

Independent Auditor's Report

To The Members of Escorts Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Escorts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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 Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 fair presentation of the financial statements 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, physical verification of fixed assets is being conducted in a phased manner by the management under a programme designed to cover all the fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the period under review.
- ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the period, except for materials lying with third parties for which certificates confirming stocks held by them have been obtained in most of the cases.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.
- iii) (a) The Company has granted unsecured loan to a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the period was ₹1.43 crores and balance of the loan granted to such company was ₹ Nil as at March 31, 2014.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan was not, prima-facie, prejudicial to the interest of the Company.
- (c) The receipt of the principal amount and interest, wherever applicable, was as stipulated.
- (d) There is no overdue amount of such loans granted to the aforesaid company.
- (e) The Company has taken loan from a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the period was ₹2.02 crores and the balance of loan taken from such company was ₹0.43 crores as at March 31, 2014.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan are not, prima facie, prejudicial to the interest of the Company.
- (g) The Company has been regular in repaying the principal amount and interest, as stipulated.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control systems.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding

the value of Rupees five lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for items stated to be of a specialised nature where no comparison is possible.

- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to unpaid matured fixed deposits accepted from the public. The Company has however, not accepted any fresh deposits during the period under review.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the products manufactured by the Company and are of the opinion that prima-facie the prescribed accounts have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty and cess were in arrears, as at March 31, 2014 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the details of statutory dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute are given below:

| Name of the Statute | Nature of Dues | Amount (₹ Crores) | Period to which the amount relates | Forum where dispute is pending |
|--|----------------------------|-------------------|------------------------------------|--------------------------------|
| Sales Tax Acts | Sales Tax | 8.49 | 1987-2014 | Appellate Authority/High Court |
| Central Excise Act, 1944 | Excise Duty | 2.51 | 1992-2013 | Appellate Authority |
| Central Excise Act, 1944 | Excise Duty | 9.10 | 1995-2008 | CESTAT |
| Finance Act, 1994 | Service Tax | 1.53 | 2005-2010 | CESTAT |
| Finance Act, 1994 | Service Tax | 0.56 | 2008-2012 | Appellate Authority |
| Income Tax Act, 1961 | Income Tax | 14.44 | 2000-2001 (A.Y.2001-02) | High Court |
| | | 96.08 | 2005-2006 (A.Y. 2006-07) | CIT (Appeals) |
| | | 0.53 | 2007-2008 (A.Y. 2008-09) | ITAT |
| Haryana Local Area Development Tax Act, 2000 | Local Area Development Tax | 12.90 | 2006-2008 | Supreme Court |

- x) The Company does not have accumulated losses as at March 31, 2014 and has not incurred cash losses during the financial period covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that, there are no funds raised on short-term basis which have been used for long term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the period. Therefore, the provisions of clause (xix) of Paragraph 4 of the Order are not applicable to the Company.
- xx) The Company has not raised any money by public issue during the period under review.
- xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

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

Place: New Delhi
Dated: May 28, 2014

(Vijay Dhawan)
Partner
M.No.: 12565

Balance Sheet As At March 31, 2014

₹ Crores

| | Notes | As At 31.03.2014 | As At 30.09.2012 |
|--|-------|---------------------|---------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 119.27 | 119.27 |
| Reserves and Surplus | 4 | 1,712.11 | 1,494.69 |
| Non-Current Liabilities | | | |
| Long-term Borrowings | 5 | 144.30 | 169.65 |
| Other Long-term Liabilities | 7 | 29.61 | 24.71 |
| Long-term Provisions | 8 | 118.22 | 117.63 |
| Current Liabilities | | | |
| Short-term Borrowings | 9 | 206.10 | 290.28 |
| Trade Payables | 10 | 829.66 | 848.43 |
| Other Current Liabilities | 11 | 251.53 | 284.42 |
| Short-term Provisions | 8 | 81.90 | 81.06 |
| Total | | 3,492.70 | 3,430.14 |
| ASSETS | | | |
| Non Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 12 | 1,623.53 | 1,575.31 |
| Intangible Assets | | 19.16 | 10.94 |
| Capital Work-in-Progress | | 29.95 | 53.74 |
| Intangible Assets under Development | | 7.41 | 12.75 |
| Non-current Investments | 13 | 378.08 | 382.26 |
| Deferred Tax Assets (Net) | 6 | 7.37 | (2.81) |
| Long-term Loans and Advances | 14 | 16.04 | 25.61 |
| Other Assets | 15 | 106.10 | 98.17 |
| Current Assets | | | |
| Current Investments | 16 | 3.42 | 3.65 |
| Inventories | 17 | 550.97 | 496.61 |
| Trade Receivables | 18 | 352.41 | 454.92 |
| Cash and Bank Balances | 19 | 160.77 | 130.57 |
| Short-term Loans and Advances | 14 | 233.85 | 186.71 |
| Other Assets | 15 | 3.64 | 1.71 |
| Total | | 3,492.70 | 3,430.14 |
| Summary of Significant Accounting Policies | 2.1 | | |

The accompanying Notes (1 to 52) 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

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) | 20 | 6,424.38 | 3,997.20 |
| Less: Excise Duty | | 132.87 | 103.32 |
| Revenue from Operations (Net) | | 6,291.51 | 3,893.88 |
| Other Income | 21 | 81.41 | 48.90 |
| Total Revenue (I) | | 6,372.92 | 3,942.78 |
| EXPENSES | | | |
| Cost of Raw Material and Components Consumed | 22 | 4,224.15 | 2,674.60 |
| Purchases of Traded Goods | 23 | 303.74 | 227.73 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods | 24 | (17.41) | (57.81) |
| Employee Benefits Expense | 25 | 667.35 | 406.12 |
| Finance Costs | 26 | 110.67 | 96.44 |
| Depreciation and Amortisation Expense | 27 | 83.22 | 48.43 |
| Other Expenses | 28 | 732.44 | 461.00 |
| Total Expenses (II) | | 6,104.16 | 3,856.51 |
| Profit before Exceptional Items and Tax (I-II) | | 268.76 | 86.27 |
| Exceptional Items | 29 | (3.64) | (1.68) |
| Profit Before Tax | | 272.40 | 87.95 |
| Tax Expense: | | | |
| (a) Current Tax | | 64.97 | 19.47 |
| (b) Minimum Alternative Tax Entitlement | | (27.28) | (14.31) |
| (c) Deferred Tax | | (10.18) | 13.19 |
| Profit for the Period | | 244.89 | 69.60 |
| Earnings Per Equity Share (in ₹) (face value ₹10/- each) | | | |
| Basic | | 20.53 | 5.84 |
| Diluted | | 20.53 | 5.84 |
| Summary of Significant Accounting Policies | 2.1 | | |

The accompanying Notes (1 to 52) are an integral part of the Financial Statements.

For and on Behalf of the Board

RAJAN NANDA
Chairman and
Managing Director

NIKHIL NANDA
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As per our Report attached
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Secretary and Strategic Advisor

BHARAT MADAN
Group Financial Controller

VIJAY DHAWAN
Partner
M No. 12565

Place: Faridabad
Date: May 28, 2014

Notes to 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."

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared and presented under the historical cost convention (except for land, building and plant and machinery acquired before April 1, 2003 which are carried at revalued amounts) on the accrual basis of accounting in accordance with generally accepted accounting principles in India (GAAP) and comply with the accounting standard notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of Significant Accounting Policies

a. 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.

b. 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.

c. 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.

d. 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.

e. Depreciation and Amortisation

- i. Depreciation on Plant and Machinery is provided on Straight Line Method.

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

- 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.

f. 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.

g. 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.

h. 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.

i. 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 of 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.

j. Investments

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.

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

k. 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.

l. 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 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.

m. 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.

n. 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.

o. 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.

