



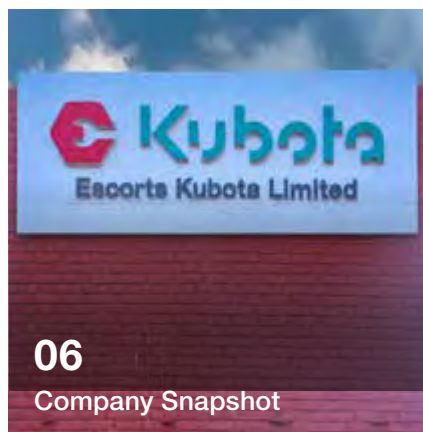
**Spreading Prosperity.
Impacting Lives.**



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The infusion of culture from Japan and India is ready to give shape to an organisation which embeds the strengths of two legacies.

Nikhil Nanda
Chairman and Managing Director

Seiji Fukuoka
Deputy Managing Director

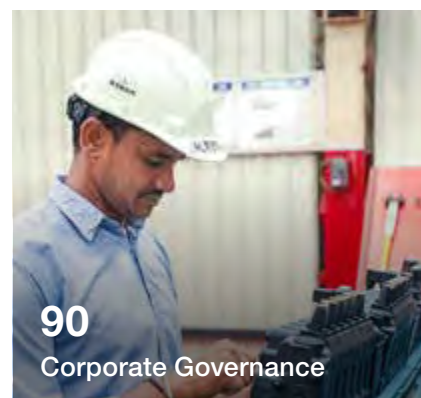


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More information at
www.escortsgroup.com

ON YOUR SIDE

Spreading Prosperity. Impacting Lives.

At Escorts Kubota Limited, we believe in being 'On Your Side'. From customers and investors to employees and communities, we are working collaboratively with all our stakeholders, to build stronger relationships, greater trust, and more sustainable outcomes.

Escorts Kubota Limited, a unique collaboration of two engineering giants from India and Japan have come together to achieve a common goal of driving food security, sustainable farming, and prosperity for all. With our Mid Term Business Plan (MTBP), we aim to make a lasting impact by driving farm productivity, reducing water consumption, and minimising waste.

Guided by our 'On Your Side' philosophy, we are committed to provide innovative and cost-effective solutions to customers while creating long-term value for stakeholders. Our prudent capital management with strategic decisions have helped us create consistent returns for shareholders and will continue to create long-term wealth. As a responsible employer, we prioritise fair compensation, professional growth, and a positive work environment for our employees. Our responsibility extends to uplifting communities through targeted CSR initiatives, including healthcare facilities, women empowerment programmes, and sustainable agriculture practices. Committed to reducing our environmental impact, we promote sustainable business practices through a clear ESG roadmap. Our shared vision for the future, built on cutting-edge technology, innovation, and sustainability, drives us to create value for all stakeholders.

At Escorts Kubota Limited, we proudly stand **On Your Side!**

ON YOUR SIDE FOR



Customers

Page 27



Employees

Page 28



Investors

Page 29



Partners

Page 30



Communities

Page 31

About the Report

The Integrated Report of Escorts Kubota Limited ('EKL' or 'Escorts Kubota' or 'Escorts' or 'Company') for Fiscal year 2022-23 is second Integrated Annual Report, titled 'On Your Side, Spreading Prosperity. Impacting Lives.' to our stakeholders. The Report highlights our financial and non-financial performance across the pillars of Environmental, Social, and Governance (ESG) through key-performance indicators. The Report details how we delivered consistent performance across our business segments throughout the year.

We showcase our commitment to materiality issues, transparency and integrity through our Integrated Report <IR>. The Report provides relevant information to our stakeholders on our MTBP-Mid Term Business Plan and ability to create value and demonstrating our capacity to grow and our capability to adapt to various scenarios.

Reporting Framework

The Report was prepared in reference to the following standards and guidelines:




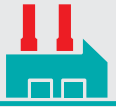


- International <IR> framework of the Value Reporting Foundation
- Global Reporting Initiative (GRI) Standards
- United Nations Sustainable Development Goals (UN SDGs)
- The Companies Act, 2013 and the rules made thereunder
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015



At Escorts Kubota Limited, we emphasise our commitment to the United Nations Sustainable Development Goals (SDGs) and our role in their implementation. Throughout this report, references are provided for the specific SDGs that align with our initiatives and efforts.

Reporting Scope and Boundary

This Report covers the reporting period between April 1, 2022, to March 31, 2023 and reflects our standalone operations, unless stated otherwise. In this, we aspire to provide an incisive view of our performance and strategy across business segments. The content of this Report depicts both quantitative and qualitative disclosures on our performance and our ability to create value across six capitals.

 Financial Capital ➔ Read more on_pg 58	 Intellectual Capital ➔ Read more on_pg 62	 Social & Relationship Capital ➔ Read more on_pg 70
 Manufactured Capital ➔ Read more on_pg 60	 Natural Capital ➔ Read more on_pg 64	 Human Capital ➔ Read more on_pg 78

Forward-looking Statements

This Report contains statements about expected future events and financials of Escorts Kubota Ltd., which are forward-looking. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate and actual future results and events may differ materially from those expressed in the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update these forward-looking statements which reflect events or circumstances, after the publication of this document.

Precautionary Approach

We follow a precautionary approach towards minimising our operational impact on the environment. We have implemented best-in-class technology for our manufacturing operations to limit our ecological footprint, and we continue to enhance our efforts towards the same. At all our plants, we have implemented Environment, Health and Safety (EHS) management systems to monitor and address any concerns.

Responsibility Statement

The Board of Directors/senior leadership of Escorts Kubota Ltd. acknowledges their responsibilities to ensure the integrity of this Integrated Report. We believe that the Report addresses all material issues and presents the performance of the Company as well as the value created for all stakeholders in a fair and accurate manner.

This year your Senior leadership as per the mandate of the Board of Directors of the Company, has also decided to seek limited assurance of this integrated Report to ensure reasonable correctness of the data being reported to the Stakeholders.

Feedback, questions, or comments on this report are welcome. We encourage you to please email us at investor.relation@escortskubota.com for feedback on our business performance for suggestions or enquiries on our sustainability performance.

Investors Relations

Corporate Centre, 15/5, Mathura Road,
Faridabad – 121 003

Telephone No.: +91 129 2250222

Email: investor.relation@escortskubota.com

FY 2023 Highlights



Operational

1,04,501

Tractors produced

4,512

Construction equipment
produced

~90%

Capacity utilisation
in Agri-Machinery
Business Division

~45%

Capacity utilisation in
Construction Equipment
Business Division

A year of growth



Consolidated Financial

₹8,709.6 crores

Total Income

16.8% ↑ Y-o-Y

₹777.5 crores

EBITDA

21.9% ↓ Y-o-Y

9.2%

EBITDA margin

444 bps ↓ Y-o-Y

₹636.6 crores

PAT

13.5% ↓ Y-o-Y

₹58.85

Earnings per share – Basic

20.5% ↓ Y-o-Y

10.99%

ROCE

226 bps ↓ Y-o-Y



Environment

41,329 KL
Water Recycled

15,793.20 MT
Waste Recycled

4.53 TJ
Total Renewable Energy
Consumption

187.14 TJ
Total energy consumption

and resilience



Social

856
New employees hired
(Managers)

8.86 lakhs
Total employee training
hours

₹17.3 crores
CSR spend

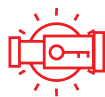
EKL at a Glance

Envisioning a better future for the world

Driven by a shared vision to achieve global leadership in farm mechanisation and provide smart agriculture, modern construction equipment, and rail mobility and safety solutions to customers worldwide, we at Escorts Kubota Limited embarked on a journey of building a better future for the Company, the nation and the world.

With our combined strengths in technology, market access, manufacturing processes, and engineering excellence, we are poised to serve both the Indian and international markets for decades to come.





Vision

- EKL shall promote its business in India & in the world to become a company that is truly loved and sought after by society & employees.
- EKL shall become the total solution provider to solve the issues of society for a sustainable world.
- EKL shall become strategic hub in the world by utilising the capability & potential of India.



Mission

- Establishing the measures for sustainable growth in response to issues in the mega trend of the world.
- Contributing to the creation of a living environment where people (especially, farmers, women and social vulnerable people) can live comfortably.
- Committing to the society in India & in the world by the promotion of further mechanisation and providing the total solution.



Core and Strategic Values

While our core values speak about who we want to be and what should be always upheld by us, our strategic values should be embedded into the way we work to achieve the future we envision for our organisation:

Core Values

Respect for people

We will demonstrate dignity and respect for people in all our interactions. We will not tolerate belittling of people, regardless of position, or circumstance.

Empowerment

People at all levels must be vested with the power and confidence to take decisions concerning their area of work.

Transparency

People will understand the processes and criteria used to arrive at decisions concerning them.

Collaboration

We will work with our colleagues with the spirit of collaboration and mutual respect.

Strategic Values

Customer centricity

Acute sensitivity to the needs and experiences of the customer shall guide all that we do.

Excellence

We will strive to achieve and surpass world class standards in all that we do.

Innovation

We will use the power of technology and imagination to deliver solutions to the customers' needs.

Agility

We will operate in our markets with the ability to change direction and position with nimbleness and speed.

Business Segments

Agri Machinery Business Division

Page 9



₹6,316.1 crores
13.5% Y-o-Y growth

75.8%
Division Revenue
Share to EKL Revenue



Construction Equipment Business Division

Page 10



₹1,179.0 crores
19.5% Y-o-Y growth

14.1%
Division Revenue
Share to EKL Revenue

Railway Equipment Business Division

Page 11



₹841.9 crores
32.3% Y-o-Y growth

10.1%
Division Revenue
Share to EKL Revenue

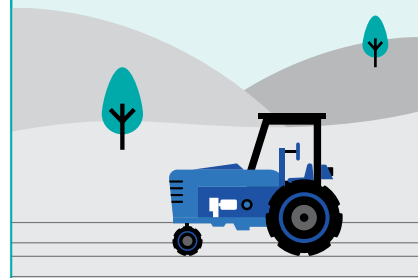


Escorts Kubota - Agri Machinery Business Division



Farmtrac & Powertrac

Agri Machinery Business Division has in the last seven decades, committed itself to enhancing India's agricultural productivity and added value to the farmer's life by providing technologically superior range of tractors under two star brands - Farmtrac and Powertrac.



We are one of the leading manufacturers of agri-equipment, like tractors, combines, planters, sprayers, and tillage solutions. We sell our products in over 75 countries to individuals and organisations, primarily for use in agriculture, construction and landscaping.

Our products offer a unique blend of great design, power, total cost of ownership and efficiency making them extremely versatile and hence a popular choice for many different segments of customers.



Manufacturing capacity

- Three plants with a current production capacity at 1,20,000+ tractors per annum in India
- 100% subsidiary owned plant in Poland, Europe with a manufacturing capacity of 2,500 tractors per annum
- 50,000 units per annum manufacturing capacity plant under JV with Kubota
- 1 plant set up through JV with ADICO
- Manufacturing and Assembly locations: Faridabad (Haryana, India), Rajkot (Gujarat, India), Poland (Europe)



Products

Range of Offerings

- Tractors
- Engines
- Spare parts
- Lubes

Brands

- Farmtrac
- Powertrac
- Steeltrac
- Digitrac
- Farmpower
- E-Kubota

Escorts Kubota - Construction Equipment Business Division



We manufacture equipment for material handling, road building and earthmoving sectors to help meet the emerging needs of the country's infrastructure development projects



Manufacturing capacity

- One Plant at Haryana's Ballabhgarh
- State-of-the-art manufacturing and assembly facility comprising fabrication shop, shot blast & paint facilities, and stores, with dedicated assembly lines having a total capacity of 10,000 units per annum.



Products

Range of Offerings

- Cranes, hydra cranes, rough terrain cranes, tower cranes
- Vibratory soil compactors
- Tandem rollers
- Backhoe loaders

Digmax II

Our earthmoving equipment brand, ranks amongst the best-in-class in terms of reach, cost and productivity.





Escorts Kubota - Railway Equipment Business Division

Our Railway Equipment Business Division offers a wide range of products that aid in the modernisation of Indian Railways. We are one of the oldest railway component businesses in Indian. We leverage cutting-edge technologies that are tried and tested in our own state-of-the-art research and development and testing facilities, ensuring the safety and comfort of rail transportation since 1962.



Manufacturing capacity

- One manufacturing plant in Faridabad, Haryana.



Products

Range of Offerings

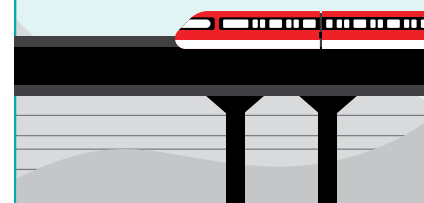
- Brake System
- Couplers
- Suspension System
- Friction & rubber Products

We specialise in design, development and manufacturing of a wide range of railway products:

- Loco Brakes, Electro-Pneumatic Brakes, Axle Mounted Disc Brake System, Bogie Mounted Disk Brake System, Wheel Mounted Disc Brake Systems, Brake Disc etc.
- Couplers and draft gears
- Hydraulic dampers and air suspension control equipment
- Different types of brake blocks and brake pads
- Others: HVAC, Vacuum Evacuation System, Door etc.



EKL Railways Equipment Division possesses a rich, multi-decade experience in the manufacturing of critical railway components. We are one of the top railway component businesses in India to have the prestigious International Railway Industry Standard (IRIS) Certification.



Our Journey

A legacy of innovation, excellence and impact

Our frugal manufacturing, engineering excellence and strategic partnerships have been instrumental in bringing the best to India while offering India's best to the world. With over 76 years of experience, we have impacted lives through various milestones, including pioneering autonomous and electric tractors, forging partnerships with global leaders, and developing state-of-the-art technology indigenously.



1944

Foundation of Escorts laid by visionaries Mr. Yudi Nanda and Mr. H. P. Nanda



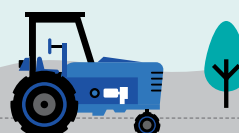
1961

- Production of Rajdoot motorcycles in high gear
- Share Listed on BSE
- Journey begins with Indian Railway



1962

- Initiated the manufacturing of shock absorbers for passenger coaches with Boge, Germany
- Initiated manufacturing of own brand of tractors in collaboration with URSUS Poland



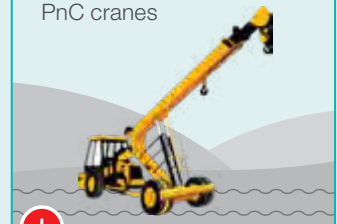
1969

- Established our Training and Development Centre at Bengaluru, India
- JV with Ford Motors to make Tractors



1971

Started production of our construction equipment; introduced the concept of PnC cranes



1974

Forayed into export markets for the first time



1977

Established an independent R&D Centre to develop new technologies



1991

Shared listed on NSE



1995

- Launched Farmtrac brand of tractors
- Ended JV with Ford

1998

Launched Powertrac of brand of tractors

2004-2012

Restructuring of Escorts

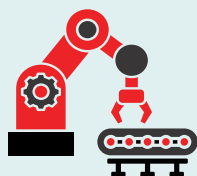
2012

Developed bogie mounted brake systems for the Indian Railways indigenously



2015

- Entered into JV with Amul Group for the manufacturing of speciality tractors, Steeltrac



2016

Set up Escorts Skill Development Centre in Faridabad, Haryana

2017

- Launched India's first electric tractor concept, Farmtrac 26E, as part of the New Escorts Tractor Series (NETS), at Agritechnica, Germany
- Received prestigious IRIS Certification for design, development and manufacture of railway components



2018

- Announced the Vision 2022 roadmap to align the transformational growth strategy for all three businesses
- Partnered with Doosan for an exclusive distribution agreement in India
- Engagement towards focused, transformative journey towards ensuring employee health and safety
- Introduced India's first autonomous tractor



2019

- Introduced India's first autonomous tractor concept
- Collaborated with Kubota to develop value-oriented tractors that cater to farming requirements in India and overseas markets
- Entered a JV with Tadano to produce specialised cranes that address high-capacity use cases
- Tied up with seven technology leaders: Microsoft, Reliance Jio, Trimble, Samvardhana Motherhood Group, WABCO, Bosch and AVL

2020

- Deepened partnership with Kubota, where the Japanese tractor and heavy equipment manufacturer picked up a 10% equity stake (post capital reduction) in Escorts, while Escorts acquired a 40% stake in Kubota's India business
- Set up the Rajan Nanda Innovation Lab (RNIL) to incubate new, promising and disruptive business ideas
- Launched India's first hybrid tractor concept, hybrid backhoe loader concept and multi-utility rural transport vehicle concept
- Launched BS IV (Bharat Stage IV compliant tractors by 2021)



2021

- Launched the premium White line series in ECE segment
- Developed a state-of-the-art facility for Axle Mounted Disc Brake System
- Escorts is the first company in India to receive Budni Certification for its electric tractors
- Kubota tractor production commencement in 2021
- Upgraded to Silver Level in IRIS certification for Railway Equipment Business Division

2022-2023

- Escorts Limited and Kubota Corporation reinforce their long-standing partnership and Escorts Limited became Escorts Kubota Limited.
- Launched India's first hybrid pick-n-carry cranes and mono chassis safe crane
- Announced Mid Term Business Plan (MTBP)
- Developed Microprocessor based controlled locomotive brake system (EMCBS)



Investment Case

Unlocking long-term value for shareholders

Escorts Kubota Limited's strong market position, diversified revenue profile, healthy operating efficiency, and robust financial risk profile make it an attractive investment opportunity in the tractor industry. In addition, the diversification of revenue from construction equipment division and railway equipment businesses, EKL is poised to grow over the medium to long term.



Strong Market Position

We have been consistently focusing on gaining market share in the domestic tractor market and expanding dealer and financing penetration in opportunity markets. The collaboration of Escorts and Kubota will strengthen the business risk profile and improve market position in high-end utility tractor market as well as enable us to increase revenue and market share diversity.

~10%

Market share in domestic tractor market



Diversified Revenue Profile

Our construction equipment and railway equipment businesses contribute 14% and 10% respectively to total revenue, adding diversity to mainstay revenue from tractors. Our leading position in the pick-and-carry crane segment.

76%

Agri Machinery Business Division
Share to total EKL Revenue

14%

Construction Equipment Business
Division Share to total EKL Revenue

10%

Railway Equipment Business
Division Share to total EKL Revenue



Robust Financial Risk Profile

Over the years, we have maintained an optimal capital structure that allows us to capitalise on emerging opportunities. Cash accrual is expected to improve due to increased revenue diversification and higher operating efficiency, leading to lower leverage levels over the medium term. The Company also maintains a healthy liquidity position.

Reaffirmed rating from leading agencies (CRISIL Ratings):

**CRISIL AA+/
Stable**
(long-term)

CRISIL A1+
(short-term)



Healthy Operating Efficiency

Our operating margin improved significantly over the last five years, driven by cost reduction initiatives, operating leverage benefits, and exit from the loss-making business. Strong cost reduction initiatives, value engineering, and low employee cost will help improve profitability, with gradual improvement in our construction equipment business division performance and overall operating margin expected at 13-14% over the medium term.

9.4%

EBITDA margin in FY 2023
compared to 8.0% in FY 2017



Long-term Growth Potential

Escorts Kubota Limited's long-term growth potential is evident from its Mid Term Business Plan (MTBP), which outlines the Company's strategic direction over the next five years. The MTBP emphasises the Company's commitment to innovation, efficiency, and diversification, which will drive revenue growth and improve profitability over the medium to long-term.

>2.5x

Projected revenue growth by FY 2028

mid teens

Projected EBITDA margin

Management Message

Building sustainable solutions for a better world



Nikhil Nanda
Chairman and Managing Director



Seiji Fukuoka
Deputy Managing Director



We aim to create a common corporate culture with Kubota based on its slogan of “On Your Side”. It is to respect our colleagues, along with the business partners such as dealers and suppliers and achieve goals as a team with all the stakeholders.

Dear Shareholders,

We at Escorts Kubota are paving a new path forward, respecting our rich history of Escorts' 76 and Kubota's 132 years. The infusion of culture from Japan and India is ready to give shape to an organisation which embeds the strengths of two legacies.

Our vision is to become a Company that is truly loved and sought after by society and employees, provide solutions to society for a sustainable world and to become a manufacturing hub for the world from India by utilising the capability and potential of our country.

We are delighted to present our 2nd Integrated and 77th Annual Report, showcasing our commitment to creating value for you over the past seven-and-half-decades.

In FY2023, we witnessed a gradual return to normalcy in supply chains, energy and food markets. The Indian Tractor market had double-digit growth with a peak volume of 9.45 lakhs.

The government's support through various policy measures, thrust on domestic manufacturing driven by its self-reliance mission, coupled with reduced private sector debt and increased investment in infrastructure projects, positions India as a major player in the global economy. India is poised for even greater success and prosperity in the coming years.

As reported by Morgan Stanley about India's journey in the next decade, first, the Indian population will touch 1.5 billion by 2030, which means growing demand for food and second that India is estimated to have a surplus

of 245 million skilled labour, which indicates that the world will invest in India and become a hub for the world markets. The infrastructure requirement to bring the Indian economy into the top three economies of the world will require large investments and thus, also increase the scope for construction and railway businesses at EKL.

At Escorts Kubota Limited, we take pride in actively contributing to India's journey of growth and progress. Our unwavering focus on enhancing farm productivity through mechanisation underscores our commitment to improving food security. We are dedicated to forging a safer and technologically advanced future for the construction industry in India by introducing innovative products and solutions. As a trusted partner of Indian Railways, we remain steadfast in catering to the evolving needs of the sector. We are actively involved in developing products that meet the requirements of ongoing rail transport and metro projects, ensuring our commitment to serving the nation's emerging needs.

We are resolute in our mission to be a catalyst for positive change, supporting the socio-economic development of India and delivering solutions that make a lasting impact. The strength of Escorts' speed, agility and frugality and Kubota's technology, processes, and quality will jointly be embedded at Escorts Kubota to discover ways of newer opportunities and give a new experience in the farming and industrial space. This is an opportunity for us to offer an exceptional experience to our society, customers, and an exciting path for both our stakeholders and shareholders.



Our partnership with Kubota has created a powerful synergy, blending our frugal manufacturing expertise, engineering excellence, and value consciousness with Kubota's diversified global presence, technological leadership, and strong market position.

We have three critical mission statements, Sustainability, Contribution and Solution - the first is to work towards sustainable growth, second in contributing towards the living environment, where people (especially, farmers, women and socially vulnerable people) can live comfortably and the third to work towards further mechanisation and providing total solutions for our customer needs.

We have accelerated towards digitisation, bringing in agility, and relooking at our costs and business model to deliver great customer engagement and enhanced experience.

Performing Together. A Year Of Resilience.

As we reflect on the past year and look ahead to the future, we are proud to share the progress and potential of our collaboration with Kubota in Escorts Kubota Limited. Our partnership with Kubota has created a powerful synergy, blending our frugal manufacturing expertise, engineering excellence, and value consciousness with Kubota's diversified global presence, technological leadership, and strong market position. Together, we are on the path to becoming one of the largest Indo-Japan agriculture collaborations which will contribute towards future farming practices.

In FY2023, we achieved a growth of 16.0% in standalone revenue from

operations, reaching ₹8,345.0 crores, compared to ₹7,196.9 crores in FY2022. This growth was driven by strong volume and revenue growth across all three business segments.

However, our EBITDA for the year declined by 21.6%, from ₹995.5 crores in FY2022 to ₹780.4 crores in FY2023. This decline was primarily due to the steep inflation in commodity prices and other costs, which adversely impacted our margins. Our PAT for the year stood at ₹607.0 crores, a decline of 20.7% compared to ₹765.6 crores in FY2022. The decline was largely due to the provision made on account of the impairment of investment in Tadano Escorts India Private Limited and its wholly-owned subsidiary Escorts Crop Solutions Limited.

In terms of segment-wise performance, our tractor volumes grew by 9.6% to 1,03,290 units, and we maintained our strong position in the domestic tractor market with a slight decline in market share by 26 bps to 10.1% in FY2023 from 10.3% in FY2022. Looking ahead, we expect demand momentum to continue across geographies in the agribusiness segment, with better crop prices, improved finance availability, and good water reservoir levels.

In our construction equipment segment, sales volume increased by 12.2% to 4,620 units. We witnessed growth across material handling, earthmoving,

and road segments. The current market sentiments are positive, and demand is expected to remain buoyant due to the continuous focus of the government towards infrastructure projects.

Our railway equipment segment also delivered strong growth, with revenues increasing by 32.3% to ₹841.9 crores. Our railway business has also been consistently growing, and the focus on the rail network and connectivity will further provide impetus to the segment.

As we move forward, we will continue to offer state-of-the-art technology and solutions to our customers for increased productivity and operational efficiency. Our investments in expanding coverage, building capacity, and producing innovative product lines will continue for enhanced customer reach and product experience. With our strong market position, diversified portfolio of products and services, and focus on operational excellence, we remain confident of delivering long-term value to our stakeholders.

Our efforts are aligned with our Mid Term Business Plan for achieving targeted growth in the coming years.

Unleashing Potential Through Our Mid Term Business Plan (MTBP)

With an unwavering commitment to solving societal issues and driving sustainable growth, we embark on our Mid Term Business Plan (MTBP) with a powerful vision—to become a revered and sought-after Company, deeply cherished by society and our valued employees. Harnessing India's immense capabilities, we strive to establish ourselves as a strategic hub, making a profound and lasting difference on a global scale.

This has been jointly prepared by Kubota and Escorts team, keeping in mind our desired growth plan in both domestic and export markets. This is a strategic plan till FY2028.



The main pivot of the plan revolves around:

- We aspire for our revenue to grow 2.5 times, this growth will come from both the Indian and Global markets.
- We will invest in creating a global R&D centre and create abilities to design and produce products for the three brands of tractors, namely Kubota, Farmtrac and Powertrac.
- We will also create a shared service centre within R&D, to support Kubota's global needs, such as digital transformation, R&D design support, engineering support and other innovative projects partnership.
- We will leverage our channel strength both in the domestic and global market to reach aspiration for growth.
- All our manufacturing to be aligned with KBT's manufacturing standards and excellence.
- We will focus on profitable growth, work towards reaching our EBITDA targets and be mindful of ROI on our investment and creating shareholder wealth.

We have identified 5 major concepts to achieve our vision, mainly:

1 Expansion of Existing Businesses

We will significantly enhance the product variety and launch jointly developed products for all the brands Farmtrac, Powertrac and Kubota. For the sales channel, we will be introducing Kubota's customer-oriented sales policies and practices in India and global markets. Based on dealer and customer feedback, we will improve product, supply chain, and service, and further strengthen our sales network in terms of both quantity and quality. In addition, we will enhance our retail finance and training systems. For exports, we will work closely with Kubota Group companies to supply made-in-India products to the world with good prices and quality and

take a leadership position in India-led exports. Another critical focus will be on strengthening retail finance.

2 Investment in R&D and Innovation



Along with joint development with EKL and Kubota, we shall also expand the scope of R&D by opening shared services for Kubota as well. Furthermore, we will promote open innovation through Rajan Nanda Innovation Lab (RNIL) to speed up collaboration with start-ups and academia, like what Kubota is doing in Japan, the US, and Europe. We would like to make ourselves a base to make India's excellent technology into products and deliver them to the global market. Also, our joint R&D efforts will invest immensely in new and innovative products and technology for enhanced customer experience.

3 Manufacturing and Sourcing

We will revamp the layout, including the green field, along with capacity and business expansion. Aligned with our expansion goals, we plan to establish a state-of-the-art Engine Manufacturing Facility. This positions us as a global hub for affordable manufacturing while ensuring BS-V readiness to meet stringent emission regulations, showcasing our commitment to environmental sustainability. Also, through adopting Kubota Production System and digital transformation initiatives, we will realise more efficient and stable quality.

4 Quality Assurance

Furthermore, in the field of quality assurance, we will establish a Company-level quality assurance system and its standard workflow. This will enable us to visualise the best quality and cost. We will enhance product competitiveness through quality improvement and cost optimisation.

5 An Engaging, Motivating and Progressive Corporate Culture

We aim to create a common corporate culture with Kubota based on its slogan of "On Your Side". It is to respect our colleagues, along with the business partners such as dealers and suppliers and achieve goals as a team with all the stakeholders. From now on, under "On Your Side", we will pursue the maximum output with everybody's participation.

Aspiration and Enablers. Ready for the Next Phase of Growth

To become the total solution provider to solve the issues of society and create a sustainable world, our aspiration will need significant enablers.

Well-Differentiated Brand Strategy

We are well-equipped to cater to various customer segments with our well-differentiated brand strategy. The Kubota range will offer premium products for enhanced customer experience, the Farmtrac range will cater to customers seeking productivity and power for advanced equipment while the Powertrac range will address the mass customer segment requiring fuel efficiency and total cost of ownership.

EKL collaboration will provide access to all three brands to operate in various geographies, leverage opportunities, and plug product gaps.

Implements As Added Portfolio

We plan to realise EKL's expanded vision of the 'tractor-implements' total solution. We will have to be a comprehensive farm solutions provider including tractors and smart farm implements. In addition to tractors, we will expand the product offering such as combine harvesters, rice transplanters, and other implements from Kubota to expand our business significantly. As the total solution provider for the farming sector, we are committed to becoming the number one brand that contributes to nation-building and urbanisation, offering comprehensive solutions and leading India-led tractor exports and implements businesses.

Digital Transformation Initiatives



Initiatives, such as, building a significant digital presence for enhanced brand awareness, digital lead generation, data-driven lead management solutions, digital dashboards to track coverage and performance gaps and manufacturing excellence through digital platforms will fuel productivity, optimise cost and maximise output for growth.

New Products To Lead the Way

Some of our new launches, in the market or on field trials have provided extended opportunities.

- Under Powertrac, we launched 434 DS Plus and 439 DS Plus - Haulage Special Tractor with Hub Reduction Anti Lift Technology and

37 HP and 41 HP Engine Power, respectively. With these products, the Powertrac brand will grow in the haulage segment.

- Euro 50 Plus Next – Fully loaded, 50 HP power, 2000 kg Sensi 1 Lift, with bigger tyres cater to the requirement of operating emerging implements, fulfilling customer requirements for higher productivity and output.
- Under Farmtrac, Farmtrac HERO was launched with a 35 HP engine category to address the vacant 30 to 35 HP entry-level segment. This will ensure entry-level farmers also get access to advanced technology and features of Farmtrac.
- We are preparing to launch a new World Maxx series in Farmtrac which will help us reposition ourselves in the 50 HP and above premium segment.
- Construction Equipment Business launched various new products last year based on customer needs and created an impactful presence in the market. New models are F15 Fighter, TRX 17 and TRX 30 in Material handling, HD85 Plus in Road machinery and Jungli HT in the Backhoe loader segment. A new vertical of Earthmoving Machinery is carved out to focus on the existing Backhoe Loaders business and Mini Excavator from Kubota. Expansion of the common channel under this vertical will complement both product lines across geographies.
- In the Railway business, we received the first-ever purchase order for Locomotive's HVAC and Vande Bharat Train's Brake system, Dampers and couplers. We have put an indigenously developed Axle Mounted Disc Brake System for LHB coaches into the field trial with Indian Railways. These would provide further impetus to the existing business growth.

Expanding Market Coverage

We are continuously expanding our reach and coverage. We have increased our dealer base from 1,100 in FY2022 to more than 1,200 in FY2023. This will help us in leveraging opportunities across strong and opportunity markets and reach out to a wider customer base.

Leveraging Export Business

We have been steadily growing our exports with the introduction of new products and opening new markets. We launched our tractors in new markets of Estonia, Bulgaria, Zambia, Mozambique, Kenya, Trinidad and Tobago. We also launched the E-KUBOTA products in Malaysia and Tanzania. This will further support our export growth and provide us with new opportunities across geographies.

In FY23, EKL achieved the highest Y-o-Y industry growth among all leading brands.

EKL has also taken the lead in introducing Stage-V and Tier-IV compliant products for the European and American markets strengthening EKL's resolve to build quality products complying with strict global emission standards.

In the EV category, Electric Hydrostatic Tractor has been our new launch. EKL has pioneered the development and export of Electric Tractors from India to developed markets of the USA and Europe. Our 25G Electric Tractor continues to win global awards for its environment-friendly approach with the latest being the Climate Positive Award 2022 on Energy Transition by Green Cross UK.



By integrating sustainability into our core strategies, we create long-term value for stakeholders and strive for continuous improvement. Our ESG vision drives responsible business practices and positive impact.

Cost-Efficient and Value-Driven Manufacturing

Driven by our commitment to delivering high-quality products, optimising costs, and ensuring sustainable growth, we have our focus on plant improvements using the Kubota Production system as a tool and investments in new facilities for capacity expansion and technological upgradation.

The adoption of the Kubota Production System (KPS) is helping us streamline our manufacturing processes and enhance efficiency across the value chain. Through the end-to-end deployment of Total Quality Management principles, we aim to achieve number one in quality and ensure customer happiness.

To support our volume growth, we have planned significant investments in smart facilities and technologies. A cornerstone of our manufacturing excellence is our commitment to kaizen and innovation.

Capital Allocation

Under the MTBP 2028, we are looking forward to selectively allocating more capital for initiatives undertaken for setting up a green field facility, expanding vendor capabilities and introducing new products, innovation and technology.

Sustainability (ESG)



At Escorts Kubota Limited, we are fully committed to ESG, aligning with Kubota Corporation's ESG vision and management policy. We prioritise energy conservation, emissions reduction, waste management, water conservation, and green coverage. Our aim is to minimise our environmental impact and contribute to a greener future.

In addition, we foster a socially responsible and inclusive culture, ensuring the well-being and safety of our employees. We actively engage with local communities and support social initiatives. By integrating sustainability into our core strategies, we create long-term value for stakeholders and strive for continuous improvement. Our ESG vision drives responsible business practices and positive impact.

At Escorts Kubota Limited (EKL), we are committed to becoming carbon neutral by 2050, actively reducing our environmental impact and promoting resource recycling. Our goal is to achieve zero landfill waste by 2026, ensuring that our operations are sustainable and do not contribute to the accumulation of waste in landfills.

In our efforts to conserve and protect water resources, we aspire to become a water-positive organisation by 2030. By implementing responsible water management practices and investing in efficient technologies, we aim to not only minimise water consumption but also contribute to the replenishment of water sources. To accelerate the transition to renewable energy sources, we have set a target to achieve a threefold improvement in our renewable energy share. By increasing our reliance on clean and sustainable energy, we aim to reduce our carbon footprint and contribute to the global effort of combating climate change.

At EKL, we focus on diversity as part of the ESG target. EKL aims to increase women's diversity in the workforce to 7.5%, build a younger organisation with the average age of Managerial employees at 34 years and increase employee engagement and satisfaction by 2025.

In addition to these goals, we are actively engaged in tree plantation drives to multiply our green area coverage. Recognising the importance of preserving biodiversity and creating a healthier environment, we are committed to planting trees and expanding our green spaces to enhance ecological balance and improve air quality. We understand that sustainability is a collective responsibility, and we value the support and collaboration of our stakeholders in this journey. By working together, we can create a lasting positive impact on the environment and contribute to a sustainable future for generations to come.



By leveraging our expertise and technological advancements, we aspire to be at the forefront of the industry, empowering farmers, supporting infrastructure development, and contributing to the nation's socio-economic growth.

In a moment of great pride, Escorts Kubota has become the first Indian manufacturer to receive European Union Stage-V emission certification for our in-house 90-110 HP engine tractors under the FARMTRAC range. This historic achievement not only demonstrates our technological prowess but also sets a new milestone for India.

Our commitment extends beyond business success. We strive to create a conducive living environment, empowering all individuals, including farmers, women, and vulnerable communities, through further mechanisation and comprehensive solutions. Guided by our core values of inclusivity, sustainability, and continuous improvement, we lead with integrity, transparency, and responsible corporate citizenship.

Fostering a Vibrant and Inclusive Workplace

Our commitment to an efficient organisation structure, streamlined processes, and a positive work culture positions us for sustained growth and excellence.

Cultivating a cohesive and people-centric work environment lies at the core of our organisation. We recognise that our work culture plays a vital

role in driving success and fostering people engagement. Our culture focuses on performance, diversity and process efficiency. We believe in continuous learning and development that empowers our people to stay ahead in a rapidly evolving landscape.

To optimise our operations, we have implemented a lean and agile structure with clear reporting levels and a span of control. This enables faster decision-making and responses to market dynamics and customer needs. It also allows us to stay competitive and adapt to changing business landscapes.

Our people policies are carefully crafted to align with industry benchmarks and tailored to our specific organisational context. We have embraced digital transformation to enhance our HR processes, leading to increased efficiency and enhanced employee experience. With the use of technology, we have streamlined our HR processes for better engagement and consistent employee experience.

To stay competitive, we focus on nurturing and developing young and diverse talent for navigating today's challenges and shaping our future. We empower our people to reach their full potential and contribute to our collective success.

Empowering the Underprivileged



Our CSR initiatives are aimed at creating a positive impact on local communities and promoting their overall well-being. We support healthcare facilities for underprivileged individuals, ensuring access to essential medical services.

To boost income-generating streams in rural areas, we conduct farmer training on efficient farming techniques. Our skill development programmes for rural youth focus on tractor operation and maintenance, equipping them with valuable skills for employment and entrepreneurship.

Sustainable agriculture practices are integral to our CSR efforts. We establish model farms at EAFI, Kurukshetra, and ETDC, Bengaluru, showcasing sustainable intensification of agriculture to improve yield.

Through our CSR initiatives, we are committed to making a lasting difference in the lives of individuals and communities, promoting sustainable development and ensuring a brighter future for all.



Embracing a Culture of Being “On Your Side”

At Escorts Kubota Limited, we embrace a customer-centric approach as one of our core Strategic Values, deeply ingrained in our organisational culture.

Our unwavering focus revolves around listening to our customers, understanding their unique requirements, and designing products that precisely address those needs. We constantly anticipate customer desires and diligently strive to provide services that go beyond expectations. With this, we enable them to choose us as their preferred partner and become advocates for our brand.

Our "On Your Side" culture extends beyond our customers. We value our people and strive to create a nurturing and inclusive work environment that encourages growth, innovation, and rewards dedication. We maintain open and transparent communication channels for our suppliers and business partners to foster strong collaboration and mutually beneficial partnerships. By working together, we achieve shared objectives and drive sustainable growth.

For our shareholders and investors, we remain dedicated to delivering long-term value and financial returns. We uphold the highest standards of corporate governance, ensuring transparency, accountability, and responsible decision-making.

We are committed to the communities in which we operate. Through various corporate social responsibility initiatives, we strive to make a positive impact on society, addressing social challenges and contributing to the overall well-being of the communities we serve.

At Escorts Kubota Limited, we understand that the success of our business is intertwined with the support and trust of our stakeholders. We value the engagement and feedback of all our people and are dedicated to continuously improving and exceeding their expectations.

Reinforcing Our Partnership For a Better Tomorrow

Our joint venture positions us uniquely to capitalise on the growth trends and meet the rising demand. We are pleased to share that our partnership with Kubota in Escorts Kubota Limited has been warmly received by all our stakeholders and investors, and the integration process has been seamless. We are now well-positioned to play a significant role in India and the world's pursuit of food security, sustainable agriculture, and smart farming practices. Our joint venture is strategically positioned to leverage these opportunities, deliver long-term value to our stakeholders,

and contribute significantly to India's growth story.

By leveraging our expertise and technological advancements, we aspire to be at the forefront of the industry, empowering farmers, supporting infrastructure development, and contributing to the nation's socio-economic growth.

As we move forward, we will stay focused on operational excellence, cost management, and leveraging our partnerships to seize growth opportunities. By investing in research and development, embracing digital transformation, and fostering a culture of innovation, we aim to be at the forefront of technological advancements in the industry.

We thank the Escorts Kubota family, our Board of Directors, partners, suppliers, dealers, customers, investors and union leaders for their support. We would like to thank each one of you for placing your precious trust in our vision and committing wholeheartedly to our mission.

We look forward to a better tomorrow at Escorts Kubota Limited. Please do reach out in case you have any feedback or suggestions.

Warm regards

Nikhil Nanda

Chairman and Managing Director

Seiji Fukuoka

Deputy Managing Director

Whole Time Director and Chief Financial Officer Message

Unleashing sustainable growth together

Dear Shareholders,

As I reflect on the past year and set our sights on the future, I would like to provide you with a comprehensive overview of EKL's journey in FY23 and our vision for the future.



Bharat Madan

Whole Time Director and
Chief Financial Officer



In FY23, we witnessed a dynamic macroeconomic landscape, characterised by both challenges and opportunities. Despite global uncertainties, EKL remained steadfast and adapted to the evolving market conditions. Our performance highlights our commitment to excellence and customer-centricity across the sectors of our presence.

Our revenue from operations reached ₹8,345.0 crores, reflecting a commendable increase of 16.0% Y-o-Y. This growth was driven by a 9.6% increase in tractor volumes, with sales reaching 1,03,290 units. The domestic tractor market share stood at 10.1%, experiencing a marginal decline of 26 basis points compared to the previous year. The marginal decline in market share was due to the drop in Q1 FY23. However, our market share sequentially improved quarter on quarter with our corrective actions. To gain market share, we have been taking various initiatives in terms of product strategy, tapping both strong and opportunity markets as well as a focus on digital. In other two business Divisions, we witnessed significant growth. Our construction equipment Division witnessed a 12.2% increase, with sales reaching 4,620 units. The railway equipment division experienced significant growth, with revenue reaching ₹841.9 crores, a remarkable 32.3% increase Y-o-Y.

While we celebrate these achievements, we recognise the challenges we faced. Steep inflation in commodity prices and other costs impacted profitability. Our EBITDA decreased 21.6%, and our EBITDA margin declined by 448 basis points. Profit after tax experienced a decline of 20.7% Y-o-Y.

Looking ahead, our strategic focus is on future-oriented and customer-centric initiatives. We are committed to leveraging disruptive technology-led



We aspire to achieve a revenue growth of 2.5x, increasing the export revenue contribution to total revenue in mid teens level and targeting ROE of more than 18%.

innovation to drive farm mechanisation and provide holistic solutions for our customers. Our strategic sourcing hub ensures efficient procurement processes, while our focus on ESG (Environment, Social & Governance) initiatives aligns with our commitment to sustainability and responsible business practices.

To achieve our aspirations, we have charted out a Mid Term Business Plan (MTBP) that encompasses our financial goals and key priorities. We aspire to achieve a revenue growth of 2.5x, increasing the export revenue contribution to total revenue in mid teens level and targeting ROE of more than 18%.

Our capital allocation strategy is focused on our key priorities for cash deployment. We aim to allocate capital towards core business growth, innovation, debt repayment, exploring inorganic opportunities, and implementing share buyback and dividend distribution programmes. This strategy ensures a balanced approach to fuelling growth while maintaining financial discipline.

At EKL, our unwavering commitment to being "On Your Side" extends to all our stakeholders. We are dedicated to delivering high-quality products at affordable prices, ensuring accessibility, and creating value for our customers. We prioritise the well-being, safety, and professional growth of our employees while fostering a collaborative and

inclusive work environment. With our suppliers and channel partners, we build strong relationships based on transparency and fairness. Moreover, we actively engage with and contribute to the communities in which we operate. Together, we forge strong partnerships, driving growth and empowering progress for a better tomorrow.

As a responsible corporate citizen, we are committed to our ESG imperatives. We strive to achieve carbon neutrality by 2050, promote resource recycling, eliminate landfill waste by 2026, and become a net water-positive organisation by 2030. Additionally, we are working towards a threefold improvement in renewable energy share and actively participating in tree plantation drives to multiply green area coverage.

As we move forward, our collective efforts will focus on navigating the evolving landscape, innovation, and adapting to the changing needs of our customers.

In conclusion, I would like to extend sincere gratitude to all our stakeholders for their trust, support, and partnership. Together, we will shape a brighter future for EKL and our society at large.

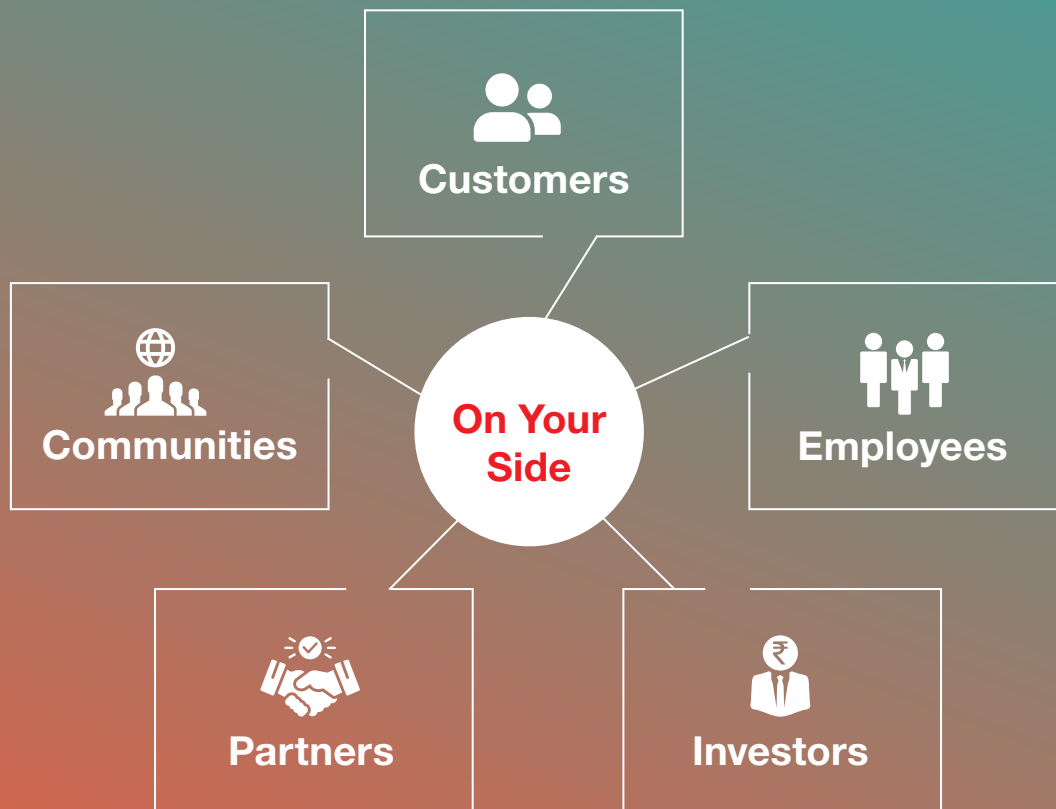
Warm regards,

Bharat Madan
Whole Time Director and
Chief Financial Officer

On Your Side

Fostering a stakeholder-centric culture

At EKL, we are deeply committed to the collective growth and greater good of all our stakeholders and society at large. Embracing the "ON YOUR SIDE" ethos, further strengthens our purpose of spreading prosperity and impacting lives. It helps us understand and address the unique needs and concerns of our stakeholders, fostering a culture that prioritises their interests and drives our journey towards shared success.





