ESCORTS LIMITED

Registered Office: 11, Scindia House, Connaught Circus, New Delhi - 110001

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 30TH SEPTEMBER 2005

Rs. in crores

Sl No.	Particulars	12 Months ended 30th June 2005	Quarter ended		Period ended (15 months)		Consolidated Results (15 months)	
			30th Sept 2005	30th Sept 2004	30th Sept 2005	30th June 2004	Period ended 30th Sept 2005	Period ended 30th June 2004
1	Net Sales & Income from Operations	1129.50	178.43	291.99	1307.93	1120.81	2234.14	1932.54
2	Income from Investments/Other Income	0.30	505.43	-	505.73	0.21	503.01	72.75
	Total	**1129.80**	**683.86**	**291.99**	**1813.66**	**1121.02**	**2737.15**	**2005.29**
3	Total Expenditure							
	a) (Increase)/Decrease in stock-in-trade	(2.81)	5.55	1.30	2.74	18.58	(0.24)	6.23
	b) Consumption of raw materials	802.30	105.45	202.52	907.75	708.06	1275.19	869.51
	c) Manufacturing expenses	47.59	10.80	12.82	58.39	53.50	211.69	293.73
	d) Staff Cost	149.93	35.86	36.37	185.79	209.73	315.03	341.68
	e) Other expenditure	154.71	26.50	35.91	181.21	187.83	445.86	342.31
	Total	**1151.72**	**184.16**	**288.92**	**1335.88**	**1177.70**	**2247.53**	**1853.46**
4	Interest	105.93	35.86	22.60	141.79	101.66	162.37	192.00
5	Cash Profit/(Loss) Before Depreciation & Amortisation	**(127.85)**	**463.84**	**(19.53)**	**335.99**	**(158.34)**	**327.25**	**(40.17)**
6	Depreciation	41.30	11.56	9.38	52.86	55.71	102.49	205.18
7	Amortisation	7.38	1.71	3.01	9.09	12.63	10.08	16.84
		(176.53)	**450.57**	**(31.92)**	**274.04**	**(226.68)**	**214.68**	**(262.19)**
8	Loss on sale/Provision for diminution in investments, current assets, loans & advances and write offs	10.52	232.50	-	243.02	195.06	107.89	168.63
9	**Profit/(Loss) Before Tax**	**(187.05)**	**218.07**	**(31.92)**	**31.02**	**(421.74)**	**106.79**	**(430.82)**
10	Provision for taxation							
	a) Current Taxation	-	37.85	-	37.85	-	42.22	11.60
	b) Deferred Taxation	(61.39)	14.28	(5.63)	(47.11)	(108.20)	(56.04)	(115.92)
	c) Fringe Benefit Tax	0.55	0.64	-	1.19	-		
11	**Profit/(Loss) After Tax**	**(126.21)**	**165.30**	**(26.29)**	**39.09**	**(313.54)**	**120.61**	**(326.50)**
12	**Minority Interest**	**-**	**-**	**-**	**-**	**-**	**(0.23)**	**(1.12)**
13	**Profit/(Loss) attributable to the Company**	**(126.21)**	**165.30**	**(26.29)**	**39.09**	**(313.54)**	**120.84**	**(325.38)**
14	Paid-up equity share capital (Face value Rs.10/- each)	72.23	72.23	72.23	72.23	72.23	62.04	62.03

15	Reserves excluding Revaluation Reserve	-	-	-	448.76	409.67	276.79	339.71
16	**Basic and Diluted EPS (Rs.) (Not annualised)**	**(17.47)**	**22.88**	**(3.64)**	**5.41**	**(43.41)**	**19.48**	**(52.45)**
15	Aggregate of Non-Promoter Shareholding - Nos	48,421,541	50,726,142	47,455,746	50,726,142	47,480,596	-	-
	- %age	67.04%	70.23%	65.70%	70.23%	65.73%	-	-

Notes:

1. During the quarter, the Company had sold its entire share holding in Escorts Heart Institute & Research Centre Limited (EHIRCL) for consideration of Rs.520.00 crores vide Sale Purchase Agreement dated 25th September 2005. The sale proceeds have been received, excepting for Rs.85.08 crores which has been retained in an Escrow Account, awaiting fulfilment of certain conditions.