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

p. 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.

q. 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.

r. 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.

s. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to 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) 40,10,00,000 (Previous Year - 40,10,00,000 Shares) Equity Shares of ₹10 each | 401.00 | 401.00 |
| (ii) 88,80,00,000 (Previous Year - 88,80,00,000 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 |

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

| Particulars | As At 31.03.2014 | As At 30.09.2012 |
|--------------------------------|---------------------|---------------------|
| At the beginning of the period | 12,25,76,878 | 10,56,18,036 |
| Add : issued during the period | - | 1,69,58,842 |
| At the end of the period | 12,25,76,878 | 12,25,76,878 |

(b) Terms/Rights Attached to Equity Shares

The company has only one class of shares, i.e., equity shares having a face value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. Dividend is paid in Indian Rupees. The final dividend @ ₹0.60 per share, recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

| Name of Shareholders | As At 31.03.2014 | | As At 30.09.2012 | |
|--|------------------|---------------|------------------|---------------|
| | % Held | No. of Shares | % Held | No. of Shares |
| Escorts Benefit and Welfare Trust | 30.43 | 3,73,00,031 | 30.43 | 3,73,00,031 |
| Harprasad and Company Private Limited | 7.58 | 92,91,008 | - | - |
| Jhunjhunwala Rakesh Radheshyam | 5.47 | 67,00,000 | - | - |
| Reliance Capital Trustee Company Limited | - | - | 8.02 | 84,74,268 |

(d) Shares issued for consideration other than cash during the period of five years immediately preceding March 31, 2014:

| Particulars | As At 31.03.2014 No. of Shares | As At 30.09.2012 No. of Shares |
|--|-----------------------------------|-----------------------------------|
| Equity shares allotted as fully paid pursuant to consideration other than cash | 2,82,55,770 | 3,16,60,026 |

In addition, the Company has issued total 2,98,000 Equity shares to employees (through Escorts Employees Benefit and Welfare Trust) on exercise of option granted under the Employee Stock Option Scheme 2006, wherein part consideration was received in form of employee services.

(e) Shares reserved for issue under options :

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company - (refer Note 36)

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

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 | - |
| Add : On Amalgamation | - | 4.00 |
| Closing Balance | 4.00 | 4.00 |
| Securities Premium Reserve | | |
| Balance as per the last Financial Statements | 431.85 | 430.81 |
| Add : On Amalgamation | - | 1.04 |
| Closing Balance | 431.85 | 431.85 |
| 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 |
| General Reserve | | |
| Balance as per the last Financial Statements | 589.68 | 510.87 |
| Add : Amount transferred from surplus balance in the Statement of Profit and Loss | 18.37 | 1.74 |
| Add : Transfer from other reserves | - | 76.88 |
| Add : On Amalgamation | - | 0.19 |
| Closing Balance | 608.05 | 589.68 |
| Surplus in the Statement of Profit and Loss | | |
| Balance as per the last Financial Statements | 324.36 | 258.21 |
| Add : On Amalgamation | - | 15.39 |
| Dividend on shares held by Escorts Benefit and Welfare Trust (refer Note 41) | 8.94 | - |
| Profit for the Period / Year | 244.89 | 69.60 |
| Less : Appropriations | | |
| Transfer to General Reserve | 18.37 | 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 | 534.01 | 324.36 |
| Total | 1,712.11 | 1,494.69 |

Notes to 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 | 0.33 | 0.42 | 1.42 | 1.44 |
| Other Loans and Advances | 4.76 | 1.47 | 2.57 | 2.68 |
| Total | 144.30 | 169.65 | 85.78 | 93.51 |

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

(a) Term Loans from Bank

(Term loans from banks carries interest @ 12.75% to 14.50%)

- (i) Exclusive first charge on the Plant and Machinery/Equipments acquired/to be acquired out of the said term loans.

State Bank of India ₹4.22 Crores
(Repayable in 2 installment of ₹2.13 crores each upto 30.09.2014)

State Bank of India ₹17.29 Crores
(Repayable in 10 installment of ₹1.75 crores each upto 30.09.2016)

State Bank of Travancore ₹ 20.03 Crores
(Repayable in 12 installment of ₹1.67 crores each upto 31.03.2017)

Andhra Bank ₹20.81 Crores
(Repayable in 13 installment of ₹1.67 crores each upto 30.06.2017)

State Bank of Hyderabad ₹4.45 Crores
(Repayable in 16 installment of ₹0.28 crores each upto 08.01.2018)

- (ii) Exclusive charge on Land and Building and hypothecation of plant and other assets of Escorts Construction Equipment division excluding plant and machinery specifically charged to other term lenders.

Punjab National Bank ₹18.58 Crores
(Repayable in 5 installment of ₹3.75 crores each upto 30.06.2015)

- (iii) First charge by way of equitable mortgage of freehold immovable property being a part of site no.2, sector-13, Faridabad.

Oriental Bank of Commerce ₹65.00 Crores
(Repayable in 6 installment of ₹5.00 crores each and 2 installment of ₹10 crores each and last installment of ₹15.00 crores upto 31.05.2016)

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

NOTE 5 : LONG TERM BORROWINGS (contd.)

| | |
|--|---------------|
| Industrial Development Bank of India (Repayable in 4 installment of ₹2.50 crs, 4 installment of ₹5.00 crores, 8 installment of ₹8.75 crores, upto 01.07.2018 including loan amount yet to be disbursed) | ₹40.00 Crores |
| (iv) Exclusive first charge on fixed assets acquired out of the said term loan Oriental Bank of Commerce (Repayable in 2 installment of ₹0.97 crores, upto 30.09.2014) | ₹1.94 Crores |
| (v) Exclusive first charge on the Plant and Machinery acquired/to be acquired out of the said term loan. Collateral: first charge by way of equitable mortgage of freehold immovable property being a part of site no.2, sector-13, Faridabad. Oriental Bank of Commerce (Repayable in 15 installment of ₹3.52 crs, upto 28.11.2017 including loan amount yet to be disbursed) | ₹28.62 Crores |
| (b) Term Loan from Others Life insurance Corporation of India (Secured against insurance policy) | ₹0.06 Crores |
| (c) Other Loan and Advances Repayment of loan as under : | |
| 2014-2015 | ₹2.57 Crores |
| 2015-2016 | ₹4.76 Crores |

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

| | As At 31.03.2014 | As At 30.09.2012 |
|--|---------------------|---------------------|
| Deferred Tax Liability | | |
| Fixed Assets : Impact of difference between tax depreciation and depreciation charged for financial reporting | 41.48 | 49.01 |
| Total Deferred Tax Liability (A) | 41.48 | 49.01 |
| 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 | 48.85 | 46.20 |
| Total Deferred Tax Assets (B) | 48.85 | 46.20 |
| Total Deferred Tax Assets / (Liability) (A - B) | 7.37 | (2.81) |

₹ Crores

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

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 | 11.09 | 11.09 |
| Total | 29.61 | 24.71 |

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 | - | 0.85 | 56.81 | 46.65 |
| Leave Encashment | 13.90 | 12.46 | 4.14 | 2.44 |
| Superannuation | - | - | 2.03 | 3.65 |
| Others | - | - | 2.73 | 3.06 |
| | 13.90 | 13.31 | 65.71 | 55.80 |
| Others | | | | |
| Provision for Warranty | - | - | 7.59 | 8.16 |
| Provision for Contingency / Claims | 104.32 | 104.32 | - | - |
| Proposed Dividend | - | - | 7.35 | 14.71 |
| Dividend Tax | - | - | 1.25 | 2.39 |
| | 104.32 | 104.32 | 16.19 | 25.26 |
| Total | 118.22 | 117.63 | 81.90 | 81.06 |

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 | 206.10 | 290.28 |
| Total | 206.10 | 290.28 |

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 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 39) | 587.45 | 551.85 |
| Total | 829.66 | 848.43 |

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) | 85.78 | 93.51 |
| 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 | 49.85 | 37.97 |
| Security Deposits | - | 22.55 |
| Other Liabilities | 114.71 | 127.97 |
| Total | 251.53 | 284.42 |