On Your Side

for customers

We take pride in putting our customers' first, knowing that customer satisfaction is the key to our success. Our "On Your Side" approach to business is rooted in the belief that we can only prosper when our customers' prosper.

We are committed to providing high-quality products and services at affordable prices while meeting our customers' unique needs and expectations. We strive to offer excellent customer service, always treating our customers with respect and fairness.



Customer-Centric Innovation and Comprehensive Support

Our commitment to customer satisfaction is evident in every aspect of our business. In the Agri-Machinery business division, we launched several high-performance tractor variants under our Powertrac series during FY 2022-23 that prioritise total cost of ownership, efficiency and meet farmers' specific needs. In Construction Equipment business division, we introduced multiple heavy-duty cranes and backhoe loader with advanced features that ensures safety and enhances productivity on construction sites. In addition, we further diversified our offerings in Railway Equipment business division to cater to the evolving needs of the Indian Railways and enhance export growth.

Beyond product development, we offer comprehensive support to our customers. Our dedicated team promptly addresses queries, resolves issues, and provides personalised guidance. We value feedback and strive to be a trusted partner throughout our customers' journey.

With a customer-centric approach, we continuously innovate to exceed expectations. Our goal is to empower our customers' success in their respective industries, ensuring they have the tools and support they need to thrive.

On Your Side

for employees



We value our employees as our most important asset. We are committed to creating a positive work environment that supports their personal and professional growth.

We offer fair compensation and benefits and provide training and development initiatives to help them achieve their career goals. Our performance reviews are designed to support their career growth and create equal opportunities for all. We believe in providing a safe working atmosphere and ensuring prompt grievance redressal mechanisms. We believe that when our employees succeed, we succeed.

Nurturing Employee Growth and Well-being

At EKL, we strive to be more than just an employer. With our lean and agile structure, we foster collaboration and innovation at all levels. Our HR policies align with industry benchmarks, while digitisation streamlines processes and promotes continuous learning.

Our commitment to create a great place to work is driven by offering competitive pay, equal opportunity and employee-centric culture. Diversity and inclusion are fundamental, harnessing the collective strength of our workforce. Through our "On Your Side" commitment, we empower employees to excel and build capabilities for a brighter future.





On Your Side

for investors

As a true wealth creator, we at EKL take pride in delivering sustained growth and consistent returns. Aligned with our commitment to maximising shareholder returns, we prioritise optimising operational processes, resource allocation, and cost management, we ensure long-term value creation, solidifying our position as a trusted partner in our shareholders' success.

Our market capitalisation has experienced exponential growth, reflecting our ability to generate significant wealth for shareholders. Our strategic decisions and profitable ventures have fuelled this remarkable increase, offering lucrative opportunities for capital appreciation.

₹24,950.63* crores

Market capitalisation in FY23, growing approximately 30 times from ₹841 crores in FY12

*As on March 31, 2023

**Committed to Long-term Prosperity of Our Shareholders**

EKL is committed to driving shareholder value by maximising returns and prioritising transparent communication. Our focus on delivering sustainable value is evident through our progressive approach to dividend distribution. Currently, we allocate up to 20% of net profits for dividends and buybacks, with a targeted increase to 40% by FY 2028, in line with Kubota's dividend policy. This demonstrates our dedication to enhancing shareholder returns and fostering long-term prosperity.

We believe that transparent communication is key to building trust and collaboration with our shareholders. We provide timely updates on performance, growth initiatives, and market insights, empowering shareholders to make informed decisions. By maintaining open channels of communication, we strengthen our relationship and ensure that our shareholders are well-equipped to actively participate in the success of our Company.

On Your Side

for partners



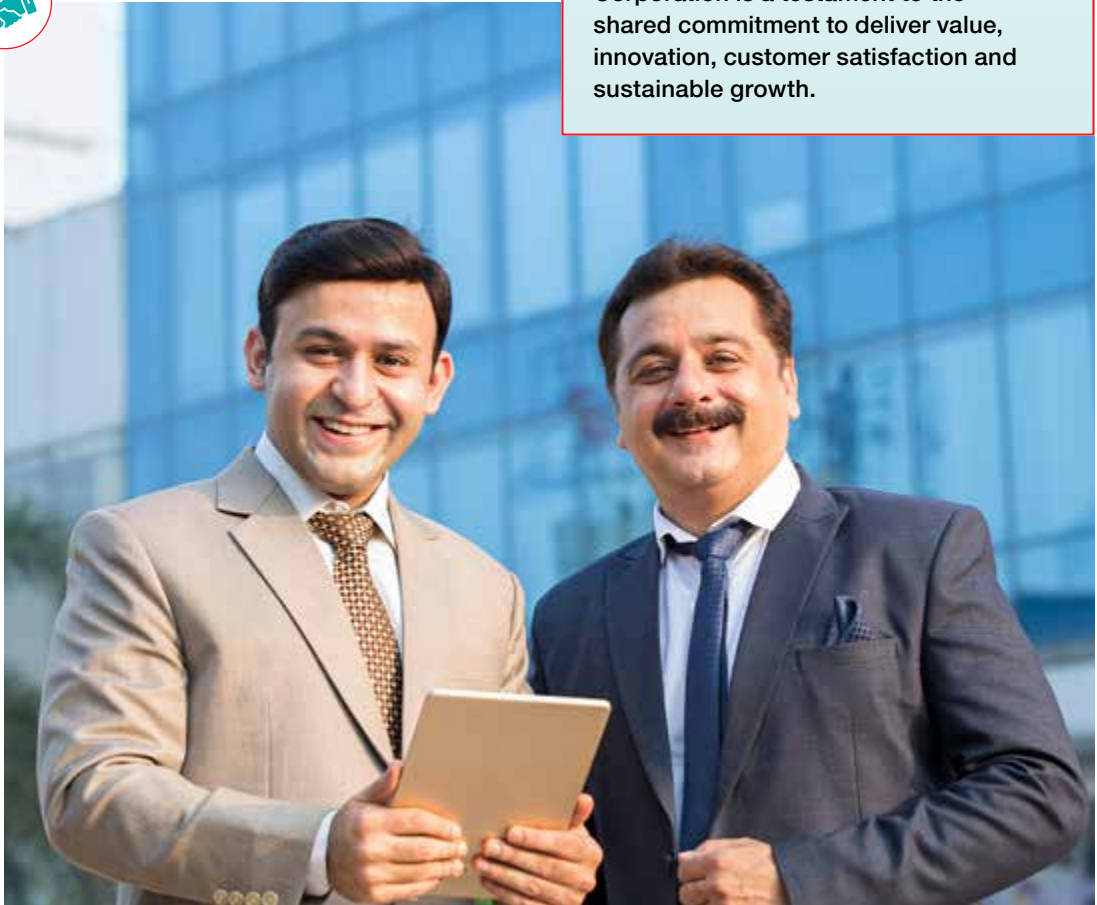
We believe in working collaboratively with our partners and dealers to create solutions that benefit everyone involved. We are committed to transparent, fair, and accountable supply chain practices that ensure the financial health, reputation, and service quality of our suppliers.

We provide access to knowledge on sustainable supply chain practices that create stronger relationships, greater trust, and more sustainable outcomes. We believe that when our partners and dealers succeed, we succeed.

Promoting Collaborative Growth for a Better Tomorrow

Escorts Kubota Limited places significant importance on its partnerships with dealers, suppliers, and strategic partners. Our commitment to fostering strong relationships is deeply ingrained in its culture and values. We value our dealers by providing comprehensive support, training, and open communication, fostering trust and collaboration. Suppliers play a crucial role in our journey. We maintain open channels of communication with suppliers, ensuring a collaborative approach to sourcing and procurement and create a reliable supply chain.

Strategic partners play a crucial role in Escorts Kubota Limited's growth strategy, with a focus on forming alliances that complement each other's strengths. The partnership between Escorts Kubota Limited and Kubota Corporation is a testament to the shared commitment to deliver value, innovation, customer satisfaction and sustainable growth.





On Your Side

for communities

At EKL, we are committed to contributing to the betterment of society. We understand the issues faced by communities and address them through targeted CSR initiatives.

Our focus is on creating positive economic, environmental, and social impacts through our business operations. We strive to create shared value-creation of job opportunities and livelihood avenues due to the presence of skilled pools of local candidates. We believe that when communities succeed, we succeed.

~1,000

Farmers benefitted from our farmer training programmes during FY 2023



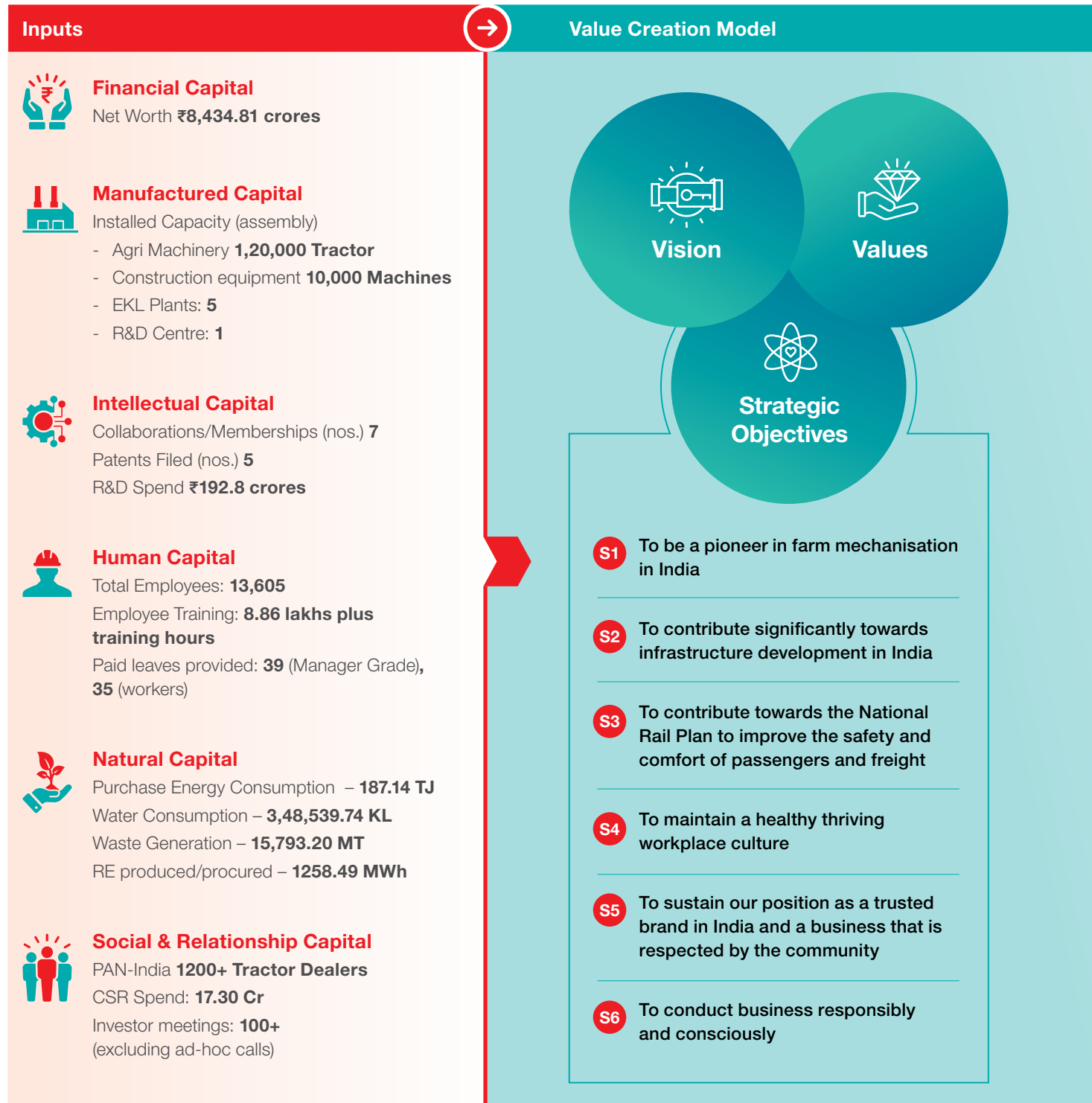
Empowering Farmers through Training Programmes

We are committed to support the development and success of our customers, particularly farmers, through our employee, channel partner, and customer training programmes. Our one-day and three-day farmer programmes provide training in tractor operation, maintenance, and advanced implements. In addition, our training centre offers modern farming techniques to help farmers increase their income through scientific soil collection, testing, amendments, intercropping, mixed farming, and organic farming. We are committed to providing comprehensive training to help our customers overcome the challenges they face in operating, implementing, and maintaining our products, and to empower them to increase their farming income.



Business Model

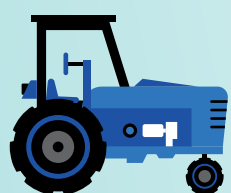
Creating value sustainably





Our values encapsulate our spirit. We are constantly committed to sustainable value creation for stakeholders through effective capital framework, optimal utilisation of natural resources and robust engineering support for our diverse customers.

Outputs



1,04,501

Tractors produced



4,512

Construction Equipment produced



Waste and emissions

Waste and emissions are unavoidable byproducts resulting from our production and distribution activities. We strive to reduce through various sustainability measures.

- GHG emissions (Scope 1 & 2)
 - Scope 1: **9,153.03 tCO₂e**
 - Scope 2: **36,907.51 tCO₂e**
- PM: **92,454.78 ug/m³**
- SOx: **2,206.00 ug/m³**
- NOx: **97,858.98 ug/m³**



Outcomes

Financial Capital*

Total Income **₹8,625.51 crores**

EBDITA **₹780.4 crores**

Net profit after tax **₹607.0 crores**

Earnings per share (EPS) **₹46.74 (Basic)**

ROCE (Return on Capital Employed) **9.65%**

Return on equity **7.44%**

Proposed Dividend **₹7.0 Per Equity Share**

Manufactured Capital

Capacity utilisation of plants:

Agri Machinery **~90%**

Construction equipment **~45%**

Intellectual Capital

Patents obtained (nos.) **10**

New product launched:

- Tractors **5**
- Construction equipment **5**
- Railway products: **3 commercialised**

Human Capital

Total no. of new joiners (managers) - **856**

% of female employees: **6.03%**

Natural Capital

Water Recycled - **41,329 KL**

Waste Recycled - **15,793.20 MT**

Waste Intensity - **1.89 MT/Cr**

Water Intensity - **41.77 KL/Cr**

Social & Relationship Capital

Number, distribution of beneficiaries under CSR focus areas: **~1.82 lakhs**

*Standalone

External Environment

Adapting to a dynamic operating landscape

In a dynamic business environment, it is crucial for businesses to stay updated by identifying potential risks, opportunities, and positioning themselves strategically. At Escorts Kubota Limited, we recognise the significance of this approach and strive to achieve a competitive edge by continually assessing our operating context and position ourselves to maximise growth potential.

Indian tractor industry is on the rise



The Indian tractor industry is a crucial component of India's agricultural sector, accounting for about 17% of India's GDP and employing about 50% of the country's workforce. The sector is expected to continue its growth trajectory, and Escorts Kubota Limited, as one of the leading player, is well-positioned to capitalise on the growth opportunities.

Trends and growth drivers

- Increasing demand for tractors for mechanisation in the agricultural sector
- Rising rural incomes, providing more disposable income for farmers to invest in farm machinery
- Continuous support from government through various initiatives like the Pradhan Mantri Fasal Bima Yojana and Pradhan Mantri Krishi Sinchayee Yojana. Also, the government is providing subsidies on tractors to farmers or farm owners.
- Favourable climatic conditions allowing a variety of crops

EKL's response

- Introduced several new tractor models over the last decade with high performance, low maintenance at affordable prices.
- In partnership with Kubota Corporation, we are enhancing product portfolio, expanding reach and driving innovation.



India's infrastructure boom driving construction equipment demand

The Indian construction equipment market is experiencing a surge in demand due to growing public and private infrastructure, FDI reforms, highway projects, and a growing economy. Ambitious government projects like Smart City, Golden Corridor, Housing for All, and expansion of railways are fuelling the growth of the industry. With a solid push from the government's ambitious infrastructure development plans and

rising construction spending across the globe, India is expected to become a key player and the second largest in the CE sector by 2030.

Trends and growth drivers

- India targets a \$5 trillion economy by 2025, leading to increased road and infrastructure construction activity
- Population growth and economic development in India drive demand for improved transport infrastructure
- The Indian government provides policy support, such as a 50-year interest-free loan to state governments and the National Infrastructure Pipeline with projects worth ₹108 trillion
- The government raised the capital investment outlay for infrastructure by 33% to ₹10 lakh crore and established infrastructure finance secretariat to assist stakeholders for private investment

EKL's response

As the construction equipment industry grows, we are preparing to meet demand. Our leadership in infrastructure and construction machinery innovation is demonstrated by the grey revolution. We have been strengthening our capabilities through partnership with Kubota to meet growing demands for construction equipment.

India's Rail Components Industry on Track for Growth



The Indian rail components market is expected to grow at a steady pace in the coming years, driven by government investment in railway infrastructure, rolling stocks, rising demand for railway services, and

the adoption of new technologies. The market is highly fragmented, with significant expertise among key players in manufacturing and supplying railway components.

Trends and growth drivers

- Growing focus on Make in India and Atmanirbhar Bharat initiatives
- Increasing demand for high-speed trains and other advanced railway technologies
- Railway innovation policy and startups participation
- Improved safety and modernisation
- Growing demand for freight transportation
- Expanding railway network and proposed privatisation of some railway operations

EKL's response

Our commitment to achieving the highest quality standards in local manufacturing sets us apart from others in the industry. Our brake systems are a prime example of our emphasis on indigenous and cutting-edge technology. As we continue to maintain our status as a key supplier to the Indian Railways, we also plan to introduce advanced railway technologies that align with the anticipated innovation brought about by the Policy.

Strategy Planning

Forging ESG into strategy development

At EKL, we are committed to integrating Environmental, Social and Governance (ESG) principles into our business practices, to deliver sustainable and long-lasting value for our stakeholders, including our customers, employees, investors, suppliers, and communities.

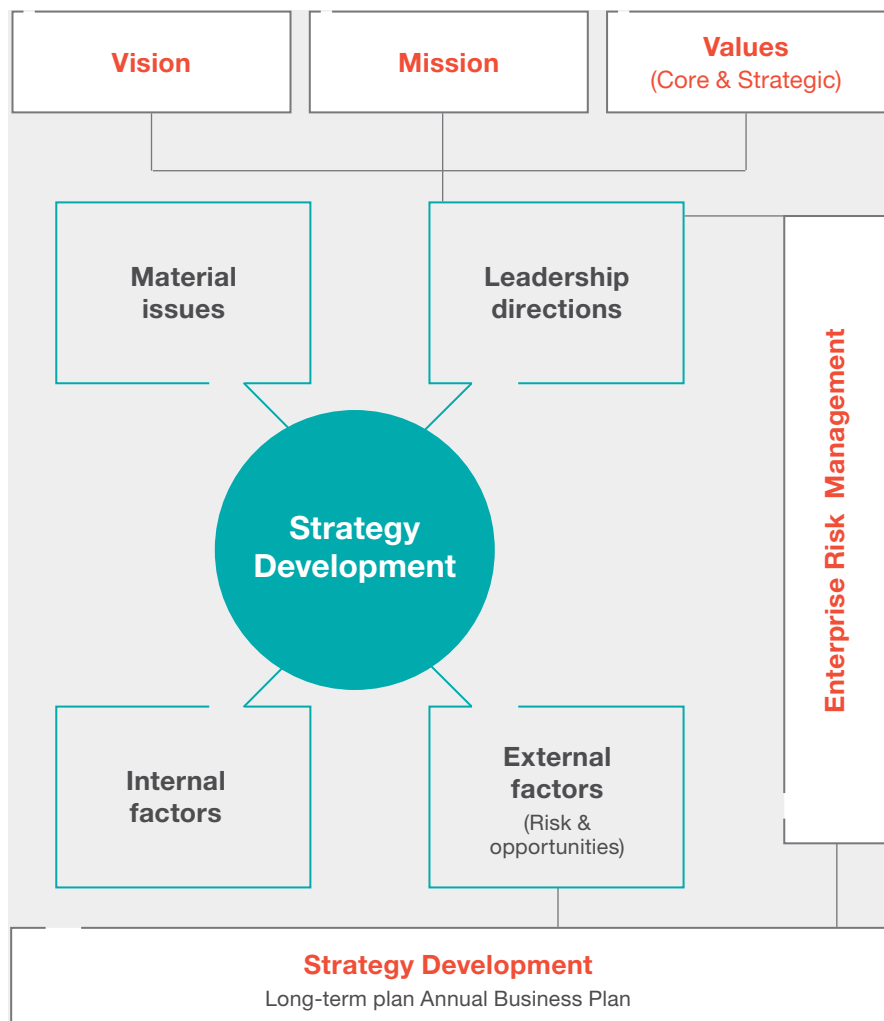
We recognise the importance of balancing non-financial and social aspects, such as environmental impact, social responsibility, ethical conduct, and corporate governance, with our economic performance, to enhance our trust and reputation in the market and society.

Our strategy formulation process is driven by our Vision of being a leader in our industry, our Mission of providing innovative and quality solutions to our customers, and our Core & Strategic values of excellence, agility, innovation, customer focus, and teamwork. Along with these guiding principles, we also receive strategic guidance from our Board of Directors and Senior management team, who have extensive experience and expertise in

the industry. We analyse the external and internal business scenarios, such as market trends, customer needs, competitor actions, regulatory changes, technological developments, and operational capabilities, and identify potential risks that could affect the industry or our business.

We align our long-term and annual business objectives and overall

strategy with the specific goals and roles of each department across the organisation. We ensure that each department has clear responsibilities and accountabilities for achieving their targets and contributing to the overall vision and mission. We also monitor and evaluate the progress and performance of each department on a regular basis and provide feedback and support as needed.
















Strategic Priorities and Progress

At EKL, we aim to be future proof in terms of our structure, finance, and culture, striving to become the most valued and respected engineering company in the Indian market. Our six strategic focus areas, aligned with the UN SDGs, reflect our integrated thinking, linking our purpose of providing innovative and quality engineering solutions to our customers while delivering sustainable and profitable growth to stakeholders.

To achieve our objectives, we leverage our strengths, including strategic partnerships, strong brand recognition, a diversified product portfolio, and a skilled workforce. We capitalise on opportunities arising from the growing demand for mechanisation, favourable government policies, and emerging trends in digitalisation and automation. Additionally, we manage risks related to raw material prices, competition, and environmental impacts. By adapting to customer needs, enhancing efficiency, investing

in research and development, and expanding our market presence, we navigate business cycles and prioritise stakeholder interests.

Through our unwavering commitment to excellence and customer satisfaction, we create value for our customers, shareholders, employees, and communities. Our dedication to engineering solutions that drive sustainable growth positions us as a trusted leader in the industry, delivering impactful results for all stakeholders involved.

Strategic Priorities	Focus Areas	Capitals Impacted	SDGs Mapped	GRI Mapping
S1 To be a pioneer in farm mechanisation in India	To play a key part in developing standards for farm mechanisation	Financial Capital, Manufactured Capital, Intellectual Capital		GRI 201 - Economic performance
	To be a market leader in the farm mechanisation industry (for affordable and quality products)	Financial Capital, Manufactured Capital	 	GRI 201 - Economic performance
	To introduce more farm mechanisation products that use alternative/clean fuel	Natural Capital, Financial Capital		
S2 To contribute significantly towards infrastructure development in India	To be a market leader in the Indian crane industry that follows the highest OHS, customer health and safety standards	Financial Capital, Manufactured Capital		GRI 201 - Economic performance
S3 To contribute towards the National Rail Plan to improve the safety and comfort of passengers and freight	To be one of the top suppliers of railway components that we deal in	Financial Capital, Manufactured Capital, Social and Relationship Capital		GRI 416 - Customer Health & Safety
S4 To maintain a healthy thriving workplace culture	To be the preferred place to work for qualified employees/workers	Human Capital, Social and Relationship Capital	 	GRI 403 - Occupational Health & Safety
S5 To sustain our position as a trusted brand in India and a business that is respected by the community	To invest responsibly in corporate social responsibility initiatives	Financial Capital, Social and Relationship Capital		GRI 416 - Customer Health & Safety
	To implement the highest level of customer health and safety standards	Intellectual Capital, Social and Relationship Capital		GRI 413 - Local Communities
S6 To conduct business responsibly and consciously	To ensure minimal negative environmental footprint of our operations	Natural Capital, Social and Relationship Capital		GRI 301 - Materials GRI 302 - Energy GRI 302 - Water & Effluents GRI 305 - Emissions GRI 306 - Effluents & Waste GRI 403 - Occupational Health & Safety

Mid Term Business Plan 2028

Charting a sustainable future

EKL has ingrained sustainability across its business operations and aims to contribute in a socially, ethically, and environmentally responsible way to the development of a society where the needs of all are met, and to do so in a manner that does not compromise the ability of those that come after us to meet the needs of own and future generations.

EKL Purpose and Mission

EKL has recently synergised with Kubota Group and has aligned its goals and targets accordingly. In line with this we formulated a Mid Term Business Plan 2028 with major initiatives underlined by specific targets that will also take our ESG agenda forward and enhance focus on sustainability.

EKL Mission

- Establishing the measures for sustainable growth in response to issues in the mega trend of the world.
- Contributing to the creation of a living environment where people (especially, farmers, women and social vulnerable people) can live comfortably.
- Committing to the society in India & in the world by the promotion of further mechanisation and providing the total solution.

EKL Vision

- EKL shall promote its business in India & in the world to become a company that is truly loved and sought-after by society & employees.
- EKL shall become the total solution provider to solve the issues of society for a sustainable world.
- EKL shall become strategic hub in the world by utilising the capability & potential of India.





During the year your Company has rolled out Mid Term Business Plan till 2028 outlining the organisation's goals, objectives, and key initiatives to drive growth and achieve sustainable success. Currently EKL has six plants (including a corporate office and a R&D centre) consisting of three plants for Agri Machinery Business Division, one plant for Construction Equipment Business Division and one

plant for Railway Equipment Business Division. In order to achieve our MTBP plan going forward first of all we are adopting KPS (Kubota Process System) across all our manufacturing setups. This will entail deployment of total quality management principles, sustainable manufacturing processes, supplier development and streamlined manufacturing processes.

We are planning to go for one green field project wherein we will be manufacturing tractors and engines. With this our manufacturing capacity will increase from **1.7 lakhs (merged entity) to 3 lakhs per Annum.**

The summary of essential components of the Mid Term Business Plan and its significance in guiding businesses towards desired future and key targets are as follows:

Division wise way forward



Agri Machinery Business Division

Challenger brand in tractors –

Our aspiration is to take the challenger brand in tractors as per SOM by FY28, with three brands combined. To achieve this, we will be:

- Enhancing brand and Product
- Expanding brand geographies and channel
- Ensuring retail finance tie-ups
- Transforming digital processes

Leadership in implements –

We aim to be among the top 3 in farm implements segment with the top position in combined harvester and rice transplanters. For this we will expand product offering with sprayers, rotavators, wheel type harvesters etc.

We aspire a **Leadership position in “India Led Tractor Export”** lead by a synergy of KUBOTA corporation, EKL's strength in product and channel. **Global sourcing hub** – EKL to be a strategic hub for global sourcing for Kubota Network.



Construction Equipment Business Division

Going forward, we aim to assume leadership position in material handling (pick and carry cranes) and mini excavators and also double its market share in backhoe loaders and compactors. This is sought to be

achieved on the strength of its wide product portfolio, further product innovation and enhancements (incl. hybrids and alternative fuels), doubling of channel count and revamped strategy in mini excavators.



Railway Equipment Business Division

We are focused on catering to the vast network of the rolling stock with components and systems while ensuring safety and comfort. We will achieve this objective by leveraging

our over six decades of industry experience, market expansion, inorganic growth opportunities, product diversification and operational excellence.

Our capital allocation strategy

Under the Mid-Term Business Plan 2028, EKL has outlined key initiatives and allocation of capital for strategic growth. The plan encompasses various aspects, as highlighted below:

Capital Allocation Initiatives

- Capex Investment for setting-up a green field facility
- Expanding vendors capabilities through strategic partnerships with vendors and strengthening the supply chain
- Investing in research and development to introduce innovative products and leverage advanced technologies

Debt Repayment

Focusing on debt repayment for the merging entities, ensuring financial stability and streamlining operations.

Exploring Inorganic Opportunities

Identifying and pursuing strategic opportunities for growth in EKL's core areas through potential acquisitions or partnerships.

Maintaining Liquidity

Ensuring adequate liquidity by maintaining a cash reserve to address any future contingencies or unexpected events such as the COVID-19 pandemic.

Dividend and Shareholder Returns

EKL recognises the significance of shareholder returns and has implemented a dividend policy that aligns with its long-term objectives. Currently, the Company distributes up to 20% of net profits through dividends and buybacks. However, EKL is dedicated to gradually aligning

its dividend policy with Kubota Corporation, a strategic partner. EKL aims to reach a dividend distribution (including buybacks) of up to 40% of net profits by FY 2028, in line with Kubota's dividend policy. This strategic alignment underscores EKL's commitment to enhancing shareholder returns and delivering sustainable value to its shareholders.

In addition to aligning the dividend policy, EKL places strong emphasis on capital efficiency to maximise shareholder returns. The Company is focused on implementing efficient business management practices that enhance capital utilisation. By optimising operational processes, resource allocation, and cost management, EKL aims to drive profitability and generate sustainable growth. Strengthening shareholder returns is a key priority for EKL, as the Company strives to create long-term value for its shareholders.

Progress on ESG

Over the years, we have progressed along conserving the environment, protecting our people, and empowering the communities. In FY 2022-23, EKL has taken several measures on ESG as mentioned below:

During the year EKL has rolled out Supplier code of conduct covering few ESG parameters and going forward we will be rolling out Supplier ESG assessment framework to assess the suppliers on various ESG parameters in coming years

In addition to Scope 1, 2 & 3 (Category 9: Downstream transportation and Distribution) emission data disclosure,

as shared in FY 2021-22 report, out of 15 categories in Scope 3 emissions as laid out by the GHG Protocol, we are disclosing from FY 2022-23 on Scope 3 emission data with additional four more categories in Scope 3 including Category 3: Fuel & Energy not included in Scope 1 & 2, Category 5: Waste generated in Operations, Category 6: Business Travel, Category 7: Employee Commuting along with Category 9: Downstream Transportation and Distribution which was disclosed in FY 2022-23.

To generate understanding and importance of sustainability, EKL has carried out trainings on sustainability

topic for its employees and shared informative emails with all employees for providing information on EKL's sustainability initiative and global key areas of sustainability.

During the FY 2022-23, EKL has consulted and revised the Human Resource Policy. The Human Resource Policy has been aligned with Kubota Global Charter (refer https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/KUBOTA-Group-Charter-for-Code-of-Conduct.pdf) and is effective from 1st April 2023.



Way Towards Decarbonisation

With global temperatures rising and climate impacts becoming more evident, there is an urgency to act. Acknowledging these changes and nature of our business, we believe that our decarbonisation strategy will enable us to contribute towards the global commitment of limiting global warming to 1.5 degrees Celsius. We have started our journey towards Net Carbon Neutrality and aim to achieve significant reduction in our carbon emissions to align ourselves with Kubota Group vision of carbon neutrality by 2050. In line with this target, we aim to reduce the CO₂ emission reduction by 25% by

year 2030 from the base year 2023. The path towards decarbonisation has opened a diverse pool of opportunities for us. The levers on which we are relying for decarbonisation are energy mix and energy efficiency, increasing focus on Renewable Energy and CO₂ emission reduction via conversion to Gas gensets from Diesel gensets. EKL has already replaced its maximum number of Diesel gensets with Gas gensets.




We are tapping opportunities for increasing renewable energy generation, improving energy efficiency through innovative product design to cater to upcoming markets.

Promoting Resource Recycling

At EKL, we generate hazardous and non-hazardous waste in different forms and quantities. To manage these, we have an efficient waste management which considers environmental impact, social effects, and commercial viability and now with onset of FY 2023-24, we embarked on the journey for our sustainability commitment towards “Zero Waste to Landfill by 2026” to manage our waste. We are undergoing Pre-feasibility study to develop an action plan for waste generation reduction to achieve our “Zero Waste to Landfill” goal.

Water Positive Organisation by 2030

Water is one of the most precious and shared natural resources at which our operations depend upon. At EKL, we manage the water efficiently in our business operations. As part of our ESG target we are aiming to be water positive by 2030 through initiatives like Zero Liquid Discharge activity, upgradation of STP/ETP, Water reuse & recycling and Rainwater harvesting. We will track our performance using specific indicators such as freshwater withdrawal, water consumption, water recycling and water recharge to keep track of this target.

Base year	FY 2030 Goals	FY 2050 goals	Material topic	Capital	UN SDGs
2023	25% reduction in CO ₂ emission	Carbon Neutrality	Energy & Climate Change	 Natural Capital	 



Improvement in Renewable Energy Share

Globally, there is a clear transition to cleaner energy and fuels. It's an opportunity for manufacturing industries to relook at their energy mix and ensure energy sufficiency for the future.

At EKL, we have adopted state-of-the-art and energy-efficient systems and practices across our operations. Further, as part of our ESG targets, we are aiming to improve our renewable energy by more than 3% through enhancement of solar power panels. We have already completed

1st phase of solar panel installation with capacity of 170 KWp and looking forward to utilising 3% energy from this renewable resource. This will help us continuously conserve resources and energy, and consequently, keep our input costs under control.

Environment Protection

Environment protection is our priority, and we are making continuous efforts for sustainable management of waste through our Extended Producer Responsibility efforts for batteries and plastic and reducing the VOC emissions from our operations.

Greenfield expansion with Green Building Certification

EKL recognises that climate change and resource scarcity is driving need for solutions to balance growing needs with environment. During the FY 2023-24, EKL will assess the manufacturing sites for Green Building Certification.



Social Capital

Our people and their collective skills and abilities give us unparalleled competitive advantage. At EKL, we are continuously working to enhance our employee experience with '**On Your Side**' as the core theme. The Company has recently expanded mandatory annual health check-up coverage to all its employees. We have also identified certain specific aims with quantifiable targets for the medium to long term, helping us map tangible progress every year.

Diversity and Inclusion

Workplace diversity not only drives more creativity and innovation but also enhances the capability of an organisation to tackle several challenges by bringing in a more holistic perspective. At EKL, we focus on diversity as part of the ESG target, EKL aims to increase

women diversity in the workforce to 7.5%, build a younger organisation with average age of Managerial employees at 34 years and increase employee engagement and satisfaction by 2025 from the base year 2023.

Sustainability Awareness & Training

As part of ESG targets, EKL aims to aware and train all its employees on sustainability. Multiple emails are shared periodically with all employees to create sustainability awareness. Mandatory learning modules have been launched to educate employees on sustainability-related topics. EKL aims to train all its employees on sustainability by 2025.

As part of CSR initiative, EKL continuously works for the welfare of farmers and to contribute, a long-term CSR initiative "Escorts Advanced Farming Institute" was conceptualised.

CSR Initiative

The idea is to benefit the farming community by providing them training on sustainable intensified practices like Conservation Agriculture (CA), Crop Diversification & Good Agriculture Practices (GAP). Going forward, EKL will train the farmers at an exponential pace in FY 2024 and also develop farmer level model farms in a hub & spoke model.

Governance

Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders, comprising regulators, employees, customers, vendors/suppliers, investors, and the society at large, through ethically driven business practices. The Company reaffirms its core values, which are the basis of our ESG transformation.

As per SEBI directives on Integrated Reporting (IR), the Company follows the <IR> framework of the International Integrated Reporting Council to report on all the six capitals that are used to create long-term stakeholder value and also continues to provide the requisite

mapping of principles between the Integrated Report, the Global Reporting Initiative ('GRI') and the Business Responsibility Report (BRR) which has now been advanced to the Business Responsibility & Sustainability Report (BRSR) as per new SEBI Requirements since FY 2021-22. The Company in adherence to the requirement of regulatory norms has also undergone limited assurance on Key Performance Indicators (KPIs) for FY 2022-23 on voluntarily basis.

At EKL, we have always made investment decisions based on long-term fundamental drivers like market opportunity, technology and

our customer. Our strong leadership position across key business segments has come on the back of bold but calibrated long-term bets. Given the inherent strengths of the Company, we are again at a moment where we are uniquely positioned to invest for long-term sustainable growth and long-term value for all stakeholders and embrace new paradigms and the opportunities that arise.

Stakeholder Engagement

Nurturing relationships for shared value

At EKL, we recognise the importance of building strong and sustainable stakeholder relationships to create shared value. Our value creation process, guided by the Good Business Journey, ensures the responsible utilisation of resources, enabling us to meet current stakeholder demands while safeguarding the needs of future generations.

We are committed to developing and maintaining quality, long-term relationships with the broad range of stakeholders who have an interest in or are affected by the Group, its products, activities, and initiatives.

These stakeholders include:



We engage with these groups on an ongoing basis to gain insight into their needs and perspectives, as well as to share information about EKL's strategy, vision, mission, values, practices, and performance. Responsibility for engaging with stakeholder groups is widely shared across EKL's lines of business and we engage through numerous channels, such as surveys, feedback forms, meetings, workshops, conferences, webinars, newsletters, reports, websites, social media platforms, and grievance mechanisms.

We also use various tools and frameworks to identify and prioritise our key stakeholders and their material issues and concerns. We use the feedback and inputs from our stakeholder engagement to improve our decision-making processes and our business practices and performance.



EKL's Stakeholder engagement approach and inter-linkage with the Capitals:

Customers & Dealers



Impact on Capitals



EKL places a great emphasis on ensuring that the requirements of its customers are understood and met. They are at the heart of everything we do and provide us with our main source of revenue. We aspire to be the brand of choice for all the customers and remain relevant through a customer centric approach.

Value Proposition:

Strong brands, differentiated products and services, engineering support, partnering for growth.

- **How we Engage:** Customer satisfaction surveys, Installation of 'CARE' devices in tractors that allow the user to call our customer service executives if they face a challenge, web-portals, toll-free number and many others
- **Engagement Frequency:** Throughout the year
- **Focus Area:** Customer Satisfaction, focus on timely and efficient redressal of customer complaints and extending market differentiating, value-added products to customers

Employees & Workers



Impact on Capitals



Our employees at EKL are fundamental in meeting customer needs and driving our business's success. They play a crucial role as influential brand ambassadors and key enablers of our strategy and performance. We prioritise their overall development and well-being in a progressive workplace.

Value Proposition:

We offer fair wages, learning and growth opportunities, promote joint consultation, implement robust Reward & Recognition schemes, and prioritise employee well-being, experience, and engagement.

- **How we Engage:** Feedback sessions of employees with Chairman and functional heads, training and safety programmes, festival celebrations, games and award programmes
- **Engagement Frequency:** Quarterly feedback sessions, training and safety sessions throughout the year
- **Focus Area:** Attract and retain diverse talent, Job satisfaction, Fair pay and performance remuneration, Training and development initiatives, performance management system, inclusive culture, Equal opportunity for all, prompt grievance redressal mechanisms

Investors & Financial Institutions



Impact on Capitals



Investors & Financial Institutions play a critical role in bolstering the financial position, ensuring operational success and enables business continuity and growth of EKL. We are committed to creating value for our shareholders through implementing scalable business strategies.

Value Proposition:

Consistent returns on investments, focus on profitable growth in India, Better disclosures, transparency and credibility of financials.

- **How we Engage:** General body meetings, Interactions with investors, Annual Report, media updates, earning calls on Company's performance, Company's website
- **Engagement Frequency:** Annual General body meetings, Monthly investor meets
- **Focus Area:** Focus on financial and non-financial performance, Market value of shares, Shareholder return, Effective and robust corporate governance

Government & Regulatory Authorities



Impact on Capitals



At EKL, we are passionate about contributing towards building a thriving society. We engage with Governments and Regulators and contribute towards the Global UN Sustainable Development Goals. As an active corporate citizen, we constructively participate in industry affairs. We gain invaluable socio-political information which enables us to mitigate risks and explore opportunities

Value Proposition:

Regular interaction with government to engage on industry concerns on existing/future policies and regulations to advance ease of doing business.

- **How we Engage:** Interaction at customer-level by Railway Equipment Business Division as Indian Railways is a major customer, advocating for

innovation (such as new policies/ amendments in existing regulations at the national and regional levels, creation of product quality standards for tractors/cranes with relevant Ministries), Compliance monitoring by government on adherence to socio-economic/environmental compliances, CSR initiatives

- **Engagement Frequency:** Throughout the year
- **Focus Area:** Adhering to all laws and regulations applicable to the business, achieving leadership in sustainability to move forward on the path of sustainable development, focus on technology and innovation, demand creation and enrichment of product portfolio, capacity expansion

Suppliers/Vendors



Impact on Capitals



EKL fosters long-term relationships with its suppliers and ensures compliance with the Business Partner Code of Conduct policies. We believe that suppliers enable the organisation to source responsibly and adhere to the highest standards.

Value Proposition:

Growth, opportunity, safe operations, opportunity to innovate.

- **How we Engage:** Annual supplier conventions, Supplier audits as and when suppliers are screened, Informal interactions between managers and suppliers/vendors/ contractors
- **Engagement Frequency:** Annual Supplier conventions, Supplier Audits, Informal interactions throughout the year

- **Focus Area:** Transparent, fair, and accountable supply chain practices, supplier financial health, reputation, and service quality, access to knowledge on sustainable supply chain practices, innovation & technology



Industry Associations



Impact on Capitals



Industry associations can provide businesses with access to important networks, industry news and information, and educational resources. We hold memberships and participate in various industry bodies. This allows us to optimise opportunities for the business.

Value Proposition:

Sector specific and industry-wide collaboration on key policy issues in sectors related to manufacturing, trade, finance, sustainability, etc.

- **How we Engage:** Participating in conferences and seminars organised by industry bodies, Participation in national and regional committees and sub-committees to deliberate on important issues impacting the industry
- **Engagement Frequency:** Throughout the year
- **Focus Area:** Upholding our product and service standards, Continuous innovation on the part of member businesses, Cooperation between businesses to ensure overall development in a healthy, competitive environment

Communities



Impact on Capitals



EKL strives to provide value to local communities. They create an enabling business environment as well as the pipeline of future customers and employees. By contributing to the upliftment and growth of its surrounding communities, EKL aspires to prosper with them.

Value Proposition:

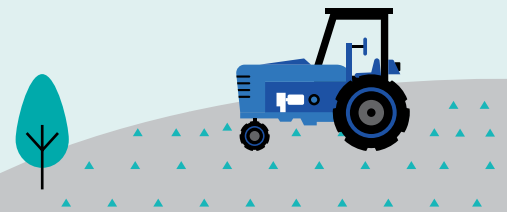
Enable lasting betterment in the well-being of communities in the operating region, addressing core development gaps at a national scale through replicable models of development.

- **How we Engage:** Participating in conferences and seminars organised by industry bodies, Participation in national and regional committees and sub-committees to deliberate on important issues impacting the industry
- **Engagement Frequency:** Throughout the year
- **Focus Area:** Actively support communities through CSR initiatives like development of biodiversity park, upgradation of hospital mortuary, water cooler machines for local public, soft skill training for girls from underprivileged background and positive economic, environmental, and social impact of our business operations on communities, creation of job opportunities, livelihood avenues from skilled pool of local candidates, maintaining cordial relationship

Materiality Assessment

Addressing key material issues for lasting impact

At Escorts Kubota Limited (EKL), we have always strived to address issues concerning our stakeholders and the growth of our businesses. By addressing these issues, we aim to achieve sustainable growth of corporate value as well as the sustainable development of society and the environment.





During FY 2020-21, we carried out a dedicated materiality assessment exercise to identify material, Environmental, Social and Governance (ESG) topics that are relevant and significant for our business and our stakeholders. We identified 11 critical topics that are material to both our stakeholders and our business performance. These topics cover various aspects of our economic, environmental, and social impacts and responsibilities. The selection of material topics involved identifying probable material issues considering the Global Reporting Initiative (GRI) standards and the priorities of our

peers in the industry. Subsequently, we identified key internal and external stakeholders that have an impact on or are influenced by EKL. These stakeholders include our customers, employees, investors, suppliers, communities, regulators, industry associations, media, civil society organisations, and academic institutions. We conducted a detailed analysis of each probable material issue based on its importance to our stakeholders and its influence on our business performance.

Further, the material topics were rated on High & Medium priority scale by

senior management and leadership of EKL based on their strategic relevance and stakeholder expectations.

For FY 2022-23, we did not witness any material modifications to our operational procedures or priorities, therefore the same issues that were pertinent last year also apply this year. We will continue to monitor and review our material topics on a regular basis and update them as needed.

