of the subsidiary companies are not being attached in view of the consent given by the Board of Directors in terms of the general exemption granted by Government of India, Ministry of Corporate Affairs vide circular no. 2/2011 dated February 8, 2011. The said annual accounts and the related detailed information will be made available to the holding and subsidiary companies investor seeking such information, at any point of time. The annual account of the subsidiary companies will also be kept for inspection by any investor at the Head/Corporate office of the company/subsidiary companies during the business hours.
- During the Period, there were no transactions in Beaver Creek Holdings LLC (BCH), total assets being insignificant, the company has not considered the financial statement of BCH for consolidation.
- At the behest of the creditors of Farmtrac North America LLC(FNA)(a subsidiary of the Company), the Superior Court Division of Country of Edgcombe, North Carolina, USA have appointed a Receiver for FNA, who has taken over all the assets, books and records of FNA, accordingly the information relating to Farmtrac North America LLC (FNA) has not been given.

For and on Behalf of the Board

RAJAN NANDA
Chairman and
Managing Director

NIKHIL NANDA
Managing Director

Dr. S. A. DAVE
Director

Dr. P. S. PRITAM
Director

S. C. BHARGAVA
Director

HARDEEP SINGH
Director

BHARAT MADAN
Group Financial Controller

G. B. MATHUR
Exec. Vice-President-Company
Secretary and Strategic Advisor

Place: Faridabad

Date: May 28, 2014