Notes to 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 31.03.2014 | 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 | 1,082.30 | - | - | 1,082.30 | - | - | - | 1,082.30 | 1,082.30 |
| Buildings | 371.81 | 4.21 | - | 376.02 | 202.18 | 21.81 | - | 223.99 | 169.63 |
| Plant and Machinery | 693.59 | 116.41 | 25.31 | 784.69 | 415.35 | 49.31 | 21.11 | 443.55 | 278.24 |
| Furniture and Fixtures | 70.77 | 13.57 | 1.27 | 83.07 | 52.21 | 6.69 | 1.17 | 57.73 | 18.56 |
| Office Equipment | 22.45 | 1.67 | 0.41 | 23.71 | 13.12 | 3.91 | 0.36 | 16.67 | 9.33 |
| Vehicles | 9.78 | 1.04 | 0.97 | 9.85 | 5.73 | 1.62 | 0.66 | 6.69 | 4.05 |
| Leasehold Improvements | 0.05 | - | - | 0.05 | 0.01 | - | - | 0.01 | 0.04 |
| Assets Under Lease : | | | | | | | | | |
| Land Leasehold | 8.89 | - | - | 8.89 | 0.45 | 0.16 | - | 0.61 | 8.44 |
| Plant and Machinery | 3.68 | - | - | 3.68 | 0.64 | 0.27 | - | 0.91 | 3.04 |
| IT Equipments | 7.04 | 1.14 | 0.10 | 8.08 | 5.46 | 1.34 | 0.09 | 6.71 | 1.58 |
| Vehicles | 0.23 | - | - | 0.23 | 0.13 | 0.04 | - | 0.17 | 0.10 |
| Total - A | 2,270.59 | 138.04 | 28.06 | 2,380.57 | 695.28 | 85.15 | 23.39 | 757.04 | 1,575.31 |
| Intangible Assets: | | | | | | | | | |
| Prototypes | 1.25 | 0.92 | - | 2.17 | 0.03 | 0.72 | - | 0.75 | 1.22 |
| Technical Knowhow | 10.49 | 0.49 | 0.53 | 10.45 | 8.47 | 1.18 | 0.48 | 9.17 | 2.02 |
| Software Development | 13.93 | 14.83 | - | 28.76 | 6.23 | 6.07 | - | 12.30 | 7.70 |
| Total - B | 25.67 | 16.24 | 0.53 | 41.38 | 14.73 | 7.97 | 0.48 | 22.22 | 10.94 |
| Total - (A+B) | 2,296.26 | 154.28 | 28.59 | 2,421.95 | 710.01 | 93.12 | 23.87 | 779.26 | 1,586.25 |
| Capital Work-in-Progress (C) | 53.74 | 104.46 | 128.25 | 29.95 | - | - | - | 29.95 | 53.74 |
| Intangible Assets under Development (D) | 12.75 | 4.49 | 9.83 | 7.41 | - | - | - | 7.41 | 12.75 |
| Total - (A+B+C+D) | 2,362.75 | 263.23 | 166.67 | 2,459.31 | 710.01 | 93.12 | 23.87 | 779.26 | 1,652.74 |
| Previous Year | 2,316.25 | 186.15 | 139.65 | 2,362.75 | 712.82 | 56.64 | 59.45 | 710.01 | 1,652.74 |

Note:

1. Fixed Assets include Assets in use for In House Research and Development Centers :

| | | | | | | | | | |
|--|--------|-------|------|--------|-------|------|------|-------|--------|
| - Research and Development Centre (Tractors) | 176.11 | 26.94 | 0.36 | 202.69 | 42.88 | 8.75 | 0.33 | 51.30 | 151.39 |
| - Research and Development Centre (Construction Equipments) | 5.41 | 0.40 | 0.54 | 5.27 | 2.03 | 1.39 | 0.48 | 2.94 | 2.33 |

2. Capital Work-in-Progress includes Borrowing Cost of ₹1.92 crores, capitalised during the period.

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

NOTE 13 : NON CURRENT INVESTMENTS

| | Face Value Per Share | No. of Shares / Units | | Amount (₹ Crore) | |
|---|-------------------------|-----------------------|---------------------|---------------------|---------------------|
| | | As At 31.03.2014 | As At 30.09.2012 | As At 31.03.2014 | As At 30.09.2012 |
| Trade Investments (Valued at Cost Unless Stated Otherwise) | | | | | |
| a) Quoted (Fully Paidup) | | | | | |
| Investment in Equity Shares | | | | | |
| Escorts Finance Limited | ₹10 | 38,19,700 | 38,19,700 | 4.01 | 4.01 |
| b) Unquoted (Fully Paidup) | | | | | |
| Investment in Equity Shares | | | | | |
| Farmtrac Tractors Europe SP zoo, Poland | 1000PLN | 9,500 | 9,500 | 8.35 | 8.35 |
| EDDAL Credit Limited | ₹10 | 50,000 | 50,000 | 0.05 | 0.05 |
| Investments in Preference Shares | | | | | |
| Escorts Finance Limited (10%, Cumulative) | ₹10 | 95,00,000 | 95,00,000 | - | - |
| Other Investments (Valued at Cost Unless Stated Otherwise) | | | | | |
| a) Quoted (Fully Paidup) | | | | | |
| Investment in Equity Shares | | | | | |
| Asahi India Glass Limited | ₹1 | 18,862 | 18,862 | - | - |
| Godavari Drugs Limited | ₹10 | 19,700 | 19,700 | 0.07 | 0.08 |
| Tamilnadu Newsprints and Papers Limited | ₹10 | 100 | 100 | - | - |
| b) Unquoted (Fully Paidup) | | | | | |
| Investment in Equity Shares of Subsidiary | | | | | |
| Escorts Assets Management Limited | ₹10 | 30,00,000 | 30,00,000 | 3.00 | 3.00 |
| Escorts Securities Limited | ₹10 | - | 19,60,000 | - | 1.97 |
| Investment in Equity Shares Of Joint Venture | | | | | |
| Hughes Communications India Limited. | ₹10 | 20,74,492 | 20,74,492 | 2.07 | 2.07 |
| Investment in Equity Shares Of Associate | | | | | |
| Escorts Motors Limited | ₹10 | 1,00,000 | 1,00,000 | 1.50 | 1.50 |
| Investment In Equity Shares | | | | | |
| Drillmac Limited (in liquidation) | ₹10 | 20,000 | 20,000 | 0.02 | 0.02 |
| Escorts Electronics Limited (liquidated) | ₹100 | - | 32,000 | - | 0.32 |
| Twenty First Century Medicare Limited | ₹10 | 19,400 | 19,400 | 0.04 | 0.04 |
| American Paints Limited | ₹10 | 2,41,300 | 2,41,300 | 0.24 | 0.24 |
| The Faridabad Central Co-operative Consumers Stores Limited | ₹10 | 447 | 447 | - | - |
| Escorts Consumer Credits Limited | ₹10 | 12,50,000 | 12,50,000 | 1.00 | 1.00 |
| Investments in Preference Shares Of Subsidiary | | | | | |
| Escorts Securities Limited (10%, Cumulative) | ₹10 | - | 22,00,000 | - | 2.20 |

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

NOTE 13 : NON CURRENT INVESTMENTS (contd.)

| | Face Value Per Share | No. of Shares / Units | | Amount (₹ Crore) | |
|---|-------------------------|-----------------------|---------------------|---------------------|---------------------|
| | | As At 31.03.2014 | As At 30.09.2012 | As At 31.03.2014 | As At 30.09.2012 |
| Beneficiary Interest in Trust | | | | | |
| Interest as Sole Beneficiary in Escorts Benefit and Welfare Trust | - | - | - | 358.93 | 358.93 |
| Others | | | | | |
| Unit Trust of India | ₹100 | 1,830 | 1,830 | 0.02 | 0.02 |
| Units under Venture Capital Unit Scheme - 1990 (VECAUS-II) | | | | | |
| Credit Capital Finance Corporation Limited | ₹10 | 100 | 100 | - | - |
| [Current period (₹1,000), Previous year (₹1,000)] | | | | | |
| Other Government Securities | | | | - | - |
| [Current period (₹17,000), Previous year (₹17,000)] | | | | | |
| Total | | | | 379.30 | 383.80 |
| Less : Provision for diminution in value of Investments in : | | | | | |
| Escorts Electronics Limited (liquidated) | | | | - | (0.32) |
| Drillmac Limited (in liquidation) | | | | (0.02) | (0.02) |
| Escorts Finance Limited | | | | (0.89) | (0.89) |
| Godavari Drugs Limited | | | | (0.07) | (0.07) |
| American Paints Limited | | | | (0.21) | (0.21) |
| Twenty First Century Medicare Limited | | | | (0.03) | (0.03) |
| Total | | | | 378.08 | 382.26 |
| Aggregate value of quoted investments (including investment held in Beneficiary Trust) | | | | 363.02 | 363.02 |
| Aggregate market value of quoted investments | | | | 437.79 | 256.78 |
| Aggregate value of unquoted investments | | | | 16.29 | 20.78 |
| Aggregate provision for diminution in value of investments | | | | 1.22 | 1.54 |