Methodology

Peer benchmarking

Identified a list of industry peers as well as international standard Global reporting Initiative and conducted a benchmarking for material topics

Identification of important stakeholders

Comprehensive list of stakeholders w.r.t, importance to business was mapped

Evaluation of material topics

A detailed analysis of the material topics was conducted, and a materiality matrix was generated with "Importance to Business" on the X-axis and "Influence on Stakeholders" on the Y-axis

Prioritisation of material topics

Priority list of material topics based on the results of the analysis was created

Key Stakeholders Groups Identified



Customers & Dealers



Employees & Workers



Investors & Financial Institutions



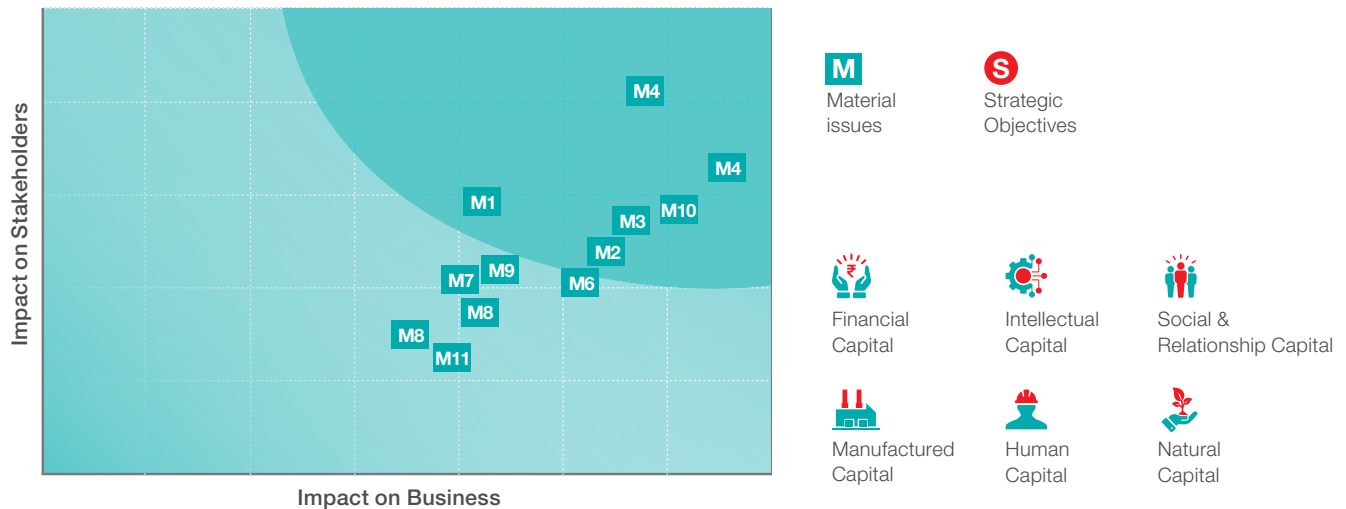
Government/Regulatory Authorities



Suppliers & Vendors

Through the focused materiality assessment process, EKL has identified the following key issues that are material to the growth of the Company and well-being of all stakeholders with linkage to six capitals.

EKL Materiality Matrix



Prioritisation of Material Issues

Why are the issues material to EKL?

M1**Energy & Climate Change****S6**

With the increasing awareness around climate change, it is crucial to address the challenges by taking conscious efforts to respond to the issues arising out of climate change. It is important that EKL manages its raw material and assets in the most efficient manner to generate superior returns while reducing carbon footprint through its energy efficient operations

M2**Operation EHS Impact****S6**

Waste reduction, Water availability, Emissions, and Employee health and safety are key concerns. EKL should manage the water used across its operations, reduce waste and emissions, and ensure health and safety in its operations

M3**Resource Efficiency****S1 S6**

Being a responsible Company, EKL needs to map and manage its resources used across its operations and ensure that the consumption is socially equitable and environmentally sustainable.

M4**Financial Performance****S2 S5**

EKL's undeterred focus on financial and operational performance is essential for maximising stakeholder value and ensuring consistent growth of the organisation, year after year.



Prioritisation of Material Issues

Why the issues are material to EKL?

M5

Customer Satisfaction



S3 S4 S5 S6



M6

Employment



S6



M7

Value, Ethics & Compliance



S4



M8

Community Engagement & Local Employment



S3 S4 S5 S6



M9

Supply Chain Sustainability



S1 S3 S4 S5 S6



M10

Product Responsibility & Association



S1 S2 S3



M11

Diversity & Inclusion




S4





Contribution to SDGs


Driving sustainable impact

We support the United Nations' sustainable development goals (UN SDGs) and make significant contribution through our process of managing our capitals and creating value. As a responsible corporate citizen, we have mapped our capitals to the UN SDGs.

1 NO POVERTY 	Linkage with Strategic Priority S1
Linked Material Topic Community Engagement & Local Employment	
Linked Capital Social & Relationship Capital	
Initiatives Undertaken/planned <ul style="list-style-type: none"> • Employment generation for farmers through sales of tractor • Soft skill training for girls from underprivileged background for developing job skills 	

4 QUALITY EDUCATION 	Linkage with Strategic Priority S4
Linked Material Topic Employment	
Linked Capital Human Capital, Social & Relationship Capital	
Initiatives Undertaken/planned <ul style="list-style-type: none"> • Farmer Training Programmes through Escorts Training and Development Centre • "21st Century Skills Training Programme" for Girls from Underprivileged Background for developing workplace skills 	

5 GENDER EQUALITY 	Linkage with Strategic Priority S4
Linked Material Topic Diversity & Inclusion	
Linked Capital Human Capital, Social & Relationship Capital	
Initiatives Undertaken/planned <ul style="list-style-type: none"> • "UDAAN" leadership development programme for women • "3C concept" focused on the advancement of women employees and workers. • Goal to increase women diversity in the workforce to 7.5%. 	

6 CLEAN WATER AND SANITATION 	Linkage with Strategic Priority S6
Linked Material Topic Resource Efficiency	
Linked Capital Natural Capital	
Initiatives Undertaken/planned <ul style="list-style-type: none"> • As part of CSR initiative, Water cooler facilities are provided in Faridabad, Haryana • Goal to be "Water Positive by 2030" 	



<div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>Linkage with Strategic Priority</div> <div>S6</div> <div>Linked Material Topic</div> <div>Energy & Climate Change</div> <div>Linked Capital</div> <div>Natural Capital, Manufactured Capital</div> <div>Initiatives Undertaken/planned</div> <ul style="list-style-type: none"> Goal to "Increase Renewable Energy Share by 3x" </div>	<div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>Linkage with Strategic Priority</div> <div>S1</div> <div>Linked Material Topic</div> <div>Energy & Climate Change</div> <div>Linked Capital</div> <div>Financial Capital, Natural Capital, Manufactured Capital, Social & Relationship Capital, Human Capital</div> <div>Initiatives Undertaken/planned</div> <ul style="list-style-type: none"> Undertaking CSR initiatives like provision of water coolers, support in development of old age homes, PCR vehicles for Faridabad police Payment of all the applicable Taxes periodically </div>	<div> <div>10 REDUCED INEQUALITIES</div> <div>Linkage with Strategic Priority</div> <div>S4</div> <div>Linked Material Topic</div> <div>Diversity & Inclusion, Employment</div> <div>Linked Capital</div> <div>Human Capital, Social & Relationship Capital</div> <div>Initiatives Undertaken/planned</div> <ul style="list-style-type: none"> Diverse Board structure (18 members – 15 men, 3 women) "UDAAN" leadership development programme for women "3C concept" focused on the advancement of women employees and workers </div>
<div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>Linkage with Strategic Priority</div> <div>S6</div> <div>Linked Material Topic</div> <div>Operations Environment, Health, Safety Value, Ethics & Compliance Supply Chain Sustainability Product Responsibility & Innovation</div> <div>Linked Capital</div> <div>Natural Capital, Manufactured Capital, Social & Relationship capital</div> <div>Initiatives Undertaken/planned</div> <ul style="list-style-type: none"> Goal to "Increase Renewable Energy Share by 3x" </div>	<div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>Linkage with Strategic Priority</div> <div>S1</div> <div>Linked Material Topic</div> <div>Value Ethics & Compliance</div> <div>Linked Capital</div> <div>Human Capital</div> <div>Initiatives Undertaken/planned</div> <ul style="list-style-type: none"> Development of Business Responsibility Policy covering NGBRC 9 principles </div>	<div> <div>17 PARTNERSHIPS FOR THE GOALS</div> <div>Linkage with Strategic Priority</div> <div>S1</div> <div>Linked Material Topic</div> <div>Operations EHS Impact Supply Chain Sustainability</div> <div>Linked Capital</div> <div>Natural Capital, Social & Relationship capital</div> <div>Initiatives Undertaken/planned</div> <ul style="list-style-type: none"> Participation in Government meetings, committees, sub-committees for business-related discussion/conferences </div>

Risk Management

Adapting to uncertainties with prudence

Our businesses are exposed to a variety of risks given that we operate globally. To proactively identify and manage key risks for achieving our strategic objectives, we have put in place a well-defined Enterprise Risk Management (ERM) framework that align the Company's operating controls with the overarching vision and mission and helps it deliver on its strategic objectives.



Operational Risk

Disruption to EKL's manufacturing processes caused due to various factors such as equipment failures, natural disasters, epidemics or pandemics or extreme weather events, etc. could adversely affect operations and customer service levels.



Compliance Risk

Evolving regulatory framework may have material impact on operations. Deviation in compliance and adherence may also adversely impact reputation.

At EKL, we have identified risks under four heads



Strategic Risk

Strategic risk refers to the internal and external events that may make it difficult, or even impossible, for an organisation to achieve their objectives and strategic goals. These risks can have severe consequences that impact organisations in the long-term.



Financial Risk

Rising inflation and subsequent increase in cost of financing could adversely impact capex plans, development in climate change regulations and disclosure standards could reduce access to capital and increase the cost of funding.



Operational Risk

Loss of assets or profit due to natural calamities



Impact

Our operations may be subject to a number of circumstances not wholly within the Company's control. These include damage to or breakdown of equipment or infrastructure, unexpected geological variations or technical issues, extreme weather conditions and natural disasters – any of which could adversely affect production and/or costs.

Mitigation measures

- Crisis management and business continuity plans are in place across the Company and are tested regularly
- Mock drills to ensure preparedness of firefighting systems as well as employees in the event of fire or earthquakes
- Disaster management system to implement the most effective accident prevention measures across our operating sites
- Continuous monitoring and periodic review of security function
- Continue to focus on capability building within the Company



Supply Chain Disruption



Impact

Disruption in supply chain would lead to disruption in operations impacting our profitability and therefore sustainability. Our projects may face challenges around sourcing of raw materials for manufacturing.

Mitigation measures

- Continuous focus on cost optimisation projects to bring down fixed costs and optimise variable costs
- Facilitating the suppliers to get access to attractive financing schemes for managing working capital
- Development of alternate suppliers and enhanced focus on localisation
- Robust process to conduct financial due diligence of all suppliers before they are onboarded
- Continuous augmentation of power security and infrastructure
- Strong management team continues to work towards sustainable low-cost of production, operational excellence and securing key raw material linkage

Breaches in IT & Security



Impact

Today dependency on computers and network technology is increasing. These systems could be subject to security breaches resulting in theft, disclosure, or corruption of key/strategic information. Security breaches could also result in misappropriation of funds or disruptions to our business operations. A cybersecurity breach could impact business operations.

Mitigation measures

- Focus on formulating necessary frameworks, policies, and procedures in line with best practices and international standards
- Implementation and adoption of various best-in-class tools and technologies for information security like Security Operations Centre (SOC) to detect IT security incidents, Network Access Control (NAC), Mobile Device Management (MDM) to prevent any unauthorised usage, Endpoint Detection and Response (EDR) to prevent any virus/malware attack and Data Loss Prevention (DLP) tool
- Periodic assessment of entire IT system landscapes and governance framework, from vulnerability and penetration perspective, undertaken by reputed expert auditor and addressing the identified observations in a time-bound manner
- Regular awareness programmes to sensitise users on phishing attacks

Intellectual Capital



Impact

Our operations may be subject to disruption due to employee unrest or adverse labour relations.

Mitigation measures

- Robust policies, governance structure and technological solutions in place to identify and protect the Company's intellectual property
- Robust process of obtaining Non-Disclosure Agreements (NDA) from all vendors before they are onboarded. Further, confidentiality agreements are obtained from R&D employees at the time of joining. Existing R&D employees also submit an annual declaration of compliance with Company's IPR Policy
- Periodic audits conducted by specialised auditors to identify any gaps and recommend process improvements
- Periodic trainings conducted to spread IP awareness amongst employees



Operational Risk

Managing Relationship with Employees



Impact

Problems may occur within the Company between employees and management on issues like health & safety, grievance redressal.

Mitigation measures

- Business leadership teams have periodic engagements with the employees to build relations based on trust and mutual benefit with focus on understanding and resolving issues
- Proactive and regular engagement with employees and their families
- Continuous improvement in the efficiency and effectiveness of grievance redressal mechanism
- Regular training & development programme and welfare measures for employees

Talent Management



Impact

Company may fail to create and implement a succession plan for key positions and retain high performers.

Mitigation measures

- Identification of critical positions with mapping of successors and their readiness
- Developing talent pool through learning and career development programmes
- Monitoring of retention for key/critical roles and high performers and root cause analysis for mitigation

Occupational, Health and Safety Risks in Operations



Impact

Company may face accidents involving moving machinery, on-site transport, forklifts, blast etc.

Mitigation measures

- Our health and safety guidelines ensure compliance with local and international laws, regulations and standards
- The primary focus is protecting the employees and communities from harm and operations from business interruptions
- Safety training, mandatory usage of safety gadgets such as safety shoes, helmets, hand gloves, masks on shop floor/plants
- Regular safety meetings are held for review of safety aspect, fatal accidents/near miss accidents, if any
- Strong security arrangements like security check-post, entry pass/identity cards, access control system



Compliance Risk

Regulatory and Legal Risk



Impact

Our operations may be impacted because of legal and regulatory changes in the regions where we operate, resulting in higher operating costs, restrictions, penalties.

Mitigation measures

- The Company monitor regulatory developments on an ongoing basis
- Business-level teams identify and meet regulatory obligations and respond to emerging requirements
- Continue to demonstrate the commitment to sustainability by proactive environmental, safety and CSR practices
- State-of-the-art equipment and technology across our plants, as recommended by the Pollution Control Board
- Training and awareness of employees on environmental standards and norms
- Periodic audits to monitor compliance to applicable EHS laws
- Disaster management system to implement the most effective accident prevention measures across our operating sites
- Mandatory use of personal protection equipment for all on-site workers



Strategic Risk

Lack of innovative and competitive intensity



Impact

Failure to develop new products, new business initiatives and technology to respond to opportunities in the marketplace.

Mitigation measures

- Appropriate financial allocation in place for developing new products, increasing channel reach, delivering customer-centric products and services, enhancing customer experiences and building our brand
- Investing and building capabilities in next-generation digital technologies under the Rajan Nanda Innovation Lab (RNIL)
- Forming strategic alliances to drive enhanced competitiveness
- Offering continuous product upgrades and introducing superior technology
- Actively pursuing development of the Electric Vehicle (EV) market, products and technology



Financial Risk

Fluctuations in Commodity Price



Impact

Prices and demand for the products may remain volatile/uncertain and could be influenced by economic conditions, natural disasters, weather, pandemics, political instability, and so on. Volatility in commodity prices and demand may adversely affect our earnings and cash flow.

Mitigation measures

- Continue to work on mitigating the inflationary impact through 'Commodity Risk Management', cost re-engineering and value engineering activities
- Leverage whenever there is a fall in prices of commodities and achieve material cost reduction

Financial Capital



Driving sustained profitable growth

At EKL, we are focused on sustained profitability, we have a strong, net debt-free balance sheet and we focus on strategic capital allocation. Our aim is to provide optimum returns to the providers of our financial capital and allocate more capital to explore and develop opportunities and products as part of our Mid Term Business Plan 2028.



Contribution to SDGs



Value Enhancing Growth



Material Topics

Financial Performance

Capitals Connected

- Manufactured Capital
- Human Capital
- Intellectual Capital
- Natural Capital
- Social & Relationship Capital

Standalone Highlights FY 2022-23

₹8,345.0 crores
Revenue from operations

9.4%
EBITDA/Operating revenue

9.65%
Return on Capital Employed



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As we reflect on our achievements in this Integrated Report, we are excited about the path ahead. Our commitment to financial excellence remains unwavering as we strive to deliver sustainable growth, foster innovation, and create long-term value for our stakeholders. With a forward-looking mindset, we embrace the challenges of tomorrow and are confident in our ability to adapt, evolve, and seize opportunities in an ever-changing landscape.

Financial Performance

We have a robust financial management process that assesses the requirement of funds for sustainable business operations as well as for investments towards business sustainability and growth opportunities. We are significantly focused on enhanced productivity, innovative offerings to our customers to ensure continued customer satisfaction, upkeep of performance on ESG parameters that promote investor faith, and valuable partnerships with businesses who have in-depth expertise in sectors relevant to us.

Business Growth

In FY 2022-23, we saw significant results in our customer acquisition rate and retaining market share driven by strong demand for EKL's products among our valued customers.

Our standalone **revenue** grew by 17.1% to ₹8,625.5 crores for the year from ₹7,365.7 crores in the previous year. This growth can be attributed to the contributions of all our operating divisions, benefiting from the reopening of economies and a revival in demand. **EBITDA** for the year at ₹780.4 crores as against ₹995.5 crores in the previous year. Profit After Tax was at ₹607.0 crores as against ₹765.6 crores.

Economic Value Creation in FY 2022-23

	(₹ Crores)		
Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Direct economic value generated:			
Revenue from Sales	8,172.6	6,995.72	6,792.09
Revenue from financial investments from other sources	452.9	369.98	291.76
Total (A)	8,625.51	7,365.70	7,083.85
Economic Value distributed			
Operating Costs	6,948.65	5,652.46	5,248.05
Employee wage and benefits	594.97	528.27	534.55
Interest payment made to provider of loans	10.26	12.7	10.98
Payments to Government	175.17	246.81	292.54
Community investment	17.30	15.83	11.82
Total (B)	7,746.35	6,456.07	6,097.94
Economic value retained (A-B)	879.16	909.63	985.91

Contribution for Employee Welfare

The Company also contributes to the provident fund and the gratuity fund, with respect to employee wage and benefits. Details of our scheme contributions in this year and the preceding two years are detailed in the table below:

	(₹ Crores)		
Details of contribution to defined benefit schemes	FY 2023	FY 2022	FY 2021
Contribution to Provident Fund	22.2	20.6	18.9
Contributions to Superannuation Fund	-	-	-
Contribution to National Pension Scheme	-	-	-
Contribution to Gratuity Fund	8.6	8.8	8.3
Others	0.7	0.7	0.7

Case study



Our unified vision, collective efforts, and unwavering commitment to excellence helped us delivering profitable growth. We improved our performance through innovation, market expansion, operational optimisation, and focus on customer satisfaction.

To propel our growth and sustainability journey forward, we charted the transformative Mid Term Business Plan 2028 in collaboration with Kubota Corporation, leveraging internal capabilities and closely monitoring global trends. We actively strive to reduce carbon emissions, water consumption, and increasing resource recycling and renewable energy share in our operations, further solidifying our commitment to a sustainable future.

Manufactured Capital

Striving for operational excellence

At EKL, we relentlessly pursue manufacturing excellence, investing in top-notch equipment for optimal efficiency and safety. Our strategies prioritise efficient capital utilisation, operational flexibility, and meeting evolving consumer demands while addressing global challenges like climate change. By optimising our assets' efficiency, performance, and lifecycle, we remain competitive worldwide.



Contribution to SDGs



Value Enhancing Growth



Material Topics

Resource Efficiency

Capitals Connected

- Financial Capital
- Human Capital
- Intellectual Capital
- Natural Capital
- Social & Relationship Capital

Highlights FY 2022-23

6

No. of Plants
(including corporate office and R&D centre)

1,04,501

Tractors Produced

4,512

Construction Equipment Produced



At EKL, we work diligently to enhance operational efficiency, optimise processes, and foster a culture of continuous improvement. Looking ahead, we are committed to further elevating our manufacturing capabilities, embracing technological advancements, and ensuring the highest standards of quality, safety, and sustainability.

Together, we will shape the future of manufacturing, driving innovation and delivering exceptional products to meet the evolving needs of our customers.

Manufacturing Facilities, Production Capacity

EKL operates in three business divisions: Agri-Machinery, Construction Equipment, and Railway Equipment.

Agri Machinery Business Division

EKL's Agri Machinery division produces a wide range of world-class tractors, gensets, engines, tractor spare parts, and SHIP (Sprayers, Harvesters, Implements, and Planters). We have three manufacturing plants: Faridabad, India with an annual capacity of 120,000 tractors/year, a wholly-owned subsidiary in Poland, Europe with annual capacity of 2,500 tractors/year, and a joint venture plant with Kubota with an annual capacity of 50,000 units.

Construction Equipment Business Division

Our Construction equipment division caters to the requirement of the

customers of the construction industry by manufacturing of cranes, hydra cranes, tandem rollers, hydraulic excavators. We have one manufacturing locations in Haryana, Ballabhgarh with production capacity of 10,000 units

Railway Equipment Business Division

Established in 1962, our railway equipment business is one of the oldest units in India. Our manufacturing facility is located in Faridabad, Haryana comprising production, research and development as well as testing facilities.

It has a presence in almost all of the range of rolling stocks in India.

Key certifications

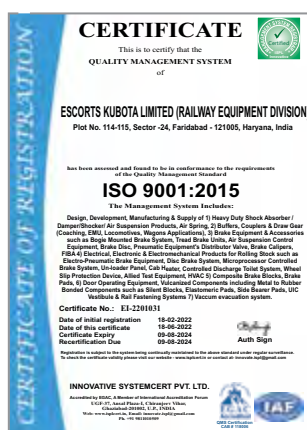
EKL has implemented robust Quality, Environment management and Health & Safety management system across all its manufacturing facilities. All the facilities are certified by:

ISO 9001- Quality Management System

ISO 14001 - Environment Management System

ISO 45001 - Health & Safety Management System

IRIS (International Railway Industry Standard) for RED unit



Intellectual Capital

Driving customer-centric innovation

At EKL, developing best-in-class technologies, guided by a culture of innovation, are of paramount importance to us. We strive to make our products affordable and accessible for all by reducing complexity, leveraging technology, and exploring sustainable options through Research and Development (R&D) initiatives and investments.



Contribution to SDGs



Value Enhancing Growth



Material Topics

Product Responsibility & Innovation

Capitals Connected

- Financial Capital
- Manufactured Capital
- Natural Capital
- Human Capital
- Social & Relationship Capital

Highlights FY 2022-23

10

New products launched/developed

₹192.81 crores
R&D Investment

10

Patents granted and 5 new patents filed



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EKL strives to remain steadfast in its commitment to pioneering new frontiers, accelerating breakthrough technologies, and delivering impactful solutions that address global challenges. Our unwavering dedication to R&D will continue to shape the future, as we strive to create the world that is sustainable and brimming with possibilities.

Product Responsibility & Innovation

At EKL, we foster a culture of innovation throughout the development cycle of our products and processes. Our focus is to strengthen the R&D capacity to develop products and bring new technological solutions.

With the support of a strong R&D team, we filed 5 patents in FY 2022-23 and previously filed 10 patents were granted in FY 2022-23. We invested 43.33 crores in CAPEX and 149.48 crores in R&D portfolio in FY 2022-23.

We have an in-house knowledge centre, the Rajan Nanda Innovation Lab (RNIL) with R&D facilities. The lab encompasses the full spectrum of research & development, applied knowledge, and market-led innovation to accelerate the deployment of breakthrough technologies at scale. The knowledge centre is focused on encouraging creative ideas of the youth, small business owners with financial and technical support and works closely with all the business divisions to sustain our culture of innovation.

This year we took significant strides on new product development and will continue our efforts in the years to come to expand our product portfolio to cater to the market. We are

continuously focusing on reduction of energy, waste, water as well as carbon footprint. The details on new product development along with their key features is mentioned in Management Discussion and Analysis section on Page 104.

In FY 2020-21, EKL became India's first Company to receive commercial selling certification of our electric tractor from the Central Farm Machinery Training and Testing Institute Budni, Madhya Pradesh. This electric tractor involves a mechanical transmission platform for sustainable and green agriculture. The sales for electric tractor has seen a significant rise of 56% in the current reporting year as compared to last FY 2021-22.

This FY 2022-23, our Electric tractor also received the “Climate Positive Award 2022” for its contribution and leadership in energy transition by “Green Cross, UK”, an institution founded by Nobel Peace Prize winner “Mikhail Gorbachev”.

Forging Partnerships for Innovation

We understand the importance of collaborations and have significant focus on collaborations with the academia, technology experts, research organisations and other stakeholders who share our passion to make farm mechanisation, modern construction, and comfortable rail transport a success in India and abroad.

Some of the key partnerships that we built in the past couple of years are:

- Collaboration with ADICO to leverage complementary strengths for the manufacturing of tractors.
- Partnered with Kubota Corporation which will help us develop more advanced farm mechanisation solutions.

Case study



Collaborative approach to advanced farm mechanisation

EKL has synergised with Kubota group to leverage Kubota's expertise and its agile product development processes to create advanced and affordable farm mechanisation solutions for the world with feature enhancements and compliance with latest emission norms. Going ahead, EKL is looking forward to aligning its objective with Kubota global R&D network with focus on advanced technology like use of alternative fuel (CNG, Electric, Hybrid).

Driving Technological Growth and Innovation at EKL

Rajan Nanda Innovation Lab (RNIL), an integral part of EKL, was established with the objective of leading technological growth, fostering innovation, and establishing strategic partnerships. RNIL, named in honour of the visionary Rajan Nanda who played a pivotal role in driving EKL's technological advancements. Through its dedicated research and development initiatives, RNIL successfully developed next-generation products (e.g. electric vehicles and autonomous), digital services, and disruptive innovations. In addition, it focuses on collaboration with technology leaders, start-ups, and institutions to stay at the forefront of industry trends, strengthen its digital capabilities, and maintain an agile supply chain for cutting-edge technologies.

Natural Capital



Driving positive environmental change

Fostering strong relationships and collaboration based on mutual trust, respect and benefit have been EKL's first principles of business since its inception. EKL's ability to grow and prosper in harmony with the community and other stakeholders while balancing financial and non-financial needs is paramount to sustained success.

Climate change is one of the biggest perils humanities faces today and the destructions are impacting people, communities, governments, and the business environment in multiple ways. However, the fact that more people, communities, governments, and businesses are collaborating in positive and significant ways to limit the damage is encouraging.



Contribution to SDGs








Value Enhancing Growth



Material Topics

- Energy & Climate Change
- Resource Efficiency
- Operations Environment, Health & Safety

Capitals Connected

-  Financial Capital
-  Manufactured Capital
-  Intellectual Capital
-  Human Capital
-  Social & Relationship Capital

Highlights FY 2022-23

41,329 KL
Water Recycled

41.77 KL/INR Cr
Water Intensity

15,793.20 MT
Waste Recycled



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At the core of our Company's values lies a steadfast dedication to sustainability. We are committed to reducing our environmental footprint, waste generation, water consumption and enhancing renewable energy share. Looking ahead, we will continue to prioritise innovation, collaborate with stakeholders, strive to create lasting positive impact for the planet and future generation.

Environment Performance

Managing Environment Impact

Reducing the environmental footprint across EKL's businesses is key to its operational performance. Our environmental and sustainability stewardship ensures that all manufacturing sites meet consent terms and environmental regulations beyond compliance. We comply with all applicable laws and regulations and periodically audits operations to confirm compliance. Real-time monitoring of water consumption through Magnetic flow meter at various water consuming locations are fitted and monitoring for better utilisation. During the year under review we also set the Environment lab for monitoring of different parameters, so that better control over water recycling. To keep track of our environmental performance, we have an internal Plant Sustainability Index that helps us monitor the performance of our plants. All the employees are given regular trainings and updates on changing laws and regulations, measures to prevent pollution, minimise waste and other solutions to reduce environmental impact.

The air emissions recorded for EKL includes:

Parameter	Unit	Quantity
PM	Kg/year	97,858.00
SOx	Kg/year	2,206.0
NOx	Kg/year	92, 454.78

Energy Efficiency of Operations

EKL has best-in-class technologies and good operations & maintenance (O&M) practices that ensure optimal energy consumption at all locations. We have implemented a number of initiatives to reduce our energy consumption in the reporting year. During FY 2022-23, the energy efficiency improvement initiatives resulted in energy savings of



187.14 TJ

Total Purchase Electricity consumption

4.53 TJ

Total Renewable Energy Consumption



The table below shows the energy savings due to energy efficiency initiative implemented in FY 2022-23:

Initiatives	Energy Saved (in KWH)
Production Efficiency improvement in Engine ASSY Area in pl3 to scale down operations from 2 ASSY lines to single ASSY line	3,14,285.71
Heat treatment Furnace running optimisation in Agri Machinery plant (Plant 1)	3,00,000.00
Digitisation of energy consumption monitoring in Agri Machinery plants and optimisation of production line running in all areas	2,42,857.14
Additional roof Top Solar installation of 170 KWp in Agri Machinery (Plant 1)	2,00,000.00

Note: Data on Agri Machinery plant excludes KMC data

Energy Consumption	FY 2022-23	FY 2021-22	FY 2020-21
Fuel Consumption (TJ) (Diesel, Petrol, Natural Gas, LPG)	153.06	153.67	604.78
Grid Electricity Consumption (TJ)	187.14	172.98	164.76
Renewable Energy Consumption (TJ)	4.53	4.08	-
Energy Intensity (TJ/INR of turnover)	0.04 x 10 ⁻⁷	0.05 x 10 ⁻⁷	0.11 x 10 ⁻⁷

Climate Change

EKL has always been cognisant of the impending climate change and the effect it can have on the future. In FY 2022-23 Scope 1, Scope 2 and Scope 3 emissions are calculated.

Scope 1 emissions are from energy consumption (LPG, Natural Gas, and Diesel), and Scope 2 emissions are from indirect energy consumption (purchased electricity). Out of 15 categories in Scope 3 emissions as laid out by the GHG Protocol, we disclosed

on category **Category 3**: Fuel & Energy not included in Scope 1 & 2, **Category 5**: Waste generated in Operations, **Category 6**: Business Travel, **Category 7**: Employee Commuting and **Category 9**: Downstream Transportation and Distribution in FY 2022-23.

GHG emissions	FY 2022-23				FY 2021-22			
	Agri Machinery + ETDC	Construction Equipment	Railway Equipment	KMC + Corporate	Agri Machinery	Construction Equipment	Railway Equipment	KMC + Corporate
Scope 1 (tCO ₂ e)	5,873.83	1,586.06	223.34	1,441.09	8,181.39	1,697.91	132.99	545.80
Scope 2 (tCO ₂ e)	23,500.26	4,085.64	4,912.45	4,409.17	26,139	3,824.4	4,615.2	3,382

Note: FY 2022-23 - Scope 1 & 2 emission of Agri Machinery includes emissions from ETDC and KMC (Corporate office). EKL Energy intensity is 0.04×10^{-7} (in TJ/INR of Revenue) for FY 2022-23.

Scope 3 emissions (tCO₂e)

Emission category	FY 2022-23	FY 2021-22
Category 3: Fuel & Energy not included in Scope 1 & 2	358.39	-
Category 5: Waste generated in operations	335.71	-
Category 6: Business Travel	21,122.51	-
Category 7: Employee Commute	3,412.6	-
Category 9: Downstream transportation & Distribution	9,05,649.00	14,022.18



Waste Management

At EKL, we generate hazardous and non-hazardous waste in different forms and quantities. To manage these, we have robust waste management infrastructure within our plants which considers environmental impact, social effects and commercial viability.

The waste generated is recycled or incinerated or sent to landfill. For recycling our waste oil, we have partnered with Satyam Petro Chemical, a Haryana State Pollution Control Board (HSPCB) dealer. For disposing

the other types of hazardous wastes, we have partnered with Gujarat Enviro Protection & Infrastructure Ltd. (GEPIIL), also a HSPCB dealer, who incinerate the paint sludge and dispose the rest into landfill.

We are reporting on hazardous waste including ETP sludge, paint sludge, waste oil, industrial waste, grinding sludge, phosphate sludge and asbestos. The quantity of hazardous waste generated and disposed according to government regulations is depicted in table below:

Quantity of hazardous waste generated

Category of waste	Units	Agri Machinery + ETDC	Construction Equipment	Railway Equipment	KMC + Corporate
Used Oil	MT	80.68	6.21	3.54	7.31
Waste Coolant	MT	51.74	-	-	-
Grinding Sludge	MT	8.32	-	2.24	-
Industrial Waste	MT	1.24	-	0.05	-
Celdak Pad	MT	5.59	-	-	-
Electrical Scrap	MT	26.22	2.11	2.62	4.71
ETP Sludge	MT	31.05	5.77	9.18	-
Paint Sludge	MT	312.09	67.99	17.59	-
Phosphate Sludge	MT	37.03	-	-	-
Discarded Asbestos	MT	200.41	-	-	-
E-Waste	MT	2.27	0.05	-	0.35
Bio-medical Waste	MT	0.12	0.03	0.05	0.02
Battery Waste	MT	31.1	2.27	0.5	3.33



Grinding sludge is generated by both Agri Machinery and Railway Equipment only while Industrial waste, Asbestos waste and phosphate sludge is generated only by Agri Machinery Division.

Non-hazardous waste generated for all our business divisions and KMC has been collated and reported for FY 2022-23. We are continuously striving to make our data collection systems robust and raceable, and this is a step ahead in this journey.



Quantity of non-hazardous waste generated in FY 2022-23

Category	Units	Agri Machinery + ETDC	Construction Equipment	Railway Equipment	KMC + Corporate	Total
Wooden	MT	759.23	376.42	96.03	37.38	1268.06
Garbage	MT	4.56	-	-	-	4.56
Tractor Parts	MT	99.20	0	-	47.67	146.87
Casting	MT	271.48	-	0	50.94	322.42
Forging	MT	221.40	-	0	0.00	221.4
Turning & Boring	MT	3971.52	10.87	166.65	2.62	4151.66
Radiator	MT	2.98	-	0.15	-	3.13
Rubber	MT	45.44	-	7.29	5.26	57.99
Plastic Waste	MT	66.96	12.75	26.55	4.86	111.12
Others	MT	4069.25	3833	557.91	122.03	8582.19

Note: Waste from corporate office & KMC division is combined in "others" waste category

Quantity of waste disposed through various disposal methods in FY 2022-23

Category	Units	Agri Machinery + ETDC	Construction Equipment	Railway Equipment	KMC + Corporate	Total
Incineration	MT	1.36	0.03	0.1	0.024	1.51
Recycling	MT	10,011.58	4,311.67	878.83	285.46	15,487.55
Landfill	MT	286.97	8.01	9.18	0	304.14

Note: Waste disposed through pre-processing is covered under Recycling category and waste disposed through other disposal method is covered under Incineration category.

Various initiative has been taken to manage waste in our operations. We have an Oil Filtration Unit which cleans industrial lubricants, enhancing equipment's longevity and efficiency. We convert food waste into compost and use it for gardening, encourage reduced usage of paper at all our facilities and offices, promote recycling of paper and have designated waste bins for paper to facilitate paper recycling.

There were no incidents of monetary fines/penalties/non-monetary sanctions because of non-compliance with environmental laws and regulations during the year review. Emissions and waste generated are within permissible limits stated by the pollution control board for the reporting period.

Water and Effluent Management

Water is a critical resource used in the operations and we are taking a holistic approach to water management at EKL water is drawn from ground water resources and third-party vendors. Agri Machinery and Construction Equipment divisions majorly withdraw groundwater while Railway equipment division relies on Third party for manufacturing.

Waste Intensity

	FY 2022-23	FY 2021-22	FY 2020-21
Waste Intensity (MT/INR of turnover)	1.89 x 10 ⁻⁷	0.59 x 10 ⁻⁷	0.12 x 10 ⁻⁷

Note: This year change in methodology as per BRSR



Water withdrawal and water discharge across business divisions

Indicators	FY 2022-23				FY 2021-22				FY 2020-21			
	Agri Machinery	Construction Equipment	Railway Equipment	KMC	Agri Machinery	Construction Equipment	Railway Equipment	KMC	Agri Machinery	Construction Equipment	Railway Equipment	KMC
Total Water Withdrawal (ML)	357.6	88.2	29.5	44.2	488.6	115.4	27.3	31.6	545.6	190.6	32.6	-
Total Water Discharge (ML)	155.1	15.8	-	0.2	174.1	10.9	20.6	0.1	190.1	10.4	12.0	-
Total Water consumption (ML)	202.5	72.4	29.5	44.0	314.5	104.5	6.6	31.5	355.5	180.2	20.6	-

Note: From FY22-23 onwards water withdrawal & discharge for corporate office is added with KMC's and Water withdrawal & discharge for ETDC is added with Agri Machinery division. Water withdrawal include ground water withdrawal and city water division. Accordingly last year figures are revised.



Water Intensity

	FY 2022-23	FY 2021-22	FY 2020-21
Water Intensity (per INR of turnover)	0.42 x 10 ⁻⁵	0.64 x 10 ⁻⁵	1.15 x 10 ⁻⁵



Resource Efficiency

We offer a wide range of products, owing vast and variety of material requirements. We follow stringent quality specifications for all the materials procured which are quality checked by our in-house research and development division. For Railway Equipment business, material procured strictly complies the norms prescribed by the Ministry of Railways (our primary customer), which include environmental and social criteria.

Our facility in Poland also has provisions for compliance checks related to environmental and social criteria for all materials.

Total weight or volume of materials that are used to produce and package the EKLs primary products and services are provided below:

Products Quantity in MT/10 ^{^5}	FY 2022-23	FY 2021-22	FY 2020-21
Casting	0.94	0.69	0.9
Forging	0.35	0.34	0.46
Hot Roller Steel	0.16	0.14	0.16
Cold Rolled Steel	0.16	0.15	0.17
Flat	0.05	0.02	0.05
Electric Resistance welded pipes	0.01	0.0005	0.01
RIM	0.14	0.12	0.14
Oil	0.09	0.05	0.05
Battery	0.02	0.01	0.02
Tyre & tube	0.18	0.19	0.2
Scrap	(0.11)	(0.09)	(0.1)
Other (Alternator, Steering, pump)	0.12	0.11	0.12

Social & Relationship Capital



Empowering through collaborative relationships

Fostering strong relationships and collaboration based on mutual trust, respect and benefit have been EKL's first principles of business since its inception. EKL's ability to grow and prosper in harmony with the community and other stakeholders while balancing financial and non-financial needs is paramount to sustained success.

We greatly value our relationships with stakeholders, including shareholders and lenders, suppliers and contractors, employees, governments, communities, and the society and believe that this is the foundation to sustaining and expanding our business over a period of time.



Contribution to SDGs



Value Enhancing Growth



Material Topics

- Community Engagement
- Customer Satisfaction

Capitals Connected

- Financial Capital
- Manufactured Capital
- Human Capital
- Natural Capital
- Intellectual Capital

Highlights FY 2022-23

₹17.30 crores
CSR Spend *

1.83+ lakhs
Lives reached through CSR initiatives

* Including amount transferred to unspent CSR account (refer note 29 of the standalone financial statements)



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At EKL, we are dedicated to fostering sustainable practices, empowering communities and driving positive change. Looking ahead, we pledge to deepen our engagement, embrace innovation, and forge impactful partnerships, as we continue our journey towards a more equitable and sustainable future.

Customer Satisfaction

Business longevity relies on customer satisfaction. Understanding consumer demands and responding to market realities are critical to the success of our businesses. Regular interactions with customers help us upgrade our products and processes to meet their dynamic needs and requirements. We continuously work to develop safe and sustainable products with a promise to deliver superior quality and unmatched experience. EKL holds its customer with utmost importance and engages with them through various channels like Customer Empathy index, Service Quality index to understand their needs and obtain crucial insights into their requirements, interests, and preferences.

The Customer Empathy Index is calculated based on pre-defined parameters including Complaint Appointment, Turnaround Time, and Customer Satisfaction and the Service Quality Index is calculated based on Post Service Feedback, Doorstep Services, and First Time Right (Comeback and Repeat).

Since 2019, EKL is installing “Care” device in tractors since to helps farmers to access customer care support instantly. It became an instant success and communication through this medium has been growing steadily over the years. Currently, we do not conduct any assessment of health and safety impacts of products and services except for collecting customer feedback; but we hope to launch this in the future.



During Sales

Detailed explanation of tractor usage and benefits during installation



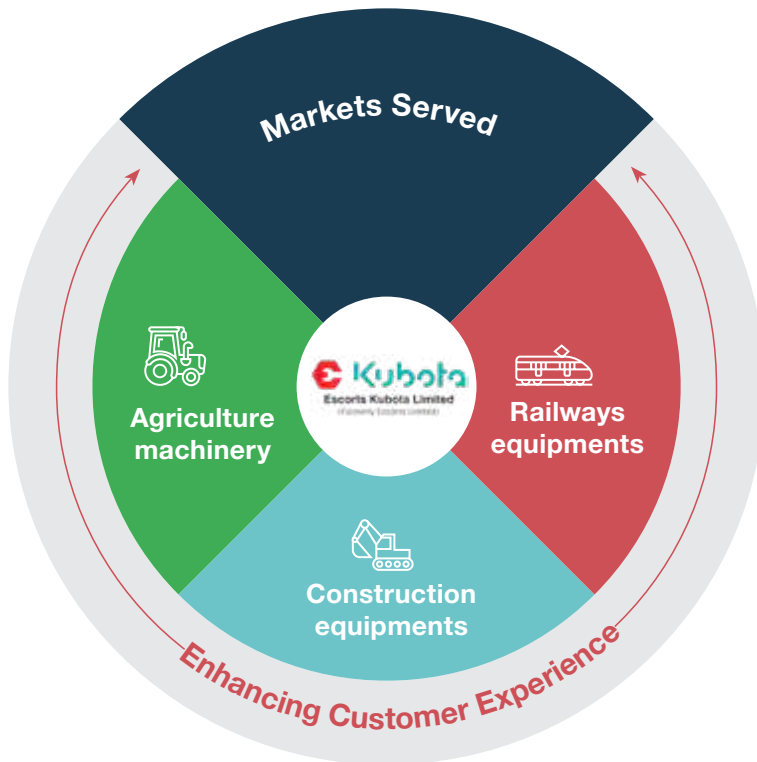
During and After Sales

Doorstep service for installation, preventive maintenance, breakdowns, major repair at workshops



Digital Platform

Customer feedback through phone calls, calculation of Customer Empathy Index, Service Quality Index



To ensure customer grievances get addressed in time and with quality, our team follows a time bound standard operating procedure of grievance redressal. Once a customer registers a grievance, it is logged in our system. We analyse the issue and provide Corrective and Preventive Actions and ensure proper resolution.

We take measures to make sure that customers do not face the same issues in the future.

We take care of our customers in every possible way and therefore, during the reporting year, we did not receive a single customer complaint on breach of customer privacy and loss of customer data.

Building relationship with customers

For EKL, customers are the key to a sustainable future. Winning their trust and offering exceptional value, high standards of quality, and an unrivalled experience drives us.

EKL Agri Machinery business division offers various types of equipment and machinery for use on farms and non-farm use across the globe. Our customers though mainly farmers, can be individuals, organisations, or businesses that purchase tractors for various purposes, such as agriculture, construction, landscaping, and other industrial uses. Other customers may include construction companies, forestry businesses, golf courses, and municipalities, etc.

In Construction Equipment Business division we manufacture world-class equipment for material handling, road building and earthmoving sectors to help them meet the emerging needs of the country's infrastructure development projects. Our main customers are Construction & Industrial Companies, Government Agencies, Mining Companies, Rental Companies & Individuals. All of our customers use the products for their day-to-day operations like road construction, excavation, transportation of materials. We have several customers who require these construction machineries for short-term projects such as building homes or maintenance of properties etc.

Under Railway Equipment Business Division, we are the trusted supplier of Indian Railways, metros, private wagon builders and other range of rolling stock manufactures. We offer diversified products including brake systems, couplers, suspension systems, friction products etc.





Caring for the community

At EKL, we work with local communities, governments, and other stakeholders to design and implement social development programmes. We try to transform lives for the better through targeted CSR interventions, and by being the primary economic driver for the communities in areas we operate. We also continue to transform lives for the better through targeted CSR interventions, and by being the primary economic driver for the communities in areas we operate.

17.30 crores

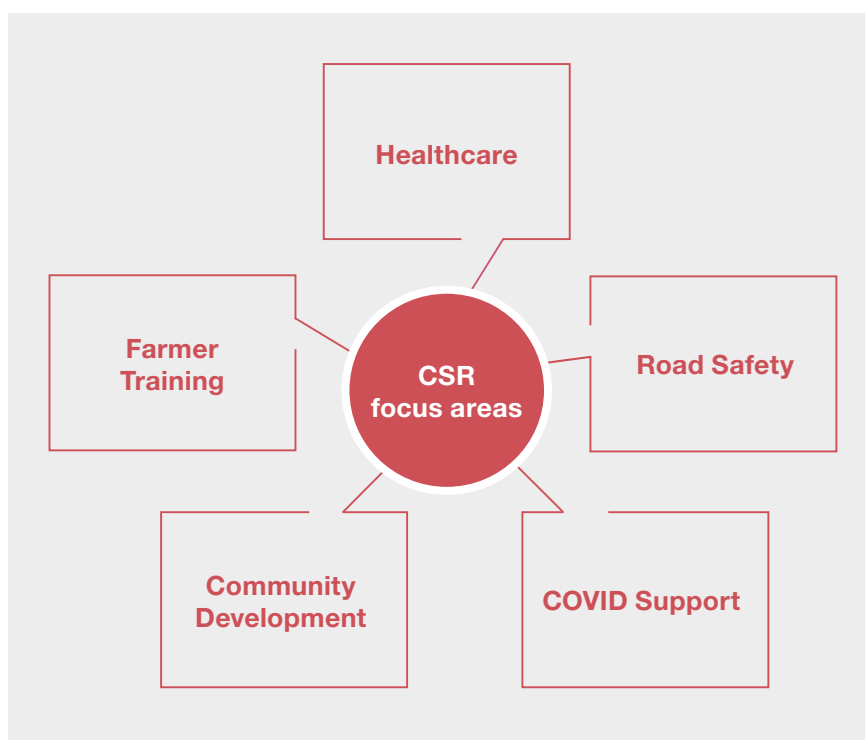
CSR spend during FY 2022-23

EKL's Corporate Social Responsibility (CSR) programmes are designed based on the requirements of Schedule VII of Section 135 of the Companies Act, 2013. The board level CSR committee oversees the Company's community development initiatives/programmes. The CSR policy provides the framework for implementing the programmes that are designed to reflect the Company's

vision, mission, and focus areas for community development. The policy is periodically revisited to reflect the community's changing needs and accommodate legislative changes

mandated by amendments in the Act. EKL has positively impacted more than 1.83 lakhs people through its efforts, with a total CSR spend of 17.30 crores during FY 2022-23.

Our CSR focus areas



Community Development



Development of Parks

Parks play a significant role in enhancing quality of life. They provide recreational opportunities, environment conservation, community engagement, economic growth. EKL understands the importance of park development and under its CSR initiative has upgraded 9 Public Parks and 1 Green belt for increasing green footprint within the city.

Beneficiaries:

- EWS/BPL/Marginalised Colonies
- 600+ Household and 2,400+ people benefitted with park development project

Development of Mortuary at BK Hospital, Faridabad

- The condition of BK Hospital mortuary and autopsy room was degrading. EKL under its CSR initiative has upgraded the mortuary and other units/structure including Autopsy Saw with Vacuum, Autopsy Table, Autopsy Toolbox/Kit, Body Cold Chamber/Unit,

Suction Machine, Public Waiting Shed, Ambulance Halting Shed, Public Corridor, Apex Whitewash (Interior & Exterior), Waterproofing of Autopsy Room.