   The Hon'ble Delhi High Court has ordered status quo, on a petition filed in this matter. The Company has recognised the sale in these Accounts and has also obtained legal opinion, which has advised that there is no adverse effect on the sale transaction, in view of the High Court Order.

2. In case of consolidated financial statements, auditors have not expressed their opinion on the following matter:

- Escorts Agri Machinery Inc., USA, a wholly owned subsidiary considered in the preparation of consolidated financial statements on the basis of unaudited financial statements and other financial information upto December 31st, 2004.

- Management response to above:

  Exceptional circumstances in USA caused by devastating hurricanes prevented timely completion of audit and submission of up-to-date information. The audit is under process and likely to be completed within this quarter.

3. At the beginning of the quarter no investor complaint was pending for disposal. During the quarter, the Company received four complaints from investors, which were disposed off within the quarter itself. Hence, at the end of the quarter, no complaint was pending unresolved.

4. The current accounting period is for 15 months and is comparable with the previous period.

5. Previous period figures have been regrouped/reclassified wherever necessary.

6. The above results have been taken on record by the Board of Directors at their meeting held on 20th January 2006.

SEGMENT WISE REVENUE AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT FOR THE QUARTER AND PERIOD ENDED 30TH SEPTEMBER 2005

Rs. in crores

Sl No.	Particulars	12 Months ended 30th June 2005	Quarter ended		Period ended (15 months)	
			30th Sept 2005	30th Sept 2004	30th Sept 2005	30th June 2004
1	**Segment Revenue**					
	a) Agri Machinery Products	934.46	130.50	249.33	1064.96	885.74
	b) Auto Ancillary Products	87.66	22.15	20.20	109.81	105.12
	c) Railway Equipments	105.37	25.53	23.58	130.90	100.19
	d) Traded Products	-	-	-	-	27.59
	e) Others	0.89	0.56	0.05	1.45	0.48
	Total	**1128.38**	**178.74**	**293.16**	**1307.12**	**1119.12**
	Less: Inter Segment Revenue	5.77	4.66	2.00	10.43	6.27
	Net Sales & Income from Operations	**1122.61**	**174.08**	**291.16**	**1296.69**	**1112.85**
2	**Segment Results**					
	a) Agri Machinery Products	(27.78)	(100.79)	(0.66)	(128.57)	(84.63)
	b) Auto Ancillary Products	(10.57)	(0.40)	(2.41)	(10.97)	(7.13)
	c) Railway Equipments	18.02	0.66	3.54	18.68	17.75
	d) Traded Products	-	-	-	-	(0.25)
	e) Others	0.43	(0.93)	(0.06)	(0.50)	(2.30)
	Total	**(19.90)**	**(101.46)**	**0.41**	**(121.36)**	**(76.56)**
	Less:					
	- Interest	105.93	35.86	22.60	141.79	101.66
	- Loss on sale/ Provision for diminution in investments, current assets, loans & advances and write offs	10.52	165.63	-	176.15	195.06
	- (Profit) on Healthcare Divestment		(505.51)	-	(505.51)	
	- Other unallocable expenditure (Net of unallocable income)	50.70	(15.51)	9.73	35.19	48.46
	(Loss) Before Tax	**(187.05)**	**218.07**	**(31.92)**	**31.02**	**(421.74)**
3	**Capital Employed**: (Segment Assets – Segment Liabilities)					
	a) Agri Machinery Products	434.00	379.11	565.70	379.11	514.19
	b) Auto Ancillary Products	44.44	39.60	44.21	39.60	44.21
	c) Railway Equipments	50.22	55.01	50.15	55.01	49.98
	d) Traded Products	-	-	-	-	-
	e) Others	(0.01)	(0.21)	0.22	(0.21)	1.82
	Total	**528.65**	**473.51**	**660.28**	**473.51**	**610.20**

Notes:

1. Business segments have been defined as below:
   a) Agri Machinery Products: Agricultural Tractors, Harvester Combines and their Spare Parts.
   b) Auto Ancillary Products: Shock Absorbers, Telescopic Front Forks and McPherson Struts.
   c) Railway Equipments: Shock Absorbers, Couplers and Brake Blocks.
   d) Traded Products: Agricultural Commodities

2. The segment wise revenue, results and capital employed figures relate to the respective amounts directly identifiable to each of the segments. Unallocable expenditure includes expenses incurred on common services at the Corporate Office and relate to the Company as a whole. Unallocable income of Corporate Office comprise dividend income and other incomes.
3. The current accounting period is for 15 months and is comparable with the previous period.
4. Previous period figures have been regrouped / reclassified wherever necessary.

CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED
UNDER CLAUSE 41 OF THE LISTING AGREEMENT
FOR THE QUARTER AND PERIOD ENDED 30TH SEPTEMBER 2005

Rs. in crores

Sl No.	Particulars	Period ended (15 months)	
		30th Sept 2005	30th June 2005
1	**Segment Revenue**		
	a) Agri Machinery Products	1340.09	950.38
	b) Auto Ancillary Products	109.81	105.12
	c) Railway Equipments	130.90	100.19
	d) Construction Equipment	250.25	147.04
	e) Healthcare	353.17	327.15
	f) Telecom	31.73	259.11
	g) Other Operations	35.20	54.99
	Total	**2251.15**	**1943.98**
	Less: Inter Segment Revenue	27.98	23.05
	Net Sales & Income from Operations	**2223.17**	**1920.93**
2	**Segment Results**		
	a) Agri Machinery Products	(158.65)	(70.75)
	b) Auto Ancillary Products	(15.01)	(7.13)
	c) Railway Equipments	12.79	17.75
	d) Construction Equipment	15.70	2.28
	e) Healthcare	14.23	9.77
	f) Telecom	1.20	(101.22)
	g) Other Operations	(5.36)	(17.29)
	Total	**(135.10)**	**(166.59)**
	Less:		
	- Interest (net of interest income)	162.37	192.00
	- Other unallocable expenditure (Net of unallocable income)	(404.26)	72.23
	(Loss) Before Tax	**106.79**	**(430.82)**
3	**Capital Employed:** (Segment Assets – Segment Liabilities)		
	a) Agri Machinery Products	550.41	555.61
	b) Auto Ancillary Products	39.60	44.21
	c) Railway Equipments	55.01	49.98
	d) Construction Equipment	56.37	32.13
	e) Healthcare	-	243.56
	f) Telecom	18.84	20.91
	g) Other Operations	126.85	104.23
	Total	**847.08**	**1050.63**

Notes 1 to 3 annexed hereto form an integral part of this disclosure.

Notes:

1) The company is organized into seven main business segments, namely;
   - Agri-machinery Products: comprising of Tractors, Harvestor Combines, Spares and Agri products.
   - Auto Ancillary Products: comprising of Shock Absorbers, Telescopic Front Forks and McPherson Struts.
   - Railway Equipments: comprising of Shock Absorbers, Couplers and Brake Blocks.
   - Construction Equipments: comprising of Earthmoving equipment, Material handling equipment, Road construction equipment, etc.
   - Healthcare Services: comprising of Super-special heart care and various other multi specialty medical facilities. Healthcare business has been divested during the current period.
   - Telecom Services: comprising of Cellular and V-Sat Telecommunication Services. Cellular business was divested during the previous period.
   - Other Operations: comprising of Software Development, Internet Service Provider and other E-Commerce Services, Financial and Investment Services.

   The segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure, and the internal financial reporting systems.

2) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable with each of the segments and are determined before intra-enterprise balances and intra-enterprise transactions are eliminated as part of the process of preparation of enterprise financial statements, except to the extent that such intra-enterprise balances and transactions are within a single segment.
   Segment Revenue and Results does not include interest income, dividend income, interest expense, profit / (loss) on sale of investments / assets, other exceptional provisions or losses, income tax provisions and corporate expenses / incomes.
   Segment Assets and Liabilities does not include any interest or dividend generating assets, interest bearing liabilities, income tax assets / liabilities and corporate assets / liabilities.
   Such exclusion from Segments as mentioned above have been grouped under the head ‘Unallocables’.

3) Previous period figures have been re-grouped / reclassified wherever necessary.

For ESCORTS LIMITED

Sd/-
(RAJAN NANDA)
CHAIRMAN