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

NOTE 14 : 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 | 6.09 | 15.20 | - | - |
| Security Deposits | | | | |
| Unsecured : Considered Good | 9.95 | 10.41 | - | - |
| : Considered Doubtful | 0.70 | 0.58 | - | - |
| | 10.65 | 10.99 | - | - |
| Less: Provision for Doubtful Deposits | 0.70 | 0.58 | - | - |
| | 9.95 | 10.41 | - | - |
| Advances recoverable in cash or in kind or for value to be received | | | | |
| Unsecured : Considered Good | - | - | 165.20 | 136.29 |
| : Considered Doubtful | - | - | 34.03 | 34.75 |
| | - | - | 199.23 | 171.04 |
| Less: Provision for Doubtful Advances | - | - | 34.03 | 34.75 |
| | - | - | 165.20 | 136.29 |
| Other Loans and Advances | | | | |
| Advance Income Tax (net of provisions) | - | - | 24.00 | 33.05 |
| MAT Credit Entitlement | - | - | 44.65 | 17.37 |
| Total | 16.04 | 25.61 | 233.85 | 186.71 |

NOTE 15 : 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 (refer Note 34 b) | 101.13 | 82.80 | - | - |
| Others | | | | |
| Interest Accrued on Bank Deposits | 2.02 | 12.03 | 3.05 | 0.45 |
| Unamortised Expenditure (refer Note 30) | 0.02 | - | 0.59 | 1.26 |
| Others | 2.93 | 3.34 | - | - |
| Total | 106.10 | 98.17 | 3.64 | 1.71 |

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

NOTE 16. CURRENT INVESTMENTS

₹ Crores

| | No. of Shares / Units | | Amount | |
|--|-----------------------|---------------------|---------------------|---------------------|
| | As At 31.03.2014 | As At 30.09.2012 | As At 31.03.2014 | As At 30.09.2012 |
| Quoted | | | | |
| In Mutual Funds (valued at lower of cost or market value) | | | | |
| Birla Sun Life Dynamic Bond Fund (Growth) | 9,30,977.267 | 9,70,254.686 | 1.95 | 1.75 |
| Fidelity Short Term Income Fund (Growth) | - | 4,00,193.022 | - | 0.43 |
| IDFC SSIF Short Term Plan (Growth) | 6,64,208.439 | 6,64,208.439 | 1.46 | 1.46 |
| Total | | | 3.41 | 3.64 |
| Unquoted | | | | |
| In Bonds (at cost) | | | | |
| ICICI Deep Discount Bonds | 26.000 | 26.000 | 0.01 | 0.01 |
| Total | | | 3.42 | 3.65 |
| Aggregate market value of quoted investments | | | 3.70 | 3.84 |

NOTE 17 : INVENTORIES

₹ Crores

| | As At 31.03.2014 | As At 30.09.2012 |
|--|---------------------|---------------------|
| Raw Materials and Components | 249.44 | 221.85 |
| Goods-in-Transit | 3.75 | 1.27 |
| Less: Provision for obsolete and slow moving | 32.78 | 37.68 |
| | 220.41 | 185.44 |
| Work-in-Progress | 44.48 | 48.43 |
| Finished Goods | 186.85 | 182.55 |
| Goods-in-Transit | 13.24 | 0.21 |
| Less: Provision for obsolete and slow moving | 0.61 | 2.21 |
| | 199.48 | 180.55 |
| Traded Goods | 60.81 | 58.70 |
| Goods-in-Transit | 0.44 | - |
| Less: Provision for obsolete and slow moving | 0.74 | 0.62 |
| | 60.51 | 58.08 |
| Stores and Spares | 14.04 | 10.78 |
| Loose Tools | 13.64 | 13.33 |
| Less: Provision for obsolete and slow moving | 1.59 | - |
| | 12.05 | 13.33 |
| Total | 550.97 | 496.61 |

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

NOTE 18 : TRADE RECEIVABLES

| | ₹ Crores | |
|--|---------------------|---------------------|
| | As At 31.03.2014 | As At 30.09.2012 |
| Trade Receivables | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Secured, Considered Good | 1.23 | 0.62 |
| Unsecured : Considered Good | 34.50 | 17.73 |
| : Considered Doubtful | 56.24 | 48.92 |
| | 91.97 | 67.27 |
| Less: Provision for Doubtful Debts | 56.24 | 48.92 |
| | 35.73 | 18.35 |
| Others | | |
| Secured, Considered Good | 36.73 | 43.23 |
| Unsecured, Considered Good | 279.95 | 393.34 |
| | 316.68 | 436.57 |
| Total | 352.41 | 454.92 |

NOTE 19 : CASH AND BANK BALANCES

| | ₹ Crores | |
|---|---------------------|---------------------|
| | As At 31.03.2014 | As At 30.09.2012 |
| Cash and Cash Equivalents | | |
| Balances with Bank | | |
| Cash Credit Accounts | 0.50 | 48.03 |
| Current Accounts | 37.61 | 5.07 |
| Cheques/Drafts on Hand | 3.18 | 2.56 |
| Cash on Hand | 0.46 | 0.55 |
| Bank Deposits with less than 12 months maturity | 113.22 | 60.76 |
| | 154.97 | 116.97 |
| Other Balances with Bank | | |
| Earmarked Unpaid Dividend Accounts | 0.96 | 0.59 |
| Margin Money | 4.84 | 13.01 |
| (includes ₹0.09 crores (previous year ₹0.10 crores) pledged with various authorities) | | |
| Total | 160.77 | 130.57 |

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

NOTE 20 : REVENUE FROM OPERATIONS

| | | ₹ Crores |
|-------------------------------|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Sale | | |
| Gross Sales | 6,400.49 | 3,981.05 |
| Less : Excise Duty | 132.87 | 103.32 |
| Net Sale | (A) 6,267.62 | 3,877.73 |
| Other Operating Income | | |
| Erection and Servicing | 5.67 | 7.11 |
| Export Incentive | 4.18 | 0.35 |
| Scrap Sale | 10.24 | 7.09 |
| Others | 3.80 | 1.60 |
| | (B) 23.89 | 16.15 |
| Total | (A+B) 6,291.51 | 3,893.88 |

Details of Gross Sale Value of Manufactured Goods

| | | ₹ Crores |
|--|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Manufactured Goods | | |
| Agricultural Tractors | 4,676.91 | 2,648.61 |
| Internal Combustion Engine | 40.58 | 36.82 |
| Round and Flat Tubes and Heating Elements | 20.97 | 12.13 |
| Double Acting Hydraulic Shock Absorbers for Railway Coaches | 24.43 | 16.26 |
| Centre Buffer Couplers | 28.19 | 4.44 |
| Automobile Shock Absorbers, Telescopic Front Fork and McPherson Struts | 189.28 | 119.32 |
| Brake Block | 31.76 | 18.66 |
| All types of Brakes used by Railways | 68.95 | 47.75 |
| Construction Equipments | 739.52 | 703.89 |
| Others | 123.52 | 57.73 |
| Total | 5,944.11 | 3,665.61 |