Beneficiaries:

- Approximately 50,000 people were supported through this initiative

Soft Skill training for Underprivileged Girls

EKL through its CSR initiative “21st Century Skills Training Programme” provided 30 days intensive immersive training to Girls from Underprivileged Background for developing workplace skills like cognitive abilities, problem solving and communication skills to prepare them for job roles. The girls were from Government College for Girls, Gurgaon & Cohort (150 girls from underprivileged background). Also, another 1-month training programme was carried out for final year students from commerce and science backgrounds.

- Project Nimaya Through SEWA Gram Mahila Haat

Beneficiaries:

Marginalised/BPL/EWS/Less Privileged 150 Girls Upskill with 21st century skill training programme from Government College for Girls, Sector 14 in Haryana.

Distribution of Cooler for Safe drinking water

EKL has contributed towards making available safe drinking water for public by providing “Water Coolers” facilities for Mini Secretariat Block and Sports Complex. Through this initiative, it is expected that 1,200+ people per day will have access to cooled drinking water from both the locations.

Beneficiaries:

- Multiple Community Groups
- Approximately 68,750 people daily were benefited from the facilities

Contribution to Swachh Bharat Abhiyan

Garbage disposal is a chronic problem in Faridabad. EKL's CSR activities and projects run in association with the Municipal Corporations, “Smart City Project”, a joint effort of EKL to make the city clean and green.

EKL contributed by donating 10 Tractor based Trolleys for collecting garbage on door-to-door basis and through reporting for collecting garbage on the basis on photographs uploaded by the local citizens within the city.

Beneficiaries:

Multiple Communities

Approximately 29,500+ public residing in Faridabad and Palwal District, Haryana were benefitted from the initiative



Distribution of Jute Bags

As Part of World Environment Day and as an initiative to enhance use of eco-friendly products, EKL distributed 1,000 jute bags to the local community around plant area.

Beneficiaries:

- 1,000 bags were distributed to 1,000 people

Construction and development of Shelter and amenities for underprivileged

- Established in 2008 by Shri Ravi Kalra, Earth Saviours Foundation

(T.E.S.F) is an internationally acclaimed and recognised non-profit organisation. The Earth Saviours Foundation has been dedicated to serving the underprivileged and to uphold community welfare.

- T.E.S.F provides shelter to 1,000+ ill, mentally retarded, physically challenged, dumb and deaf people rescued by them and the local Police. T.E.S.F seeks help from corporates in supporting the various facilities and equipment required by them for continuing their efforts in protecting the needy.
- Under its CSR initiative, EKL CSR Foundation has carried out the following activities:

- Construction of 2 Stories Shelter to accommodate 100 people
- Provided 150 Medical bed 100 Wheelchairs, 10 Stretchers, 100 Walkers
- 4 Solar Power Plant of 25 KVA and 10 KVA with 180 Solar panels to cater to the electricity needs of 400 residents of T.E.S.F

Beneficiaries:

- Mixed community General/ Marginalised/BPL/EWS/ Less Privileged
- 1300 Physically Challenged people residing in Earth Saviours Mandavar centre were benefited

Health Care



Beneficiaries:

- Mixed community General/ Marginalised/BPL/EWS/ Less Privileged
- 500 Cataract Surgeries Support to less privileged people residing across Alwar, Rajasthan

Support to memorial trust

EKL has supported, Tajinder Singh memorial Trust for running Medicare Centre on Charitable Basis.

Beneficiaries:

9,691 underprivileged people were benefitted from this programme

Financial support Cataract Surgeries

While cataract can be treated with a simple surgery evidence suggests that lack of money is a major barrier to uptake of cataract surgery among the poor. Under its CSR initiative, EKL has provided financial assistance of

₹12 lakhs to SAPNA NGO for conducting 500 Cataract Surgeries in the district of Alwar to the underprivileged senior citizens of rural area. The programme also provided the patients with free surgery, spectacles, stay, food and transport to the villages.

COVID Support

COVID-19 Vaccination Drive (COVID CVP – 2)

Under the Corporate Social Responsibility Programme, Escorts Kubota Ltd. India's leading engineering conglomerate, conducted a free inoculation drive for COVID-19. The drive was held for 92 days, from February 07, 2022, to May 10, 2022. In the 92 days, the programme me provided free vaccination to 6839 beneficiaries, in Faridabad and Palwal district of Haryana. This programme was carried out in association with medical partners QRG Health City.

Beneficiaries:

- Mixed Community Group
- The target group for this particular project had been identified as public residing Faridabad and Palwal Districts and approximately 6839 people were benefitted



Road Safety



Project on Road Safety

In continuation of previous successful initiatives, EKL with its aim to make Faridabad city a crime-free city and a safe road city to live in extended its arms to strengthen Faridabad Police by providing 9 fully equipped police vehicles. These customised vehicles will help the Police to address two critical elements of road safety – Enforcement and Emergency care. The medical kit equipped police vehicle will help the department to provide speedy medical support to the accident victims, a critical requirement in saving lives. The vehicles are equipped with accessories like Beacon Light, Siren. Public Address System and body graphics for patrolling

The project is framed to educate citizens on road safety measures in association with the Jind Police authorities under the public-private partnership. EKL also started joint patrolling with Faridabad police through fully equipped PCR vehicles in Jind district. The road safety initiative was implemented with the intent to educate the masses and spread awareness among those with limited or no access to awareness aids on road safety and dealing with traumatic situations after accidents.

Beneficiaries:

- Approximately 1,130 people were benefitted

Farmer Training Programme

Farmer Training programmes on advance farming techniques

EKL established, Escorts Advance Farming Institute to upskill farmers on basic and advanced crop technology through structured training programmes by developing model farms in association with Knowledge Partners to increase quality, productivity and income.

Beneficiaries:

1,090 farmers were trained from all segments (small, marginal, medium & large). Special trainings were organised for women farmers.

Escorts Advanced Farming Institute, Bengaluru

Developed 34 acres of model farms for demonstration of varied agriculture practices through collaborations with crops like Red Gram, Soyabean, Sweet Corn, Raagi, Banana, Agro forestry, Exotic Herbs- Thyme, Oregano, Parsley, Coriander, Kale.

Key highlights during the year are:

- Trained 569 farmers in crop management - sowing, land preparation, pre-harvest, harvest, post harvest and tractor O&M. Special trainings conducted for women farmers
- Trained students on agriculture crop management
- Demonstrated and propagated contract farming
- Created awareness campaigns for farmers and school children on World Soil Day and Environment Day, Women's Day



Farmer Training & Model Farm Demonstration at Palwal

- Trained 204 farmers in crop management - sowing, land preparation, pre-harvest, harvest and post harvest
- Developed 3 acres of model farms for demonstration of scientific agriculture practices in Paddy & Wheat with support of Bayer Crop Science Limited

Supplier Engagement

Our Suppliers are critical to our business continuity. We believe in building long-term, transparent, and trust-based relationships with them through continuous engagement. In FY 2022-23, EKL organised the "Supplier Meet" covering EKI's 100% supplier community and explained them about Mid Term Business Plan 2028. Also, Supplier training workshop for continual improvement was carried out with 10% supplier attendance.

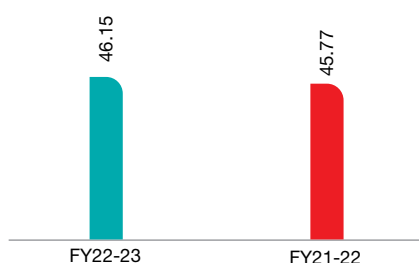
Supply Chain Sustainability

EKL has a long-integrated value chain and our suppliers are an integral part of our business who contribute to our growth and viability as a business.

We have developed systems and processes with years of expertise and experience to build and manage a sustainable and effective supply chain.

Our supply chain partners comprise more than 500 direct suppliers. We aim to build resilience in the supply chain through collaboration and long-term relationship building for product innovation, improved productivity, conservation of natural resources, resulting in improvement of ESG standards of the ecosystem. EKL procure raw material from local suppliers (within and around Faridabad). The graph below shows percentage of our procurement budget on local suppliers within India.

Percentage of the procurement budget spent on local suppliers for significant locations of operation (%)



We have formulated structure to screen our supplier on ESG-related aspects including human rights, environmental pollution, waste and other criteria.

Our Supplier Code of Conduct (SCoC) has been developed in line with global best practices on safety, health, environment, human rights, ethical and fair business practices. This is to ensure responsible sourcing and implementation of sustainable business practices throughout our value chain. All our suppliers are asked to maintain and promote fundamental human rights and prohibit forced or compulsory labour.

Key Focus Areas from our Supplier's Code of Conduct:

- Compliance with All Applicable Laws and Regulations
- Ethical Business Practice
- Health & Safety
- Labour and Human Rights
- Anti-corruption/Bribery
- Data Privacy
- Fair Competition

Human Capital



Nurturing talent to build resilient workforce

Our people are integral to our success and hold a special place as valued stakeholders. We embrace our employees as members of our extended family, recognising their prosperity and satisfaction as top priorities. With a focus on care, empathy, inclusiveness, and respect, we foster the ongoing development of our human capital.

We cultivate an encouraging work culture and provide continuous learning opportunities, ensuring our people thrive and contribute to our collective achievements.



Contribution to SDGs



Value Enhancing Growth

S4

Material Topics

- Employment
- Diversity & Inclusion
- Operations Environment, Health & Safety

Capitals Connected

- Financial Capital
- Intellectual Capital
- Social & Relationship Capital
- Natural Capital
- Manufactured Capital

Highlights FY 2022-23

13,605
Workforce

8.86 lakhs +
Training hours



”

Our greatest asset is our people, and their well-being and growth is our priority. As we review our progress this year, we reaffirm our commitment to nurturing a culture of inclusivity, fostering employee development, enhancing diversity, strengthen employee engagement to empower our workforce and drive organisation excellence. Together, we will shape a future where our employees thrive, and our organisation thrives alongside them.

Employment

New hires strength

Onboarding the right talent and investing in their growth is of utmost importance to us. In reporting year FY 2022-23 we hired talents in various divisions. The details of workforce hired is provided in the table below:

No.	Category	FY 2022-23		FY 2021-22		FY 2020-21	
		Male	Female	Male	Female	Male	Female
New Joiners							
1	Senior Management	5	0	2	0	7	-
2	Middle Management	55	0	57	1	43	-
3	Junior Management	735	61	541	46	322	21
4	Workers (Permanent)#	3	0	11	0	3	0
	Total	798*	61*	611	47	375	21
New Joiners Turnover							
1	Senior Management	0	0	0	0	-	
2	Middle Management	4	0	4	1	-	2
3	Junior Management	56	10	53	7	16	4
4	Workers (Permanent)#	0	0				
	Total	60**	10**	57	8	16	6

Note:

The approach for reporting the new joiners and new joiner turnover has been re-aligned for FY23

*The fixed term trainees are not included in the new joiner count as they work for short-term duration only

***Only voluntary exits are considered as turnover, demise and involuntary exits are excluded

Workers include permanent workers & worker trainees



Total employee strength

Our total employee strength is 13,605. The breakdown of employees for our operations is given in the table below:

Employees and workers (FY 2022-23)

Category	Total No.	<30 years		30 - 50 years		> 50 years	
		Male	Female	Male	Female	Male	Female
		No.	No.	No.	No.	No.	No.
	Employees (E)						
Senior management	51	-	-	33	-	17	1
Middle management	415	-	-	325	9	80	1
Junior management	2,132	595	62	1,349	51	67	8
Total Permanent Employees (A)	2,598	595	62	1,707	60	164	10
Other than Permanent Employees (B)	983	416	41	422	39	61	4
Total Employees – Permanent + Contractual (A+B)	3,581	1,011	103	2,129	108	225	5
	Workers (W)						
Permanent Workers (C)	1,322	85	-	626	-	602	9
Other than Permanent Workers (D)	8,702	5,659	175	2,568	9	291	-
Total Workers – Permanent + Contractual (C+D)	10,024	5,744	175	3,194	9	893	9
	Total Employees						
Total (E+W)	13,605	6,755	278	5,323	117	1,118	14

Note: There is no co-relation between age and management level. Managers are hired basis their knowledge and experience level

Total Employee Turnover in Nos.	Total	Male	Female
<30 years	231	208	23
30 - 50 years	358	344	14
>50 years	31	31	-
Total	620	583	37

Note: It includes voluntary exits, involuntary exits, demise and retirements

Different Abled Employees and Workers				
Employees (E)		Total	Male	Female
1	Permanent (C)	2	2	-
2	Other than Permanent (D)	-	-	-
3	Total employees (C + D)	2	2	-
Workers (W)		Total	Male	Female
4	Permanent (E)	1	1	-
5	Other than Permanent (F)	-	-	-
6	Total workers (E+ F)	1	1	-

Comprehensive employee benefits

Employee well-being is a key pillar of our HR strategy, and we are committed to enrich the lives of our employees across the value chain. All our permanent employees are entitled to various benefits and programmes such as maternity benefits, health insurance, life insurance, Stock ownership etc.





Category	Senior Management	Middle Management	Junior Management	Permanent Workers	Trainees (DET, Apprentices)	Contractual Employees	Third Party Associates	Is this benefit required by law?
Health Insurance	√	√	√	√	x	Covered under ESI	√ (if not covered under ESI)	ESI- yes as per Act
Personal Accident Insurance /Group Personal Accident	√	√	√	√	x	x	√	Yes
Life Insurance	x	x	x	x	x	x	√	-
Dependent Insurance	√	√	√	√	x	x	x	-
Employees' Pension Scheme (EPS) - Part of PF	√	√	√	√	√ (Not applicable for Apprentices covered under App Acts)	√	√	Yes
Employees' Provident Fund Scheme (EPFS) - Part of PF	√	√	√	√	√ (Not applicable for Apprentices covered under App Acts)	√	√	Yes
Employees' Deposit Linked Insurance Scheme (EDLIS) - Part of PF	√	√	√	√	√ (Not applicable for Apprentices covered under App Acts)	√	√	Yes
Bonus (if any)	√	√	√	√	√ (Not applicable for Apprentices)	x	√	Yes
Car Lease - (OYCS)	√	√	√	x	x	x	x	-
Employee Stock Option	√	√	x	x	x	x	x	-
Employees State Insurance - Applicable as per ESI act at covered units	x	x	√	√	√ (Not applicable for Apprentices covered under App Acts)	√	√	Yes
Group Life Insurance - Employee Contribution Scheme)	x	x	x	x	x	x	x	-
Health Maintenance Insurance	x	x	x	x	x	x	x	-
Meal Allowance	Subsidised canteen facility. Amount is deducted if meal is availed							
Transportation Allowance	No allowance, Fuel & Maintenance Reimbursement is provided as part of Flexi Pay			Transport Facility is provided		x	As per off-roll TA/DA policy	-
Laundry Allowance	x	x	x	x	x	x	x	-
Uniform Allowance	Uniform is provided to all new joiners			√	Uniform given only at Plant location over & above salary			-
Benevolent Fund - Employee Contribution Scheme)	√	√	√	x	x	-	x	-
Others-Telephone, Advance & Loans, gratuity, health check-up, club memberships, marriage gift, long service award, VPF, NPS	√	√	√	√	x	x	Only mobile reimbursement by the concerned vendor is provided	-
Parental Leave	Maternity Leave as per Maternity Benefit Act							Yes

All our women employees are entitled to maternity leaves as per Maternity Benefit Act. It supports our employees in one of their critical life events, of becoming a mother while continuing to excel in their professional journey. During this reporting year, 405 employees were entitled to parental leaves.

Parental Leave	Permanent Employees	Other than permanent employees	Permanent workers	Other than permanent workers
Employees that were entitled to parental leave (Nos.)	132	80	9	184
Employees that took parental leave (Nos.)	5	2	-	-
Employees that returned to work in the reporting period after parental leave ended (Nos.)	5	6	-	-
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work (Nos.)	1	2	-	-
Return to work rate of employees that took parental leave (%)	100%	100%	-	-
Retention rate of employees that took parental leave (%)	100%	67%	-	-

Diversity and Inclusion

Diversity within our workforce is of paramount importance as it enhances our overall capabilities, promoting a culture of innovative thinking. Diversity and inclusion is a way of life to ensure fair and equal opportunity for all employees. At EKL, we encourage employment from various backgrounds and draws strength from the multi-faceted diversity of our workforce across region, grade, education, experience, and gender. With the expansion of business operations across multiple regions and countries,

diversity in EKL's workforce is increasing. We have leading numbers for women in the "non-supervisor" and "junior management" roles with three women directors on Board.

We have three differently-abled permanent employees. We remain committed to safeguarding our employees by providing equal opportunities. We strictly adhere to our organisational policy as to not differentiate between our employees based on their colour, caste, creed, gender, nationality, religion, and race.

Harassment, whether sexual or non-sexual, is a way of discrimination. At EKL, we respect the dignity of every person and interdict all forms of harassment. We make planned efforts to support our employees with a gender-neutral, bias-free and healthy working environment. In FY 2022-23, there were no incidents of discrimination reported.

In last few years, we introduced two major initiatives at EKL:

1. Designed "UDAAN" leadership development programme for women, to help them develop the qualities of managing self, people and business. The programme is a journey of learning and self-development
2. Introduced a new, 3C concept focused on the advancement of women employees and workers at EKL





Employee connect at Escorts Kubota Limited revolves around the three pillars of Engage, Enable and Empower across the employee life cycle.

Employee health and wellness is a key priority of the organisation. A rigorous campaign with digital process has been launched to facilitate mandatory annual

employee health check-up followed by expert consultations. 77% employees of more than 40 years of age have completed their health check-ups. Regular health related webinars and sessions to create awareness about health related risks, associated precautions and other habits that ensure good health of our employees are also conducted.





Udaan – EKL Women Leadership Development Programme

Udaan is an initiative to identify, groom and create a diverse talent pool in the organisation. It is a 6-month learning journey based on the Stanford development model of Managing Self, Managing People and Managing business. It employs Instructor Lead Trainings, simulation-based workshops, self-paced eLearning, action learning projects and more. This initiative was started in 2021 and the second batch has been certified in May, 2023.

Escorts Kubota Career Acceleration Programme (Basic ECAP)

Escorts Kubota Career Acceleration Programme is a role- based certification launched in 2021 for employees in middle management and junior management. The learning journeys for various key/critical roles are designed with blended learning approach, addressing functional and behavioural competencies of the identified roles.

The 6 to 9 month learning journey covers Functional & Behavioural Assessments, Instructor-led sessions on People Management, Collaboration, Data Analysis, Quality Mindset, e-learning journey through in-house

LMS Platform- NewEstar coupled with Group Coaching Sessions and Action Learning Business Projects.

We have covered more than 1300 employees in different roles across functions through this programme.

Nayi Disha, Nayi Urja

Nayi Disha, Nayi Urja (New Direction, New Energy) programme has been initiated for shop floor employees. This programme focuses on self management and organisation culture and development. This is extended upto the families of the attendees for overall ecosystem alignment.

The programme has been highly appreciated by the Union members as well as our shop floor employees. We have covered over a large percentage of our shop floor employees through this programme.

Excellence Awards

The Excellence Awards have been initiated in 2022 with an aim to build a platform to recognise and reinforce excellence among key stakeholders of Escorts Kubota Limited in line with our core and strategic values. The awards represent a programme to appreciate and motivate our complete ecosystem, including our employees (managers, team members), suppliers and dealers.

The objective is to appreciate and acknowledge the teams for their achievements and significant outcomes at Function, Business

and Group level. The four key pillars of assessment are Market Growth and Customer experience, Innovation & Technology, Business Excellence- Process/Digitalisation and Frugal Mindset.

In 2022, the process was rolled out in September, 2023 and over 400 team nominations were received. The rigorous 3-step assessment and filtration process involved Department heads, functional Heads, starting at Department, Function & Business level and leadership team at group level.





Prioritising Safety

The health and safety of employees is core focus area at EKL. We are committed to providing a safe, healthy, and conducive working environment for all employees. Our EHS policy reflects the importance of human value and all the EHS matters at EKL are governed by our EHS Policy.

We are ISO 45001 – Occupational Health and Safety Management System and ISO 14001 certified with the commitment to safety, process standardisation, relevant training, and development, conducting internal audits, following of standard operating procedures (SOP), monitoring safety performance on defined Key result areas (KRAs) & Performance Key Indicators (PKIs), conducting management reviews from time to

time, and establishment of minimum checkpoints to strengthen the system.

Additionally, there are multiple processes & system implemented to eliminate risk. Escorts Kubota System (EKS) is having more than 30 signed off document for safety environment and compliances which are under implementation.

We have group safety committee (GSC) & Plant Safety Committee (PSC) to evaluate and develop Health & Safety management system. Workers are also encouraged to provide regular feedback on monthly basis for improvement of Health & Safety System and any new development and modification done in Health & Safety management system are communicated through various platforms like Minutes of meetings (MOM), On Job Training (OJT), daily morning meetings, Tool Box Talk (TBT) etc.

We have clearly defined roles and responsibilities to manage occupational health and safety at workplace and we follow the PDCA (Plan-Develop-Check-Act) Cycle that aids continual improvement, and act as per the mid-term and long-term Business Development Plan that aids improvement in safety performance over a period of time.

We have OHS review system in place across all levels to assess safety hazards and safety committee elected by workmen to manage safety-related issues. Apart from this, workers can also directly reach out to their respective managers and Safety Manager for safety related concerns/grievances. Each plant under all business divisions also has a Safety WhatsApp Group for bringing up safety related concerns and addressing them on the spot.

Snapshot of the check points where we pre-assess safety hazards:

Through the Hazard Identification, Risk Assessment, and Control (HIRAC) process	Safety Observation Tours (SoTs)	Job Safety Analysis to identify and prevent hazards before they begin
Internal and External Safety Audits	Safety "Gemba" walks that help assess potential safety issues in everyday operations	Supervisory rounds as a part of Total process Management
Define SoPs for accidents and investigations	Addressing worker complaints through team meetings/monthly safety committee meetings	Regular communication of changes in workflow through worker's union: workplace monitoring as per legal requirements

We provide health & safety training to all the workers during the induction period in line with ISO 45001 – OHS process requirements. A well-developed system and SOPs are in place to understand work-related injuries and incidents. The SOPs define responsibilities for

investigations and require formation of an investigation team within the stipulated 24 hours of occurrence of the incident. Recommendations shared by the team are implemented immediately and shared with the entire workforce to prevent further, similar incidents.

We ensure employees have free access to doctors at a full-time Occupational Health Centre (OHC), and we provide comprehensive Mediclaim facilities to employees for medical treatments as applicable.

Following facilities/services are available at manufacturing locations:



Preventive health check-ups on a periodic basis



Detailed evaluations by well-qualified doctors; implementation of actions recommended by them



OHC with adequately trained personnel in each plant, with 24*7 service



Dedicated ambulance service for emergency health needs



Health communications in preferred regional language



Maintenance of confidentiality of health-related information between the person concerned and the relevant medical staff

At EKL, we encourage workers participation on occupational health and safety-related matters via multiple platforms including Department safety committee, Plant safety committees, through union members, observation teams, individual representation as applicable, Kaizen scheme, Safety observation tours, safety competitions. We have Environment, Occupational Health & Safety policy that is applicable to 100% of our employees, worker, suppliers, customers, for more details please visit https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/EHS-Policy-Full-Version-2023.pdf





Occupation Health & Safety Trainings

Our workers health & safety is crucial to us. But this is not enough. We continue to set the bar higher by training our workers on stricter than mandated standards monthly through following trainings:

- Induction Safety
- Fire-safety
- Job-related
- First-Aid
- Machinery-safety
- Electric safety
- Emergency Preparedness
- HIRA
- Chemical Safety
- Safe Driving
- Energy Management
- IMS Implementation
- Code of Conduct
- Prevention of Sexual Harassment against Women

All trainings are developed basis Training Need Identification (TNI) Report which is prepared in consultation with the Environment Health and Safety (EHS) teams, Line Managers and Factory Managers of our plants. The trainings are mix of classroom lectures and practical application and conducted during work hours. It is mandatory of each worker to have 6 hours of training, annually on health & safety. All the trainings are bind by compulsory assessment and records are maintained with each Plant's EHS team.

At the managerial level, online training modules pertaining to Personal Protective Equipment (PPE), etc. have been developed through digital E-Star platform for all operational managers. We have developed an EHS Induction Training Module that would provide

necessary information about the pillars of EHS and basic safety guidelines to be adhered at Escorts.

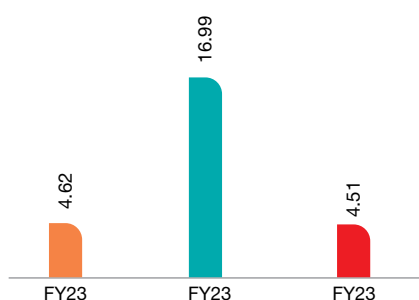
Various sessions on health and wellness, personal hygiene, novel parenting, back and neck pain management, managing lifestyle and infectious diseases are conducted for managing our workforce health and well-being. With an aim to "Zero Health Hazard", we continuously monitor all occupational Health and Safety impacts through weekly meetings and MIS and updates are sent to top management for the review.

We provide minimum notice to employees on significant operational changes that could affect them, and notice period on provisions for consultation and negotiation as specified in collective bargaining agreements as per LTS norms and the Standing Order of the Company.

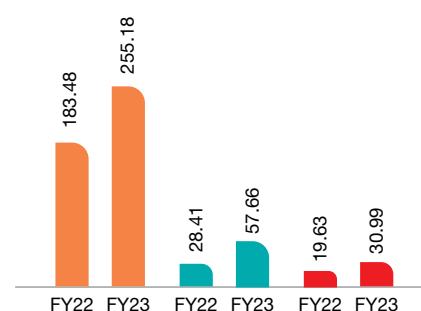
Injury Rates

EKL seek to reduce the workplace injury in its operations and identify and monitor all possible hazards that can lead to work-related ill-health. The table below show the rates of work-related in FY 2022-23.

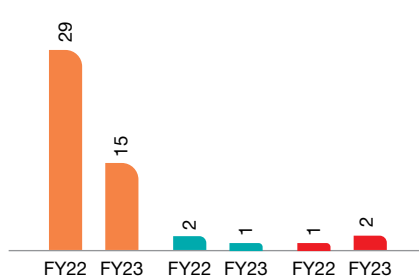
Rate of recorded work-related injuries (Nos.)



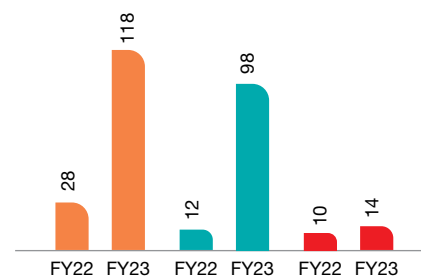
Man hours worked (Nos.)



High consequences of work-related injuries (Excluding fatalities) (Nos.)



Recorded work-related injuries (Nos.)



■ Agricultural Machinery ■ Construction Equipment ■ Railway Equipment

Increase in number of recordable work-related injuries is due to maturity of the system, where all incidents are captured, and actions are taken. EKL's theme "Bad news first and then take actions" is applicable here. However, we seek to bring the rate of high consequence injuries to zero, and to reduce the rate of work-related injuries next year.

Collective Bargaining

There is no risk violation of workers' rights to exercise freedom of association or collective bargaining at our EKL – to ensure this, EKL conducts Structured Monthly meetings of ER managers with the Union body in addition to fostering regular connect with Union members and regular employees. The senior management also maintains regular interaction with Union members.

Training and Development

EKL offers training and development on various topics to its workforce across manufacturing and regional locations. In our E-STAR Learning Management System we have a repository of over 280 technical, behavioural, and compliance courses including 7QC Tools, Gifts and Hospitality Policy, Code of Business Conduct, Application Engineering, Cultivating Innovation and Creativity, Emission Norms, Gearbox



Construction, Engine Specifications, Land Preparations & Soil Analysis, Goal Setting and Planning, and many more. We have specific training calendar with a combination of digital/classroom and on the job training for all employees.

The list of trainings conducted in FY 2022-23 is as follows:

- Functional & technical training
- Leadership & Behavioural training
- Compliance-related training
- Sustainability-focused trainings

The details on number of staff members trained and training hours is provided in below tables:

Training hours	Senior Management		Middle Management		Junior Management		Non-Management*		Total Gender Wise	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total no. of employees covered genderwise	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total no. of training hours provided	49	1	699	20	1646	105	10011	210	12405	336
Average hours of training provided per genderwise	387	5	16358	458	37354	3273	825492	3380	879591	7116
Total no. of employees covered management level wise	8	5	40	46	19	27	76.90	12.2	67	17
Total no. of training hours provided	50		719		1751		10221		12741	
Average hours of training provided per employee category	392		16816		40627		828872		886707	
Total number of training hours provided	7.7		40.5		19.1		75.3		65.2	

Note: We also provide trainings on safety, fire-fighting techniques to all the security personnel allocated at various EKL work locations

*Non-Management includes Workers (permanent), Trainees, Contractuals and Third Party Associates



Performance Evaluation

Our performance evaluation process is systematically structured to recognise and reward employee performance through a transparent evaluation mechanism. We also have a focused learning training for all employees on various topics. All our employees receive regular performance and career development reviews from their management head.

Performance and career development reviews	Senior Management		Middle Management		Junior Management		Non-Management*		Total Gender Wise	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
% of total employees who received a regular performance and career development review gender wise	100%		100%		100%		100%		100%	
% of total employees who received a regular performance and career development review as per Management level	100%		100%		100%		100%		100%	
% of total employees who received a regular performance and career development from the total workforce	100%		100%		100%		-		100%	
% of total workers who received a regular performance and career development from the total workforce*	-		-		-		100%		100%	

* includes permanent workers



Corporate Governance

Leading with integrity and foresight

At EKL, our commitment to responsible business practices, transparency, and accountability is embedded in our Company culture and reflected in our policies and guidelines. We believe that strong corporate governance is key to building and maintaining trust with our stakeholders and ensuring the long-term success of our business.

Governance structure

We are committed to ensuring that our policies and guidelines align with international standards. Our governance system is driven by four main forces, including:

- Shareholder relations
- Confluence of management and supervisory boards
- Fair, performance-based compensation to employees
- Proactive and open disclosure of business performance

FY2023 governance initiatives

During the year, we undertook the following initiatives to strengthen our governance practices:

- Business Responsibility and Sustainability Policy
- Limited Third Party Assurance of Non-Financial Data
- Tax Transparency Policy and Report
- Impact Assessment of CSR Project

Our Policies and Guidelines

At EKL, we sustain relationships with our stakeholders, including shareholders, employees, customers, and investors, by ensuring compliance with all regulatory requirements and the values we uphold.

We have taken various governance initiatives to ensure the better relationship with various stakeholders. Further, in order to bring uniformity/ transparency in reporting of various Business Responsibility and Sustainability Principles, the Company has formulated a Business Responsibility and Sustainability Policy, same is available at <https://www.escortsgroup.com/investors/governance.html>.

All policies, along with other statutory policies, including a webcast of our annual general body meeting, can be found on the corporate governance section of our website.

To monitor the maintenance of the zero-tolerance stand on corruption, we have an independent team that conducts audits. We emphasise the importance of adherence to this stand through training at the time of induction, and informal chats between employees and their managers or the human resources team.



Tax Transparency Policy

Background/Preamble

For EKL, the concept of “fair taxes” means being a responsible taxpayer that timely pays the right amount of taxes in the right jurisdictions.. EKL's policy is to comply with all local laws and regulations and to follow internationally accepted methodologies and standards, OECD guidelines for pricing intercompany transactions, including the arm's length principle.

Purpose of the Tax Transparency Policy

The purpose of the EKL's Tax Transparency Policy is to set direction and communicate how we conduct our tax affairs in pursuit of a compliant and competitive tax position.

Tax Principles

EKL adhere to following tax principles in its business operations:

1. Compliance

EKL complies with local applicable laws and regulations in all jurisdictions in which it operates and pay the right amount of tax at the right time.

2. Transparency

We are transparent about our approach to tax and total tax payments to our stakeholders

3. Responsibility

We are conscious of our responsibility towards transparent tax practices and creating stakeholder value integrating environmental and social principles in our business.

4. Transfer Pricing

We aim to pay an appropriate amount of tax according to where value is created within the normal course of commercial activity. Any transfer pricing is always calculated using the 'arm's length' principle.

5. Relationship with Tax Authorities

EKL is committed to building trust in a relationship with the tax authorities by providing tax information effectively and properly, and to responding to their tax audits honestly.

6. Accountability & Governance

We ensure that as a business, we have the mechanisms in place to adhere to the above principles and provide both relevant training and opportunities for employees to raise any issues of concern confidentially, consistent with our Code of Business Conduct. We report to the Whole-time Director and Chief Financial Officer (CFO) and provide updates on tax regulation and key tax challenges we are facing. This update includes information on the EKL's effective tax rate, tax provisions, key tax issues, and compliance with the Tax Principles.

Tax Governance Approach

EKL is committed to the highest standards of corporate governance and is transparent about how its tax affairs are managed. Our governance structure is responsible for developing, implementing, and monitoring of Tax Principles. The tax team comprising of qualified experienced tax professionals' who partners with business teams or respective departments, brainstorm on the subject, and proposes tax positions/ decisions which are further being discussed with heads of respective department. Senior management is also consulted on critical positions.

To enforce our commitment to be fair, honest, accountable, and ethical in Business conduct, we are guided by the EKL's Code of Conduct. We do not condone, encourage, or support tax evasion.

EKL ensures accountability of compliance with the Tax Transparency Policy. The Policy allocates responsibility for compliance with applicable tax laws in all jurisdictions in which the Company operates between the corporate office and business divisions. Tax Transparency Policy and any updates there to are communicated to and are approved by the Board of Directors. The Policy is implemented by the tax team within the overall control and governance framework of the Company. Apart from this, tax litigation matters are disclosed to the Board of Directors for their information and input on quarterly basis.

Tax Risk Management and Mitigation

In line with our tax governance model of being tax transparent, we maintain internal controls. These systems, processes and controls enable EKL to fulfil its tax compliance obligations and mitigate associated risks.

Risk Assessment: EKL has business relations globally and risks may arise from time to time due to interpretation of tax law, volume of tax compliances, changes in dynamic tax and regulatory framework which may impact our current and proposed business plans. To effectively manage these risks, skilled professionals continuously monitor the risks and advice on how the risks should be controlled and monitored. To mitigate our tax risks, we focus on effective legal structures, obtaining necessary approvals from tax authorities wherever possible, implementing tax governance and transparency, applying controls on data, and enabling development of our resources.

Self-Assessment: To effectively manage various tax risks, appropriate tax policies and guidance are issued, whenever required to minimise risks based on recommendation of the tax function.

Resource Management: EKL Tax Transparency policy applies to all employees. Our employees and other relevant third parties are encouraged to review and understand our policy.

Industry Benchmark: EKL monitors the initiatives taken by other Companies to understand and adopt best practices w.r.t new tax rules and regulations, compliance, and transparent reporting.

Related-Party Transactions

At EKL, we ensure that the transactions with related-parties or associated enterprises meet the arm's length test and that the transfer prices are in accordance with the generally acceptable transfer pricing rules and regulations prevailing in the regions, in which we operate.

Tax Transparency Report

Basis of Preparation

The basis of preparation presents the scope and methodology for reporting of data on Tax and Other Contributions for the period 1 April 2022 to 31 March 2023, in our Tax Transparency Report. The data is reported in Indian Rupees (INR).

Methodology

We have reported Taxes & Other Contributions on accrual basis unless otherwise specified. The reporting methodology followed for each type of Tax & Other Contributions has been detailed below.

Direct contribution

Direct tax

This comprises Corporate Income Tax including corporate taxes directly charged to "Other Equity".

Other Taxes & Charges

Other taxes and charges comprise of property/municipal taxes, stamp duties and water charges/cess/tax.

Indirect taxes

Amounts reported represent gross indirect tax liability to the government treasury on accrual basis. However, it may be noted that the payment of taxes on procurements paid to vendors have not been considered here. The amounts reported under indirect taxes have been obtained from various statutory periodic forms/returns and statements/ challans or any other documents being filed and maintained with the relevant government authorities.

Indirect contribution

Indirect contributions include withholding taxes collected from vendors, dealers/customers, shareholders and employees, taxes collected from customers and other payroll taxes. This also includes taxes collected on various payments received from customers for prescribed goods or services. These taxes are reflected in various forms, returns, tax audit reports and challans prescribed by the government for this purpose.

Other contributions

Other contributions include contributions made by the employer to social security programmes for the benefit of employees as mandated by regulatory bodies. This includes the employer's share in provident fund, employee pension scheme and employee state insurance. These contributions are reflected in the returns and challans prescribed by the concerned statutory bodies for this purpose.

Specific Disclosures

EKL contributes to the Government through Tax & Other Contributions made directly or indirectly. The direct contribution aims to capture the various payments made by EKL for its goods and services while indirect contributions are payments made by company on behalf of other stakeholders, including withholding and payroll taxes. The other contributions are non-tax payments made by the Company, such as employer's provident fund and employee pension fund.

The grouping of taxes under the heads of 'direct contribution' and 'indirect contribution' is based on our understanding of the nature of taxes and its payment mechanism.



Tax Contributions

Tax Category	Tax Contribution (₹ Crores)
Direct Contribution	
Direct Tax	
Corporate Income Tax (including surcharge & Cess)	174.40
Other Taxes & Charges	
Stamp Duty	0.02
Property/ Municipal Taxes	0.34
Water Charges including Water Cess and Water Tax as applicable	0.52
Indirect Taxes	
Goods and Services tax	1,671.69
Custom Duties	28.60
Indirect Contribution	
Withholding and Payroll Taxes	
Withholding taxes from vendor, customers, dealers & shareholders	41.37
Tax Collected at source for sales to customers	10.19
Withholding taxes from employees/payroll taxes	65.08
Professional Taxes	0.11
Other Contribution	
Provident Fund (PF)	15.83
Employee Pension Scheme	6.37
Employee State Insurance	0.28
National Pension Scheme	0.84
Deposit Linked Insurance	0.38
Contribution to welfare commissioner	0.08
Total	2,016.10

Board of Directors

Our Board of Directors comprises eighteen members, each with well charted-out roles and oversight responsibilities for all business decisions. Keeping in mind the overall developmental journey of the organisation and its associated stakeholders, the Board regularly keeps up with government regulations and reviews possibilities of breaches to compliance, values, and ethics in

a detailed manner. Serious action is taken on any deviations. The Board members belong to different age groups (49-89 years), and the gender balance in the Board is in line with governmental regulations. All Board members have been appointed based on the unique domain experience and expertise they bring from their diverse backgrounds.

Detailed information on the qualifying criteria for their appointment can be found on the “Governance” section of our website, in the policies for “Appointment of Directors and Members of Senior Management”, and “Draft Terms and Conditions of Appointment of Independent Director”.



Mr. Nikhil Nanda
Chairman & Managing Director



Mr. Hardeep Singh
Non-Executive Director



Ms. Nitasha Nanda
Whole-Time Director



Dr. Sutanu Behuria
Independent Director



Mr. Sunil Kant Munjal
Independent Director



Ms. Tanya Dubash
Independent Director



Mr. Harish N. Salve
Independent Director



Mr. Dai Watanabe
Non-Executive Director





Mr. Yuji Tomiyama
Non-Executive Director



Mr. Seiji Fukuoka
Deputy Managing Director



Mr. Shiro Watanabe
Non-Executive Director



Mr. Ravindra Chandra Bhargava
Independent Director



Mr. Kenichiro Toyofuku
Independent Director



Mr. Vimal Bhandari
Independent Director



Ms. Reema Rameshchandra Nanavaty
Independent Director



Mr. Yasukazu Kamada
Non-Executive Director



Mr. Manish Sharma
Independent Director



Bharat Madan
Whole Time Director and
Chief Financial Officer



- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders and Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

© Chairman

Ⓜ Member

Mr. Nikhil Nanda
Chairman & Managing Director

Mr. Nanda joined EKL Board in 1997 and assumed responsibility as Chairman & Managing Director in 2018.

He has led the transformative journey of the Company to profitable growth and global reach through innovation, strategic planning, and technology collaborations. He has played a central role in leveraging Escorts' inherent capabilities to strengthen its position as a Company dedicated to frugal engineering.

Escorts has introduced a series of innovative products that demonstrate excellence in manufacturing quality, market intelligence and enhanced customer value across India and global emerging economies and has evolved from being a product-led company to an innovation and technology-driven brand that crafts customer-centric solutions for enhanced productivity. Under his leadership, Escorts Limited has strengthened its partnership with Kubota Corporation by institutionalising Escorts Kubota Limited.

Kubota Corporation Japan, as part of their recent acquisition of equity stake in the Company resulting in them becoming a joint promoter in the Company, have agreed with Mr. Nanda to avail his experience and expertise for expanding their agri-based business in India and globally for manufacture of value based tractors, to provide him the honorary positions of Senior Managing Executive Officer and General manager of Value-Innovative Farm and Industrial Machinery Strategy and Operations in Kubota Corporation, Japan.

He was among the five Indians selected as the Global Leaders of Tomorrow for

the year 2001, by the World Economic Forum, Geneva. He is a member of CII's National Council; Federation of Indian Chambers of Commerce and Industry (FICCI) and Young Presidents Organization (YPO). He is one of the few business leaders chosen by the government to represent India at the Indo-Spain CEOs Forum.

He has been conferred upon the prestigious recognition of "Best CEO Auto & Auto Ancillaries" by Business Today for October 2019 – September 2020 period. He holds Baccalaureate Degree, Bachelor of Business Administration from The Wharton Business School, University of Pennsylvania, class of 1995.

Mr. Hardeep Singh
Non-Executive Director

Mr. Singh has a rich experience of holding top managerial positions in leading Indian and foreign companies. Mr. Singh was the Former Executive Chairman of Cargill South Asia and Amalgamated Plantations private Limited (A Tata Enterprise) and non-executive Chairman of HSBC Invest Direct India Limited. He is the Chairman of the monitoring committee on Minimum Support Price constituted by Planning Commission, Govt. of India. He has been a member of National Council of CII, National Committee for Agriculture of FICCI and served as an honorary advisor on Agriculture to the Chief Minister of Punjab. An invited speaker at the World Bank, US Department of Agriculture Global Summit, International Food Policy Research Institute in Washington DC, Imperial College in the UK and Indian Institute of Management (IIM), Ahmedabad. He is a graduate in Economics from Pune University and an alumnus of Kellogg School of Management.

Ms. Nitasha Nanda
Whole-Time Director

Ms. Nanda, Director, is a multifaceted professional, entrepreneur and business leader with wide ranging experience across global and Indian companies. After graduating with an honours in Commerce from the University of Delhi, she worked with Price Waterhouse, ANZ Grindlays Bank, Hewlett Packard, Escorts Finance Limited and other reputed organisations in Business Strategies, Financial Management, Operational Research and Managerial Techniques, among others.

She is heading the CSR Committee of the Board which also monitors ESG development goals and member of the Investment Committee. She is also on the Board of Directors of several companies, including Seitz Technologies, RNIS, Raksha TPA, Rimari India and Sun & Moon Travels.

Dr. Sutanu Behuria
Independent Director

Dr. Sutanu Behuria, Director, is a postgraduate in Economics from Delhi School of Economics as well as a postgraduate and Ph.D in Economics from Southern Methodist University, Dallas, Texas. He is an Indian Administrative Services Officer (Himachal Pradesh) from the 1976 batch. He has during his illustrious career spanning 39 years of professional experience served as Secretary in the Dept. of Fertilisers, National Disaster Management Authority, Ministry of Minority Affairs and Department of Heavy Industry. He has been the Financial Advisor to the Ministries of Commerce, Textiles, Coal, Mines, Youth Affairs and Sports in the Government of India. He has worked as Finance and Planning Secretary in Himachal Pradesh Government among many other Departments. He



has served as Board member in over 25 PSUs.

Dr. Behuria has worked in the Asian Development Bank for over five years. He has also been Advisor to the Finance Minister of Mauritius for two years under a Commonwealth programme.

Mr. Sunil Kant Munjal
Independent Director

Mr. Sunil Kant Munjal is one of the founder promoters of the Hero Group, India's premier automotive manufacturing group that has evolved from being the world's largest bicycle-maker to the largest two-wheeler maker.

Mr. Munjal is actively involved as a business promoter, an institution builder, a social entrepreneur, an angel investor and as a thought leader. He is the Chairman of Hero Enterprise, with interests in insurance distribution, steelmaking, real estate and corporate training. He has made strategic investments in several areas ranging from e-commerce to hospitality. He also supports start-ups on digital learning, community transportation, healthcare, women empowerment and education.

He chairs the board that runs the Doon School and sits on the boards of the IIM Ahmedabad (IIMA), ISB, and SRCC. He has co-founded BML Munjal University (BMU) and is President of the Dayanand Medical College and Hospital, Ludhiana. He has also served as President of the CII and AIMA; been a member of Prime Minister's Council on Trade & Industry and was on government taskforces that prepared the ground for India's banking and insurance reforms.

Mr. Munjal has set up the Serendipity Arts Foundation which aims to revive patronage in the arts; he is also President of the Ludhiana Sanskritik Samagam which supports performing arts across North India. He also received the GlobScot Award from the Scottish government in 2012 for being one of the largest employers in Scotland. He is currently on the Board of the following public limited companies apart from some private companies:

- DCM Shriram Limited – Director
- Rockman Industries Limited
- Hero Steels Limited

Ms. Tanya Dubash
Independent Director

Tanya serves as the Executive Director and Chief Brand Officer of Godrej Industries Ltd. and is responsible for the Godrej Group's brand and communications function, including guiding the Godrej Masterbrand.

Tanya is also a Director on the Board of Godrej Industries Limited, Godrej Consumer Products Limited and Godrej Agrovet Limited. She also serves on the boards of Britannia, AIESEC and India@75.

Tanya was a member on the Board of the Bharatiya Mahila Bank between November 2013 and May 2015. She was a trustee of Brown University between 2012 and 2018 and continues to be member of the Brown India Advisory Council and on the Watson Institute Board of Overseers. She was recognised by the World Economic Forum as a Young Global Leader in 2007. She is AB (cum laudé) in Economics & Political Science, Brown University, USA, and an alumna of the Harvard Business School.