Details of Gross Sale Value of Traded Goods

| | | ₹ Crores |
|--|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Traded Goods | | |
| Implements Trailers, Compressor Accessories, Spares, Construction Equipment and Others | 339.88 | 263.18 |
| Oils and Lubricants | 71.94 | 37.38 |
| Others | 44.56 | 14.88 |
| Total | 456.38 | 315.44 |

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

NOTE 21 : OTHER INCOME

| | ₹ Crores | |
|---|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Interest Income | | |
| Bank Deposits | 20.13 | 16.01 |
| Others | 44.63 | 17.02 |
| Dividend Income From Long Term Investment | 0.02 | 3.07 |
| Net Gain on Sale of Current Investments | 0.24 | 0.13 |
| Foreign Exchange Variation (Net) | 3.73 | 2.64 |
| Miscellaneous Income | 12.66 | 10.03 |
| Total | 81.41 | 48.90 |

NOTE 22 : COST OF RAW MATERIAL AND COMPONENTS CONSUMED

| | ₹ Crores | |
|--|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Opening Stock | 223.12 | 138.93 |
| Add : On Amalgamation | - | 90.68 |
| Add : Purchases | 4,254.22 | 2,668.11 |
| | 4,477.34 | 2,897.72 |
| Less : Closing Stock | 253.19 | 223.12 |
| Raw Material and Components Consumed* | 4,224.15 | 2,674.60 |

* Net of Duty Drawback

Details of Raw Material and Component Consumed

| | ₹ Crores | |
|-----------------------|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Castings and Forgings | 367.01 | 255.67 |
| Other Metal Parts | 48.37 | 55.65 |
| Others | 3,808.77 | 2,363.28 |
| Total | 4,224.15 | 2,674.60 |

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

NOTE 23 : PURCHASE OF TRADED GOODS

| | ₹ Crores | |
|---------------------------|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Purchases of Traded Goods | 303.74 | 227.73 |
| Total | 303.74 | 227.73 |

Details of Purchase of Traded Goods

| | ₹ Crores | |
|--|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Implements Trailers, Compressor Accessories, Spares, Construction Equipment and Others | 260.74 | 193.81 |
| Oils and Lubricants | 14.45 | 24.56 |
| Others | 28.55 | 9.36 |
| Total | 303.74 | 227.73 |

NOTE 24 : 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 | 180.55 | 113.27 |
| Work-In-Progress | 48.43 | 24.22 |
| Traded Goods | 58.08 | 35.82 |
| | 287.06 | 173.31 |
| On Amalgamation | | |
| Finished Goods | - | 19.73 |
| Work-In-Progress | - | 18.06 |
| Traded Goods | - | 18.15 |
| | - | 55.94 |
| Closing Stock | | |
| Finished Goods | 199.48 | 180.55 |
| Work-In-Progress | 44.48 | 48.43 |
| Traded Goods | 60.51 | 58.08 |
| | 304.47 | 287.06 |
| (Increase)/Decrease In Stock | (17.41) | (57.81) |

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

NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS (contd.)

Details Of Finished and Traded Goods Inventories

₹ Crores

| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
|--|----------------------------|--------------------------|
| Finished Goods | | |
| Agricultural Tractors | 159.99 | 147.70 |
| Round and Flat Tubes and Heating Elements | 0.79 | 0.36 |
| Automobile Shock Absorbers, Telescopic Front Fork and McPherson Struts | 4.55 | 7.91 |
| All types of Brakes and Shock Absorbers used by Railways | 0.12 | 0.12 |
| Construction Equipments | 33.39 | 24.46 |
| Others | 0.64 | - |
| Total | 199.48 | 180.55 |
| Work-in-Progress | | |
| Agricultural Tractors | 16.59 | 18.39 |
| Automobile Shock Absorbers, Telescopic Front Fork and McPherson Struts | 4.45 | 3.37 |
| All types of Brakes and Shock Absorbers used by Railways | 10.92 | 5.49 |
| Construction Equipments | 12.52 | 21.18 |
| Total | 44.48 | 48.43 |
| Traded Goods | | |
| Implements Trailers, Compressor Accessories, Spares, Construction Equipment and Others | 51.69 | 49.76 |
| Oils and Lubricants | 0.11 | 0.07 |
| Others | 8.71 | 8.25 |
| Total | 60.51 | 58.08 |

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

₹ Crores

| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
|--|----------------------------|--------------------------|
| Salary, Wages and Bonus | 546.51 | 328.11 |
| Employee Stock Option Scheme | (0.50) | (0.51) |
| Contribution to Gratuity Fund | 25.33 | 14.38 |
| Contribution to Provident Fund and Other Funds | 26.93 | 16.66 |
| Staff Welfare Expenses | 69.08 | 47.48 |
| Total | 667.35 | 406.12 |

NOTE 26 : 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 | 25.36 | 24.97 |
| Others | 19.97 | 17.43 |
| Bank and Finance Charges | 18.46 | 15.11 |
| Total | 110.67 | 96.44 |

* Interest expenses are net of interest capitalised of ₹1.92 crores (refer Note 12)

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

NOTE 27 : DEPRECIATION AND AMORTISATION

| | ₹ Crores | |
|---|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Depreciation | 93.12 | 56.64 |
| Less: Transfer from Revaluation Reserve | 9.90 | 8.21 |
| Total | 83.22 | 48.43 |

NOTE 28 : OTHER EXPENSES

| | ₹ Crores | |
|---|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Consumption of Stores, Spares and Tools | 63.72 | 34.49 |
| Power and Fuel | 64.03 | 39.47 |
| Excise Duty on Increase/(Decrease) in Stock of Finished Goods | 2.73 | 2.41 |
| Repairs and Maintenance | | |
| Building | 10.22 | 5.81 |
| Plant and Machinery | 24.83 | 18.29 |
| Others | 41.59 | 13.01 |
| Warranties | 24.68 | 21.05 |
| Rent | 9.23 | 5.79 |
| Rates and Taxes | 7.54 | 3.20 |
| Insurance | 5.84 | 4.59 |
| Travelling and Conveyance | 58.15 | 36.64 |
| Postage and Telephones | 9.26 | 7.02 |
| Legal and Professional | 31.48 | 20.00 |
| Commission, Discount and Sales Incentive | 140.62 | 93.88 |
| Advertisement | 68.34 | 45.02 |
| Royalty | 33.42 | 19.54 |
| Packing, Freight and Forwarding | 90.45 | 66.27 |
| Directors Sitting Fees and Commission | 0.23 | 0.44 |
| Provision for | | |
| Doubtful Debts | 6.80 | 5.61 |
| Advances and Deposits | 1.17 | 0.08 |
| Obsolete Inventories | 4.29 | - |
| Miscellaneous Expenses | 33.82 | 18.39 |
| Total | 732.44 | 461.00 |

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

NOTE 29 : EXCEPTIONAL ITEMS

| | ₹ Crores | |
|--|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| (Surplus)/Loss on Sale of Fixed Assets (Net) | (2.28) | (1.09) |
| Fixed Assets Written Off | - | 0.08 |
| Voluntary Retirement Expenses | 3.34 | - |
| Liabilities Written Back | (4.70) | - |
| Service Tax | - | (0.67) |
| Bad Debts Written Off | 0.41 | - |
| Less: Provision Already Held | 0.41 | - |
| Total | (3.64) | (1.68) |

NOTE 30 : UNAMORTISED EXPENDITURE REPRESENTS

| | ₹ Crores | |
|---|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Upfront Fee / Employee Stock Option Scheme | | |
| As per the last Financial Statements | 1.26 | 1.87 |
| Add : Addition During the Period | 0.02 | - |
| Add : On Amalgamation | - | 0.14 |
| Less : Written Off During the Period | 0.67 | 0.75 |
| Closing Balance | 0.61 | 1.26 |

NOTE 31 : EARNINGS PER SHARE

| | | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
|---|---------|----------------------------|--------------------------|
| Net Profit After Tax (₹ Crores) | Basic | 244.89 | 69.60 |
| | Diluted | 244.89 | 69.60 |
| Weighted Average Number of Shares outstanding | Basic | 11,92,63,266 | 11,92,63,266 |
| | Diluted | 11,92,93,579 | 11,92,63,266 |
| Earnings per Share (face value ₹10 per share) | Basic | 20.53 | 5.84 |
| | Diluted | 20.53 | 5.84 |

NOTE 32 : LEGAL AND PROFESSIONAL EXPENSES INCLUDE AUDITORS REMUNERATION

| | ₹ Crores | |
|-------------------------------------|----------------------------|--------------------------|
| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Audit Fee | 0.86 | 0.60 |
| Tax Audit Fee | 0.41 | 0.17 |
| In other capacity | | |
| Limited Review of Quarterly Results | 0.39 | 0.19 |
| Certification and Other Services | 0.27 | 0.24 |
| Out of Pocket Expenses | 0.08 | 0.04 |

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

NOTE 33 : THE OUTSTANDING DERIVATIVE INSTRUMENTS AS AT MARCH 31, 2014.

The Export Receivables of the Company as at period end have not been Hedged by Forward Contract (Previous Year Nil)

The foreign currency exposure not hedged by a derivative instrument or otherwise as on March 31, 2014 are as follows:

| | Currency | As At 31.03.2014 | As At 30.09.2012 |
|---|----------|---------------------|---------------------|
| Amount Receivable on Account of Sales of Goods/Services | USD | 2.59 | 2.33 |
| | EURO | 3.71 | 5.30 |
| Amount Payable on Account of Purchase of Material/Services: | USD | 1.78 | 4.27 |
| | EURO | 0.48 | 0.58 |
| | JPY | 0.84 | 1.35 |

Amount (Millions)

NOTE 34 : DISCLOSURE REQUIRED BY ACCOUNTING STANDARD (AS) 29 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS':

34a Contingent Liabilities*

| | 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 | 33.85 | 48.30 |
| II) Claims not acknowledged as debts | 0.55 | 0.55 |
| III) There is a contingent liability of : | | |
| (a) Excise Duty/ Customs Duty /Service Tax demands not acknowledged as liability | 15.04 | 12.66 |
| (b) ESI additional demand not acknowledged as liability | 4.14 | 4.14 |
| (c) Sales Tax and other demands not acknowledged as liability | 10.90 | 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 and bill discounting | 32.70 | 26.98 |
| (g) LC/Guarantees executed in favour of others | 22.38 | 19.54 |
| (h) Demand raised by Income Tax Department, disputed by the Company and pending in appeal (Against demand the Company has deposited a sum of ₹25.89 crores (Previous year ₹25.89 crores) under protest) | 136.94 | 136.94 |
| (i) Liability towards surety bond in favour of Governor of Haryana for sales tax registration under VAT | 3.50 | 3.50 |

₹ Crores

*The amounts indicated as contingent liability or claims against the Company only reflect the basic value. Interest, penalty if any or legal costs, being indeterminable are not considered.

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

34b During the period 2004-05, Escorts Limited (EL) sold its entire shareholding in Escorts Heart Institute and Research Center Limited (EHIRCL) vide Share Purchase Agreement dated September 25, 2005. There were certain pending disputed Income Tax Demands of ₹52.33 crores and interest thereon amounting to ₹29.16 crores on EHIRCL and in terms of the agreement EL has undertaken to indemnify the purchaser to the extent of ₹64.99 crores plus one-third of any amount in excess of ₹64.99 crores, upon the final adjudication of the demand in law or finally settled in terms of the provisions of the said Share Purchase Agreement. For this purpose and in terms of said Share Purchase Agreement an amount of ₹64.99 crores has been kept in an Escrow Account as fixed deposit, which after renewal (s) amounts to ₹101.13 crores as on March 31, 2014. A provision of ₹65.00 crores has been made on prudent basis to meet this liability, if and when the same arises.

34c (i) Movement in provisions: (Figures in brackets are in respect of the previous year)

| | | | | | | ₹ Crores |
|--------------------|---------------------|----------------------|-----------|----------------|-------------------------------|---------------------|
| Class of Provision | As At 01.10.2012 | Merger Adjustment | Additions | Amount Used | Unused Amounts Reversed | As At 31.03.2014 |
| Product Warranties | 8.16 | - | 7.68 | 2.04 | 6.21 | 7.59 |
| | (10.01) | (0.44) | (5.98) | (3.11) | (5.16) | (8.16) |

(ii) Nature of Provision:

Product Warranties :The Company gives warranties on certain products and undertakes to repair or replace them if these fail to perform satisfactorily during the free warranty period. Such provision represents the amount of expected cost of meeting the obligations of such rectification/replacement. The timing of the outflows is expected to be within a period of one year.

NOTE 35 :

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 36 : DISCLOSURE REGARDING EMPLOYEES STOCK OPTION PLAN PURSUANT TO THE SEBI (EMPLOYEES STOCK OPTION SCHEME AND EMPLOYEES STOCK PURCHASE SCHEME) GUIDELINES, 1999

| | | | |
|---|--|------------------------------|---------------------|
| (a) Total Number of Options as on September 30, 2012 | 65,000 | | |
| (b) Options Granted During the Period | Options | Grant date | |
| | 1,92,000 | Tuesday, October 01, 2013 | |
| (c) Pricing Formula | At a price not less than the par value of Company's share and not more than the closing Market Price of the Stock Exchanges: | | |
| | Options | Gross Price (₹) | Market Price (₹) |
| | 1,92,000 | 85.00 | 87.35 |
| (d) Options Vested | Nil | | |
| (e) Options Exercised | Nil | | |
| (f) The total number of shares arising as a result of exercise of options | Nil | | |
| (g) Options Lapsed | 45,000 | | |
| (h) Variation of Terms of Options | Nil | | |
| (i) Money Realised by Exercise of Options | Nil | | |

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

| | | |
|---|---|-----------------------|
| (j) Total Number of Options in Force | 2,12,000 as on 31.03.2014 | |
| (k) Employee Wise Details of Options Granted to : | Name | No. of Options |
| - Senior Management Personnel during the period | Mr. S Sridhar | 60,000 |
| | Mr. Shailendra Agarwal | 30,000 |
| | Mr. Sameer Tandon | 24,000 |
| | Mr. Dipankar Ghosh | 24,000 |
| | Mr. Bharat Madan | 15,000 |
| | Mr. Shenu Agarwal | 15,000 |
| | Mr. Rajneesh Agarwal | 12,000 |
| | Mr. Ashok Gupta | 12,000 |
| | Total | 1,92,000 |
| - Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during the period. | All the senior managerial personnel, as stated above, have been granted options amounting to 5% or more, during the period. Except the above no other employees has been granted options amounting to 5% or more, during the period. | |
| - Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. | Nil | |
| (l) Diluted Earnings Per Share(EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard(AS) 20 'Earnings Per Share'. | ₹20.53 per Equity Share | |
| (m) Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of options, shall be disclosed. The impact of this difference on profits and EPS of the Company shall also be disclosed. | The profit of the Period would have been higher by ₹4.51 lakhs. The EPS for the Period would have been higher by ₹0.004. | |
| (n) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. | (i) Fair value option is ₹(9.65) and Exercise Price is ₹85.00. | |
| (o) A description of the method and significant assumptions used during the Period to estimate the fair values of options, including the following weighted average information : | The Black Scholes Option Pricing Model for dividend paying stock has been use to compute the fair value of the options. The significant assumptions made are: Option Issued on October 01, 2013 | |
| - Risk Free Interest Rate | 8.72% | |
| - Expected Life | 3 Periods | |
| - Expected Volatility | 0.184 | |
| - Expected Dividends, and | 15% | |
| - The price of the underlying share in market at the time of option grant | ₹87.35 | |
| | The shares to be issued under stock options shall rank pari passu, including the right to receive dividend. Expected dividend payouts to be paid during the life of the option reduce the value of a call option by creating drop in market price of the stock. Adjustments for known anticipated dividend payouts over the life of the option are made to the formulae under the Black Scholes method. | |

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

Note 37 :

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 38 :

The Company has executed an Agreement to Sell for transfer of 25 acres of land at Plot No. 219, Sector 58, Balabgarh, 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 39 :

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 40 :

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 04, 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 41 :

Escorts Benefit and Welfare Trust holds 3,73,00,031 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.