Mr. Harish N. Salve
Independent Director

Mr. Harish N. Salve is a senior counsel as well as an arbitrator in India and Barrister (UK) who specialises in constitutional, commercial and taxation law. He was the youngest ever to be appointed as solicitor. He primarily practices at the Supreme Court of India but also appears in various High Courts and in international arbitration, sometimes as counsel and other times as an adjudicator.

Mr. Salve served as the Solicitor General of India from 1999 to 2002. He was appointed as Amicus Curiae by the Supreme Court in some cases, mostly relating to preservation of the environment. He holds an Honorary Doctorate and is a Chartered Accountant and a law graduate. He is a member of the Court of the Singapore International Chamber of Arbitration and a member of the Court of the London Council of International Arbitration. He was enrolled as a barrister, called to the bar at the Gray's Inn in July 2013 and now a Permanent tenant at Blackstone Chambers, London. He has been appointed as Queen's Counsel (QC) for the courts of England and Wales. He also has been appeared as counsel, as well as appointed as an arbitrator in a number of international arbitrations.

He is 67 years old and was ranked 43rd in India's 50 Most Powerful people of 2017 list by India Today Magazine.

Mr. Dai Watanabe
Non-Executive Director

Mr. Dai Watanabe is Director and Senior Managing Executive Officer, General Manager of Farm and Industrial Machinery Consolidated Division of Kubota Corporation. Mr. Watanabe in his illustrious career has served in various departments/entities such as Farm and Industrial Machinery International Planning and Control Dept, Kubota Europe, S.A.S, Kubota Farm Machinery Europe, S.A.S, Kverneland AS, Agricultural Implement Business Unit, Agricultural Implement Division, Farm and Industrial Machinery Strategy and Operations Headquarters and Innovation Centre etc.

He graduated in 1984 from the Department of Economics, Kyoto University. He did his MBA from Kobe University in 1995.

Mr. Yuji Tomiyama
Non-Executive Director

Mr. Yuji Tomiyama is Senior Managing Executive Officer of Kubota Corporation. Mr. Tomiyama has been associated with Kubota Corporation since April 1980 and has served extensively in its various divisions such as Farm and Utility Machinery, tractors, Vehicle base technology engineering. He graduated in 1980 from the Department of Engineering, Tokyo Institute of Technology.

Mr. Seiji Fukuoka
Deputy Managing Director

Mr. Seiji Fukuoka entered into Kubota Corporation in 1993 and has been working for Kubota for almost 30 years in various business divisions in Japan. In the period 2018 and 2021, he was a General Manager of the Tractor Business Administration and Control Department and has been transferred to Escorts Kubota Ltd.

Mr. Shiro Watanabe
Non-Executive Director

Mr. Shiro Watanabe has completed his education in March 1988 under bachelor of Department of Agriculture, Kobe University. He has joined Kubota Corporation in April 1988 and at present he is holding the position of Executive officer of Kubota Corporation.

Mr. Ravindra Chandra Bhargava
Independent Director

Mr. R. C. Bhargava joined the Indian Administrative Service in 1956, on the basis of an All-India competitive examination and secured the number one position in India. Mr. Bhargava joined Maruti Udyog Limited, soon after its incorporation in 1981 as Director (Marketing and Sales). Mr. Bhargava was appointed as the Managing Director (CEO) in 1985. He continued on this post till he retired in 1997. He was re-inducted to the Board in 2003 when the Company was listed. He was appointed as the non-executive Chairman in 2007, a position he continues to hold to date.

He has been the Chairman of IIM, Ranchi and IIT, Kanpur, besides being on the board of other educational institutions.

Mr. Bhargava was awarded the Padma Bhushan in 2016. In November 2011, the Emperor of Japan had conferred on Mr. Bhargava the "Order of the Rising Sun Gold and Silver Star". He has been accorded Lifetime Award for Management by the Economic Times and the All India Management Association. Mr. Bhargava is the recipient of Forbes India Leadership Award for Lifetime Achievement.

Mr. Kenichiro Toyofuku
Independent Director

Mr. Kenichiro Toyofuku is Bachelor of Arts (BA) in Economics (Environmental Economics), Keio university, Japan. He has joined METI (Ministry of Economy, Trade & Industry) Japan in 1993. He has also joined Embassy of Japan in India: First Secretary (Commercial Attaché) in May 2004, METI: Deputy Director, Asia & Oceania Division in August 2008, JETRO in India (Japan External Trade Organization), in July 2010, Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion: Coordinator, Japan Plus cell in October 2014, World Bank (India office): Senior Private Sector Specialist, Finance, Competitiveness & Innovation Global Practice in October 2017 and Suzuki Motor Corporation (SMC) in November 2019.

His area of specialisation is Carbon Neutrality, India-Japan relationship, regional development, industrial policy, trade policy, skill development.

Mr. Vimal Bhandari
Independent Director

Mr. Vimal Bhandari is accomplished, dedicated and focused professional with experience of over 36 years in a range of businesses in the financial services industry, of which twenty-six years have been at the Board of Directors level. He is a Commerce graduate from Mumbai University (Sydenham College) and Chartered Accountant from the Institute of Chartered Accountants of India.

**Ms. Reema Rameshchandra Nanavaty**
Independent Director

She has been working with the SEWA since over 36 years expanding its membership to over 2.1 million members, making it the single largest union of informal sector women workers. Ms. Reema oversees 4813 self-help groups (SHG), 160 co-operatives and 15 economic federations, pan-India including 16 states, and also in 7 South-Asian countries, focusing on women's economic empowerment by building women owned enterprises, building women led supply chains, introducing modern ICT-based tools and facilitating Green-Energy initiatives and livelihoods.

Mr. Yasukazu Kamada
Non-Executive Director

Mr. Kamada entered Kubota Corporation in 1983 and has been working for Kubota for almost 41 years in various management positions in Japan, the United States and currently resides in Europe. In the period 2017-2021 he was Managing Executive Officer and General Manager of the Engine Division and since January 2022 he holds the positions of President of Kubota Holdings Europe B.V. and President & CEO of implement manufacturer Kverneland AS in Europe. He is based in Amsterdam, the Netherlands.

Mr. Manish Sharma
Independent Director

Mr. Sharma has extensive professional experience of over 26 years, driving sustainable growth along with strategy planning and business development. His versatile experience has spanned from hands-on operations to strategic product and business planning in various electronic majors like LG Hotline, Samsung India and Haier India. Manish was appointed as youngest Executive Officer to Panasonic Corporation and has played an active role in group wide strategic affairs. He currently chairs the board for Panasonic India.

Bharat Madan
Whole Time Director and Chief Financial Officer

Mr. Bharat Madan, a fellow Chartered Accountant by qualification of 1988 batch, has over 35 years of rich experience in financial management. He joined the Company in 2005 and has since then looked after the Finance & Accounts, Legal & Secretarial, Tax, IT and Investors Relations functions.

Mr. Madan has been the core member of various Management Committees and also played key role in various strategic initiatives involving multiple M&A and business restructuring transactions including recent partnership with Kubota Corporation, Japan. His previous assignment includes his 14 years stint as Financial Controller designated as the Associate Vice President – Finance with Electrolux Kelvinator Limited, Jt Finance Controller with Spectrum Paints and also Vishwanath Singh & Associates.

Leadership Team

The leadership team of Escorts Kubota Limited has been instrumental in chartering the growth of the Company as a trusted agricultural and infrastructure solutions brand. Our leaders have played a remarkable role in leveraging Escorts Kubota Limited's inherent strengths to navigate unprecedented challenges and grow consistently in capabilities, influence, technology and response to customer needs.



Mr. Nikhil Nanda
Chairman & Managing Director



Mr. Seiji Fukuoka
Deputy Managing Director



Bharat Madan
Whole Time Director and
Chief Financial Officer



Mr. Harish Lalchandani
Chief Officer Agri Machinery
Business Division



Mr. Sanjeev Bajaj
Chief Officer Construction
Equipment Business Division



Mr. Ankur Dev
Chief Officer Railway
Equipment Business Division



Mr. Amit Singhal
Chief Officer Human Resource



Mr. Nikhil Nanda

Chairman and Managing Director

He holds Baccalaureate Degree, Bachelor of Business Administration from The Wharton Business School, University of Pennsylvania, class of 1995.

He joined Escorts Board in 1997 and assumed responsibility as Chairman & Managing Director in 2018.

Key Contributions: Mr. Nanda has led the transformative journey of the Company to profitable growth and global reach through innovation, strategic planning, and technology collaborations. He has played a central role in leveraging Escorts' inherent capabilities to strengthen its position as a company dedicated to frugal engineering.

Escorts has introduced a series of innovative products that demonstrate excellence in manufacturing quality, market intelligence and enhanced customer value across India and global emerging economies and has evolved from being a product-led company to an innovation and technology-driven brand that crafts customer-centric solutions for enhanced productivity. Under his leadership, Escorts Limited has strengthened its partnership with Kubota Corporation by institutionalising Escorts Kubota Limited.

Kubota Corporation Japan, as part of their recent acquisition of equity stake in the Company resulting in them becoming a joint promoter in the Company, have agreed with Mr. Nanda to avail his experience and expertise for expanding their agri-based business in India and globally for manufacture of value-based tractors, to provide him the honorary positions of Senior Managing Executive Officer and General manager of Value-Innovative Farm and Industrial Machinery Strategy and Operations in Kubota Corporation, Japan.

Key Achievements: Mr. Nanda was among the five Indians selected as the Global Leaders of Tomorrow for the year 2001, by the World Economic Forum, Geneva. He is a member of CII's National Council; Federation of Indian Chambers of Commerce and Industry (FICCI) and Young President's Organization (YPO). He is one of the few business leaders chosen by the government to represent India at the Indo-Spain CEOs Forum. He has been conferred upon the prestigious recognition of "Best CEO-Auto & Auto Ancillaries" by Business Today for October 2019 – September 2020 period.

Mr. Seiji Fukuoka

Deputy Managing Director

Background: Mr Seiji Fukuoka entered into Kubota Corporation in 1993 and has been working for Kubota for almost 30 years in various business divisions in Japan and across geographies. In the period 2018-2021, he was the General Manager of the Tractor Business Administration and Control Department and has been transferred to steer Escorts Kubota Limited operations in India.

Key Contributions: He has been instrumental in KBT businesses growth and expansion in various geographies for Construction and Agri segments and has played a pivotal role in strengthening distribution and network for export coverage. As a Deputy Managing Director, he has brought in key vision, processes excellence, quality assurance and R&D driven new product development for EKL growth and defining the Mid Term Business Plan ahead for performance driven business targets.

Skills and interests: His key interest lies in Innovation driven technology and futuristic product lines for enhanced customer experience.

Mr. Bharat Madan

Whole Time Director & Chief Financial Officer

Background: A Commerce (Hons.) graduate from Shri Ram College of Commerce, Delhi University, a Fellow Chartered Accountant (1988), a Member of All India Management Association (AIMA) and IMA-CFO Forum, with over 35 years of rich experience in financial management. Prior to joining Escorts, he was the Financial Controller at Electrolux Kelvinator Ltd.

Key contributions: Integrating finance, commercial and outbound supply chain functions; leading finance and legal & secretarial functions transformation with many digital initiatives and business Intelligence system; helping improve company profitability through cost initiatives and divestment of non-core and/or loss-making businesses; ensuring optimal capital allocation and continuously improving working capital cycle; helping businesses in their growth aspirations by entering into partnership with multinational corporations; continuously identifying, evaluating and executing inorganic opportunities for further growth; long term and working capital fund raising through debt and equity structures, consistently improving corporate governance practices taking the Company to Leadership category and strengthening compliance systems; driving investor relations to help the Company's market capitalisation reach a lifetime new peak of over 30,000 crores.

Skills and interests: Financial and management accounting; audits; cash management and capital allocation; financial restructuring and organisation transformation; identification, evaluation and execution of M&A opportunities, mergers and de-mergers, and business strategy; budgeting; planning and forecasting; risk management; treasury, project finance and banking operations, capital raising; tax planning and optimisation; leading IT and digital initiatives around ERP, RPA, BI

and many other business applications; financial modelling and analysis, improving compliances and governance through legal, secretarial & investor relations; digitisation initiatives within finance, legal, secretarial, commercial and outbound supply chain functions.

Mr. Harish Lalchandani

Chief Officer, Agri Machinery Business Division

Background: Mr. Lalchandani is a strong commercial leader with more than two decades of holistic experience across the consumer and industrial sectors. His last working experience before joining Escorts Kubota was as Global VP Marketing for the Auto Division and earlier as the Global VP Strategy for Farm Equipment Sector at Mahindra & Mahindra. He has also worked with General Electric as the President & CEO for GE Lighting, South Asia and Chief Marketing Officer, South Asia at GE Healthcare. He has also worked with Nokia Corporation and Britannia Industries.

Key Contributions: As a Chief Officer, he is responsible for the Powertrac and Farmtrac business, product planning and marketing, channel excellence, channel & retail finance, service & training and sales administration.

Skills and interests: He is a Mechanical Engineer from University of Mumbai and Masters in Management Studies from Jamnalal Institute of Management Studies. His expertise lies in P&L Management, Strategic Marketing, Sales and Product Management across different verticals and geographies

Mr. Sanjeev Bajaj

Chief Officer, Construction Equipment Business Division

Background: Sanjeev is a qualified professional with over 26 years of broad-based experience across revenue and

profit centre management, warehousing operations, managing customer service organisations, spare parts and lubricant businesses. He has earlier worked with reputed entities such as the Mahindra Group, Terex Corporation and Larsen & Turbo in various capacities.

Key contributions: He joined the Escorts Group as Chief General Manager, Head of Customer Service in 2014 and has been an innovative thinker and influential leader. He is currently the Chief Executive of the Construction Equipment business and is responsible for setting goals and leading the growth of the division. Prior to his current role, Sanjeev was the Chief General Manager, Head Spares and Lubricant Business.

Skills and interests: Sanjeev is a Mechanical Engineer from Rajasthan Vidyapeeth and has done his postgraduation business management programmes from the Indian Institute of Management Lucknow and Symbiosis Institute of Business Management.

Mr. Ankur Dev

Chief Officer, Railway Equipment Business Division

Background: Ankur is a qualified professional with 19 years of rich experience in management across diverse sectors including manufacturing, automobile, consumer durables, telecom and petroleum. He has previously worked in various capacities with blue-chip corporate entities such as Samsung India, Ernst & Young, Bharti Airtel, and Reliance Industries Ltd. He is a member of the CII Railway Transport & Equipment Division.

Key contributions: Ankur joined the EKL in 2018 and has been an influential leader, effective communicator, and passionate learner. In his current assignment as the Chief officer of the Railway Equipment Business Division,

he is responsible for setting objectives and leading the growth of the unit.

Skills and interests: A qualified Chartered Accountant from The Institute of Chartered Accountants of India; a Certified Public Accountant, USA; and Chartered Certified Accountant, UK. Ankur holds a Bachelor's degree (Hons.) in commerce from Delhi University. He also holds a senior management programme certification from the Indian Institute of Management Calcutta.

Mr. Amit Singhal

Chief Officer, Human Resources and General Affairs Division

Background: Amit has a rich and diversified experience of over 20 years in Strategic HR, Business Partnership, Employee Relations and Culture and Change management roles across industries and geographies. He has been instrumental in building productive, performance-driven and process-efficient learning organisations in his earlier assignments with Coca-Cola, Reliance Retail, Delphi Automotive and Tata Motors both in India and International markets. Amit is an alumnus from Symbiosis Institute of Business Management, Pune.

Key contributions: Amit is playing a significant role in building an agile and lean organisation with focus on building capabilities and talent with future-ready leaders for sustainable and responsible growth. He is also responsible for corporate functions along with his responsibility for Corporate Social responsibility initiatives.

Skills and Interests: Amit is a certified Operational Excellence leader and has been a Fellow Certified HR Practitioner from Australian HR Institute. Amit is a lifetime member of National Human Resource Development, New Delhi and an active member of CII State Council.



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Management Discussion and Analysis



ECONOMIC ENVIRONMENT

Global Economy¹

Review

The global economy experienced a broad-based slowdown in 2022, with inflation surging to levels not witnessed in several decades. This is due in part to ongoing geopolitical conflicts and disruptions to supply chains, as well as the lingering effects of the COVID-19 pandemic. Furthermore, concerns about flagging demand increased due to recession fears and banking vulnerabilities, while uncertainty over the effects of Western sanctions on Russian crude oil exports also affected global market balances.

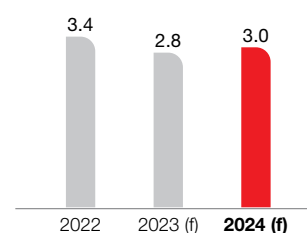
Against this backdrop, the IMF estimated that global GDP growth slowed from 6.0% in 2021 to an estimated 3.2% in 2022. The Advanced Economies (AE) were estimated to grow by 2.7% in 2022 while Emerging Market and Developing Economies (EMDE) witnessed a growth of 4.0%.

Despite these challenges, there were some positive signs of recovery. Disruptions to supply chains and energy and food markets caused by the war are fading, and the monetary policies implemented by central banks worldwide are expected to yield positive results.

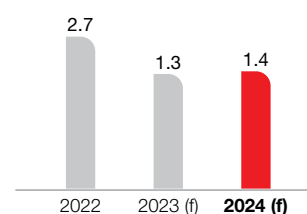
Global growth trend

(%)

Global



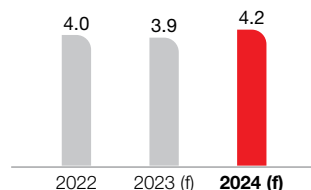
Advanced Economies



¹ IMF - World Economic Outlook, April 2023



Emerging Markets and Developing Economies (EMDE)



(f- forecasts)

Outlook

In early 2023, it was expected that the global economy could achieve a soft landing, with inflation coming down and growth remaining steady. However, the outlook remains challenging due to stubbornly high inflation and recent financial sector turmoil. Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labour markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including non-bank financial institutions.

Despite these challenges, there are positive signs of improvement in economic activity. One of the key factors contributing to the expected improvement is the recent decline in energy and food prices, which has led to a boost in purchasing power for most firms and households. This decline in prices is helping to lower headline inflation, which is expected to decrease from 8.7% in 2022 to 7.0% in 2023. In the current environment, a gradual resolution of supply-demand imbalances is anticipated, along with a modest pickup in labour supply. This is likely to alleviate price inflation, contributing to a more stable economic environment.

Indian Economy²

Indian economy has shown resilience in the face of global economic headwinds and is expected to continue growing in the coming years. According to the Asian Development Outlook (ADO) report, India's GDP is estimated to moderate to 6.4% in fiscal year FY2023. Growth was driven by strong investment activity on the back of government policies and capex push to improve transport infrastructure, logistics, and the business ecosystem which spurred demand and private consumption.

Inflation remained elevated during the year due to an uncertain global environment. However, with easing global commodity prices coupled with the RBI's interest hikes, inflation is expected to decline from 5% in FY2023 to 4.5% in FY2024. The financial sector remained strong with improvements in asset quality and strong private sector credit growth.

Outlook

India's economic prospects remain bright, with a projected GDP growth rate of 6.7% in FY2024. This growth will be driven by several factors, including its growing population, digital transformation, supportive government policies, and sound macro-economic fundamentals. In addition, with improving labour market conditions and consumer confidence contributing to private consumption growth.

Furthermore, recent announcements to boost agricultural productivity, such as setting up digital services for crop planning and supporting agriculture start-ups, will play a crucial role in sustaining agriculture growth in the medium term. The government's infrastructure push under the Gati Shakti initiative, logistics development, and industrial corridor development will boost industrial competitiveness and future growth. The

services sector is also expected to grow strongly in FY2024, helped by the recovery in tourism and other contact services as the impact of COVID-19 wanes.

However, geopolitical tensions and weather-related shocks pose risks to India's economic outlook. Nonetheless, India's growth rate is stronger than many peer economies, reflecting robust domestic consumption and lesser dependence on global demand.

INDUSTRY AND BUSINESS REVIEW

Global Tractor Industry

The global tractor industry is expected to witness significant growth in the coming years. This growth can be attributed to various factors, including increasing labour costs, rising consumption of plant-based food products, seasonal labour shortages, government incentives and rising rural incomes. In addition, the introduction of precision farming and farm mechanisation to enhance productivity is also driving demand for tractors.

Key Growth Drivers

- Rising consumption of plant-based food products
- Seasonal labour shortages
- Government incentives
- Rising rural incomes
- Introduction of precision farming
- Farm mechanisation
- Emergence of advanced tractors with pre-installed GPS
- Automated commercial vehicle

² Asian Development Outlook Report April 2023, Economic Survey 2022-23, The World Bank

Indian Tractor Industry

India's tractor market has come a long way and witnessed significant growth and transformation since its establishment of domestic production in 1961. With the improvement of credit facilities for farmers, the tractor market began to rapidly expand, and as of FY 2022-23, the tractor market has grown even further, with more than 10 lakhs units produced during the year.³

India's success in the tractor market can be attributed to various policies implemented by the government to meet the increasing demand. Today, more than 90% (directly and indirectly) of tractor sales are made on credit, which is extended by commercial banks, state land development banks, and regional rural banks. Despite stiff competition from countries with a long history of

tractor manufacturing, India's growth in the tractor market remains unmatched.

Agriculture and allied activities have played a crucial role in India's growth and development by ensuring food security and contributing to the country's overall progress. The sector has been growing at an average annual rate of 4.6% during the last six years and emerged as a net exporter of agricultural products. In 2021-22, agricultural exports reached a record high of US\$ 50.2 billion, with the government's measures such as promoting farmer-producer organisations, crop diversification, and support for mechanisation and infrastructure fund, contributing to this buoyant performance.

Domestic industry performance

The tractor sales in India have achieved a new high record of selling more than 9.45 lakhs units in 2022-23, which is a

12.2% increase from the previous year's sales. The increase in minimum support prices (MSP) that led to an increase in farm income and another year of above-average monsoon are considered the major reasons for achieving this great sales target. Technological advancements in high HP tractor ranges have also contributed to the increase in demand for tractors in the market.

Export industry performance

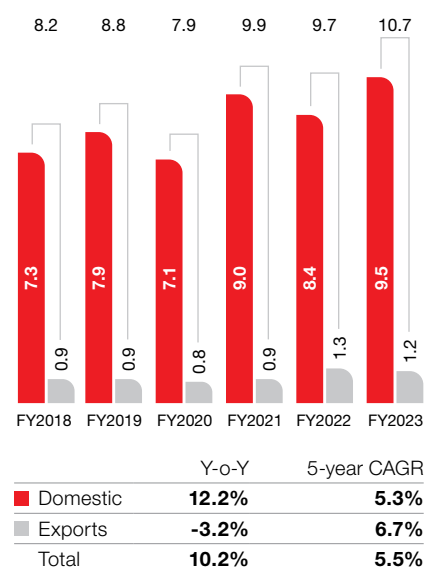
The industry has been seeing consistent growth in exports for the past three years, primarily due to the competitive pricing of locally manufactured farm machines that provide better technology and features at a lower cost than foreign counterparts.

However, the industry exported 1.24 lakhs tractors in FY2023 down by 3.2% from 1.28 lakhs in previous year, mainly due to prevailing recessionary conditions in Europe market.



Tractor industry performance

(in lakh units)



Source: Tractor and Mechanisation Association

³ Tractor Mechanisation Association – industry Statistics



Domestic tractor industry segment-wise performance

(in lakh units)	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-22	FY 2022-23	Y-o-Y growth	5-year CAGR
<30 HP	0.8	0.8	0.7	0.8	0.9	1.0	16.3%	4.6%
31-40 HP	2.6	2.8	2.4	2.5	2.4	2.7	12.1%	0.5%
41-50 HP	3.4	3.7	3.5	4.8	4.5	5.2	14.2%	8.7%
>50 HP	0.6	0.6	0.6	0.8	0.7	0.6	-5.9%	0.9%

Indian Tractor industry outlook

The India Agricultural Tractor Market is experiencing significant growth due to increasing trends of mechanisation in the agriculture sector. With substantial support from the government, the adoption of tractors for agricultural practices is increasing over the years. The farm mechanisation goals of the Indian government are acting as the prime driver and are expected to boost the growth of the market in the coming years.

For the financial year FY24, domestic industry is expected to grow in mid-single digit. Monsoon is being forecast normal during the upcoming season by the government agencies. The impact of various factors like rainfall, crop prices, percentage of sown area, the central government's stand towards the land bill and the associated farmer's compensation for the acquired land would shape the chances of improving the industry sentiments in subsequent time frames.

Growing farm consolidation with increasing need for farm power per hectare and increasing substitution of manual and animal labour for various farming operations continue to drive the 14 Escorts Limited structural growth for higher HP tractor sales. Increasing finance penetration with more affordable finance rates have enabled a larger number of farmers to own tractors.

Concurrently, the economics of tractor operation improved owing to increasing custom hiring for agricultural and other purposes, including transit of farm produce, and transport of people and materials for road construction and other infrastructure projects. For the agri

industry having high peaks, low valleys and seasonality concerns, the best combination of the above factors will augment steady growth in the tractor industry volume and in turn build India's self-reliance for the growing food needs of the rising population demand.

Increasing Trend of Mechanisation in Agriculture Sector

Farm mechanisation practices in India have come a long way in recent years, and tractors have become an essential part of the process. The extensive use of tractors and other farm equipment is helping to address issues concerning farm productivity in the country.

Easy Credit Availability

Many financial institutions are providing easy credit availability to farmers, and favourable government policies and subsidy programmes are also helping. Various loan schemes, easy breakdown of instalments according to crop cycles, and low-interest rate plans generate funding for mechanisation. Any farmer with 8 acres of land can

take a tractor loan to be paid over nine years with 12.5% interest over the principal amount as per India's National Bank for Agriculture and Rural Development (NABARD) norms. Various concessions from the Indian government have helped small farmers purchase the machine.

Government Support

The Indian government provides subsidies for purchasing tractors below 18 HP under central sector extension programmes. This subsidy is being provided to farmers individually or in groups with irrigated land between 2.4-3.2 ha. The farm power availability has increased to 2.76 kW/ha in 2021, and the government has set a target to achieve 4 kW/ha by 2030, which is anticipated to boost the sale of agricultural machinery in India.

Indian tractor industry long-term growth drivers

Continued government focus on agriculture

Easier access to credit from the government

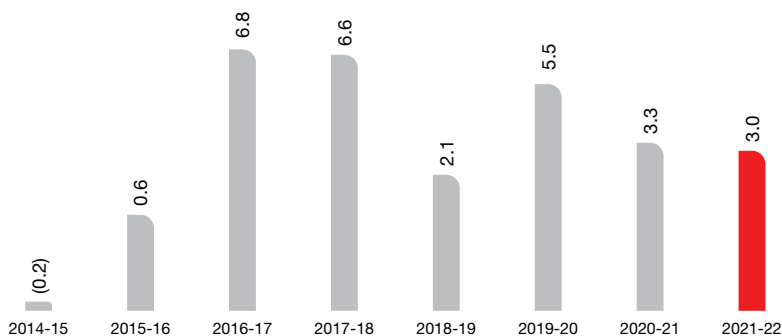
Fast transition towards mechanisation

Scarcity of labour due to rising wages

Product portfolio expansion for better adaptability



Performance of agriculture and allied sector (in %)



Source: MoSPI's annual and quarterly estimates of GDP at constant prices, 2011-12 series

Escorts Kubota – Agri Machinery Business Division

Manufacturing Assets

Escorts Kubota is one of India's foremost tractor manufacturers. We offer more than 200 variants in the 12HP to 75 HP segments in the domestic market under brands Farmtrac, Powertrac, Digitrac, E-Kubota and Steeltrac. We have a growing network of over 1,200 dealers and ensure the satisfaction of our customer base of more than 2 million. Additionally we offers engines, spare parts and lubricants, SHIP (Sprayers, Harvesters, Implements and Planters) and gensets to our portfolio.

Three Plants:

1,20,000+

annual tractors production capacity

~90%

capacity utilisation in FY2022-23

Poland Plant:

100%

subsidiary have an installed capacity of 2,500 tractor per annum

Plant under JV with Kubota:

50,000

capacity manufacturing plant

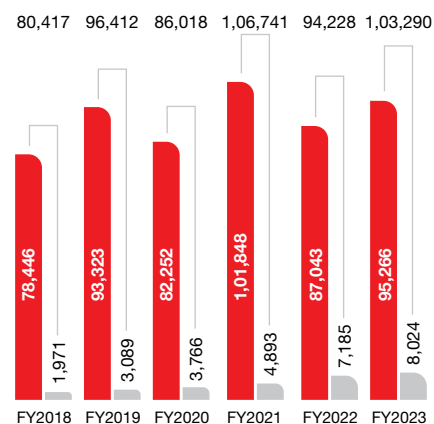


Performance

During the financial year FY 2022-23, EKL domestic tractor volume went up by 9.5% to 95,266 tractors as against 87,043 tractors in the previous fiscal. EKL growth was lower than industry growth, this loss has mainly come from our strong markets, and that too from a particular HP segment, where industry shift has happened. The Company maintains lean inventory both at its own depots and at its dealerships. On Dealer development side, the Company continued its efforts around channel expansion, the total dealer count in India is now more than 1,200.

On Export side, EKL volumes went up by 11.7% to an all-time highest 8,024 tractors as against 7,185 tractors in the previous fiscal, driven by continued focus on new product development and on expanding distribution network through new channel partners. Sales through Kubota's global network are also gradually increasing and during the year contributed more than 30% of total export volume.

EKL Agri Machinery Business Division volumes



	Y-o-Y	5-year CAGR
Domestic	9.4%	4.0%
Exports	11.7%	32.4%
Total	9.6%	5.1%

EKL Agri Machinery Business Division Domestic Market Share Performance

(in %)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
< 30 HP	3.5	4.7	6.3	6.7	5.9	6.1
31-40 HP	14.5	16.5	15.2	13.3	11.9	11.1
41-50 HP	10.4	10.8	11.0	11.8	10.8	10.6
> 50 HP	7.9	5.9	6.7	7.1	7.2	7.7



Tractor market share improved from 10.1% to 11.8% between FY 2015-16 and FY 2018-19. For the next two years it had a marginal decline to 11.3% in FY21, owing to various supply chain issues in the peak COVID-era inhibiting our ability to meet the demand. In FY 2021-22 we declined further by 1%, your Company's domestic market share came to 10.1% for FY23. Your Company has taken corrective actions accordingly and in the last 9 months of fiscal i.e. from July 2022 to March 2023, our Domestic market share improved to 10.4% as against 10.2% same period in FY22 fiscal.

NEW PRODUCTS

We launched new tractor variants under Powertrac series that offer high performance and fuel efficiency designed for Indian markets.

434 DS Plus



439 DS Plus



Farmtrac HERO



Farmtrac 6055 eCRT

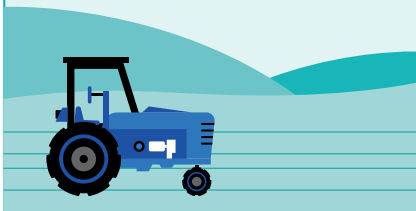


Euro 60 eCRT





SCOT Analysis



Agriculture Industry growth drivers

Population increase coupled with increase in per capital income

Trend of rising exports

Countless introduction of government schemes

Gradual increase in irrigated land in India

Favourable climatic conditions allowing for wide variety of crops

Strength

- One of the oldest and one of the most reputed players in the market with a significant market share and brand value
- Constantly developing to provide supply for increase in demand
- Ever-expanding and market specific product portfolio resulting in increased market penetration
- Institutionalising a robust framework for risk governance to incorporate sustainability
- Entering new markets and strengthening distribution network through the help of partnerships and alliances
- Combating climate change through initiatives which drastically reduce our carbon footprint

Opportunities

- Access to Kubota Global Network
- Huge incentives by the government to improve the agriculture and allied sector in the country
- Constant focus by the government to increase demand by increasing the purchasing power capacity of people
- Increase in the literacy rate of the populace, leading to better economic growth and more demand
- Forecasted economic growth to lead to increased urbanisation and higher demand

Threats

- New entries and older players may flourish as the market industry continues to grow, leading to pressure on pricing
- The agricultural sector is highly reliant on the climate and the weather. Bad climatic conditions can lead to poor yield leading to an unsteady supply
- Geopolitical decisions can drastically impact the demand and supply of commodities

Challenges

- Government intervention and sudden policy changes can stunt short-term growth of the business
- Supply chain issues impacting production

Agri Machinery Outlook

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation facilities, Warehousing, and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to the concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.

In the next five years, the central government will aim US\$ 9 billion in

investments in the fisheries sector under PM Matsya Sampada Yojana. The government is targeting to raise fish production to 220 lakhs tonnes by 2024-25.

Through the Ministry of Food Processing Industries (MoFPI), the Government of India is taking all necessary steps to boost investments in the food processing industry in India. The Government of India has continued the umbrella PMKSY scheme with an allocation of ₹4,600 crores (US\$ 559.4 million) till March 2026.

New Emission Norms

Trem IV for greater than 50 HP industry from 1st January, 2023

India domestic tractor market remains a medium to high HP market, with more than 90% of the sales coming from up to 50HP tractors, from 1st January, 2023 has moved to Trem IV emission norms. However, this transition to new emission norms in the tractor industry has not created a major disruptor as it would apply only to vehicles with engine capacity higher than 50 HP, impacting around 10% of the overall industry volumes.





CONSTRUCTION EQUIPMENT INDUSTRY

Indian construction equipment (CE) industry is experiencing a surge in Y-o-Y sales growth of 26% in FY2023¹. This impressive performance is attributed to

¹ iCEMA industry data

increased sales across all equipment segments, including earthmoving, material handling, material processing, except the road construction equipment which recorded a slight de-growth. Earth moving equipment (backhoe loaders), material handling (cranes) and road building (compactors) account for 63% of the industry. With the addition of the

excavators to the mix, the concentration goes to 87% of the total market for construction equipment. The sharp rise in road and infrastructure construction activity across the country, driven by significant governmental spending and private sector programmes, is the main reason for this growth.

Served Industry Volume Growth

(in '000 units)	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Y-o-Y growth	5-year CAGR
Backhoe loaders	38.6	47.2	39.7	45.6	32.7	41.9	28.2%	1.7%
Cranes	8.1	10.2	7.8	7.4	7.6	9.4	24.1%	3.1%
Compactors	4.2	5.0	4.4	4.8	4.2	4.0	-3.7%	-0.7%



Construction equipment industry outlook

The Government of India's continued emphasis on infrastructure development, buttressed by increased capital expenditure announced in the Union Budget 2023, will contribute to the growth in FY 2023-24, and there could be an increase in the market size by 15-20% during the year. However, with the general election around the corner in mid-2024, the CE industry's growth cycle may

slow down in FY 2024-25 and the growth could be flat or decrease by 5-10%, which is a historically observed norm for the fiscal year following elections. Overall, the industry is quite upbeat about its achievement during the FY 2022-23 and quite optimistic about its growth in the near term.

To this end, the government has opened national highway projects worth US\$1.7 billion and signed a contract with Dubai to build infrastructure in Jammu and Kashmir. Additionally, the government has provided policy support by offering a 50-year interest-free loan to state governments and establishing the National Infrastructure Pipeline, which has projects worth US\$1.3 trillion at different stages of implementation. The government has also increased its capital investment outlay for infrastructure by 33% to US\$122 billion and established an Infrastructure Finance Secretariat to promote private investment in infrastructure. Finally, the National Investment and Infrastructure Fund has been set up to facilitate investment across multiple sectors in India. These efforts are expected to improve India's infrastructure and foster economic growth.

Escorts Kubota - Construction Equipment Business Division

Manufacturing Assets

Escorts is a dominant player in material handling, earth moving and road building segments of construction equipment. The Company is one of the world's largest manufacturers of pick-and-carry hydraulic mobile cranes.

1

Plant in India for Construction and Material Handling equipment at Ballabhgarh, Haryana

10,000

units capacity in multi shift operations (Capacity varies across product also)

~45%

capacity utilisation

EKL Construction Equipment volumes went up by 12.2% to 4,620 machines as against 4,117 machines in the previous fiscal. Segment revenue went up by 19.5% at ₹1,179.0 crores as against ₹986.8 crores in previous fiscal. EBIT margin up by 48 bps to 2.9% as against 2.4% in the previous fiscal.

EKL Construction Equipment Business Division Volumes

(in units)	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Y-o-Y growth	5-year CAGR
Volume	4,486	5,544	4,042	3,913	4,117	4,620	12.2%	0.6%

New Products launched during FY 2022-23



Safe Crane - TRX30

- 30 Ton Lift capacity Pick-n-Carry Crane
- 12.1 m Boom height (without fly jib)
- Bolt able Counterweight Design to lift heavy loads
- Hydro-Pneumatic clutch system for better operator comfort
- Powered with Volvo-Eicher E494 TCIC CEV BSIV 137 HP engine
- Heavy Duty TATA Axle
- 2WD Crane with Creep Speed-1.3 KMPH and Max speed- 41 KMPH

Safe Crane - F15 Fighter

- Powered with 75 HP VECV Engine
- Speed: 10F+2R, with Max Speed of 42 Km/Hr
- 4 Wheel Drive for better Pick and Carry operations with high traction in rough terrain through Tata Axles
- Hydro Pneumatic clutch actuation for precise control & better operator comfort
- Best in Class Creep speed-1.3 Km/Hr, while travelling with Load
- 4P boom with 18.2 m Ht & 21 m Ht with Fly Jib
- High structural strength material used for Boom (Nextra 690) & Chassis for better endurance life
- Hydraulically Operated Outtrigger





Safe Crane - TRX17

- 17 Ton Lift Capacity Crane with best-in-class creep speed 1.3 KMPH for better handling of load while travelling.
- 21m boom Height with Fly jib.
- Powered with TATA 497 TCIC CEV BSIV 76 Ps engine
- Heavy duty TATA Axles
- Max speed: 41 KMPH
- 6 Falls Heavy Duty snatch block system
- 4WD Crane

Backhoe - Digmax Super

- Fuel Efficient 74 HP Escorts Engine
- 1st in class 6 pillar cabin for better visibility and space
- High Dump
- Class leading breakout forces
- High on Safety - In built Equipment Monitoring System



Backhoe Jungli HT

- 4-wheel Drive heavy duty structure machine
- High Torque 74 HP KOEL engine
- Wind screen grill for operator protection
- High Dump
- Class leading Breakout forces

SCOT Analysis



Strength

- Availability of low-cost and skilled labour along with training opportunities to fill the vacancy in the workforce requirement
- Government incentive to push for infrastructure development through NIPs by 2025
- Abundance of natural resources and raw materials in the country enabling for rapid growth and development
- Huge investments on R&D to boost quality and portfolio of products

Opportunities

- Increased availability of financial support due to government-led incentives and initiatives
- Strong emphasis on renewable energy projects leading to investments in large projects under the renewable energy sector
- Introduction of Production Linked Incentive (PLI) scheme to boost the development of the infrastructure
- Inflow of private and public investments in the country along with increased inflow of Foreign Direct Investments (FDIs)
- Higher focus by the government on the education sector leading to construction of new schools, universities and institutions
- Emphasis on improved healthcare leading to construction of hospitals

External Challenges

Low-cost manufacturing countries are expanding their distribution centres and after sales network in India, this is a challenge for high-end construction equipment. These foreign players pose as competitors for Indian construction equipment exports not only in Indian markets but also the developed markets.

CE outlook

There is a sustained demand for construction equipment industry, supported by the Government's continued thrust across all the infrastructure. We expect demand momentum to continue going forward for the current quarter and further accelerate in FY 2023-24 and margins for the segment to improve gradually owing to our various cost reduction initiatives and improvement in other operating metrics.

Threats

- Political instability will pose as a threat across industries
- Safety of employees is one of the most challenging tasks in the industry
- The construction industry is prone to natural disasters
- Lack of political support can lead to slow development and decrease in infrastructure projects

Challenges

- Higher cost due to increase in labour costs due to demand for higher number of projects
- Enormous capital requirements for infrastructure projects
- Lack of defined frameworks, procedures and processes for construction as it is a predominantly unorganised sector

RAILWAY INDUSTRY¹

India has the 4th largest railway system in the world, behind only the US, Russia and China

Indian Railways consists of a total track length of 126,366 km over 67,956 km

of the route along with 7,335 stations. 5,243 kms of track length was achieved during 2022-23 as compared to 2,909 kms during 2021-22. The railways operate 13,523 passenger trains and 9,146 freight trains daily. Indian Railways achieves record Freight loading of 1512 MT in FY 2022-23. Indian Railways is the single largest employer in India and the

¹ Allied Market Research



eighth largest in the world, employing approximately 1.3 million people.

- Vision 2024 has been envisaged to achieve targets of 2024 MT freight loading by 2024.
- Mumbai-Ahmedabad high-speed rail project sanctioned at a total cost of \$14.27 billion.
- The railway sector of India aims to electrify the entire network by 2023 which will lead to annual energy savings of \$1.55 billion.
- As of February 2023, 85% of the total Broad-Gauge network has been electrified. With this, Indian Railways has completely electrified 6 zonal railways and is rapidly progressing towards its target of 100% electrification and becoming the largest green railway network in the world.
- 6,542 RKMs has been achieved during 2022-23
- 74,000+ Freight Wagons in next 3 years
- 400+ new generation Vande Bharat Trains to be manufactured during the next three years.

- 100 PM Gati Shakti Cargo terminals for multimodal logistics to be developed during the next three years.

In recent years, the Government of India has undertaken multiple policy changes, making the sector more investor friendly, and is looking at increased interest in the form of foreign direct investment and public-private-partnerships. All these factors is expected to put the industry on good growth trajectory.

The Indian rail components market also is expected to grow at a steady pace in the coming years. It is driven by the government's investment in railway infrastructure, new range of rolling stocks for passenger and freight wagons with adoption of new technologies. The key players in this market needs to have significant expertise in manufacturing and supplying of railway components, It is an highly fragmented market.

Escorts Kubota - Railway Equipment Business Division

EKL is the trusted supplier of Indian Railways, Private Wagon Builders, Metros organisations and other range of rolling stock manufacturers. Your Company offer a diverse range of products including brake systems, couplers, suspension systems, friction products etc.

Railway Equipment Business Division performance

Revenue for the year ended March 2023 went up by 32.3% to our ever-highest yearly revenue of ₹841.9 crores as against ₹636.2 crores in the previous fiscal. Sales from New products & Metro contribute 65% to total division sales. EBIT margin for the year ended March 2023 stood at 13.8% as against 14.8% in the previous year.

Order book for the division, at the end of March 2023, stood at a healthy and ever highest level of more than ₹1,050 crores. We have been growing with an CAGR of 24% in last 5 years. Our growth trend is expected to continue considering global strategic partnerships, Rigorous product development with focus on quality and service excellence.

(In ₹ crores)	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Y-o-Y growth	5-year CAGR
Revenue	286.6	394.1	477.2	479	636.2	841.86	32.3%	24.0%

Railway Components Industry Outlook

We expect that efforts to augment more coaches and wagons will continue. Growth drivers over the medium to long term include increase in ordering of rolling stock of freight wagons, additional metro projects, introduction of Semi-Hi Speed trains with overall continuous emphasis on the safety and modernisation of Railways.

With the rapid pace of urbanisation and modernisation in India, the future seems bright for Railway Equipment business Division as Indian Railway network is growing at a healthy rate. In the next five years, Indian railway market is expected to be the third largest, accounting for 10% of the global market.

SCOT Analysis

Strength

- Strong presence in the industry with decades of experience
- International Railway Equipment Standard (IRIS) ISO TS/22163 certification
- Government initiatives to push for investments in the transportation sector across the country for rail networks
- In house, product development capability and faster commercialisation
- Inorganic Growth through technology partnership and alliances

Opportunities

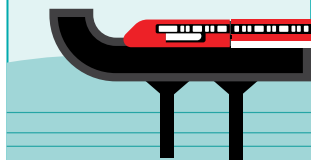
- Government is planning on rapidly developing the Indian rail network
- More urbanisation and growing per capita income will boost the demand for railways
- Government initiatives to modernise the Indian railways for more efficiency
- 'Make in India' and 'Atmanirbhar' are at the forefront of schemes which focus on increasing the consumption of domestic manufactured products
- Emphasis by the government to improve quality and safety of products
- Adoption of 5G - Train and infrastructure monitoring (IoT)

Threats

- Government's decision to allow 100% foreign investment poses as a threat to domestic players
- Government initiatives and incentives can lead to the rise of new competitors

Challenges

- Lengthier gestation period before new product launch compared to other sectors





Annual Capacity

48,000

Air Brakes

48,000

BMBS

10,200

FIBA

9,600

Brake Disc

1,800

Axle Mounted Disc Brake

1,20,000

Shock Absorbers

6,000

ASCE

6,000

AARH Couplers

10,15,200

Block Brakes

New Products FY2023

We launched 3 products in FY23, which includes:-

Brake Pad*



Brake Disc*



Metro Dampers*



*Field trial complete

Outlook

Global technology collaboration with in house world class manufacturing and advanced testing facilities will enable us to attain a lean manufacturing culture and set its benchmark with its product innovation. The division will continue to expand its range of products with Indian rolling stock manufacturers and explore various opportunities overseas also. Augmentation of localising import content of its new and existing products will continue for increasing margins with time. This will help maintain healthy profitability levels. Focus will be on conforming to more international standards and widening our global reach to customers.

We are witnessing good traction in tendering process and with continuous focus on product diversification through new products, Exports, in FY24, we expect the railway equipment business segment will continue its growth at a similar pace.

With our top priority being faster product development for new range of rolling stocks and timely execution of existing order pad as per given schedule. We expect double-digit growth to continue in FY24.

Long-Term Growth Drivers for Railway Industry

National Rail Plan 2030 – Capacity build up for 2050

Increased public-private partnerships for faster development

Manufacturing of new Range of passenger rolling stocks

(Semi Hi-speed & Hi-speed Trains)

Dedicated freight corridors for increased share of freight traffic

Rapid urbanisation – Increase in Metro projects across country

Rational Cost Structure

Your Company continues with its rigorous cost restructuring exercises and efficiency improvements which have resulted in significant savings through continued focus on cost controls, process efficiencies and product innovations that exceed customer expectations in all areas thereby enabling the Company to maintain profitable growth in the current economic scenario.

As new products play a greater role in driving revenue, there is greater emphasis on lowering margins, improving personnel costs, maximising productivity, monitoring quality and indigenising design. Escorts' focused divestment of non-core operations has freed up capital that was tied up in non-current investments. Various projects are helping the Company to further rationalise costs, including legacy bottlenecks, materials, manufacturing, and overheads, while strengthening our initiatives with prudent resource allocation and outcome mapping.