NOTE 42 : EMPLOYEE BENEFITS

₹ Crores

| | 31.03.2014 | | 30.09.2012 | |
|---|------------|------------------|------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| (a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation: | | | | |
| Defined Benefit Obligation at the Beginning of the Period | 96.24 | 14.80 | 88.83 | 12.66 |
| Current Service Cost | 7.43 | 3.05 | 4.26 | 1.55 |
| Past Service Cost | - | - | - | - |
| Interest Cost | 11.56 | 1.88 | 7.54 | 1.07 |
| Actuarial (Gain)/Loss | 12.16 | 4.72 | 4.92 | 3.35 |
| Benefits Paid | (22.59) | (6.42) | (10.00) | (3.97) |
| Defined Benefit Obligation at Period End | 104.80 | 18.03 | 95.55 | 14.66 |

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

₹ Crores

| | 31.03.2014 | | 30.09.2012 | |
|--|----------------|------------------|----------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| (b) Reconciliation of opening and Closing Balances of Fair Value of Plan Assets | | | | |
| Fair Value of Plan Assets at Beginning of the Period | 95.51 | - | 88.07 | - |
| Expected Return on Plan Assets | 12.03 | - | 7.41 | - |
| Actuarial Gain/(Loss) | (6.50) | - | (4.22) | - |
| Employer Contribution | - | - | 0.54 | - |
| Benefits Paid | (22.00) | - | (10.00) | - |
| Fair Value of Plan Assets at Period End | 79.04 | - | 81.80 | - |
| (c) Reconciliation of Fair Value of Assets and Obligations | | | | |
| Fair Value of Plan Assets as at September 30, 2012 | 79.04 | - | 81.80 | - |
| Present Value of Obligation as at March 31 2014 | 104.80 | 18.03 | 95.55 | 14.66 |
| Net Assets/(Liability) Recognised in Balance Sheet | (25.76) | (18.03) | (13.75) | (14.66) |
| (d) Expenses Recognised During the Period | | | | |
| Current Service Cost | 7.43 | 3.05 | 4.26 | 1.55 |
| Past Service Cost | - | - | - | - |
| Interest Cost | 11.56 | 1.88 | 7.54 | 1.07 |
| Expected Return on Plan Assets | (12.03) | - | (7.41) | - |
| Actuarial (Gain)/Loss | 18.66 | 4.72 | 9.14 | 3.35 |
| Share of Participating Companies | (0.29) | - | 0.85 | - |
| Net Cost | 25.33 | 9.65 | 14.38 | 5.97 |

NOTE 43 :

(i) Expenses on Research and Development Centre included under following heads

₹ Crores

| | | Tractor | | Construction Equipment | |
|--------------------|-----------|----------------------------|--------------------------|----------------------------|--------------------------|
| | | Period Ended 31.03.2014 | Year Ended 30.09.2012 | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
| Materials | - Note 22 | 4.76 | 2.63 | 0.01 | 1.85 |
| Personnel Expenses | - Note 25 | 36.15 | 16.44 | 4.06 | 4.22 |
| Other Expense | - Note 28 | 19.42 | 7.80 | 0.54 | - |
| Depreciation | - Note 27 | 8.75 | 3.97 | 1.39 | 0.75 |
| | | 69.08 | 30.84 | 6.00 | 6.82 |

(ii) Assets Purchased/Capitalised for Research and Development Centers (as Certified by the Management)*

Tractors ₹26.94 Crores (Previous Year ₹7.97 Crores)

Construction Equipment ₹0.40 Crores (Previous Year ₹1.80 Crores)

*doesn't include Capital Advance/Capital Work in Progress

(iii) Expenses on Research and Development as percentage to Gross Turnover is :

Tractors 2.04% (Previous Year 1.45%)

Construction Equipment 0.87% (Previous Year 1.22%)

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

NOTE 44 : EXPENSES PERTAINING TO PREVIOUS YEARS

₹ Crores

| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
|--------|----------------------------|--------------------------|
| Others | 0.12 | 0.47 |

NOTE 45 : PROFIT AND LOSS ACCOUNT OF AGRICULTURAL BUSINESS IS AS FOLLOWS

In Rupees

| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
|------------------------|----------------------------|--------------------------|
| Expenses | 21,57,995.90 | 12,24,438.33 |
| Sales and Other Income | 2,38,320.00 | 88,000.00 |
| Net Profit/(Loss) | (19,19,675.90) | (11,36,438.33) |

Note 46 : RELATED PARTY DISCLOSURES (as identified and certified by the management)

Related party disclosures as required under Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given hereunder:

(i) **Subsidiary Companies**

Domestic

Escorts Securities Limited
Escorts Asset Management Limited
EDDAL Credit Limited

Overseas

Beaver Creeks Holdings LLC, USA
Farmtrac Tractors Europe Sp. Z.o.o, Poland
Farmtrac North America LLC, USA
(formerly Long Agri Business LLC, USA)

(ii) **Joint Ventures and Associates**

Hughes Communications India Limited
Escorts Motors Limited

(iii) **Key Management Personnel (whole-time directors) and their relatives**

Mr. Rajan Nanda (Chairman and Managing Director)
Mr. Nikhil Nanda (Managing Director)
Mrs. Ritu Nanda
Mrs. Shweta Nanda
Ms. Nitasha Nanda

(iv) **Others**

| | |
|---|---|
| Har Parshad and Company Private Limited | Big Apple Clothing Private Limited |
| Raksha TPA Private Limited | Niky Tasha Communications Private Limited |
| Rimari India Private Limited | Niky Tasha Energies Private Limited |
| Momento Communications Private Limited | Sun and Moon Travels (India) Private Limited |
| AAA Portfolios Private Limited | Sharak Health Care Private Limited (Previously named Raksha Medicare Private Limited) |

(v) **Related Party Transactions - Refer Annexure - I**

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

Note 47

Accounting for Leases (AS-19). Details as per Annexure - II

Note 48

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

Note 49

The accounting year of the Company has been extended by six months, i.e. upto March 31, 2014, as approved by the board of directors in their meeting held on October 02, 2013 and by registrar of the Companies vide its letter dated October 07, 2013. Therefore, current accounting period is for 18 months (from October 01, 2012 to March 31, 2014) and is not comparable with the previous year.

ANNEXURE - I

DISCLOSURE OF RELATED PARTIES -

Transactions with Subsidiaries for the period 01.10.2012 To 31.03.2014

| Nature of Transactions | ₹ Crores | | | | Total |
|--|-------------------------|----------------------------------|---|--|---------|
| | EDDAL Credit Limited | Escorts Securities Limited | Escorts Assets Management Limited | Farmtrac Tractors Europe Sp. Z.o.o, Poland | |
| For the Period Ended 31.03.2014 | | | | | |
| Sale of Goods | - | - | - | 27.23 | 27.23 |
| | - | - | - | (31.57) | (31.57) |
| Interest Expense | 0.29 | - | - | - | 0.29 |
| | (0.19) | - | - | - | (0.19) |
| Purchases of Goods | - | - | - | 2.04 | 2.04 |
| | - | - | - | (0.07) | (0.07) |
| Balances As At 31.03.2014 | | | | | |
| Investments | 0.05 | - | 3.00 | 8.35 | 11.40 |
| | (0.05) | (4.18) | (3.00) | (8.35) | (15.58) |
| Advances Given | - | - | - | - | - |
| | - | (1.43) | - | - | (1.43) |
| Receivables / Debtors | - | - | - | 16.52 | 16.52 |
| | - | - | - | (17.24) | (17.24) |
| Payables | 1.93 | 0.14 | - | 0.20 | 2.26 |
| | (1.75) | (0.18) | - | (0.19) | (2.12) |

Transactions with Joint Ventures for the period 01.10.2012 To 31.03.2014

| Nature of Transactions | ₹ Crores | | Total |
|----------------------------------|---------------------------|--|--------|
| | Escorts Motors Limited | Hughes Communication India Limited | |
| Balances As At 31.03.2014 | | | |
| Investments | 1.50 | 2.07 | 3.57 |
| | (1.50) | (2.07) | (3.57) |

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

ANNEXURE - I (contd.)