Human Resources

Escorts Kubota has a dedicated workforce of over 13,600 employees, including temporary, casual, and contractual workers, who are instrumental in driving the Company's growth across various business functions. The Company has undertaken various initiatives to transform its human capital, which are elaborated on in detail on Page 78 of this report. By investing in the development of its workforce, Escorts Kubota aims to create a culture of excellence, innovation, and inclusivity that fosters employee growth and engagement, leading to sustainable business success.

Community Empowerment

Escorts Kubota's commitment to corporate citizenship extends beyond simply meeting the 2% CSR mandate. Our

efforts encompass a wide range of areas such as health and wellness, education, and environmental safety, among others. Our approach towards community development and environment is geared towards promoting holistic and sustainable growth.

During the year, we undertook several initiatives as part of our commitment to corporate social responsibility. For detailed information on our CSR initiatives, refer to page 70.

Investor Relations

We constantly endeavour to improve our investor services and benchmark our performance against best practices. We have a dedicated investor relations desk at EKL and also at KBT Japan, which services the interest of the investing community, through regular contact and timely communication – engaging global investors and shareholders in ongoing management meetings. We conducted periodic meetings to communicate details of performance and important developments, and to exchange information.

The Chairman and Managing Director, Deputy Managing Director, Whole time Director and Group Chief Financial Officer, and investor relations team manage and represent Company in interactions with investors, the media, and various other platforms. We ensure that all critical information about our Company is available to all investors by uploading such information on stock exchanges and website (www.escortsgroup.com). It contains a dedicated 'Investor Information' section where relevant information meant for shareholders is available, including information on the Directors, shareholding pattern, quarterly reports, financial results, annual reports, press releases, details of unpaid/unclaimed dividends and various policies. The quarterly earnings release is accompanied by an earning call, with the transcript and audio of the same available on website. Material developments during the quarter that might impact revenue or earnings are intimated to the stock exchanges and through the website. Quarterly results, regulatory filings, transcripts of earnings call, Investor Relations presentations and schedules of analyst and investor interactions are available at <https://www.escortsgroup.com/investors/overview.html>.





Your Company detailed handbook covering FAQs for the Shareholders under governance section on Investor Relations page of the Company's website on various topics related to transfers and transmissions of shares, dematerialisation, nomination, change of address, loss of share certificates, dividend and sub-division of share certificates.

Periodic reminders for unpaid dividends are sent to the shareholders, as per our records; they are also accessible on the website. For any queries/suggestions, one can write to investor.relation@escortskubota.com and we will revert within three working days.

The 'forward-looking statements' part of the Management Discussion and Analysis on economic indicators is based on our best estimate of the current environment. This may be subject to change, based on external macro-economic factors out of control, including, but not limited to raw material availability and prices, cyclical demand and pricing in our principal markets, and changes in Government regulations, tax, and economic policies.

Information Technology (IT)

Escorts Kubota is transforming, and IT is playing a critical role in enhancing revenue and improving efficiencies that reduce costs. IT-enabled business processes leverage new technologies to deliver on digitalisation as well as digitisation. Digitised processes to improve productivity and controls and digital projects to increase customer outreach have been implemented. We upgraded your Company enterprise applications infrastructure to cater to the needs of increased business transactions. We integrated dealer sales executives on a digital mobile learning platform to learn the latest features of products, helping increase business and customer experience.

Your Company has a dedicated team of IT digital assets that serve to revolutionise the sales process, elevate consumer experience and convenience, optimise business performance, facilitate trial and evaluation, and bolster purchase intent among consumers. To meet the goal, we have constructed regional websites that offer a seamless and tailored experience

for customers in each respective state. Through your Company's efforts, we have already achieved a significant milestone: generating digital leads during the pilot process.

Moving forward, your Company's complete focus will be on fostering adoption of these digital assets to meet the Company's MTPB objectives. We are committed to continuing the journey of digital transformation and expect going forward will be an exciting journey as transformational initiatives were planned and conceptualised and we are confident that your Company's efforts will yield significant dividends for all our stakeholders.

Internal Controls

A strong risk management and internal control system formed the backbone of robust corporate governance practices. Ernst & Young (EY) as your Company's internal auditors conduct periodic audit as per discussion with audit committee, to deliver a reasonable assurance of recording the transactions of operations in all material respects and providing protection against significant misuse or loss of assets, among others. We have a defined risk management policy at the Board level, based on the pre-identified types of risks, the risk events or factors that require regular assessment and the probability-based responses.

Risks and Mitigation

We recognise that proactive risk management is both an essential element of sound corporate governance and a crucial enabler to realise opportunities.

A detailed review of our risk management framework is available on Page 54 of the Integrated Annual Report.



Financial Performance

Your Company's consolidated revenue from operations stood at ₹8,428.7 crores in FY 2022-23, up by 15.7% as against ₹7,282.7 crores in FY 2021-22. Consolidated Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) stood at ₹777.6 crores in FY 2022-23 as against ₹995.4 crores in FY 2021-22. Consolidated Profit After Tax (PAT) stood at ₹636.6 crores in FY 2022-23 as against ₹735.6 crores in FY 2021-22.

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, we are required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios. We have identified and listed the same below along with some key figures:

Ratio

Particulars	Consolidated		Standalone	
	FY23	FY22	FY23	FY22
Revenue from Operations	8,428.69	7,282.65	8,344.95	7,196.90
Material Costs	6,122.88	4,978.51	6,066.94	4,932.80
RMC	5,776.18	4,534.63	5,721.89	4,492.43
Traded Goods	510.35	510.82	509.03	508.74
Change in Inv	-163.65	-66.94	-163.98	-68.37
PAT	636.65	735.61	606.98	765.61
Revenue Growth	15.74%	3.82%	14.59%	3.86%
EBITDA	777.52	995.41	780.42	995.53
Operating Profit Margin	9.22%	13.67%	9.35%	13.83%
Net Profit Margin	7.55%	10.10%	7.27%	10.64%
Basic EPS	58.85	74.06	46.74	58.91
Trade Receivables	1,179.65	792.62	1,207.56	827.56
Trade Receivable Days	51	40	53	42
Inventory	1,217.68	846.56	1,159.04	803.57
Inventory Turnover	73	62	70	59
EBIT	908.39	1,037.15	912.55	1,034.58
Interest Expense	13.27	14.97	10.26	12.70
Interest Coverage Ratio	68.45	69.28	88.94	81.46
Equity	8,182.83	7,596.15	8,434.81	7,878.18
Net worth	8,182.83	7,596.15	8,434.81	7,878.18
Return on net worth/Equity	7.78%	9.68%	7.20%	9.72%
No. of Shares O/S	10,83,23,031*	10,81,18,406	12,97,65,374	12,95,60,749
Share Price- NSE	1,891.90	1,690.85	1,891.90	1,690.85
Share Price- BSE	1,891.05	1,691.40	1,891.05	1,691.40
M Cap (As per BSE)	20,484.43	18,287.15	24,539.28	21,913.91
Revenue Multiple	2.43	2.51	2.94	3.04
PE Multiple	32.13	22.84	40.46	28.71

* Excluding 2,04,625 shares exercise in FY 2022-23

For more ratios kindly refer:-

~Note no. 48 of Consolidated financial at page 391

~Note no 48 of Standalone financial at page 296



Your Company Agri Machinery Business Division revenue increased by 13.5%, from ₹5,563.7 crores in FY 2021-22 to ₹6,316.1 crores in FY 2022-23. Tractor sales stood at 1,03,290 units in FY 2022-23 vis-à-vis 94,228 in FY 2021-22, representing 9.6% growth. The Earnings Before Interest and Tax (EBIT) for the division stood at ₹587.4 crores in FY 2022-23 vis-à-vis ₹856 crores in FY 2021-22.

Construction Equipment Business Division revenue grew by 19.5%, from ₹986.8 crores in FY 2021-22 to ₹1,179.0 crores in FY 2022-23. Construction equipment volumes rose by 12.2%, from 4,117 units in FY 2021-22 to 4,620 units in FY 2022-23. The EBIT stood at ₹34.1 crores in FY 2022-23, compared to ₹23.9 crores in FY 2021-22.

Railway Equipment Business Division Revenue grew by 32.3% to our ever-highest yearly revenue of ₹841.9 crores in FY 2022-23 from ₹636.2 crores in FY 2021-22. The EBIT stood at ₹115.9 crores in FY 2022-23, compared to ₹94.3 crores in FY 2021-22.

Note: The 'forward-looking statements' that are part of the Management Discussion and Analysis on economic indicators is based on our best estimate of the current environment. This may be subject to change based on external macro-economic factors that are beyond our control, including but not limited to raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax, and economic policies, among others.

For and on behalf of the Board of Directors

Sd/-

NIKHIL NANDA

Chairman & Managing Director

Place: Faridabad

Date: May 10, 2023

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting this Integrated Annual Report ('Annual Report') of the Escorts Kubota Limited (Escorts/ Company) along with Company's audited financial statements (standalone and consolidated) for the financial year ended on March 31, 2023.

Financial Results

Particulars			(₹ crores)	
	Standalone		Consolidated	
	Year ended on March 31, 2023	Year ended on March 31, 2022	Year ended on March 31, 2023	Year ended on March 31, 2022
Revenue from operations	8,344.95	7,196.90	8,428.69	7,282.65
Other income	280.56	168.80	280.93	173.80
Total income	8,625.51	7,365.70	8,709.62	7,456.45
Profit from operations before Interest, Depreciation, Exceptional Items & Tax	1,060.98	1,164.33	1,050.97	1,139.86
Finance Cost	10.26	12.70	13.27	14.97
Profit from operations before Depreciation, Exceptional Items & Tax	1,050.72	1,151.63	1,037.70	1,124.89
Depreciation & Amortisation	148.43	129.75	150.06	132.06
Profit from operations before Tax and exceptional items	902.29	1,021.88	887.64	992.83
Less: Exceptional Items	97.16	-	53.05	-
Profit Before Tax	805.13	1,021.88	834.59	992.83
Tax Expense	198.15	256.27	197.94	257.22
Net Profit for the period	606.98	765.61	636.65	735.61

Financial Performance/ State of Company Affairs

The brief highlights of the Company's performance (Standalone) for the financial year ('FY') ended March 31, 2023 are:

₹8,625.51 Crores

Total income of the Company for FY 2023 stood at ₹8,625.51 crores (₹7,365.70 crores in FY 2022)

₹1,060.98 Crores

Profit from operations before Interest, Depreciation, Exceptional Items & Tax stood at ₹ 1,060.98 crores.

₹805.13 Crores

Profit from operations before Tax (PBT) stood at ₹805.13 crores. Net profit for the period stood at ₹606.98 crores.

Our Company sold 1,03,290 tractors during the year under review as against 94,228 tractors sold during the last financial year.

The brief highlights of the Company's performance (Consolidated) for the financial year ended March 31, 2023 are:

- Total income of the Company for FY 2023 stood at ₹8,709.62 crores (₹7,456.45 crores in FY 2022).
- Profit from operations before Interest, Depreciation, Exceptional Items & Tax stood at ₹1,050.97 crores.
- Profit from operations before Tax (PBT) stood at ₹834.59 crores. Net profit for the period stood at ₹636.65 crores.

The details on the individual businesses of the Company are provided in the Management Discussion & Analysis section provided in this Annual Report.

Management Discussion & Analysis

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the "SEBI Listing Regulations"), the Management Discussion and Analysis is set out in this Annual



Report and provides a detailed analysis on the performance of individual businesses and their outlook.

Dividend

Based on the Company's performance, your Directors are pleased to recommend, for approval of the members, Dividend @70% per share of face value of ₹10/- each (i.e. ₹7.00 per share) for the financial year ended March 31, 2023, payable on all outstanding shares except on the equity shares held by 'Escorts Benefit & Welfare Trust'.

The dividend payout is subject to the approval of members at the ensuing Annual General Meeting (AGM).

The dividend payout for the period under review has been formulated in accordance with shareholders' aspirations and the Company's Dividend Distribution Policy to pay sustainable dividend linked to long-term growth objectives of the Company to be met by internal cash accruals.

The record date for the purpose of dividend will be June 30, 2023.

The dividend distribution policy is available on our website at <https://www.escortsgroup.com/investors/governance>.

Transfer to Reserves

During the FY ended March 31, 2023, no amount (previous year: ₹0.07 crores on account of vested employees stock options lapsed) transferred to general reserves.

Employee Stock Option Scheme (ESOS)

The Escorts Employees Stock Option Scheme ("Scheme") is in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations") and there were no material changes to the scheme during the financial year 2022-23.

The Scheme is being implemented in accordance with the SBEB Regulations and the resolution(s) passed by the members. The

Secretarial Auditors Certificate would be available during the Annual General Meeting for inspection by the members. The details as required to be disclosed under the Act and/ or SBEB Regulations would be available on the Company's website at www.escortsgroup.com.

Change in Share Capital

During the FY 2022-23, there is no change in the share capital of the Company. However, the members of the Company had approved, the 'scheme of reduction of share capital' ('Second Capital Reduction'), vide postal ballot notice dated July 6, 2022 for reduction of 2,14,42,343 Equity Shares of nominal value ₹10/- each of the Company held by the Escorts Benefits and Welfare Trust (EBWT) without payment of any consideration, and the same has been filed before Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench, however, the order of the NCLT awaited.

Merger & Amalgamation

Based on recommendations of the Audit Committee and the Committee of Independent Directors, the Board of Directors, in their meeting held on September 15, 2022, has approved the scheme of amalgamation (the "Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder. The Scheme, inter-alia, provides for amalgamation of Escorts Kubota India Private Limited, joint venture company of the Company, and Kubota Agricultural Machinery India Private Limited, joint venture company of the Company, with the Company. The same has been filed with BSE Limited and National Stock Exchange of India Limited on September 26, 2022 and September 27, 2022, respectively to get no objection letters as required under Regulation 37 of the SEBI Listing Regulations.

Utilisation of Funds

The reporting of the utilisation of funds, as on March 31, 2023, raised through the preferential allotments are as follows:

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks if any
For the Agri Machinery Business of the Company i.e. the business of manufacturing, assembly, sales, marketing, financing, servicing, research and development of: (a) tractors; (b) construction equipment (i.e., backhoe loaders and other items to be mutually agreed between Promoters and Kubota Corporation); (c) implements; (d) transmission for tractors, construction equipment (i.e., backhoe loaders and other items to be mutually agreed between the Promoters and Kubota Corporation) and implements; and (e) spare parts of the items referred in (a), (b), (c) and (d), and for the manufacture of engines by the Company	Not Applicable	₹1,041.90 Cr.	Nil	₹497.38 cr. (Including ₹179.04 Cr. utilised during the year)	Nil	-
For expansion of its agri-machinery business of manufacturing, assembly, sales, marketing, financing, servicing, research and development of: (a) tractors; (b) combine harvester & rice transplanter; (c) utility vehicles; (d) turf equipment; (e) construction machinery; (f) engines; (g) implements; (h) transmission for tractors, construction equipment and implements; (i) other farm mechanisation equipment; (j) spare parts of the items referred in (a) to (i) above	Not Applicable	₹1,855.31 Cr.*	Nil	Nil	Nil	-

*Net proceeds post deduction of expenditure of ₹17.44 Cr. incurred towards preferential issue and allotment.

Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 (hereinafter referred as “the Act”) and Articles of Association of the Company, Ms. Nitasha Nanda (DIN: 00032660) and Mr. Yuji Tomiyama (DIN: 08779472), Directors of the Company, retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment.

The shareholders at the AGM held on July 14, 2022 had appointed Mr. Vimal Bhandari, Ms. Reema Rameshchandra Nanavaty and Mr. Manish Sharma as Independent Directors and Mr. Yasukazu Kamada as non-executive nominee director and approved the appointment of Mr. Ravindra Chandra Bhargava and Mr. Kenichiro Toyofuku as Independent Directors and Mr. Shiro Watanabe as non-executive nominee director. Further, the shareholders of the Company also approved

the appointment of Mr. Seiji Fukuoka as Whole-time Director designated as Deputy Managing Director.

Further, the Board of Director, on recommendation of Nomination Remuneration and Compensation Committee (NRC) has appointed Mr. Bharat Madan as an additional director and Whole-time Director of the Company, designated as Whole-time Director and Chief Financial Officer, effective from February 8, 2023. Subsequently, the shareholders of the Company has approved the such appointment through postal ballot notice dated March 15, 2023.

During the year under review the tenure of second term as Independent Director of Mr. P.H. Ravikumar and Mrs. Vibha Paul Rishi had been completed on July 14, 2022. Further, the tenure of Dr. Sutanu Behuria, Independent Director is expiring in the ensuing AGM. Dr. Behuria was appointed as



an Independent Director in 2015 and completing the second term which will be ending in the ensuing AGM.

Further, Mr. Shailendra Agarwal has resigned from the position of directorship effective from February 3, 2023, due to his health condition.

The Company has received declarations from all Independent Directors of the Company that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under Regulations 16 and 25 of SEBI Listing Regulations and there has been no change in the circumstances affecting their status as Independent Directors of the Company. The Company has also received a declaration from all the Independent Directors that they have registered their names in the Independent Director data bank and pass/exempt requisite proficiency test conducted by Ministry of Corporate Affairs.

The policy on Appointment and Removal of Director's and Members of Senior Management was reviewed and amended by the Board at its meeting held on May 10, 2023. The said policy is annexed as **Annexure - A** and forms an integral part of this Report.

Annual performance evaluation of the Board, its committees and individual directors (including Independent Directors) pursuant to the provisions of the Act and the Corporate Governance requirements under SEBI Listing Regulations have been carried out. In accordance with the Policy, and the process, given in Report on Corporate Governance, was followed by the Board for evaluation of its own performance and its committees and individual directors including Independent Directors.

The remuneration policy for directors, key managerial personnel, senior management and other employees was reviewed and amended by the Board at its meeting held on May 10, 2023. The said policy is annexed as **Annexure - B** and forms an integral part of this Report.

The Company has devised a process whereby various presentations/ programs are being conducted to familiarise the directors with various developments at Industry level, new business initiatives and organisation strategies etc. The details of programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company – www.escortsgroup.com.

The Company recognises and embraces the importance of a diverse board in its success. Your Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience,

cultural and geographical background, age, ethnicity, race and gender, which will help it retain its competitive advantage.

The brief resumes and other details relating to the directors who are proposed to be appointed/ re-appointed, as required to be disclosed as per the provisions of the SEBI Listing Regulations/ Secretarial Standard are given in the Annexure to the Notice of the 77th AGM.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 are provided as **Annexure - C** and forms an integral part of this Report.

Corporate Governance

Corporate Governance is about maximising shareholders value, ethically and sustainably. At Escorts Kubota the goal of corporate governance is to ensure fairness for every stakeholder. Your Company believes that strong corporate governance is critical to enhancing and retaining investor trust. Your Company also endeavours to enhance long term shareholder value and respect minority rights in all its business decisions.

Your Company reaffirms its commitment to the good corporate governance practices and has adopted the Code of Business Conduct which has set out the systems, processes and policies conforming to international standards. Pursuant to Regulation 34(3) of the SEBI Listing Regulations, Corporate Governance Report and a Certificate regarding compliance of conditions of Corporate Governance from Company Secretary in Practice are enclosed as **Annexure - D** and forms an integral part of this Report.

Corporate Social Responsibility (CSR)

The key philosophy of all CSR initiatives of the Company is to make CSR a key business process for sustainable development of the society. The initiatives aim at enhancing welfare measures of the society based on the immediate and long term social and environmental consequence of its activities. The Company intends to undertake other need-based initiatives in compliance with Schedule VII of the Act.

The CSR Policy and Impact Assessment Report may be accessed on the Company's website www.escortsgroup.com under Investors Information Section. During the year, the Company has spent ₹17.30 crores. {Including amount transferred to unspent CSR account (refer note 29 of the standalone financial statements)}.

The Annual Report on CSR activities is enclosed as **Annexure – E** and forms an integral part of this Report.

Consolidated Financial Statements

The Consolidated Financial Statements have been prepared in accordance with the Act and Indian Accounting Standard (IND AS) - 110 applicable to the Consolidated Financial Statements read with IND AS-28 on Accounting for Investments in Associates and IND AS-31 on Financial Reporting of Interests in Joint Ventures issued by The Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements along with the Auditors' Report thereon are annexed with this Report.

Subsidiaries, Joint Ventures and Associate Companies

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Subsidiary, Associates and Joint Venture Companies in Form AOC-1 is provided in this Report. The statement also provides details of performance and financial position of each of the Subsidiary, Associates and Joint Venture Companies. Audited Financial Statements together with related information and other reports of each of the subsidiary companies have also been placed on the website of the Company at <https://www.escortsgroup.com/investors/annual-reports>.

html. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiaries, associate and joint venture companies.

In terms of the Company's Policy on determining "material subsidiary", during the financial year ended March 31, 2023, there is no material subsidiary of the Company whose income exceeds 10% of the consolidated income of the Company in the immediately preceding financial year.

During the FY ended on March 31, 2023, the Company has sold its entire 49% stake i.e. 7,27,65,000 equity shares of ₹10/- each of Tadano Escorts India Private Limited (TEIPL), a joint venture between the Company and Tadano Limited, Japan (Tadano), to Tadano, at ₹0.01 Cr. on November 9, 2022.

Further, the Company has also acquired the entire equity share capital of Escorts Corp Solutions Limited (ECSL), apart from the existing equity shares already held by the Company. Consequently, ECSL has become the wholly owned subsidiary of the Company w.e.f. January 18, 2023.

The complete list of subsidiaries, joint ventures and associate companies as on March 31, 2023, in terms of the Act and IND-AS is provided herein below:

S. No.	Name of the subsidiary / associate companies / joint ventures	Relationship	% of shares
1.	Escorts Crop Solutions Limited	Subsidiary	100%
2.	EKL CSR Foundation (Formerly Escorts Skill Development)	Subsidiary	100%
3.	Escorts Finance Limited	Subsidiary	67.87%
4.	Farmtrac Tractors Europe Spolka Z.o.o.	Subsidiary	100%
5.	Escorts Benefit and Welfare Trust	Subsidiary	100%
6.	Escorts Benefit Trust	Subsidiary	100%
7.	Adico Escorts Agri Equipments Private Limited	Joint Venture	40%
8.	Escorts Kubota India Private Limited	Joint Venture	40%
9.	Kubota Agricultural Machinery India Private Limited	Joint Venture	40%
10.	Escorts Consumer Credit Limited	Associate	29.41%

The details of the above investments/ disinvestment are provided in the note 7 of the notes to accounts of Standalone Financial Statements of the Company.

Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length

basis. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on the materiality of related party transactions.

The particulars of contracts or arrangements, with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC-2, is appended as **Annexure – F** to this report.



The Policy on materiality of related party transactions and dealing with related party transactions may be accessed on the Company's website at <https://www.escortsgroup.com/investors/governance.html>.

Your Directors draw attention of the members to note 45 in the notes to accounts in the Standalone Financial Statements and to note 44 in the notes to accounts in the Consolidated Financial Statements which sets out related party disclosures.

Auditors and Auditors' Report

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with rules thereunder, the shareholders of the Company at the 76th AGM held on July 14, 2022 had re-appointed M/s. Walker Chandio & Co LLP, Chartered Accountants, New Delhi (Firm Registration No. 001076N/ N500013) as Statutory Auditors of the Company for a period of 5 years i.e. upto the conclusion of AGM to be held in the year 2027.

The comments given by M/s. Walker Chandio & Co LLP, Chartered Accountants, Statutory Auditors, in their report read together with notes to accounts for the FY ended March 31, 2023 are self-explanatory and hence, do not call for any further explanations or comments under Section 134 of the Act.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013 neither the Statutory Auditors nor Secretarial Auditors nor Cost Auditors have reported any incident of fraud to the Audit Committee or the Board during the year under review.

Cost Auditors

Pursuant to the Section 148 of the Act read with rules thereunder, your Company is required to maintain the cost records and the said cost records are required to be audited.

The Company is maintaining all the aforesaid cost records.

The Board of Directors, on the recommendation of Audit Committee, has re-appointed M/s. Ramanath Iyer and Co., Cost Accountants (Firm Registration No. 000019), as Cost Auditors of the Company for conducting the audit of cost records for the FY 2023-24.

The due date of filing the Cost Audit Report for the year ended on March 31, 2022 was September 30, 2022 and the same had been filed on August 23, 2022.

Secretarial Auditors

The Board had appointed M/s. Jayant Gupta and Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct secretarial audit of the Company for the FY 2022-23.

The Secretarial Audit Report of the Company as prescribed under Section 204 of the Act is annexed herewith as **Annexure - G** and forms an integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation and adverse remarks and the comments given by the Secretarial Auditors in their report are self-explanatory and hence, do not call for any further explanations or comments under Section 204(3) of the Act.

The Board has also re-appointed M/s. Jayant Gupta and Associates, Practicing Company Secretaries to conduct secretarial audit of the Company for the FY 2023-24.

Risk Management

The Risk Management Committee of the Board has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organisation faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company has laid down a Risk Management Policy and the same is available on the website of the Company at <https://www.escortsgroup.com/investors/governance.html>.

The details of constitution of Risk Management Committee of the Company is provided in Report on Corporate Governance at **Annexure - D** of the Directors' Report.

Internal Financial Control and its Adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company has in place adequate internal financial controls for ensuring the orderly and efficient conduct of its business.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Disclosures

Meetings of the Board

Six meetings of the Board of Directors were held during the year. For further details, please refer Report on Corporate Governance annexed as **Annexure – D** to this Report.

Audit Committee

For constitution and other details of the Audit Committee, please refer Report on Corporate Governance annexed as **Annexure – D** to this Report.

All the recommendations made by the Audit Committee were accepted by the Board.

CSR Committee

For constitution and other details of the CSR Committee, please refer Report on Corporate Governance annexed as **Annexure – D** to this Report.

Annual Return

The Annual Return for Financial Year 2022-23 is available on the Company's website at <https://www.escortsgroup.com/other-documents>.

Vigil Mechanism

The Company has adopted a Whistle Blower Policy establishing vigil mechanism for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of effected Director(s) and Employee(s). In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy is available on Company's website at <https://www.escortsgroup.com/investors/governance.html>.

Registrar and Share Transfer Agent

The Share Transfer and related activities are being carried out by M/s. KFin Technologies Limited (earlier KFin Technologies Private Limited), Registrar and Share Transfer Agent from the following address:

M/s. KFin Technologies Limited
Selenium Building, Tower B, Plot No. 31-32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana - 500032

Particulars of Loans given, Investments made, Guarantees given and Securities provided

A statement regarding Loans/ Guarantees given and Investments covered under the provisions of the Section 186 of the Act is made in the notes to the financial statement.

Particulars of Employees and related disclosures

In terms of provisions of Section 197(12) of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the prescribed limits are available with the Company Secretary.

In terms of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary of the Company and the same will be furnished on request.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – H** and forms an integral part of this Report.

Public Deposits

The Company has not accepted/ renewed any Fixed Deposit during the financial year under review and as such no amount of principal or interest was outstanding as of the Balance Sheet date.

Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Act, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Accordingly, the Company has transferred ₹16.06 lakhs, pertaining to unclaimed dividend, during the period under review, to IEPF.

Further, according to the rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred 38,732 shares, during the period under review, to IEPF. The detailed information is available at our website www.escortsgroup.com.



As on March 31, 2023, no unclaimed deposits are pending which required to be transferred to IEPF.

Credit Rating

The present credit rating of the Company is as under:

CRISIL Limited and ICRA Limited granted long term rating as “AA+ with stable outlook” and Short-Term rating as “A1+”

Material Changes and Commitment affecting the financial position

There are no material changes affecting the financial position of the Company subsequent to the closure of the FY 2023 till the date of this report.

Prevention of Sexual Harassment

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to provide equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy. Though the Company's policy is gender neutral. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your directors further state that during the year under review, there were two cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same have now been resolved.

Human Resources Management

Our professionals are our most important assets. We are committed to hiring and retaining the best talent being among the industry's leading employers. For this, we focus on promoting a collaborative, transparent and participative organisation culture, and rewarding merit and sustain high performance. Our human resources management focuses on

allowing our employees to develop their skills, grow in their career and navigate their next.

Secretarial Standards

The Company is in compliance with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Integrated Report

The Company has provided Integrated Report, which includes non-financial and financial information to have a better understanding of the Company's long-term strategy. This report covers six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital as per International <IR> framework.

Business Responsibility and Sustainability Report (BRSR)

In November 2018, the Ministry of Corporate Affairs (MCA) constituted a Committee on Business Responsibility Reporting (BRR) (“the Committee”) to finalize business responsibility reporting formats for listed and unlisted companies, based on the framework of the National Guidelines on Responsible Business Conduct (NGRBC). Through its report, the Committee recommended that BRR be rechristened BRSR, where disclosures are based on ESG Corporate Overview Management Discussion and Analysis Financial Statements parameters, compelling organizations to holistically engage with stakeholders and go beyond regulatory compliances in terms of business measures and their reporting. SEBI, vide its circular dated May 10, 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalization) from FY 2023. Further, pursuant to Regulation 34 of the SEBI Listing Regulations, the BRSR disclosures are enclosed as **Annexure I** and forms an integral part of this Report.

Application made or any proceeding pending under the Insolvency and Bankruptcy Code

As on the date of the report no application is pending under the Insolvency and Bankruptcy Code, 2016 against the Company and the Company did not file any application under (IBC) during the Financial Year 2022-23. Further, the Company has not made any one-time settlement.

Compliance by Large Corporate

Your Company does not fall under the category of large corporate, as defined under SEBI vide its circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, as such no disclosure is required in this regard.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Act, with respect to Directors' Responsibility Statement, your Directors, to the best of their knowledge and ability, hereby confirm that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts for financial year ended March 31, 2023 on a 'going concern' basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future. However, members attention is drawn to note 32 in the notes to accounts in the Standalone Financial Statements and to note 33 in the notes to accounts in the Consolidated Financial Statements which sets out information on Commitments and Contingencies.
5. Details of difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

Acknowledgement

Your Directors would like to express their sincere appreciation of the positive co-operation received from the Central Government, the Government of Haryana and Karnataka, Financial Institutions and the Company's Bankers, Customers, Dealers and all other business associates.

The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers, workers, employee unions and staff of the Company resulting in the successful performance of the Company during the year.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

For and on behalf of the Board of Directors

Place: Faridabad

Date: May 10, 2023

Sd/-

NIKHIL NANDA

Chairman & Managing Director

Sd/-

SEIJI FUKUOKA

Deputy Managing Director



Annexure – A

to the Directors' Report

Policy on Appointment and Removal of Director's and Members of Senior Management

1. Preamble

- (i) This Policy on Appointment of Directors and Members of Senior Management (the "**Policy**") applies to the Board of Directors (the "**Board**") of Escorts Kubota Limited ("**Escorts**" or "**EKL**" or the "**Company**") and the Senior Management of EKL. This Policy was recommended by the Nomination and Remuneration Committee of the Company ("**NRC**") and approved by the Board at its meeting held on January 16, 2015 and shall be subjected to periodic review by the NRC.
- (ii) This Policy has further been amended from time to time and last approved by the Board of Directors in its meeting held on May 10, 2023.
- (iii) The primary objective of the Policy is to provide a framework and set standards for the appointment of talented and self-motivated Directors and Members of Senior Management who should have the capacity and ability to lead EKL towards achieving its stated goals and strategic objectives, taking into account the interest of all stakeholders.
- (iv) The Board is ultimately responsible for the appointment of Directors and recommending the appointment of Independent Directors to the shareholders for their approval.
- (v) The Board delegates its responsibility for the assessment and selection of suitable candidates for the position of Directors of EKL to the NRC, which will submit its recommendations to the Board, in accordance with this Policy.

2. Definitions

For the purposes of this Policy:

'Executive Board' shall mean and include the Chairman and Managing Director, Managing Director and any other Whole-time Director of EKL appointed by the Board/ shareholders, by whatever name called.

'Senior Management' shall mean and include the following:

- Employees in the grade of L09 and above or in the Organization layer between N-0 to N-2; and
- KMPs (other than Whole-time Directors).

3. Criteria for Appointment as a Director and Senior Management Positions:

- (i) Matching the requirements of EKL and enhancing the competencies of the Board are the basis for NRC to shortlist and recommend a candidate for appointment to the Board. Such candidate shall have primary or substantial strategic and balance sheet management/ profitability management responsibilities. When recommending a candidate for such appointment, the NRC shall consider:
 - (a) the results of assessment of the proposed appointee against a range of criteria formulated by the NRC which include but shall not be limited to skill sets, regional and industry experience, background, integrity and other qualities required to operate successfully in the position of Director, having due regard to the benefits of diversity of the Board;
 - (b) the extent to which the proposed appointee is likely to contribute to the overall effectiveness of the Board and work constructively with the existing Directors and Senior Management;
 - (c) the present and potential future needs and requirements of the Company and sector in which it conducts its business and operations;
 - (d) the nature of existing positions held by the proposed appointee including other directorships held or other relationships and the impact it may have on the appointee's ability to exercise independent judgement;
 - (e) the provisions of the Articles of Association of the Company;
 - (f) any requirements under applicable law (including but not limited to under the Companies Act, 2013, and/or the rules and regulations made thereunder) and/or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**"); and
 - (g) time commitment required from a Director to properly discharge his fiduciary duties towards the Company.

- (ii) The criteria to be considered when assessing prospective candidates for appointment as Directors shall include the following:
 - (a) highest levels of personal and professional ethics and integrity;
 - (b) high quality attributes such as discipline, objectiveness, sensitivity and creativity;
 - (c) sharing and demonstrating the values of EKL;
 - (d) qualification in relevant disciplines (e.g. finance, secretarial, management, accountancy, legal and engineers etc.) or being a recognized specialist in disciplines or areas relevant to the Company and/or its business;
 - (e) experience in the management of a diverse organization, whether located in India and/or overseas, in the Sector where the Company is already doing business or intends to enter into;
 - (f) experience in accounting and finance, secretarial, administration, corporate, engineering and strategic planning or fund management;
 - (g) demonstrable ability to work effectively with the Board;
 - (h) excellent interpersonal, communication and representational skills;
 - (i) demonstrable leadership skills;
 - (j) strong influencing and negotiating skills; and
 - (k) continuous professional development to update knowledge and skills.
- (iii) The criteria to be considered when assessing prospective candidates for a Senior Management position shall include the following:
 - (a) highest levels of personal and professional ethics and integrity;
 - (b) demonstrable leadership skills;
 - (c) specialist knowledge and/or experience required for the Senior Management position in question;
 - (d) good interpersonal relationships;
 - (e) demonstrating intelligence, maturity and wisdom;
 - (f) possesses managerial abilities such as effective communication skills, action focus, people engagement, cultural sensitivity, flexibility, team player, strategic thinking, etc.;
 - (g) sharing and demonstrating the values of EKL;
 - (h) ability to significantly contribute towards achievement of the strategic and business objectives of the Company.
- (iv) Every person proposed to be appointed as a Director or a member of Senior Management should be able to give sufficient time and attention to the Company's affairs.
- (v) The Policy is aimed to engage Directors (including Non-Executive Directors and Independent Directors) and Members of Senior Management, who are highly skilled, competent, and experienced persons within the fields of business, finance, accounting, management, sales, marketing, administration, research, corporate governance, technical operations, law or other disciplines related to the Company's business and operations.
- (vi) In addition to such requirements as may be specified under this Policy and the provisions of the Articles of Association of the Company, the Independent Directors shall also fulfill the applicable requirements prescribed under Section 149 of the Companies Act, 2013, and the rules and regulations made there under, the provisions of the SEBI LODR, and other applicable laws as modified or amended or supplemented, from time to time.
- (vii) Each Independent Director shall be required to duly submit/ make the stipulated declarations required to be furnished pursuant to the provisions of the Companies Act, 2013, and the rules and regulations made thereunder, the SEBI LODR, other applicable laws and the Articles of Association of the Company.
- (viii) No person shall be considered for appointment/ re-appointment as a Director of EKL, if he is disqualified to be appointed/ re-appointed as such in terms of the provisions of Section 164 of the Companies Act, 2013, or under any other applicable law.
- (ix) No person shall be considered for appointment as a Director of EKL, if he is already a Director in ten or more public companies or private companies, which is either a holding or subsidiary company of a public company.

4. Selection Process

- (i) The selection procedure to be followed for appointment of persons for the Board is as below:



(a) NRC in consultation with the Chairman & Managing Director and Deputy Managing Director of EKL shall determine the selection criteria applicable for each position at the Board level ("**Director Selection Criteria**").

(b) For the positions of Whole-time Directors and based on the applicable Selection Criteria, the NRC in consultation with the Chairman & Managing Director and Deputy Managing Director of EKL, shall generate a potential list of candidates for the Board position in question who may meet the prescribed Director Selection Criteria.

(c) For the positions of Independent Directors or Non-Executive Directors, the NRC shall finalize a list of potential candidate(s) who meet the applicable Director Selection Criteria and shall submit such list to the Chairman & Managing Director and Deputy Managing Director of EKL along with its recommendations.

(d) The Chairman & Managing Director and Deputy Managing Director of EKL shall thereafter meet the shortlisted candidate(s) to assess their capability for the job. In the event that the Chairman & Managing Director and Deputy Managing Director may feel that no shortlisted candidate is suitable for appointment to the Board, the Chairman & Managing Director and Deputy Managing Director may require the NRC to submit a fresh list of candidates.

(e) The candidate selected by the Chairman & Managing Director and Deputy Managing Director, shall be appointed in accordance with the relevant provisions of the Companies Act, 2013, rules made thereunder and the SEBI LODR, subject to the approval of the Board and/ or shareholders of EKL at a General Meeting.

(ii) The selection procedure to be followed for the appointment of persons at the Senior Management positions is as below:

(a) In case of vacancy of KMP (other than Whole-time Directors), the Company's HR in consultation with the NRC shall identify and short list employees to fill such vacancy, who may meet the criteria mentioned in this Policy. The appointment of the successful candidate shall be made by the Board in accordance with the provisions of the Companies Act, 2013, rules made thereunder, the SEBI LODR, and the Company's internal rules and regulations and policies.

(b) In case of vacancy in other Senior Management positions, the Company's HR shall identify and short list employees to fill such vacancy. The details of appointment will be placed before the NRC and/ or the Board for noting only.

Notwithstanding anything contained herein, the selection procedure to be followed by the NRC in consultation with the Chairman & Managing Director and Deputy Managing Director of EKL for the appointment of: (i) Directors on the Board, and (ii) persons at the Senior Management positions, shall at all times be in accordance with the provisions of the Articles of Association of the Company.

5. Appointment Procedure

(i) Every Director shall be appointed/ re-appointed by EKL at a Board or a General Meeting in accordance with the provisions of the Articles of Association of the Company, and as per the requirements of the Companies Act, 2013, the SEBI LODR, or any other applicable laws.

(ii) No person shall be appointed/ re-appointed as a Director of EKL unless he/she has been allotted the Director Identification Number (DIN) and he furnishes to EKL a declaration to the effect that he is not disqualified to become a Director under the provisions of the Companies Act, 2013 and rules made there under or under any other law for the time being in force and files consent to hold the office as Director.

(iii) No person shall be appointed as a Director whose name appears in the list of willful defaulters published by the Reserve Bank of India.

(iv) The NRC shall ensure that the appointment/ re-appointment of Directors of EKL is as per the terms of this Policy and recommendations of candidates are made to the Board for appointment.

6. Term/ Tenure

(i) Managing Director/Whole Time Director

The Company shall appoint or re-appoint any person as its Managing Director or CEO or Whole Time Director for such a term as provided under the applicable laws in accordance with the terms of the Articles of Association of the Company, as applicable.

(ii) Independent Director

An Independent Director shall hold the office for a maximum term of upto five consecutive years on the Board of the Company and will be eligible for re-appointment

on passing a special resolution by the Company and disclosure of such appointment in the Board's report.

Independent Directors will normally have an age limit of 75 years. The Board might however in specific cases review this age limit and continue the tenure of the appointment subject to such approvals as are needed. A new appointee will therefore be at the time of appointment will not be more than 70 years old. The limit of 75 years will not apply to non-Independent Directors and/ or to Independent Directors re-categorized as non-Independent Directors, subject the composition of the Board being in conformity with the extant guidelines.

No Independent Director shall hold the office for more than two consecutive terms, but Such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not during the said period of three years, be appointed in or be associated with the Company in other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2014, or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of upto five years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

7. Letters of Appointment to Directors

The Company shall issue a formal letter of appointment to the person appointed as a Director of EKL. The letter of appointment to be issued to the Independent Directors shall inter alia set out the matters as stated in Schedule IV of the Companies Act, 2013.

8. Evaluation Procedure for Directors

- (i) The NRC shall develop such assessment criteria as it shall deem fit for the purposes of undertaking performance evaluation of the Directors and the Board as a whole. The NRC shall undertake an annual performance evaluation of all Directors of EKL based on the relevant assessment criteria developed by it.
- (ii) The assessment criteria for performance evaluation of Directors shall be disclosed in accordance with the relevant provisions of the Companies Act, 2013, the rules framed thereunder and the SEBI LODR.

9. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereafter or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a director or KMP subject to the provisions and compliance of said Act, rules and regulations.

10. Retirement

- (i) The Directors liable to retire by rotation shall retire as per the provisions of the Companies Act, 2013, read with rules framed thereunder. For Whole-Time Director(s), KMPs and members of Senior Management the retirement age shall be 58 years. The term of Independent Directors shall be governed by the provisions of the Companies Act, 2013, read with rules framed thereunder.
- (ii) Any extension of the term of services beyond the age of 58 years for Whole-Time Director(s), KMPs, members of Senior Management shall be decided by the Board of Directors on case-to-case basis upon receiving recommendations from the Nomination, Remuneration and Compensation Committee. Unless otherwise decided by the Board the extension shall not be more than one year duration at a time with right to revoke the extension any time as per the terms.



11. Policy Review

- (i) This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013, and rules made thereunder, the SEBI LODR, the Securities and Exchange Board of India Act, 1992, and rules/regulations/ guidelines made thereunder,

the Memorandum and Articles of Association of the Company or as may be otherwise prescribed by the Board from time to time.

- (ii) The NRC may issue/implement such guidelines, procedures, formats and/or reporting mechanisms to enforce this Policy as it may deem fit.

For and on behalf of the Board of Directors

Place: Faridabad

Date: May 10, 2023

Sd/-

NIKHIL NANDA

Chairman & Managing Director

Sd/-

SEIJI FUKUOKA

Deputy Managing Director

Annexure – B

to the Directors' Report

Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other employees

1. Preamble

The primary objective of this Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other employees (the “**Policy**”) is to provide a framework for the remuneration of the Directors, Key Managerial Personnel (KMP), Members of Senior Management and other employees of the Escorts Kubota Limited (“**Escorts**” or “**EKL**” or the “**Company**”).

In terms of Section 178 of the Companies Act, 2013, read with rules framed thereunder and Regulation 19 read with Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”), the Nomination, Remuneration and Compensation Committee of Directors of the Company (“**NRC**”) has formulated and recommended this Policy for the approval of the Board of Directors of EKL.

The primary objectives of this Policy are as under:

- (i) To ensure that the level and composition of remuneration is in line with other companies in the industry, sufficient to attract and retain right talent, at all levels and keep them motivated enough to meet the organisational objectives.
- (ii) To ensure that a reasonable balance is maintained in terms of composition of remuneration (fixed and variable component).
- (iii) To have performance measurement parameters in place to assess the overall performance of Directors, KMPs, Members of Senior Management and other employees.

Based on the above objectives and broad parameters set herein, the Board of Directors of EKL at its meeting held on January 16, 2015, has approved this Policy.

This Policy has further been amended from time to time and last approved by the Board of Directors in its meeting held on May 10, 2023.

2. Applicability

This Policy shall be applicable and act as a guiding principle with regard to remuneration payable by EKL to all directors, KMPs, Members of Senior Management and other employees of the Company.

3. Remuneration of Non-Executive/ Independent Directors

- (i) The key elements of remuneration of Non-Executive/ Independent Directors are commission and sitting fees (except professional fee, if any), subject to overall limit as prescribed in the Companies Act, 2013, read with rules made thereunder and the approval of the shareholders, as applicable. They shall be covered under the Directors and Officers Liability Insurance (D&O) Policy. The Independent Directors shall not be eligible for stock options.
- (ii) Since, the Non-Executive/ Independent Directors collectively endeavor to ensure that the Company performs well and is compliant with applicable laws, rules, regulations and guidelines, they may be paid commission, subject to the approval of the Board.

4. Remuneration of Whole-time Director's including Whole-time KMP (being a Director)

- (i) The Whole-time Directors are appointed on a contractual basis for a fixed tenure as approved by the shareholders and such contracts are renewable upon expiry of the tenure subject to recommendation by the NRC/ Board and approval of the shareholders.
- (ii) The remuneration paid to Whole-time Directors is within the limits approved by the shareholders of EKL which includes fixed salary, perquisites, variable pay in the form of commission, other benefits and allowances and certain retiral benefits, within the overall limit under Section 197 of the Companies Act, 2013. They are also eligible for stock options as per the scheme framed/ to be framed by EKL, from time to time.
- (iii) The Whole-time Directors shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.



- (iv) Their annual increments shall be linked to their overall performance and as recommended by the NRC and approved by the Board, from time to time.

- (v) Employees must conduct themselves to ensure that no breach of Kubota Charter of Action and Code of Conduct, EKL.

5. Members of Senior Management, KMP (other than whole-time directors) and other employees

- (i) Senior Management shall mean and include the following:
- (a) Employees in the grade of L09 and above or in the Organisation layer between N-0 to N-2; and
- (b) KMPs (other than Whole-time Directors).
- (ii) The key components of remuneration package of the Senior Management and other employees of EKL shall comprise of basic salary, dearness allowance, house rent allowance, transport allowance, ex-gratia, performance bonus, contribution to provident fund and superannuation fund, premium on medical insurance and personal accident insurance, scholarship for children, gratuity, leave travel allowance, leave encashment etc., which is linked to their grade. They are also eligible for stock options as per the scheme framed/ to be framed by EKL, from time to time.
- (iii) The remuneration, performance appraisal and rewards of Members of Senior Management and other employees, shall be in line with the stated objectives.
- (iv) The annual increments for the Senior Management and KMP (other than Whole-time Directors) and other employees shall be linked to their overall performance and as decided by the Chairman & Managing Director and Deputy Managing Director in consultation with their reporting managers and Company's HR. The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

- (vi) Code of Conduct, EKL Code of conduct for prevention of Insider trading or such other code as may be applicable from time to time, Standard Operating Procedures (SOPs) and all other relevant and applicable codes is committed. Any such breach will have a direct bearing on their performance appraisal and rewards and shall also attract appropriate disciplinary action.

6. Disclosures in the Board's Report

- (i) The disclosures as required under the relevant provisions of the Companies Act, 2013, rules made thereunder and SEBI LODR shall be made with regard to the remuneration details of the Directors, KMPs, Senior Management and other employees.
- (ii) This Policy shall be uploaded on the website of the Company.

7. Policy review

- (i) This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013, rules made thereunder, the SEBI LODR, the Securities and Exchange Board of India Act, 1992, and rules/ regulations/ guidelines made thereunder, the Memorandum and Articles of Association of the Company or as may be otherwise prescribed by the Board from time to time.
- (ii) The NRC may issue/ implement such guidelines, procedures, formats and/ or reporting mechanisms to enforce this Policy as it may deem fit.

For and on behalf of the Board of Directors

Sd/-

NIKHIL NANDA

Chairman & Managing Director

Sd/-

SEIJI FUKUOKA

Deputy Managing Director

Place: Faridabad

Date: May 10, 2023

Annexure – C

to the Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

I) Conservation of Energy

1. The Steps taken or impact on conservation of energy

The Company has always been conscious of the need for the Conservation of the Energy & has been steadily making progress towards this end.

The area of focus is Generation, Transmission, Distribution & Consumption in all production & non-production processes and for the same, following energy conservation initiatives have been taken, which are detailed as under:

- Reduction of Fuel consumption upto 95% by shifting 11KV independent feeder from 66KV substation to 220 KV substation.
- Installation of Variable Frequency Drive (VFD) on high rated motors and reduction in Energy consumption.
- Production Efficiency improvement in Engine assembly Area in the plant to scale down operations from 2 assembly lines to single assembly line.
- Heat treatment Furnace running optimisation in one of the plant of the Company.
- Digitisation of energy consumption monitoring across the plants and optimisation of production line running in all areas.
- Minimize the neutral current Loss with Phase balancing in electricity output.
- Installation of Occupancy sensors/Light automation to eliminate Light wastage.
- Installation of the Harmonic Filters in Power House's main LT Panel to eliminate the electricity noise.

2. Steps taken by the Company for utilizing alternate source of energy

To increase the generation of energy as an alternate source of energy, chemical cleaning has been done by the Company on the rooftop solar Power Plants

system installed in various plants of the Company and also installed additional roof Top Solar system of 170 KWp in one plant. Further the Company has Changed the fuel, Diesel to PNG In Thermic fluid heating unit for mould heating in Rubber Department and Diesel Genset replaced by PNG Genest.

3. Capital Investment on Energy Conservation Equipment's

During the year under review, approximately, ₹194/- lacs has been spent on various initiatives at various locations with respect to feeder shifting, Solar Panel Installing & cleaning, VFD installation and Digitization. Further ₹4.90/- lacs has been spent on Installation of Harmonic filter to reduce electricity noise in Powerhouse and ₹1.60 lacs/- for Installation of VFD drives in Air Washers in Machine Shop.

II) Technology Absorption

1. The efforts made towards technology absorption

- a) Developed Electro Pneumatic (EP) assisted Brake System for 3 Phase locomotives. EP Assist system will be fitted on 3-phase electric locomotives required for trains having longer formation and higher speed.
- b) Euro G28 Compact Tractor with inhouse EKL engine for Vineyards in Powertrac Brand.
- c) Euro 30 2WD/4WD Narrow Tractor for Orchards and Utility Application.
- d) Euro 60 BT-IV(CRDi) meeting Upcoming Emission Norms for Tractor Industry with inhouse EKL engine.
- e) Euro 50 NXT (High Torque) with Bigger wetliner engine and larger tyres (16.9 -28)
- f) Euro 42 & 47 for potato farming with suitable track & high lifting capacity.
- g) Euro 439 for Bangladesh market.
- h) FT6055 BT-IV(CRDi) meeting Upcoming Emission Norms for Tractor Industry with inhouse EKL engine.
- i) FT Champion – 42 Side shift (SR Bull Horn) with side shift gear shift.
- j) FT Champion – 47 Side shift (SR Bull Horn) with side shift gear shift.



- k) FT 60 Powermaxx (High Torque) with Bigger Wetliner engine.
- l) CRDi 75 Stage-V to cater to EU market with inhouse developed 75 HP EKL engine.
- m) NT-75 Stage V narrow track tractor for European market with inhouse developed 75 HP EKL engine.
- n) FT 25G (HST) Compact electric tractor with Hydrostatic transmission.
- o) FT 7110-3A 110 HP utility tractor with inhouse developed EKL engine.
- p) F-2022 (Whiteline) crane with safety & drag winge.
- q) F-15 fighter safe crane in 15 ton category.
- r) TRX-3012 crane in 30 ton category.
- s) BHL XT1610 (New Bonnet, New Cabin) Backhoe loader with Escorts engine and new look.
- t) BHL Jungli 2.0 HT in new look with KOEL high torque engine, 4WD, 6 in 1 showel, Safety grill and new branding.
- d) Significant Material cost reduction in tractors through design optimization and purchase efficiency.
- e) Design & Development to reduce emissions as per Indian & European norms.
- f) Initiated a new product range for global markets. Application-specific products for niche markets introduced for applications e.g. wetland, super seeder, 4WD, mining, etc.
- g) Cost-effective & customized solution will help customers to afford the solution and enable them to produce more output per unit cost of input & help them to meet emerging market challenges.
- h) Design & Development of 24+8, 16+8, 12+12 modular transmissions for multiple Agri & Non-Agri tractor applications.
- i) As a Green technology/Sustainability initiative, Escorts has developed and exporting electric tractors to the US and Europe. Now we are further enhancing the range of electric tractor with Hydrostatic transmission.

2. Benefits derived like product improvement, cost reduction, product development or import substitution

- a) Product cost optimization through import substitution of Axle Mounted Disc Brake System (AMDBS) for passenger coaches.
- b) Escorts has an entire range of tractors from 15 hp to 120 hp for domestic and export markets with enhanced styling, power, and performance.
- c) Escorts delivered a series of new products with enhanced power and performance and made a better value proposition for customers in the domestic & export market. This has given more customer & application coverage for Escorts products & resulted in enhanced growth.
- j) Initiated new projects for the addition of new features, reliability enhancement and upgradation of existing products & creation of new platforms to meet customer expectations and emerging future trends.
- k) Capability enhancement for Engine, Transmission, Hydraulic technologies & design optimization through the usage of predictive/virtual simulation software, and high-performance computers.
- l) Use of in-house aggregates to support cost-effective solutions to customers.
- m) Product cost optimisation thru VA/VE, cost reduction initiative, Innovative out-of-the-box ideas.

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

1. Technology imported	NIL
2. Year of Import	NIL
3. Has technology been fully absorbed?	N.A.
4. If not absorbed, areas, where this has not taken place, reasons therefore and future plans of action	N.A.

4. Expenditure incurred on Research & Development

	₹ Cr.	
	For the financial year ended on March 31, 2023	For the financial year ended on March 31, 2022
a) Capital Expenditure*	43.33	17.80
b) Recurring Expenditure	149.48	131.83
Total R&D Expenditure	192.81	149.63
Total R&D Expenditure as a percentage of total turnover	2.36%	2.14%

*Does not include capital advance/ capital work in progress

III) Foreign Exchange Earnings and Outgo**Activities relating to export**

The details on activities related to exports are provided elsewhere in this Annual Report.

Total Foreign Exchange earning and outgo

	₹ Cr	
	For the financial year ended on March 31, 2023	For the financial year ended on March 31, 2022
a) Foreign exchange outgo:		
- Imports (including capital goods)	264.28	275.46
- Others	21.75	5.96
Total	286.03	281.42
b) Foreign Exchange earned	640.43	511.21

For and on behalf of the Board of Directors

Place: Faridabad

Date: May 10, 2023

Sd/-

NIKHIL NANDA

Chairman & Managing Director

Sd/-

SEIJI FUKUOKA

Deputy Managing Director



Annexure – D

to the Directors' Report

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance Code

The Chosen Vision of your Company is an institution in perpetuity. The Company is deeply conscious that, while doing business successfully, it will actively cater to building of nation and society around it. The long-term interest of the Company, particularly in agriculture and construction equipment domains, is closely woven with stakeholder alignment.

Your Company has large number of stakeholders in all spheres of business and society. It will be our endeavours to constantly promote and enhance the stakeholder's legitimate interest.

The Company endeavours to conduct its business and strengthen relationship in a manner that is dignified, distinctive and responsible. The Company adheres to ensure fairness, integrity, transparency, independence, and accountability in dealing with all stakeholders. Therefore, the Company has adopted various codes/policies to carry out its duties in transparent manner and highest governance standards through continuous evaluation and benchmarking. Some of these codes/policies are: -

1. Code of Conduct to Regulate, Monitor and Report Trading by Insider
2. EKL - Code of Conduct
3. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
4. Code of Conduct for Board Members and Senior Management of the Company
5. Investor Grievance Redressal Policy
6. Policy for Preservation of Company's Records
7. Policy for determining Material Subsidiary
8. Policy on Materiality of Related Party Transactions (RPT) and dealing with RPT
9. Policy on Appointment and Removal of Directors and Members of Senior Management
10. Corporate Social Responsibility (CSR) Policy
11. Dividend Distribution Policy
12. Remuneration Policy for the Directors, KMPs, Senior Management, and other employees
13. Whistle Blower Policy

14. Policy for Determination of Materiality of Events/ Information
15. Policy on Risk Management
16. Policy on Succession Planning
17. Board's Diversity Policy
18. Competition Compliance Policy
19. Policy on Prevention of Sexual Harassment at Workplace
20. Equal Opportunity Policy
21. Supplier Code of Conduct
22. Business Responsibility and Sustainability Policy

II. Board of Directors

- a) The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board of Director(s) along with its committee(s) provide leadership and guidance to the Company's Management and directs, supervises and controls the performance of the Company. The Board of Director(s) of the Company comprises of distinguished personalities, who have been acknowledged in their respective fields. The Composition of the Board and categories of directors, as on March 31, 2023, is as follows: -

Category	Name of Directors
Promoter/ Promoter Group Directors	Mr. Nikhil Nanda (Chairman and Managing Director) Ms. Nitasha Nanda (Whole-time Director)
Executive Director	Mr. Seiji Fukuoka, 'Whole-time Director' designated as 'Deputy Managing Director' (Nominee of Kubota Corporation, Japan (Joint Promoter of the Company) as equity investor) Mr. Bharat Madan, 'Whole-time Director' designated as 'Whole Time Director and Chief Financial Officer'
Non-Executive Director (Promoter Group)	Mr. Hardeep Singh
Non-Executive Nominee Directors (Kubota Corporation, Japan (Joint Promoter of the Company) as Equity Investor)	Mr. Dai Watanabe Mr. Yuji Tomiyama Mr. Shiro Watanabe Mr. Yasukazu Kamada

Category	Name of Directors
Independent Non-Executive Directors	Dr. Sutanu Behuria
	Mr. Sunil Kant Munjal
	Ms. Tanya Arvind Dubash
	Mr. Harish N Salve
	Mr. Ravindra Chandra Bhargava
	Mr. Kenichiro Toyofuku
	Mr. Vimal Bhandari
	Ms. Reema Rameshchandra Nanavaty
	Mr. Manish Sharma

Mr. Nikhil Nanda is the brother of Ms. Nitasha Nanda. None of the other directors are related to any other director on the Board.

b) Familiarization programme for Board members

The Board members are provided with necessary documents viz Company's profile, its mission, vision, Organisation structure, Company's milestone, a brief background of the business of the Company, major policies, periodic presentations are made to the Board on the business and performance, risk management, new business initiatives and organisation strategies, change in the regulatory environment applicable to the corporate sector and to the industry in which it operates.

The details of such familiarisation programme of Independent Directors are posted on the website of the Company and can be accessed at <https://www.escortsgroup.com/investors/governance.html>

c) Independent Directors' obligations

- The Independent Director(s), at the first meeting of the Board in which they participate as Director and thereafter at the first meeting of the Board in every financial year (FY) or whenever there is any change in the circumstances which may affect his/ her status as an Independent Director, give a declaration that they meet the criteria of independence as provided under the Companies Act, 2013 ('Act') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR' or 'Listing Regulations')
- All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) & 25(8) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- The maximum tenure of Independent Directors is in compliance with the Act.

- The Board is of the opinion that the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.
- The Independent Directors of the Company meet at least once in every FY without the presence of Non-Independent Directors and management personnel. Such meeting enables Independent Directors to discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV of the Act. The Independent Directors take appropriate steps to present their views to the Chairman. One meeting of the Independent Directors was held during the FY 2022-23.

d) Certification from Company Secretary in Practice

- A certificate from M/s Jayant Gupta & Associates, Practicing Company Secretaries, certifying none of the directors of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by Securities and Exchange Board of India ('SEBI')/ Ministry of Corporate Affairs ('MCA') or any other regulatory authority. The said certificate posted on the website of the Company and can be accessed at www.escortsgroup.com.

e) Code of Conduct

- The Board has laid down a code of conduct ('the Code') for all Board Members and Senior Management Personnel of the Company. The Code is posted on the website of the Company (<https://www.escortsgroup.com/investors/governance.html>).
- All Board Members and Senior Management personnel of the Company affirm compliance with the Code on an annual basis and the declaration to that effect by the Chairman and Managing Director of the Company is attached to this report.
- The Company recognizes that sexual harassment violates fundamental rights of gender equality, right to life and liberty and the right to work with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate any act of sexual harassment and to take penal action, if required. The Company has taken initiatives to create wide awareness amongst the employees about the policy for the prevention of sexual harassment.
- The Senior Management have made the disclosure to the Board confirming that there is no material, financial and/ or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.



f) Directors attendance, directorships and memberships etc.

Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorship and Chairmanship/ Membership of the Committee of each Director in various Companies and shareholding in the Company:

Name of Director	Director Identification number (DIN)	Category*	Directorship in other listed entity & Category**	No. of Board meetings during the period from 01.04.2022 to 31.03.2023		Whether attended the last AGM held on 14.07.2022	No. of directorships held in Public Limited Companies as on 31.03.2023 (#)		No. of committee Memberships / (Chairmanships) held in Public Companies (*) as on 31.03.2023	No. of shares held\$
				Held	Attended		Directorship	Chairmanship		
Mr. Nikhil Nanda	00043432	EPDCMD	-	6	6	Y	1	1	-	12,03,091
Mr. Hardeep Singh	00088096	NENID	UPL Limited, Independent Director	6	6	Y	5	-	5/3	500
Ms. Nitasha Nanda	00032660	EPD	-	6	6	Y	1	-	-	1,93,422
Dr. Sutanu Behuria	00051668	NEID	Indo-Tech Transformers Limited, Independent Director	6	6	Y	4	-	4/0	Nil
Mr. Sunil Kant Munjal	00003902	NEID	DCM Shriram Limited, Independent Director	6	3	Y	4	-	3/0	26,270
Ms. Tanya Arvind Dubash	00026028	NEID	Godrej Industries Limited, Executive Director Godrej Consumer Products Limited, Director Godrej Agrovet Limited, Director Britannia Industries Limited, Independent Director	6	3	Y	7	1	2/0	Nil
Mr. Harish N Salve	01399172	NEID	-	6	1	Y	1	-	-	Nil
Mr. Dai Watanabe%	08736520	NEND	-	6	6	Y	1	-	-	Nil
Mr. Yuji Tomiyama%	08779472	NEND	-	6	6	Y	1	-	-	Nil
Mr. Seiji Fukuoka%	08786470	DMD	-	6	6	Y	1	-	-	Nil
Mr. Shiro Watanabe%	09588547	NEND	-	6	5	Y	1	-	-	Nil
Mr. Ravindra Chandra Bhargava	00007620	NEID	Maruti Suzuki India Limited, Chairperson & Director Dabur India Limited, Independent Director	6	5	Y	4	1	3/2	Nil
Mr. Kenichiro Toyofuku	08619076	NEID	Maruti Suzuki India Limited, Executive Director	6	6	Y	2	-	-	Nil
Mr. Vimal Bhandari	00001318	NEID	Bharat Forge Limited, Independent Director Kalpataru Power Transmission Limited, Independent Director RBL Bank Limited, Director J K Tyres & Industries Limited, Independent Director DCM Shriram Limited, Independent Director	6	5	Y	9	-	7/2	Nil
Ms. Reema Rameshchandra Nanavaty	00690270	NEID	-	6	5	Y	2	-	-	Nil
Mr. Yasukazu Kamada%	09634701	NEND	-	6	5	Y	1	-	-	Nil
Mr. Manish Sharma	06549914	NEID	-	6	5	Y	1	-	1/0	Nil
Mr. Bharat Madan	00944660	ED & CFO	-	6	2	Y- as CFO	3	-	1/0	Nil

Mr. P.H. Ravikumar and Mrs. Vibha Paul Rishi were eligible for one meeting and attended the same and their tenure got completed on July 14, 2022. Mr. Shailendra Agrawal was eligible for four meeting and attended three meeting and resigned from his office on February 3, 2023.

* EPCMD - Executive Promoter Chairman and Managing Director, NENID - Non Executive Non Independent Director (Promoter Group), NEID - Non Executive Independent Director, EPD - Executive Promoter Group Director, ED - Executive Director, NEND - Non Executive Nominee Director - Kubota Corporation, Joint Promoter of the Company, DMD – Deputy Managing Director, ED & CFO – Executive Director and Chief Financial Officer

** In accordance with Regulation 17A, Directorship in equity listed entity have been considered.

(#) Including Escorts Kubota Limited but excluding Private Limited Company, Section 8 Companies and Companies incorporated outside India.

(^v) In accordance with Regulation 26, Memberships/ Chairmanships of Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies (including Escorts Kubota Limited) have been considered.

\$ No Convertible instrument was held by directors including non-executive director.

% Nominee directors of Equity Investor i.e. M/s Kubota Corporation (Joint Promoter of the Company).

g) Key Board Qualifications, Expertise and Attributes

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its' Committees. The Board members are committed to ensuring highest standards of corporate governance.

The table below provides the key qualifications, skills, expertise and attributes which are broadly taken into consideration while nominating candidates to serve on the Board:

Details of Directors qualifications

Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
Leadership	Expended leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess build or buy decisions, analyse the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.
Board service and governance	Service on public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
Digital/ Information Technology	Use of Digital/ Information Technology, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organisation.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

The details of directors who have such skills/ expertise/ competence are provided herein below:

Name of Directors	Area of Expertise					
	Financial	Leadership	Merger and Acquisitions	Board Service and Governance	Sales and Marketing	Digital/ Information Technology
Mr. Nikhil Nanda, Chairman and Managing Director	Y	Y	Y	Y	Y	Y
Mr. Hardeep Singh, Director	Y	Y	Y	Y	Y	-
Ms. Nitasha Nanda, Whole-time Director	Y	Y	-	Y	-	-
Dr. Sutanu Behuria, Independent Director	Y	Y	-	Y	-	-
Mr. Sunil Kant Munjal, Independent Director	Y	Y	Y	Y	Y	Y



Name of Directors	Area of Expertise					
	Financial	Leadership	Merger and Acquisitions	Board Service and Governance	Sales and Marketing	Digital/ Information Technology
Ms. Tanya Arvind Dubash, Independent Director	-	Y	-	Y	Y	-
Mr. Harish N Salve, Independent Director	-	Y	-	Y	-	-
Mr. Dai Watanabe, Nominee Director	Y	Y	Y	Y	Y	Y
Mr. Yuji Tomiyama, Nominee Director	Y	Y	Y	Y	Y	Y
Mr. Seiji Fukuoka, Deputy Managing Director	Y	Y	Y	Y	Y	Y
Mr. Shiro Watanabe, Nominee Director	Y	Y	Y	Y	Y	Y
Mr. Ravindra Chandra Bhargava, Independent Director	Y	Y	-	Y	Y	-
Mr. Kenichiro Toyofuku, Independent Director	Y	Y	Y	Y	-	-
Mr. Vimal Bhandari, Independent Director	Y	Y	Y	Y	-	-
Ms. Reema Rameshchandra Nanavaty, Independent Director	-	Y	-	Y	Y	-
Mr. Yasukazu Kamada, Nominee Director	Y	Y	Y	Y	Y	Y
Mr. Manish Sharma, Independent Director	Y	Y	Y	Y	Y	Y
Mr. Bharat Madan, Whole-time Director & Chief Financial Officer	Y	Y	Y	Y	-	Y

h) Directors' Membership in Board/ Committees of Other Companies

In terms of the provisions of the SEBI Listing Regulations, none of the Directors on the Company's Board is a member of more than ten committees and Chairman of more than five committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across the companies in which they are associated as Directors. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies including ten public companies (including 7 listed companies).

i) Board Meetings

Six (6) Board Meetings were held during the FY ended March 31, 2023 i.e. on May 13, 2022, August 1, 2022, September 15, 2022, November 4, 2022, February 8, 2023, and March 15, 2023.

The gap between any two consecutive Board Meetings did not exceed 120 days. All the recommendation of committee(s) of the Board were accepted by the Board. Further, the Annual Operating and Capital Budget(s) are approved by the Board of Directors and Board spends considerable time in reviewing the actual performance of the Company vis-à-vis the approved budget.

III. Audit Committee

a) Composition of Audit Committee*

As on March 31, 2023 the Audit Committee comprises of the following Non-Executive Directors:

1. Mr. Vimal Bhandari – Independent Director (Chairman)
2. Mr. Hardeep Singh – Non-Independent Director (Member)
3. Mr. Manish Sharma – Independent Director (Member)
4. Mr. Sunil Kant Munjal – Independent Director (Member)

Mr. Satyendra Chauhan, Company Secretary, acts as Secretary to the Audit Committee.

Chairman of the Audit Committee had attended the last AGM.

*Committee was re-constituted on July 21, 2022, by inducting Mr. Vimal Bhandari, Mr. Manish Sharma and Mr. Sunil Kant Munjal and Mr P.H. Ravikumar, Mrs. Vibha Paul Rishi and Dr. Sutanu Behuria have vacated their office.

b) Meetings & Attendance

Eight (8) meetings of the Audit committee were held during the FY ended March 31, 2023 i.e. on April 25, 2022, May 13, 2022, August 1, 2022, September 15, 2022, October 6, 2022, November 4, 2022, February 8, 2023 and March 15, 2023.

The attendance of the Audit Committee Members is as under:

Name of Member	No. of Meeting	
	Held	Attended
Mr. Vimal Bhandari (Chairman)	8	6*
Mr. Hardeep Singh	8	8
Mr. Manish Sharma	8	6*
Mr. Sunil Kant Munjal	8	3*

*Eligible for 6 meetings.

The gap between any two Consecutive Audit Committee meetings did not exceed 120 days.

Mr. P.H. Ravikumar, Mrs. Vibha Paul Rishi and Dr. Sutanu Behuria were eligible for two meeting and attended the same.

c) Terms of Reference of the Audit Committee as under

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the auditors and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with reference to:
 - Matters required to be included in the Directors' Responsibility Statement forming part of Board's Report in terms of Clause (c) of sub section 3 of Section 134 of the Act.
 - Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgement by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence & performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory & internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.



14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approving the appointment of Chief Financial Officer (i.e. the Whole-time Finance Head or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards.
21. Carrying out any other function as may be referred to the Committee by the Company's Board of Directors and/ or other Committees of Directors of the Company from time to time.
22. Recommending to the Board, the terms of appointment, re-appointment and, if required, the replacement or removal of the Cost and the Secretarial Auditors.
23. Reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.
24. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
25. The Committee has systems and procedures in place to ensure that the Audit Committee periodically reviews:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 - c. Internal audit reports relating to internal control weaknesses, if any;
 - d. Appointment, removal and terms of remuneration of the Chief Internal Auditor, if any;
 - e. The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under the SEBI Listing Regulations;
 - f. Details of material transactions with related parties, which are not in the normal course of business; and
 - g. Details of material transactions with related parties or others, if any, which are not on arm's length basis, along with management's justification for the same.
 - h. Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations 32(7).
26. The Audit Committee is endowed with the following powers:
 - a) To investigate any activity within its terms of reference.
 - b) To seek information from any employee.
 - c) To obtain outside legal or other professional advice.
 - d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

- e) To invite such of the executives, as it considers appropriate (and particularly the head of the finance) to be present at the meetings of the committee.

IV) Nomination, Remuneration and Compensation Committee (NRC)

a) Composition of NRC*

As on March 31, 2023, the NRC comprises of following Directors:

1. Mr. Vimal Bhandari – Independent Director (Chairman)
2. Mr. Hardeep Singh – Non-Independent Director (Member)
3. Mr. Sunil Kant Munjal - Independent Director (Member)
4. Ms. Tanya Arvind Dubash - Independent Director (Member)
5. Mr. Ravindra Chandra Bhargava - Independent Director (Member)
6. Mr. Dai Watanabe – Nominee Director (Member)

Mr. Satyendra Chauhan, Company Secretary, acts as Secretary to the NRC.

Chairman of the NRC had attended the last AGM.

*Committee was re-constituted, on July 21, 2022, by inducting Mr. Vimal Bhandari, Ms. Tanya Arvind Dubash, Mr. Ravindra Chandra Bhargava and Mr. Dai Watanabe and Mr P.H. Ravikumar, Mrs. Vibha Paul Rishi, Dr. Sutanu Behuria and Mr. Nikhil Nanda have vacated their office.

b) Meetings & Attendance

Four (4) meetings of the NRC were held during the FY ended March 31, 2023 i.e. on May 11, 2022, November 4, 2022, February 7, 2023 and March 13, 2023.

The attendance of the NRC Members is as under:

Name of Member	No. of Meeting	
	Held	Attended
Mr. Vimal Bhandari (Chairman)	4	3*
Mr. Hardeep Singh	4	4
Mr. Sunil Kant Munjal	4	0
Ms. Tanya Arvind Dubash	4	0*
Mr. Ravindra Chandra Bhargava	4	3*
Mr. Dai Watanabe	4	2*

*Eligible for 3 meetings.

Mr. P.H. Ravikumar, Mrs. Vibha Paul Rishi, Dr. Sutanu Behuria and Mr. Nikhil Nanda were eligible for one meeting and attended the same.

c) The Terms of Reference of the NRC

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Evaluate the balance of skills, knowledge and experience of an Independent Director for appointment on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. Consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. Recommend to the board, all remuneration, in whatever form, payable to senior management;
7. To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

d) Performance evaluation criteria for Directors, Board and its Committees

The NRC oversees the annual self-evaluation of the Board including Committee thereof and of Individual Directors. It reviews and discusses all matters pertaining to performance of all Directors including Independent Directors, periodically as may be necessary, on the basis of the detailed performance parameters set



forth. The Committee also periodically evaluates the usefulness of such performance parameters and makes necessary amendments.

The NRC has laid down the criteria/ questionnaires for performance evaluation of Board Committees and Directors (including Independent Directors) which is based on certain parameters which, inter-alia, including the following: -

- i) Timeliness of circulating Agenda for meetings.
- ii) Quality, quantity and timelines of flow of information to the Board.
- iii) Opportunity to discuss matters of critical importance, before decisions are made.
- iv) Promptness with which Minutes of the meetings are drawn and circulated.
- v) Familiarity with the objects, operations and other functions of the Company.
- vi) Involvement of Board in strategy evolution and monitoring.
- vii) Performance of the Chairperson of the Company including leadership quality.
- viii) Overall performance and contribution of directors at meeting.
- ix) Overall performance of the Board/ Committee.
- x) Director's adherence to high standard of integrity, confidentiality and ethics.

During the year under review, NRC has evaluated the performance of the directors (including Independent Directors), Board and its committees and Chairman of the Board and found the same satisfactory.

e) Remuneration Policy

In terms of the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations the NRC is responsible for formulating the criteria for determining qualification, positive attribute and independence of directors. The NRC is also responsible for recommending to the board a policy relating to the remuneration of the directors, key managerial personal, senior management and other employees. The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. In line with this requirement, the Board has adopted

the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other employees and is annexed as **Annexure – B** to the Directors' Report.

V) Details of Remuneration paid during the financial Year ('FY') ended March 31, 2023 to the Directors are as under

- i) There was no pecuniary relationships or transaction between the Non-Executive Directors and the Company during the FY 2022-23 except sitting fee and commission paid to the Non-Executive Directors as permitted under the Act read with Listing Regulations and the same detailed out below.
- ii) Criteria for making payments to Non-Executive Directors:- The Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The sitting fees as decided by the Board is reasonable and sufficient to attract, retain and motivate Independent Directors aligned to the requirement of the Company. However, it is ensured that the amount of such fees does not exceed the amount prescribed by the Central Government from time to time.

Non-Executive Directors can also be paid a commission based on performance of the Company apart from sitting fee.

Further, the shareholders of the Company have approved the payment of commission to Non-Executive Directors in the Annual General Meeting held on July 27, 2019, for a period of five years. Accordingly, Board has approved, for the FY 2022-23, the commission to Non-Executive and Independent Directors subject to 1% of the net profits (calculated in terms of Section 198 of the Act) of the Company.

Mr. Dai Watanabe, Mr. Yasukazu Kamada, Mr. Shiro Watanabe and Mr. Yuji Tomiyama, Nominee Directors of M/s. Kubota Corporation, have not been paid any sitting fee/ commission during the year 2022-23. Further, no sitting fee/ commission has been paid to Mr. Kenichiro Toyofuku (Non-Executive-Independent Director) during the year 2022-23.

Other than the above, no other payments are made to the Non-Executive Directors of the Company apart from sitting fee.

The details of remuneration to directors:

(₹ in crores)

Name of Directors	Category	Sitting Fee	Commission*	Basic Salary	Allowance & Perquisites	Provident Fund Contribution & Others	Total
Mr. Nikhil Nanda	EPDCMD	-	4.00	2.84	4.84	0.34	12.02
Mr. Hardeep Singh	NENID	0.16	0.13	-	-	-	0.29
Ms. Nitasha Nanda	EPD	-	0.56	0.87	1.32	0.10	2.85
Dr. Sutanu Behuria	NEID	0.10	0.13	-	-	-	0.23
Mr. Sunil Kant Munjal	NEID	0.06	0.13	-	-	-	0.19
Ms. Tanya Arvind Dubash	NEID	0.03	0.13	-	-	-	0.16
Mr. Harish N. Salve	NEID	0.01	0.13	-	-	-	0.14
Mr. Dai Watanabe	NEND	-	-	-	-	-	-
Mr. Yuji Tomiyama	NEND	-	-	-	-	-	-
Mr. Seiji Fukuoka	DMD	-	-	0.42	1.29	-	1.71
Mr. Shiro Watanabe	NEND	-	-	-	-	-	-
Mr. Ravindra Chandra Bhargava	NEID	0.06	0.12	-	-	-	0.18
Mr. Kenichiro Toyofuku	NEID	-	-	-	-	-	-
Mr. Vimal Bhandari	NEID	0.12	0.12	-	-	-	0.24
Ms. Reema Rameshchandra Nanavaty	NEID	0.06	0.12	-	-	-	0.18
Mr. Yasukazu Kamada	NEND	-	-	-	-	-	-
Mr. Manish Sharma	NEID	0.10	0.12	-	-	-	0.22
Mr. Shailendra Agarwal (Upto February 3, 2023)	ED	-	-	1.28	2.47**	0.15	3.90
Mr. P H. Ravikumar (Upto July 14, 2022)	NEID	0.03	-	-	-	-	0.03
Ms. Vibha Paul Rishi (Upto July 14, 2022)	NEID	0.04	-	-	-	-	0.04
Mr. Bharat Madan (W.e.f. February 8, 2023) [#]	ED & CFO	-	-	1.00	2.48**	0.12	3.60
Grand Total		0.77	5.69	6.41	12.40	0.71	25.98

*Commission for FY 2022-23

**including performance linked incentive

[#]Mr. Bharat Madan has been appointed as Whole-time Director and Chief Financial Officer w.e.f February 8, 2023 however, his total remuneration for the financial year 2022-23, has been considered.

The tenure of office of the Chairman and Managing Director and Whole time Director is for a period of five years from their respective date of appointment. The services of said Directors can be terminated as per the terms, not limited to notice period, approved by the shareholders of the Company read with the policies of the Company, which includes bonus, pension perquisites etc. In the event of termination of services, they shall be entitled to receive compensation in accordance with the provisions of Section 202 of the Act.

No stock options were issued to the directors during the period under report except 45,000 stock options were granted to Mr. Bharat Madan during the FY 2022-23 in terms of the Escorts Limited Employee Stock Option Scheme, 2006, prior to his appointment as director on the Board.

VI Stakeholders' and Relationship Committee (SRC)

a) Composition of the SRC*

As on March 31, 2023, the SRC comprises of following Non-Executive Directors: -

1. Mr. Hardeep Singh – Non-Independent Director (Chairman)
2. Dr. Sutanu Behuria – Independent Director (Member)
3. Mr. Vimal Bhandari – Independent Director (Member)

Mr. Satyendra Chauhan, Company Secretary, acts as Secretary to the SRC.

Chairman of the SRC had attended the last AGM.



*Committee was re-constituted, on July 21, 2022, by inducting Mr. Vimal Bhandari and Mrs. Vibha Paul Rishi has vacated her office

b) Terms of Reference of SRC

The term of reference of the committee shall inter-alia include the following:

- 1 Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- 2 Review of measures taken for effective exercise of voting rights by shareholders.
- 3 Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 4 Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

c) Meetings & Attendance

Four (4) meetings of the SRC were held during the financial year ended March 31, 2023 i.e. May 11, 2022, August 1, 2022, November 4, 2022 and February 8, 2023.

Name of Member	No. of Meeting	
	Held	Attended
Mr. Hardeep Singh	4	4
Dr. Sutanu Behuria	4	4
Mr. Vimal Bhandari	4	3*

*Eligible for 3 meetings.

Mrs. Vibha Paul Rishi was eligible for one meeting and attended the same.

d) The details of Complaints received/ resolved

During the period under review, 1,506 complaints were received from investors which were replied/ resolved to the satisfaction of investors except 3 complaint pending as on 31.03.2023 and the same have now been resolved.

e) Pending Share Transfers

No requests for transfer and/ or dematerialisation were pending for redressal as on March 31, 2023.

f) Engagement with Investors/ Shareholders

Company's RTA as well as internal team continuously address the grievances and/ or suggestions of investors/ shareholders and the SRC members review the same alongwith the details of the interactions with the investors/ shareholders on quarterly basis and provide suggestions/ directions, if any, for improving the engagement. Further, SRC members directly engage with investors/ shareholders at the time of general meeting(s) also.

VII Risk Management Committee (RMC)

a) Composition of the RMC*

As on March 31, 2023, the RMC comprises of following persons: -

- 1 Mr. Nikhil Nanda – Executive Director (Chairman)
- 2 Dr. Sutanu Behuria – Independent Director (Member)
- 3 Mr. Bharat Madan – Whole-time Director and Chief Financial Officer (Member)
- 4 Mr. Seiji Fukuoka – Executive Director (Member)
- 5 Mr. Kenichiro Toyofuku - Independent Director (Member)
- 6 Mr. Keisuke Yasue – Chief Officer - Corporate Planning (Member)

Mr. Satyendra Chauhan, Company Secretary, acts as Secretary to the RMC.

*Committee was re-constituted on July 21, 2022 by inducting Mr. Seiji Fukuoka, Mr. Kenichiro Toyofuku, Mr. Keisuke Yasue and Mr. Shenu Agarwal and Mr. Shailendra Agrawal have vacated their office.

b) Terms of Reference of RMC

- 1 To formulate a detailed risk management policy which shall include:

A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- 2 Measures for risk mitigation including systems and processes for internal control of identified risks;
- 3 Business continuity plan;

4. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
5. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
6. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
7. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
8. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

c) Meetings & Attendance

Two (2) meetings of the RMC were held during the financial year ended March 31, 2023 i.e. August 9, 2022 and February 2, 2023.

Name of Member	No. of Meeting	
	Held	Attended
Mr. Nikhil Nanda	2	2
Dr. Sutanu Behuria	2	2
Mr. Bharat Madan	2	2
Mr. Seiji Fukuoka	2	2
Mr. Kenichiro Toyofuko	2	2
Mr. Keisuke Yasue	2	2

Mr. Shailendra Agrawal was eligible for two meetings and attended one meeting and Mr. Shenu Agarwal was eligible for one meeting and attended the same.

VIII Corporate Social Responsibility Committee (CSR)

a) Composition of the CSR*

As on March 31, 2023, the CSR comprises of following persons:

1. Ms. Nitasha Nanda – Whole-time Director (Chairperson)

2. Mr. Nikhil Nanda - Chairman and Managing Director (Member)
3. Mr. Hardeep Singh – Non-Independent Director (Member)
4. Ms. Tanya Arvind Dubash – Independent Director (Member)
5. Mr. Seiji Fukuoka – Deputy Managing Director (Member)
6. Ms. Reema Rameshchandra Nanavaty - Independent Director (Member)

*Committee was re-constituted, on July 21, 2022, by inducting Mr. Seiji Fukuoka and Ms. Reema Rameshchandra Nanavaty and Mr P.H. Ravikumar, Mrs. Vibha Paul Rishi have vacated their office.

b) Terms of Reference

1. The CSR committee has been entrusted with the responsibility of formulating and recommending to the Board, CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of CSR Policy, CSR projects and recommending the amount to be spent on CSR activities.
2. Review and oversight the company's programs, policies, practices and strategy related to ESG including:
 - a) climate change
 - b) Sustainable sourcing
 - c) Water conservation and management
 - d) Energy Consumption
 - e) waste disposal
 - f) GHG reduction
3. Set appropriate Environmental, Social and Governance (ESG) goals and review periodically with respect to emerging trends and standards and accordingly approve for Company's Sustainability Reporting for external reporting.
4. Work in conjunction with the Risk Committee to oversee the identification and mitigation of risks relating to ESG, as well as the identification of opportunities related to ESG matters.
5. Periodically review regulatory, governance, market and other trends pertaining to ESG and accordingly make recommendations to Board in relations to updated requirements.



6. Work and liaise as necessary with all other Board committees.

c) Meetings & Attendance

Three (3) meetings of the CSR were held during the FY ended March 31, 2023 i.e. May 11, 2022, October 6, 2022 and February 7, 2023.

Name of Member	No. of Meeting	
	Held	Attended
Ms. Nitasha Nanda	3	3
Mr. Nikhil Nanda	3	3
Mr. Hardeep Singh	3	3
Ms. Tanya Arvind Dubash	3	0
Mr. Seiji Fukuoka	3	2*
Ms. Reema Rameshchandra Nanavaty	3	2*

*Eligible for two meetings.

Mr. P.H. Ravikumar and Mrs. Vibha Paul Rishi were eligible for one meeting and attended the same.

respect to specific purposes for which such committee has been constituted. Meeting of such committees are held, as and when the need arises. Time schedule for holding such functional committees is finalised in consultation with the Committee members.

Procedure of Committee Meetings

The Company's guidelines relating to Board Meetings are applicable to Committee Meetings of Directors. Each Committee has the authority to engage outside experts, advisors and counsels, to the extent it considers appropriate, to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the next Committee and the subsequent Board Meeting for perusal and noting.

X General Body Meetings

a) Annual General Meetings

The venue, date and time of the Annual General Meetings held during the preceding three years and the Special Resolution passed thereat were as under:

IX Functional Committee

The Board is authorised to constitute one or more functional committees delegating thereto powers and duties with

Financial Year	Date	Time	Venue	No. of Special Resolutions Passed at AGM
2021-22	July 14, 2022	12:00 Noon	Through Video Conferencing/ Other Audio-Visual Means. Deemed Venue was the registered office of the Company	Eight
2020-21	July 27, 2021	12:00 Noon	Through Video Conferencing/ Other Audio-Visual Means. Deemed Venue was the registered office of the Company	One
2019-20	August 24, 2020	10:00 A.M.	Through Video Conferencing/ Other Audio-Visual Means. Deemed Venue was the registered office of the Company	-

b) Extraordinary General Meetings

No Extraordinary General Meeting was held during the three years preceding the financial years 2022-23.

c) Special Resolutions passed through Postal Ballot

Two (2) Special Resolution were passed (One during the Year under review and one in the Month of April 2023) through the exercise of postal ballot

S. No.	Postal Ballot Notice	Particulars of Special Resolutions	Details of Voting	
			Votes casted in favour	Votes casted against
1	15.03.2023	To approve the appointment and remuneration of Mr. Bharat Madan (DIN: 00944660) as Whole-time Director and designated as Whole-time Director and Chief Financial Officer of the Company	99.9754%	0.0246%
2	06.07.2022	Capital Reduction of 2,14,42,343 equity shares of ₹10 each of the Company held by Escorts Benefit and Welfare Trust	99.9982%	0.0018%

Mr. Jayant Gupta was appointed as Scrutinizer to conduct both Postal Ballot processes.

d) Procedure for postal ballot

The postal ballot was carried out as per the applicable provisions of the Act read with the relevant rules and circulars issued by the Ministry of Corporate Affairs.

None of the business proposed to be conducted require passing a special resolution through Postal Ballot.

XI Means of Communication

The Company has been sending Annual Report, Notices and other communications to each shareholder through E-mail, post and/ or courier. However, in accordance with circulars issued by the Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India (SEBI) Notice and Annual Report for FY 2021-22 and Postal Ballot Notice during the FY 2022-23 were sent to the shareholder only through E-mail. Further, in terms of Circulars of the MCA and SEBI, the notice and Annual Report for the FY 2022-23 are also being sent through E mail only. Notice and Annual Report shall also be available on the website of the Company.

The quarterly/ annual results of the Company as per the requirement of SEBI Listing Regulations, are generally published in the Economic Times (English), Financial Express (English), Mint (English), Rashtriya Sahara (Hindi). Quarterly and Financial Results, along with segment reporting, if any, and quarterly shareholding pattern are posted on the Company's website www.escortsgroup.com and intimated to stock exchanges.

The presentation made to analysts and others including official news release are also posted on the Company's website and intimated to stock exchanges. All periodical and other fillings including the price sensitive information, press release etc. are filled electronically through NSE Electronic Application Processing System (NEAPS), BSE Corporate Compliance and Listing Centre (BSE Listing Centre) and are updated on the Company's website. Investor Complaints are redressed through SEBI Complaints Redressal System (SCORES) and updated on the Company's website.

XII General Shareholder Information

a) Annual General Meeting to be held for the FY 2022-23

Date : Friday, July 14, 2023

Time : 12:00 Noon (Indian Standard Time)

Venue : Video Conferencing as set out in the Notice convening the meeting. Deemed Venue will be the Registered Office of the Company.

b) Financial Calendar

The Financial Year is April 1st to March 31st every year and for the FY 2023-24, the financial results are proposed to be declared as per the following tentative schedule:

Particulars	Schedule/ Tentative Date
Financial results for Quarter ended 30.06.2023	First fortnight of August 2023
Financial results for Quarter ended 30.09.2023	First fortnight of November 2023
Financial results for Quarter ended 31.12.2023	First fortnight of February 2024
Financial results for Quarter/ Year ended 31.03.2024	First fortnight of May 2024
Annual General Meeting for the FY ending March, 2024	July/ August 2024.

c) Cut off Date for e-voting

July 7, 2023 has been fixed as the cut-off date to record entitlement of the shareholder to cast their vote electronically in the forthcoming AGM.

d) Book Closure

The Register of members and Share Transfer Books of the Company will be closed from Saturday July 1, 2023 to Friday, July 14, 2023 (both days inclusive) for the purpose of payment of Dividend for the FY 2022-23 and for the purpose of the 77th AGM.

e) Dividend Payment Date

- The Board of Directors of the Company have recommended dividend @ **70% per share of Face Value of ₹10/- each** (i.e. ₹7.00 per share), payable on all outstanding shares except on the equity shares held by Escorts Benefit & Welfare Trust, for the FY ended March 31, 2023, subject to the approval of the shareholders in the forthcoming AGM.
- The dividend, if declared at the AGM, would be paid/ dispatched within 30 days from the date of declaration to those persons or their mandates:-
 - whose names appear as beneficial owners as at the end of the business hours on June 30, 2023 in the list of beneficial owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited



in respect of the shares held in electronic mode and;

- b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transmission/transposition in physical form lodged with the Company on or before June 30, 2023.
3. The dividend amount shall be credited in the shareholders bank account directly through NECS. Alternatively, physical warrant/ demand draft shall be posted to the shareholders at their registered address available with the Depository/ Company.

The intimation for credit of dividend amount through NECS shall also be sent to the shareholders through E-mail/ ordinary post thereafter.

Dividend Payment History for Ten Years

Year	Rate	Date of Payment
2012-13	12% (Interim)	October 21, 2013
2013-14	6% (Final)	September 29, 2014
2014-15	12%	September 28, 2015
2015-16	12%	September 29, 2016
2016-17	15%	September 29, 2017
2017-18	20%	September 24, 2018
2018-19	25%	August 5, 2019
2019-20	25%	September 4, 2020
2020-21	75%	August 9, 2021
2021-22	70%	July 18, 2022
2022-23	70%	To be paid within 30 days from the date of declaration of Dividend

f) Listing on Stock Exchanges

The Company's Equity Shares are listed on the following Stock Exchanges*:

Name and Address of the Stock Exchange	Stock Code
National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra East, Mumbai – 400051	ESCORTS
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	500495

*The Equity Shares of the Company were listed on the Delhi Stock Exchange Limited (DSE). However, DSE has been de-recognised and allowed to exit as a stock exchange by SEBI by way of SEBI's Order No. WTM/ SR/ SEBI/ MRD-DSA/ 04/ 01/ 2017 dated 23 January 2017. For avoidance of doubt, the securities of the Company are not listed on DSE owing to DSE having been de-recognised by SEBI.