Transactions with Directors and their relatives for the period 01.10.2012 to 31.03.2014

| Nature of Transactions | ₹ Crores | | | | | | | | | | | | | | | | | |
|--|-------------|------------|--------------|---------------|----------------|----------------------|-------------------------|--------------------------------|---------------------|------------------------|--------------------------|------------------------------|--------------------------------------|--------------------------------|--|------------------------------|-------|---------|
| | Rajan Nanda | Ritu Nanda | Nikhil Nanda | Shweta Nanda* | Nitasha Nanda* | Master Agasty Nanda* | Km. Nanya Naveli Nanda* | Km. Harparshad and Co. Pvt Ltd | Raksha TPA Pvt. Ltd | Rimari India Pvt. Ltd. | AAA Port-folos Pvt. Ltd. | Big Apple Clothing Pvt. Ltd. | Niky Tasha Communications Pvt. Ltd.* | Niky Tasha Energies Pvt. Ltd.* | Sun and Moon Travels (India) Private Limited | Sharak Health Care Pvt. Ltd. | Total | |
| For the Period Ended 31.03.2014 | | | | | | | | | | | | | | | | | | |
| Royalty | - | - | - | - | - | - | - | 33.42 | - | - | - | - | - | - | - | - | - | 33.42 |
| Remuneration | 7.80 | - | 6.61 | - | 1.69 | - | - | - | - | - | - | - | - | - | - | - | - | (19.54) |
| Rent Received | (5.47) | - | (4.12) | - | (1.28) | - | - | - | - | - | - | - | - | - | - | - | - | 16.10 |
| Rent Paid | - | - | 0.66 | - | - | - | - | - | 1.12 | - | - | - | - | - | 0.02 | - | - | 1.81 |
| Receiving of Services (Expense) | - | 0.58 | (0.42) | - | 0.59 | - | - | (0.84) | - | - | - | - | - | - | (0.01) | - | - | (1.27) |
| Dividend Paid | - | (0.33) | - | - | (0.39) | - | - | - | - | - | - | - | - | - | - | - | - | 1.16 |
| Balances as at 31.03.2014 | 0.10 | 0.01 | 0.02 | - | - | - | - | 0.93 | - | - | - | - | - | - | 10.36 | 0.09 | - | 10.45 |
| Advances Given | (0.12) | (0.01) | (0.03) | - | - | - | - | (1.11) | - | - | - | 0.17 | - | - | (6.78) | - | - | (6.78) |
| Debtors/Receivables | - | - | - | - | 0.06 | - | - | - | - | - | - | 0.18 | - | - | - | - | - | 1.41 |
| Payables | - | - | - | - | (0.06) | - | - | - | - | - | (0.20) | (0.21) | - | - | - | - | - | (1.69) |
| | - | - | - | - | - | - | - | - | 0.24 | 0.12 | - | - | - | - | 0.12 | - | - | 0.54 |
| | - | - | - | - | - | - | - | - | - | (0.12) | - | - | - | - | - | - | - | (0.18) |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | (0.09) | - | - | - | - | - | - | - | - | - | (0.09) |
| | - | - | - | - | - | - | - | 4.75 | - | - | - | - | - | - | 0.02 | - | - | 4.77 |
| | - | - | - | - | - | - | - | (4.76) | - | - | - | - | - | - | (0.36) | - | - | (5.12) |

* dividend paid less than a lakh.

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

ANNEXURE - II

DISCLOSURE UNDER ACCOUNTING STANDARD - 19 (LEASES)

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 |
|---|------------------------------------|---|---|
| Total Amount Due | 1.90 | 1.75 | 0.15 |
| | (2.02) | (1.86) | (0.16) |
| Due within One Year | 1.54 | 1.42 | 0.12 |
| | (1.58) | (1.44) | (0.14) |
| Due later than One Year and not later than Five Years | 0.36 | 0.33 | 0.03 |
| | (0.44) | (0.42) | (0.02) |

NOTE 50 : EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY

₹ Crores

| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
|--|----------------------------|--------------------------|
| Expenditure in Foreign Currency | | |
| Royalty/Technical Know-How/Product Development | 8.61 | 4.98 |
| Travelling Expenses | 4.17 | 3.24 |
| Others | 12.25 | 9.62 |
| Total | 25.03 | 17.84 |
| Earnings in Foreign Currency | | |
| Export of Goods Including Partly Executed Sales Contracts on F.O.B Basis | 200.08 | 139.90 |
| Others | 4.65 | 5.08 |
| Total | 204.73 | 144.98 |

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

NOTE 51 : VALUE OF IMPORTS - CIF BASIS

| | Period Ended 31.03.2014 | Year Ended 30.09.2012 |
|----------------------------|----------------------------|--------------------------|
| Raw Material | 43.55 | 30.35 |
| Components and Spare Parts | 42.91 | 20.99 |
| Capital Goods | 15.08 | 24.44 |
| Total | 101.54 | 75.78 |

NOTE 52 : IMPORTED AND INDIGENOUS RAW MATERIALS AND COMPONENTS, STORES AND SPARES AND TOOLS CONSUMED

| | Period Ended 31.03.2014 | | Year Ended 30.09.2012 | |
|--------------|-------------------------|---------------|-----------------------|---------------|
| | ₹ Crores | Percentage | ₹ Crores | Percentage |
| Imported | 71.05 | 1.66 | 41.11 | 1.52 |
| Indigenous | 4,216.82 | 98.34 | 2,667.98 | 98.48 |
| Total | 4,287.87 | 100.00 | 2,709.09 | 100.00 |

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

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 | 272.40 | 87.95 |
| Adjustments for : | | |
| Gain on Sale of Investments (Current) | (0.24) | (0.13) |
| Gain on Sale of Asset | (2.28) | (1.09) |
| Depreciation | 83.22 | 48.43 |
| Misc. Expenses/Assets Write off/Provisions | (1.62) | 3.74 |
| Interest Expense | 92.21 | 81.33 |
| Dividend Income | (0.02) | (3.07) |
| Interest Income | (64.76) | (33.03) |
| Operating Profit before Working Capital Changes | 378.91 | 184.13 |
| Adjustments for : | | |
| Trade and Other Receivables | 93.58 | 49.29 |
| Inventories | (58.65) | (67.58) |
| Trade Payables and Others | (29.62) | (67.25) |
| | (5.31) | (85.54) |
| Cash Generated from Operations | 384.22 | 98.59 |
| Direct Taxes (Paid)/Refunds | (55.92) | (38.45) |
| Net Cash Flow from Operating Activities | 328.30 | 60.14 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale/(Purchase) of Fixed Assets | (118.37) | (106.29) |
| Movement in Loans and Advances | (20.84) | (58.03) |
| Sale/(Purchase) of Investments | 4.63 | (2.41) |
| Interest Received | 72.17 | 28.23 |
| Dividend Received | 0.02 | 3.07 |
| Net Cash Flow from Investing Activities | (62.39) | (135.43) |
| C. CASH FLOW USED IN FINANCING ACTIVITIES | | |
| Proceeds / (Repayment) from Long Term Borrowings | (33.07) | (23.69) |
| Proceeds / (Repayment) from Short Term Borrowings (Net) | (84.18) | 96.51 |
| Interest Paid | (93.10) | (80.39) |
| Dividend and Dividend Tax paid | (25.36) | (17.10) |
| Net Cash Generated from / (used in) Financing Activities | (235.71) | (24.67) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 30.20 | (99.96) |
| Cash and Cash Equivalents as at 01.10.2012 | 130.57 | 203.43 |
| Addition On Amalgamation | - | 27.10 |
| Cash and Cash Equivalents as at 31.03.2014 | 160.77 | 130.57 |

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