The Company is upto date on the payment of its Annual Listing fees and has paid annual listing fees for the FY 2023-24 to Stock Exchanges.

g) Market Price Data – high, low during each month in the last FY relating to the Equity Shares and performance of the share price in comparison to BSE Sensex and S&P CNX Nifty

Month	BSE		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2022	1,930.00	1,510.00	60,845.10	56,009.07
May, 2022	1,682.00	1,532.00	57,184.21	52,632.48
June, 2022	1,638.05	1,400.00	56,432.65	50,921.22
July, 2022	1,791.90	1,424.55	57,619.27	52,094.25
August, 2022	2,034.30	1,604.50	60,411.20	57,367.47
September, 2022	2,189.75	1,905.30	60,676.12	56,147.23
October, 2022	2,160.75	1,946.55	60,786.70	56,683.40
November, 2022	2,303.40	1,926.45	63,303.01	60,425.47
December, 2022	2,358.75	1,990.05	63,583.07	59,754.10
January, 2023	2,220.40	1,961.45	61,343.96	58,699.20
February, 2023	2,138.70	1,916.20	61,682.25	58,795.97
March, 2023	2,092.00	1,809.95	60,498.48	57,084.91

Month	NSE		Nifty 50	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2022	1,934.00	1,510.15	18,114.65	16,824.70
May, 2022	1,683.65	1,531.70	17,132.85	15,735.75
June, 2022	1,646.25	1,306.70	16,793.85	15,183.40
July, 2022	1,793.95	1,424.55	17,172.80	15,511.05
August, 2022	2,033.85	1,604.65	17,992.20	17,154.80
September, 2022	2,190.00	1,904.05	18,096.15	16,747.70
October, 2022	2,161.45	1,945.75	18,022.80	16,855.55
November, 2022	2,303.90	1,926.00	18,816.05	17,959.20
December, 2022	2,358.35	1,990.60	18,887.60	17,774.25
January, 2023	2,223.00	1,990.05	18,251.95	17,405.55
February, 2023	2,139.00	1,915.05	18,134.75	17,255.20
March, 2023	2,093.80	1,807.70	17,799.95	16,828.35

h) Registrar and Share Transfer Agent (RTA) KFin Technologies Limited

Unit :- Escorts Kubota Limited
Selenium Building, Tower – B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad, Rangareddy, Telangana
– 500032

Toll Free Number: 1800 309 4001

WhatsApp No.: +91- 910 009 4099

einward.ris@kfintech.com | www.kfintech.com |

<http://ris.kfintech.com>

i) Share Transfer System

- I) The Company has appointed KFin Technologies Limited (“KFin”) as its Registrar and Share Transfer Agent (RTA). The share transfer work in both physical as well as electronic mode has been carried on by KFin. The authority relating to share transfer has been delegated to RTA. The Stakeholder’s Relationship Committee of the Company take note of the Transfer, Transmission, Remat, Transposition, Split & Consolidation of share certificates etc. periodically.
- II) The RTA ensures the approval of share transfer/ transmission/ splitting and consolidation of valid request within a period of 15 days from their receipt and also processing of valid Demat request within a week.

- III) In terms of Regulation 40 of the SEBI Listing Regulations, no transfer of shares in physical mode is permitted. However, the transmission or transposition of securities held in physical or dematerialised form shall be effective only in dematerialised form.

j) Investors Communication

All enquiries relating to transfer, transmission, transposition, demat, remat, split, consolidation, nomination, change of address and payment of dividend can be addressed to RTA i.e. KFin Technologies Limited or e-mail: einward.ris@kfintech.com or sent by post at Selenium Building, Tower – B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana – 500032.

k) Nomination Facility

Shareholders can file their nominations against shares held under physical mode as well as electronic mode. The facility of nomination is not available to non-individual shareholders such as societies, trusts, bodies corporate, karta of Hindu Undivided Families and holders of Powers of Attorney. The shareholders, who are holding shares in physical form and wish to avail this facility, may send prescribed Nomination Form SH-13 duly filled and signed to RTA.



l) Distribution of Equity Shareholding as on March 31, 2023

S. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	1,40,266	99.80	1,08,73,522	8.24
2	5001 - 10000	132	0.09	9,20,404	0.70
3	10001 - 20000	56	0.04	8,31,894	0.63
4	20001 - 30000	23	0.02	5,60,722	0.42
5	30001 - 40000	12	0.01	4,08,395	0.31
6	40001 - 50000	8	0.01	3,58,434	0.27
7	50001 - 100000	11	0.01	7,69,443	0.58
8	100001 and above	45	0.03	11,72,17,790	88.84
	Total	1,40,553	100.00	13,19,40,604	100.00

m) Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialisation with both the Depositories i.e. NSDL and CDSL. Total 13,11,09,620 equity shares of the Company, as detailed below, have been dematerialised as on March 31, 2023.

Trading in Equity Shares of the Company is permitted only in dematerialised form as per the notification issued by the SEBI. Further, the Company's shares are regularly traded on BSE and NSE and never suspended from trading.

ISIN :- INE042A01014

S. No.	Dematerialisation of shares as on March 31, 2023		
	Mode of holding	No. of shares	%
1	NSDL	12,57,87,190	95.34
2	CDSL	53,22,430	4.03
3	Physical	8,30,984	0.63
	Total	13,19,40,604	100.00

During the period under review, trading volumes at major Stock Exchanges, are as follows:

Month	BSE Limited		National Stock Exchange of India Limited	
	No. of Shares	Value (₹ in crores)	No. of Shares	Value (₹ in crores)
April, 2022	7,88,853	129.22	1,95,51,799	3,167.41
May, 2022	3,92,646	62.80	1,10,17,667	1,756.47
June, 2022	2,31,531	35.42	68,64,042	1,049.06
July, 2022	3,60,600	59.69	1,11,74,413	1,844.55
August, 2022	6,99,039	124.70	1,59,17,551	2,848.68
September, 2022	8,32,968	171.61	1,74,52,724	3,594.89
October, 2022	2,78,317	56.94	56,68,226	1,157.35
November, 2022	6,27,066	132.10	1,51,01,188	3,192.26
December, 2022	2,75,139	60.35	77,84,702	1,718.14
January, 2023	1,64,377	34.76	36,85,992	781.53
February, 2023	2,99,119	61.25	83,49,581	1,715.74
March, 2023	2,84,615	54.61	42,73,636	829.30
Total	52,34,270	983.45	12,68,41,521	23,655.38

n) Outstanding GDRs/ ADRs/ Warrants/ Convertible Instrument/ Stock Options and likely impact on equity

There are no outstanding GDRs/ ADRs/ Warrants/ Convertible Instrument for conversion into equity shares. Further, for the stock options outstanding as on March 31, 2023, out of the options granted to the employees, please refer note 38 of the Standalone Financial Statements.

Each stock option, upon exercise of the same, would be transferred as one equity share of ₹10/- each fully paid-up to the respective employee from the Escorts Employees Benefit and Welfare Trust. These options vest in four tranches after one year from date of grant as mentioned in the Letter of Grant and can be exercised during a period of three years or such extended period as the Nomination, Remuneration & Compensation Committee may decide.

The unexercised options after the expiry of exercise period would lapsed. Further, there would be no impact on the paid-up equity capital of the Company.

o) Commodity price risk or foreign exchange risk and hedging activities

The details of foreign currency exposure and hedging are disclosed in note 35 to the Standalone Financial Statement and note 34 of Consolidated Financial Statement.

p) Plant locations

The Company has its manufacturing plants including Corporate and R&D Centre at the following locations:

1. Plot No. 18/4, Mathura Road, Faridabad - 121007, Haryana
2. Plot No. 15/5, Mathura Road, Faridabad - 121003, Haryana
3. Plot No. 2, Sector 13, Faridabad - 121007, Haryana
4. Plot No. 3, Sector 13, Faridabad - 121007, Haryana
5. Plot No. 114-115, Sector 24, Faridabad - 121005, Haryana
6. Plot No. 219, Sector - 58, Ballabgarh, Faridabad - 121004, Haryana

The Company has its training centre at Ramakrishnapura, Chandapura - Anekal Road, Chandapura, Post Bangalore - 560099, Karnataka.

q) Address for Correspondence and Registered Office

Company Secretary
Corporate Secretarial & Law
Escorts Kubota Limited
CIN: L74899HR1944PLC039088
15/5, Mathura Road, Faridabad - 121003, Haryana
Tel.: 0129 - 2250222; Fax: 0129 - 2250060
E-mail: corp.secretarial@escortskubota.com
Website: www.escortsgroup.com

r) Credit Ratings

The details of the Credit Ratings of the Company are provided in the Directors' Report.

s) Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015, as amended, the Company has instituted a comprehensive Code of Conduct for prevention of insider trading, in the Company's shares

and code of practice and procedure for fair disclosure of unpublished price sensitive information.

t) Subsidiary Companies

The Company review the performance of its subsidiary companies, inter-alia, by the following means:-

- i) The financial statements, including the investments made by subsidiary companies, are reviewed by the Audit Committee of the Company.
- ii) The Minutes of the Board Meetings of the subsidiary companies are noted at the Board Meetings of the Company.
- iii) The details of significant transactions and arrangements entered in to by subsidiary companies are placed periodically before the Board of the Company.
- iv) Utilization of loan/ advances given, or investment made in subsidiary company, exceeding ₹100 Crore or 10% of asset size of subsidiary, whichever is lower is reviewed periodically by the Audit Committee of the Company.
- v) Since, the Company does not have any material subsidiary, hence it is not required to nominate an Independent Director of the Company on the Board of material subsidiary.

XIII Disclosures

- a) There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

All the related party transactions (RPTs) entered, during the FY ended on March 31, 2023, were as per the "Policy on Materiality of Related Party Transactions and dealing with Related Parties".

- b) There has been no Instances of non-compliance by the Company on any matter related to capital markets, during the last three years and hence, no penalties or strictures was imposed by Stock Exchanges or SEBI or any Statutory Authority.
- c) To maintain high level of legal, ethical, and moral standard and to provide gateway for employees to voice concern in a reasonable and effective manner about serious malpractice, abuse, or wrongdoing within the organisation, the Company has Whistle Blower Policy and has established vigil mechanism system and we affirm that, during the year under review, no personnel have been denied access to the Chairman of the Audit



Committee. The mechanism has been communicated to all concern and posted on the Company's website www.escortsgroup.com.

- d) The Company has complied with the mandatory requirement of the SEBI Listing Regulations. Further, the Company has also put its best endeavour to comply with non-mandatory requirement(s).

- e) Policy for determining 'Material Subsidiaries'

The Policy for determining Material Subsidiaries is available on the website of the Company and the weblink for the same is <https://www.escortsgroup.com/investors/governance.html>.

- f) Policy on dealing with Related Party Transactions

The Policy on dealing with Related Party Transactions is available on the website of the Company and the weblink for the same is <https://www.escortsgroup.com/investors/governance.html>

- g) The Company has complied with all the compliances given under Regulations 17 to 27 and Regulations 46(2) (b) to 46(2)(i) of the SEBI Listing Regulations.

- h) Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account: As per Schedule V read with schedule VI, Regulation 34(3) and 39(4) of the SEBI Listing Regulations, the details in respect of equity shares lying in the suspense/escrow account are as under :-

Particulars	Number of shareholders	Number of equity shares held
Aggregate number of shareholders and outstanding shares in the suspense/ escrow account (maintained with NSDL & CDSL) lying as on April 01.04.2022	Nil	Nil
Number of shareholders who approached the Company for transfer of shares from suspense/ escrow account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense/ escrow account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense/ escrow account (maintained with NSDL & CDSL) lying as on March 31, 2023	Nil	Nil

The Voting Right on the shares outstanding in the aforesaid suspense account as on March 31, 2023, if any, shall remain frozen till the rightful owner of such shares claim the shares. There were no unclaimed equity shares issued in physical form.

- i) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A): Refer Director's Report for the information.

- j) The Board has accepted all the recommendations of the Board Committee which are mandatorily required in relevant financial year.

- k) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

S. No.	Particulars	No.
a.	Number of complaints filed during the financial year	2
b.	Number of complaints disposed of during the financial year	1
c.	Number of complaints pending as on end of the financial year	1*

*Resolved as on the date of the report.

- l) The details of fee paid by the Company and its subsidiaries for the financial year ended March 31, 2023, on a consolidated basis, to M/s. Walker Chandio & Co LLP, Chartered Accountants, Statutory Auditor of the Company and to all entities in the network firm/ network entity of which the Statutory Auditor of the Company is a part, are as follows:

		(₹ in Cr.)
Particulars	Amount* (without Tax)	
Audit Fee	1.30	
Certification Fees	0.11	
Total fee	1.41	

*excluding reimbursement of out of pocket expenses

- m) Details of Loan and advances in the nature of Loan to firm/ companies in which directors are interested are as follows: -

		(₹ in crore)
S. No.	Particulars	Amount in ₹
i)	Given by the Company	
	Name of the Firm/ Companies in which directors are interested	
	Adico Escorts Agri Equipment Private Limited	1.00

S. No.	Particulars	(₹ in crore)
		Amount in ₹
ii)	Given by subsidiary company of the Company	
	Name of the Firm/ Companies in which directors are interested	-

- n) There has been no instance of non-compliance of any requirement of Corporate Governance report as prescribed under SEBI Listing Regulations.
- o) Details of top 10 shareholders of the Company as at end of each quarter and as well as year ended March 31, 2023 are available on the website at <https://www.escortsgroup.com/investors/governance.html>.

XIV Adoption of Non-Mandatory Requirements as stipulated in Part E of Schedule II of SEBI Listing Regulations

The status/ extent of compliance with non-mandatory requirements are as follows:

S. No.	Non-Mandatory Provisions	Status
1.	Maintenance of Non-Executive Chairman's Office	Not applicable as Chairman is Executive and also holding the position of Managing Director of the Company.
2.	Shareholders' rights: Half-yearly financial performance and summary of significant events may be sent to each household of shareholders.	The said information is available on Company's website.
3.	Audit qualifications: The Company may move towards the regime of unqualified financial statements.	Adopted
4.	Reporting of Internal Auditor	The Internal Auditors reports to the Audit Committee from time to time.

XV Certificate on Corporate Governance

Pursuant to Schedule V of the SEBI Listing Regulations, the certificate from practising Company Secretary on Corporate Governance is annexed hereinafter.

For and on behalf of the Board of Directors

Place: Faridabad

Date: May 10, 2023

Sd/-

NIKHIL NANDA

Chairman & Managing Director

Sd/-

SEIJI FUKUOKA

Deputy Managing Director



Certificate on Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
ESCORTS KUBOTA LIMITED
(Formerly Escorts Limited)
15/5, Mathura Road,
Faridabad – 121003, Haryana

1. This report contains details of compliance of conditions of corporate governance by Escorts Kubota Limited (hereinafter called “the Company”/“EKL”) for the year ended March 31, 2023, as stipulated in Regulations 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (‘Listing Regulations’) pursuant to the Listing Agreement of the Company with the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the ‘Stock Exchanges’).

Management’s Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the Corporate Governance, including the preparation and maintenance of all relevant supporting records and documents, is the responsibility of the management of the Company.

Practising Company Secretary’s Responsibility

3. The examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is my responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2023.

Opinion

5. In my opinion, and to the best of my information and according to explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.
6. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

7. The certificate is addressed and provided to the Members of the Company solely for the purpose to enable the Company to comply with the requirements of the Listing Regulations, and the same shall not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

For **Jayant Gupta and Associates**

(Jayant Gupta)
Practicing Company Secretary
FCS : 7288
CP : 9738
PR : 759/2020
UDIN : F007288E000280935

Place : New Delhi
Date : May 10, 2023

Declaration on compliance with code of conduct

To,
The Members of Escorts Kubota Limited

Sub: Declaration by the Chairman and Managing Director under Para-D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Nikhil Nanda, Chairman and Managing Director of the Company, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2023.

Sd/-
NIKHIL NANDA
Chairman & Managing Director

Place: Faridabad
Date: May 10, 2023



CEO/ CFO Certification

The Chairman and Managing Director and Whole-time Director and Chief Financial Officer of the Company give annual certification to the Board on financial reporting and internal controls in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO and CFO certification for the financial year ended on March 31, 2023.

To,

**The Board of Directors
Escorts Kubota Limited**

Dear Sir/ Ma'am,

We, Nikhil Nanda, Chairman and Managing Director and Bharat Madan, Whole-time Director and Chief Financial Officer certify to the Board of Directors that:

- A. We have reviewed financial statements and the cash flow statement of Escorts Kubota Limited for the financial year ended March 31, 2023 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violate of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the financial year;
 - ii. significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Faridabad
Date: May 10, 2023

Sd/-
BHARAT MADAN
Whole-time Director and Chief Financial Officer

Sd/-
NIKHIL NANDA
Chairman and Managing Director

Annexure – E

to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company:

Objective:

The main objective of CSR Policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development of the society. It aims at enhancing welfare measures of the society based on the immediate and long-term social and environmental consequences of its activities.

Review Mechanism:

The CSR Committee and the Board of Directors of the Company will monitor/ review the CSR implementation every year.

The Company shall include in its Annual Report the CSR activities/ project undertaken by the Company including the progress thereof.

The CSR Committee may require Project Appraisal of its CSR projects to be carried out by External Agencies/ Third Party Agency, if required.

Utilisation Certificate along with statement of expenditure duly certified by the respective Statutory Auditors will be submitted by the organisation/ Institution to whom CSR fund is allocated.

To undertake the above activities Committee may delegate the power of execution to persons/ officers of the Company.

2. Composition of CSR Committee

The composition of the CSR Committee as on March 31, 2023 is as under:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Nitasha Nanda	Chairperson, Executive Director	3	3
2	Mr. Nikhil Nanda	Member, Chairman & Managing Director	3	3
3	Mr. Hardeep Singh	Member, Non-Executive Director	3	3
4	Ms. Tanya Arvind Dubash	Member, Independent Director	3	0
5	Mr. Seiji Fukuoka	Member, Deputy Managing Director	3	2
6	Ms. Reema Rameshchandra Nanavaty	Member, Independent Director	3	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

- Composition of CSR Committee: <https://www.escortsgroup.com/investors/governance.html>
- CSR Policy: <https://www.escortsgroup.com/investors/governance.html>
- CSR Projects: <https://www.escortsgroup.com/investors/governance.html>

4. Executive Summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/Impact%20Assessment%20Report.pdf

- Average net profit of the Company as per section 135(5): ₹864.97 Cr
 - Two percent of average net profit of the company as per section 135(5): ₹17.30 Cr
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL



(d) Amount required to be set off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year (2022-2023) (b+c-d): ₹17.30 Cr

(b) Amount spent in Administration Overheads: ₹0.20 Cr

(c) Amount spent on Impact Assessment, if applicable: ₹0.05 Cr

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹17.30 Cr.

(e) CSR amount spent or unspent for the Financial Year:

6. (a) Amount spent on CSR Projects (both Ongoing Project and Other): ₹17.05 Cr

Total Amount Spent for the Financial Year	Amount Unspent		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Total Amount transferred to Unspent CSR Account as per section 135(6)				
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹4.20 Cr	₹13.1 Cr	29-04-2023	NA	NA	NA

(f) Excess amount for set-off, if any: Not Applicable

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent average net profit of the company as per sub-section (5) of section 135	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	2020-21	8,50,00,000	8,50,00,000	7,25,00,000	-	-	1,25,00,000	-
2.	2021-22	8,92,00,000	8,92,00,000	-	-	-	8,92,00,000	-
3.	2022-23	13,10,00,000	13,10,00,000	-	-	-	13,10,00,000	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If Yes, enter the number of Capital assets created/ acquired: The details of capital assets provided below.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial year:2022-23

Sl. No.	Short particulars of the property of asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in Cr)	Details of entity/ authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
1.	Road Safety Project 1 Tata Yodha PCR Address- State Highway 11, Police Lines, Jind, Haryana 126102	126102	22-April-2022	0.08	-	Superintendent of Police (Jind)	State Highway 11, Police Lines, Jind, Haryana 126102,
2.	Community Development Project - Drinking Water 3 Water Coolers for drinking water Address: Sector 12, near District Court, Haryana 121007	121007	21-July-2022	0.03	-	Mini Secretariat Faridabad	Sector 12, near District Court, Haryana 121007
3.	Community Development Project- Medical Support Mortuary Medical Equipment Which includes Autopsy Table , Autopsy Saw (with Vacuum), Suction Machine, Autopsy tool kit, 6 Body Chamber and Civil renovation etc Address: 216, BK Chowk, Narela Rajeev Nagar, New Industrial Township, Faridabad, Haryana 121001	121001	31-March-2023	0.19	-	BK Civil Hospital	216, BK Chowk, Narela Rajeev Nagar, New Industrial Township, Faridabad, Haryana 121001
4.	Escorts Advance Farming Institute Project Land (98Kanal33mala and 3sari)situated at kamoda village (Road side) Tehsil -Pehowa, Dist. Kurushetra	136119	06-June-22	8.92	CSR00001566	EKL CSR Foundation	Registered office address of the entity :- 15/5, Mathura Road, Faridabad- 121003, Haryana
	Capital Work in progress	136119	08-Oct-2022	0.12			
	Training Equipment's such as : 1 Drum Seeder 20cm (Paddy Seeder) and 1 Weighing Scale Cap 200 Kg of Size 16"x16"	136119	29-June-2022 and 25-July-2022	0.0013			
	Office Equipment's such as 1 Printer "HP" WL 415, 1 Power Invertor "Luminus" 800/12V UPS+Battery, 1 Split AC 1.5Ton "Daikin" with Stabilizer, 10 Plastic Chairs, 1 Steel Almirah, 1 Rack	136119	17 -Feb-2023 to 05-March-2023	0.01			
	1 Metal Wheel with Moulded Rubber Tyre Tractor Operated Boom Sprayer	560081	22-April-2022	0.02			



Sl. No.	Short particulars of the property of asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in Cr)	Details of entity/ authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	1 PTO Operated Agriculture Waste Shredder-cum-Pulverizer	560081	06-June-2022	0.02			
	Training Equipment's such as :						
	1 Power Sprayer Fitted with Honda Engine, 2 Brush Cutter "Honda" and 1 Tractor "PT Euro50 Next (4WD)"	560081	07 - Dec - 2022 and 02 - Dec - 2022	0.094			
5.	Community Development Project- Old Age Home The Earth Saviours Foundation Which includes various supporting activities/ products i.e construction of Shelter, Wheelchairs, Walkers, Stretchers, Medical Beds, Installing of 2 Solar Plants of 20 KVA and 2 Solar Plants with 10 KVA Address: Bandhwari Village. Gurugram, Faridabad Road, Near Teri Golf Course, Gurugram 122001	122001	29-March-2023	0.96	CSR00002026	The Earth Saviours Foundation	Bandhwari Village. Gurugram, Faridabad Road, Near Teri Golf Course, Gurugram 122001
6.	Medical Support- Pathological Lab The Pathological Lab includes Electrolyte Analyzer - 4 Parameter- Microlyte, ARX Clot Sc Coagulation Analyzer, I Quant Analyzer Xi, Incubator Chambor, Unicorn 230, Unicorn - Auto Hematology Analyzer, Urit 500 C Urine Analyzer, Ifuge D-66 (Non Refrigerated Doctor Centrifuge), Magnus (olympus) Trinocular Microscope Model Ch20i, Godrej - 1.5 ton Split Ac Address: 1D/1, B.P. hardware howk, Faridabad -121001, Haryana	121001	06-April-2022	0.22	CSR00002900	Tajinder Singh Memorial and Escorts Medicare Foundation	15/5, Mathura Road, Faridabad-121003, Haryana

- 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).** - During FY ended March 31, 2023, the Company has spent ₹4.20 Cr. on various projects. The unspent balance of ₹13.10 Cr, towards ongoing projects, had been transferred to the unspent CSR account and will be spent in accordance with the CSR Amendment Rules.

Sd/-

NIKHIL NANDAChairman and Managing Director
DIN: 00043432

Sd/-

NITASHA NANDAChairperson of CSR Committee
DIN: 00032660

Annexure – F

to the Directors' Report

Form No. AOC-2

{Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/ arrangements/ transactions	Nil
(c)	Duration of the contracts/ arrangements/ transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	Date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/ arrangements/ transactions	Nil
(c)	Duration of the contracts/ arrangements/ transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Nil
(e)	Date(s) of approval by the Board, if any:	Nil
(f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors

Sd/-

NIKHIL NANDA

Chairman & Managing Director

Sd/-

SEIJI FUKUOKA

Deputy Managing Director

Place: Faridabad

Date: May 10, 2023



Annexure – G

to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

(For the Financial Year ended on March 31, 2023)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ESCORTS KUBOTA LIMITED
 (Formerly Escorts Limited)
 15/5, Mathura Road,
 Faridabad – 121003, Haryana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Escorts Kubota Limited** (hereinafter called "the Company"/ "EKL"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the **Financial Year ended March 31, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2023 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**;
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**; and

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

VI. I further report that, having regard to the compliance system prevailing in the Company and based on the representation made by the management of the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Motor Vehicles Act, 1988 and the Rules made thereunder;
- (b) The Petroleum Act, 1934 and the Rules made thereunder.

I have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India;

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (or with requisite compliances for holding of a Board Meeting at a shorter notice in case of urgency, if applicable), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. As per the minutes of meetings duly recorded and signed by the Chairman, the most of the majority decisions of the Board were carried through unanimously. The dissenting members' views, if any, were recorded as part of the minutes.

I further report that, based on the information provided and the representation made by the Company and also on the

review of compliance reports / certificates taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period under review:

1. The name of the Company has been changed from Escorts Limited to Escorts Kubota Limited w.e.f. June 9, 2022 upon receipt of requisite approvals of Ministry of Corporate Affairs.
2. The Company paid final dividend of ₹7/- (Rupees Seven only) per equity share.
3. M/s Walker Chandio & Co LLP, Chartered Accountants were reappointed as Statutory Auditors of the Company for another term of 5 years.
4. Mr. Nikhil Nanda was reappointed as Managing Director of the Company for a period of five years w.e.f. September 19, 2022 to September 18, 2027.
5. Mr. Seiji Fukuoka was appointed as Whole Time Director, designated as Deputy Managing Director for a period of five years w.e.f. May 13, 2022 to May 12, 2027.
6. The shareholders of the Company vide postal ballot mechanism gave their approval on August 5, 2022 for Capital Reduction of 2,14,42,343 fully paid up equity shares of the Company held by Escorts Benefit and Welfare Trust.
7. The Board of Directors at its meeting held on September 15, 2022 inter-alia approved:
 - (i) Execution of Merger Agreement amongst Escorts Kubota Limited, Escorts Kubota India Private Limited, Kubota Agricultural Machinery India Private Limited and Kubota Corporation, Japan.
 - (ii) Composite Scheme of Amalgamation amongst the Company, Escorts Kubota India Private Limited, Kubota Agricultural Machinery India Private Limited and their respective shareholders and creditors.
 - (iii) In-principle sale of 7,27,65,000 fully paid-up equity shares of ₹10/- each constituting 49% stake held by the Company in Tadano Escorts India Private Limited to Tadano Limited, Japan.



8. During the period under review, the Board of Directors at its meeting held on November 04, 2022 inter-alia approved:

- (i) Purchase of RT Crane business/other assets from Tadano Escorts India Private Limited by way of slump sale basis at a consideration of ₹16.59 Cr; and
- (ii) Sale of 7,27,65,000 fully paid-up equity shares of ₹10/- each constituting 49% stake held by the Company in Tadano Escorts India Private Limited to Tadano Limited, Japan at a consideration of ₹0.01 crore.

9. Mr. Shailendra Agrawal resigned as Whole-time Director with effect from closing hours of February 3, 2023 due to his health conditions.

10. Mr. Bharat Madan (CFO) was inducted on the Board as Whole-time Director and designated as 'Whole-time Director and Chief Financial Officer' with effect from February 8, 2023 for a period of five years.

This report is to be read with my letter of even date which is annexed as Annexure and forms integral part of this report.

For **Jayant Gupta and Associates**

Sd/-

JAYANT GUPTA

Practicing Company Secretary

FCS : 7288

CP : 9738

PR No. : 759/2020

UDIN : F007288E000280869

Place : New Delhi

Date : May 10, 2023

Annexure to Secretarial Audit Report of Escorts Kubota Limited for financial year ended March 31, 2023

The Members,

ESCORTS KUBOTA LIMITED

Management Responsibility for Compliances

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have relied upon the books, records and documents made available by the Company to us through electronic means and in digital format.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jayant Gupta and Associates**

Sd/-

JAYANT GUPTA

Practicing Company Secretary

FCS : 7288

CP : 9738

PR No. : 759/2020

UDIN : F007288E000280869

Place : New Delhi

Date : May 10, 2023



Annexure – H

to the Directors' Report

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

S. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for the financial year 2022-23 (₹ in crores)	% Increase in Remuneration in the financial year 2022-23	Ratio of remuneration of each Director/ to the median remuneration of employees
1	Mr. Nikhil Nanda, Chairman and Managing Director	12.02	(3.92%)	128.86
2	Mr. Hardeep Singh, Non-Executive Director	0.29	Nil	3.00
3	Ms. Nitasha Nanda, Whole-time Director	2.85	Nil	30.55
4	Dr. Sutanu Behuria, Independent Director	0.23	***	2.36
5	Mr. Sunil Kant Munjal, Independent Director	0.19	***	1.93
6	Ms. Tanya Arvind Dubash, Independent Director	0.16	***	1.72
7	Mr. Harish N. Salve, Independent Director	0.14	***	1.50
8	Mr. Dai Watanabe, Non-Executive Director	#	N.A.#	N.A.
9	Mr. Yuji Tomiyama, Non-Executive Director	#	N.A.#	N.A.
10	Mr. Seiji Fukuoka, Deputy Managing Director	1.71	N.A.**	18.33
11	Mr. Shiro Watanabe, Non-Executive Director	#	N.A.#	N.A.
12	Mr. Ravindra Chandra Bhargava, Independent Director	0.18	N.A.**	1.93
13	Mr. Kenichiro Toyofuku, Independent Director	@	N.A.@	N.A.
14	Mr. Vimal Bhandari, Independent Director	0.24	N.A.**	2.57
15	Ms. Reema Rameshchandra Nanavaty, Independent Director	0.18	N.A.**	1.93
16	Mr. Yasukazu Kamada, Non-Executive Director	#	N.A.#	N.A.
17	Mr. Manish Sharma, Independent Director	0.22	N.A.**	2.36
18	Mr. Shailendra Agrawal, Executive Director (Upto February 3, 2023)	3.90	N.A.***	41.81
19	Mr. P.H. Ravikumar, Independent Director (Upto July 14, 2022)	0.03	N.A.***	0.32
20	Mrs. Vibha Paul Rishi, Independent Director (Upto July 14, 2022)	0.04	N.A.***	0.43
21	Mr. Bharat Madan, Whole-time Director and Chief Financial Officer	3.60	20%^	38.59*
22	Mr. Satyendra Chauhan, Company Secretary	0.64	14%^	N. A.

***Decrease in remuneration over last year due to decrease in amount of Sitting fee.

#Mr. Dai Watanabe, Mr. Yuji Tomiyama, Mr. Shiro Watanabe and Mr. Yasukazu Kamada are Nominee Directors of M/s Kubota Corporation and have waived their right for sitting fees accordingly have not been paid any sitting fee or commission thus there is no percentage increase/ decrease in their remuneration for the financial year 2022-23.

** Appointed in the financial year 2022-23 only thus the percentage increase/ decrease in their remuneration for the financial year 2022-23 is not applicable.

@Mr. Kenichiro Toyofuku, Independent Director of the Company, has waived his right for sitting fee accordingly, he has not been paid any sitting fee or Commission, thus there is no percentage increase/ decrease in their remuneration for the financial year 2022-23.

****Served the Company for the part of financial year 2022-23 thus the percentage increase/ decrease in their remuneration for the financial year 2022-23 is not applicable.

*Mr. Bharat Madan has been appointed as Whole-time Director and Chief Financial Officer w.e.f February 8, 2023 however, his total remuneration for the financial year 2022-23, has been considered here.

^Increase has been calculated after excluding the value of ESOP's of previous year. If we consider ESOP's Value of previous year, then there is a decrease in remuneration.

(II) The percentage increase in median remuneration of employees in the Financial Year: 6.00%

(III) Average percentile/ percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: 10.5%

(IV) Comparison with the percentile/percentage increase in the managerial remuneration and justification thereof:

Compensation is offered or revised based on the internal & external parity for the role/grade. The increments and salary corrections are made in line with the market positioning, budget & compensation principles.

Further, due to the decrease in the Director's commission for the financial year 2022-23, comparison with the

remuneration increase for the rest of the employees is not comparable.

(V) Exception circumstances for increase in the managerial remuneration: N.A. Percentage increase in remuneration in the financial year 2022-23 is in terms of the performance of the Company during financial year 2022-23.

(VI) There were 3,920 permanent employees on the rolls of the Company as on March 31, 2023.

(VII) It is affirmed that the remuneration is as per the Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other employees.



Annexure – I

to the Directors' Report

Business Responsibility & Sustainability Report

At Escorts Kubota Limited (EKL), we believe that Environmental, Social and Governance (ESG) factors are integral to our business strategy and performance. As a leading engineering Company, we operate in sectors such as agriculture and construction that have significant economic, environmental, and social impacts and opportunities. We recognise that our long-term success depends not only on our financial performance, but also on our contribution to the sustainable development of society and the environment. Therefore, we are committed to integrating ESG principles into our business practices and creating shared value for our stakeholders. In this Business Responsibility and Sustainability Report for FY 2023, we present our ESG performance and initiatives across nine principles that are aligned with the National Guidelines on Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs. We also report on our material ESG topics that are relevant and significant for our business and our stakeholders. We hope that this report will provide a comprehensive and transparent account of our ESG journey and achievements, as well as our challenges and aspirations for the future.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Corporate Identity Number (CIN) of the Listed Entity	L74899HR1944PLC039088
Name of the Listed Entity	Escorts Kubota Limited
Year of incorporation	1944
Registered office address	15/5, Mathura Road, Faridabad, Haryana – 121003, India
Corporate address	15/5, Mathura Road, Faridabad, Haryana – 121003, India
E-mail	corp.secretarial@escortskubota.com
Telephone	0129-2250222
Website	www.escortsgroup.com
Financial year for which reporting is being done	FY 2022-23
Name of the Stock Exchange(s) where shares are listed	<ul style="list-style-type: none"> BSE Limited National Stock Exchange of India
Paid-up Capital	1,31,94,06,040/-
Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Bharat Madan, Whole Time Director & Chief Financial Officer Telephone: 0129-2250222; Email: bharat.madan@escortskubota.com investor.relation@escortskubota.com
Reporting boundary Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures made under this report cover the standalone operations of Escorts Kubota Limited, in India, unless otherwise stated.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. no.	Description of main activity	Description of business activity	% of turnover of the entity (FY23)
1.	Manufacturing	Manufacturing and/or sale of Agri Machinery Products (Tractors, Implements, Spare parts, Oils Lubes Etc), Construction Equipment's and Railway components in Globally under major brand name - Escorts Farmtrac, Powertrac, Steeltrac, Digitrac, Digimax.	96.75%

*3.25% turnover for EKL is generated through other income.

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Agri-machinery products	28211	75.69%
2	Construction Equipment	2824	14.13%
3	Railway Components	30204	10.09%

III. Operations**16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	6	26	32
International	1	1	2

17. Markets served by the entity:**A. Number of locations**

Location	Number
National (No. of States)	19
International (No. of Countries)	74

B. What is the contribution of exports as a percentage of the total turnover of the entity?

Contribution of exports as a percentage of the total turnover of the entity: 7.07%

C. A brief on types of customers

Escorts Kubota Limited (EKL), one of India's leading engineering companies and is a preferred partner of choice for farming and construction equipment in the country. For more than seven decades, EKL has helped accelerate India's socio-economic growth through its presence across high-growth sectors, EKL is committed to contributing towards India's growth story and bringing in quality change in the lives of people.

EKL has diverse portfolio and various customer segments are served basis their requirement:

1. Customers for Agri Machinery Business Division:

EKL Agri Machinery business is one of the leading manufacturer/ trader of agri-equipments, like tractors, combines, planters, sprayers, and tillage solutions. We sell our products in over 75 countries to individuals and organizations, primarily for use in agriculture, construction and landscaping. Our products offer a unique blend of great design, power and efficiency making them extremely versatile and hence a popular choice for many different segments of customers. Our products are marketed under the Farmtrac, Powertrac, Steeltrac, Digitrac, Farmpower and E-Kubota brands. Our national network of over 1200 dealers act as the last mile connect with our customers and focus on delivering our products and services with a great customer experience. We have served more than 2 million customers till date and continue to grow our user base across India and the world.

2. Customers for Construction Equipment Business Division:

We manufacture world-class equipment's for material handling, road building and earthmoving sectors to help meet the emerging needs of the country's infrastructure development projects. Our main customers are Construction & Industrial Companies, Government Agencies, Mining Companies, Rental Companies & Individuals all of them use our products for their day-to-day operations like road construction, excavation, transportation of materials & various other customers who require them for short-term projects including individuals who purchase construction equipment machines for personal use, such as building their homes or maintaining their properties and many more.



3. Customers for Railway Equipment Business Division:

We are the trusted supplier of Indian Railways, metros, private wagon builders and rolling stock manufactures. Offerings diversified components including brake systems, couplers, suspension systems, shock absorbers, and many other products.

IV. Employees

18. Details as at the end of Financial Year:

A. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	2,598	2,466	94.92%	132	5.08%
2.	Other than Permanent (E)	983	899	91.45%	84	8.55%
3.	Total employees (D + E)	3,581	3,365	93.97%	216	6.03%
	WORKERS					
4.	Permanent (F)	1,322	1,313	99.32%	9	0.68%
5.	Other than Permanent (G)	8,702	8,518	97.89%	184	2.11%
6.	Total workers (F + G)	10,024	9,831	98.07%	193	1.93%

B. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	2	2	100%	0	-
2.	Other than Permanent (E)	-	-	-	0	-
3.	Total differently abled employees (D + E)	2	2	100%	0	-
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	1	1	100%	0	-
5.	Other than permanent (G)	-	-	-	0	-
6.	Total differently abled workers (F + G)	1	1	100%	0	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (Including 3 person as KMP)	18	3	16.67%
Key Management Personnel (Other than Board)	1	0	-

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23.4%	1.5%	24.9%	18.0%	1.0%	19.0%	13.1%	1.0%	14.2%
Permanent Workers	8.5%	0.2%	8.8%	9.6%	0.2%	9.8%	9.0%	0.1%	9.1%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Escorts Crop Solutions Limited	Subsidiary	100%	No
2	EKL CSR Foundation (Formerly Escorts Skill Development)	Subsidiary	100%	No
3	Escorts Finance Limited	Subsidiary	67.87%	No
4	Farmtrac Tractors Europe Spolka Z.o.o.	Subsidiary	100%	No
5	Adico Escorts Agri Equipments Private Limited	Joint Venture	40%	No
6	Escorts Kubota India Private Limited	Joint Venture	40%	No
7	Kubota Agricultural Machinery India Private Limited	Joint Venture	40%	No
8	Escorts Consumer Credit Limited	Associate	29.41%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes
- (ii) Turnover (in ₹) - 83,44,95,30,239/-
- (iii) Net worth (in ₹) - 84,34,81,42,367/-

VII. Transparency and Disclosures Compliances**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://www.escortsgroup.com/contact-us/business.html?view=business	-	-	-	-	-	
Investors (other than shareholders)	Yes https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/23-11-2020-investor-grievance-redressal-policy.pdf	-	-	-	-	-	
Shareholders	Yes https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/23-11-2020-investor-grievance-redressal-policy.pdf	1,506	3	-	131	1	



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
Employees and workers	Yes https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/Whistle-Blower-Policy-aug22.pdf	103	6	-	7	0	
Customers	Yes https://www.escortsgroup.com/contact-us/business.html?view=business	1,61,686	52	Includes complaints and queries received from various platforms	1,27,402	162	Includes complaints and queries received from various platforms
Value Chain Partners	Yes https://www.escortsgroup.com/contact-us/business.html?view=business	-	-	-	-	-	
Other (Media)	Yes https://www.escortsgroup.com/contact-us/media.html?view=media	-	-	-	-	-	

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy & Climate Change	Risk	As a manufacturer of agricultural and construction equipment, EKL is dependent on fossil fuels as a source of energy for their machinery. Any disruption in the supply of fossil fuels or a significant increase in their price could adversely affect the company's operations and profitability. Secondly, as climate change is leading to more frequent and intense weather events such as floods, droughts, and hurricanes, it can impact the demand for agricultural equipment. The extreme weather events can damage crops and reduce the demand for farm equipment. This can directly affect the sales of EKL, which could lead to a decline in revenue.	EKL has taken various steps towards mitigation: 1. Working and launching Alternative Fuel products- Electric Tractor, CNG fuel base machines, hybrid machines. 2. Leveraging Kubota's expertise in advanced farm mechanization solutions to address global food security and enhanced farm productivity needs.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Operations EHS impact	Risk	EHS risks can have significant impact on EKL in several ways which can lead to Human cost, legal and regulatory consequences, financial impact, reputational damage, operational disruptions and employee productivity.	EKL has established a robust Environment, Health and Safety (EHS) management system that covers all its operations. EKL ensures compliance with all applicable EHS laws and regulations, as well as international standards and best practices. EKL also conducts regular EHS trainings, audits, inspections, and risk assessments to identify and mitigate potential hazards and incidents. EKL also has a dedicated EHS team and a grievance mechanism to address any EHS issues or concerns.	Negative
3	Resource Efficiency	Opportunity	EKL sees resource efficiency as an opportunity to improve its operational efficiency and productivity, as well as to reduce its environmental impact and costs. EKL adopts the 3R principle of Reduce, Reuse and Recycle for its resource consumption, such as water, raw materials, packaging materials, and waste. EKL also invests in research and development to innovate new products and processes that are more resource-efficient and eco-friendly.		Positive
4	Customer Satisfaction	Opportunity	EKL sees customer satisfaction as an opportunity to build long-term relationships with its customers and to increase its market share and reputation. EKL strives to provide innovative and quality engineering solutions that meet or exceed customer expectations and needs. EKL also engages with its customers through various channels, such as surveys, feedback forms, meetings, workshops, webinars, newsletters, websites, social media platforms, and grievance mechanisms, to understand their preferences, concerns, and suggestions. EKL also ensures customer satisfaction by providing timely delivery, after-sales service, warranty support, and product training.		Positive



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Employment	Opportunity	EKL sees employment as an opportunity to attract, retain, and develop a skilled and diverse workforce that is essential for its success and sustainability. EKL provides fair and competitive compensation and benefits to its employees, as well as opportunities for learning and career growth. EKL also fosters a culture of excellence, integrity, innovation, customer focus, and teamwork among its employees. EKL also respects the human rights and labour rights of its employees and ensures a safe, healthy, and inclusive work environment for them.		Positive
6	Value, Ethics and Compliance	Risk	EKL recognises that value ethics compliance are essential for its reputation and trust in the market and society. EKL faces the risk of legal or regulatory violations or ethical breaches that could harm its image and performance.	To mitigate this risk, EKL has established a Code of Conduct that outlines the values and principles that guide its actions and decisions. EKL also has various policies and procedures that ensure compliance with all applicable laws and regulations in the countries where it operates. EKL also conducts regular trainings, audits, reviews, and assessments to monitor and ensure compliance and ethical conduct across the organisation. EKL also has a whistle-blower mechanism that allows anyone to report any suspected or actual violations or breaches without fear of retaliation.	Positive
7	Community Engagement & Local Employment	Opportunity	EKL sees community engagement & local employment as an opportunity to support the social development of the communities where it operates and to strengthen its social license to operate. EKL engages with the local communities through various initiatives that focus on education, health care, skill development, livelihood enhancement, women empowerment, and rural development. EKL also creates employment opportunities for the local people and supports local suppliers and vendors.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Supply Chain Sustainability	Risk	EKL recognises that supply chain sustainability is critical for its business continuity and performance. EKL may face the risk of disruptions or delays in its supply chain due to various factors such as natural disasters, pandemics, political instability, environmental or social issues, or non-compliance or unethical practices by its suppliers or vendors.	To mitigate this risk, EKL has established a Supplier Code of Conduct that sets the minimum standards and expectations for its suppliers and vendors in terms of quality, environmental, social, and governance aspects. EKL also conducts regular assessments, audits, and reviews of its suppliers and vendors to ensure their compliance and performance. EKL also diversifies its supply chain sources and locations to reduce its dependency and vulnerability.	Negative
9	Product Responsibility & Association	Opportunity	EKL sees product responsibility & association as an opportunity to improve its product quality and safety, as well as to increase its brand value and recognition. EKL ensures that its products meet or exceed the applicable standards and regulations for quality and safety in the countries where it operates. EKL also conducts regular product testing, inspection, and certification to ensure its product quality and safety. EKL also provides product information and labelling to inform its customers about the features, benefits, and risks of its products. EKL also associates with reputable industry associations and bodies that promote best practices and standards for its products and sector.		Positive



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Diversity & Inclusion	Opportunity	EKL sees diversity & inclusion as an opportunity to leverage the diverse perspectives and talents of its workforce and stakeholders, as well as to foster a culture of respect and belonging. EKL ensures that its workforce reflects the diversity of the markets and communities where it operates in terms of gender, age, ethnicity, religion, disability, sexual orientation, and other aspects. EKL also ensures that its workforce is treated fairly and equitably in terms of compensation, benefits, opportunities, recognition, and development. EKL also promotes a culture of inclusion where everyone feels valued and respected for their unique contributions and perspectives. EKL also engages with diverse stakeholders to understand their needs and expectations and to address any issues or concerns related to diversity & inclusion.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No.	Principle Description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. A. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
B. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
C. Web Link of the Policies, if available**	The Policies of the Company are placed on the Company's website under governance section and the same can be accessed through the weblink: https://www.escortsgroup.com/investors/governance.html								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	<ul style="list-style-type: none"> ISO-9001, ISO-14001 & ISO-45001 is implemented across all the plants IRIS (International Railway Industry Standard) Certification is obtained for Railway Equipment Business Division 								
Principle 1									
Principle 2									
Principle 3									
Principle 4									
Principle 5									
Principle 6									
Principle 7									
Principle 8									
Principle 9									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to the page 40-42 of the Integrated Report								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Please refer to the page 40-41 of the Integrated Report								

Governance, leadership, and oversight



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to leadership message at Page 26-27								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Ms. Nitasha Nanda Whole Time Director DIN: 00032660								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The directors and senior management periodically monitor the business responsibility performance of the Company. The Board of directors reviews the business responsibility performance on an annual basis. The CSR Committee reviews the social performance and the Risk Management Committee assess and review the identified risks from time to time.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Directors and Senior Management of the Company periodically or on need basis review the Business Responsibility Policies and guide on further actions, if required for modifications/improvement in the policies.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances										The Company is in compliance with statutory requirements of relevance to the principles.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No, however all policies and processes are subject to Internal and statutory audits / reviews done for the Company from time to time								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/ No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

Principle 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

E: Essential Indicators

- Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6	• Training on BRSR Principals	94.4%
Key Managerial Personnel	7	• Code of Conduct Training • Leadership Training	100%
Employees other than BoD and KMPs	16	• Code of Conduct • Prevention of Sexual Harassment • Whistle Blower • Gifts and Hospitality	72%
Workers	833 Multiple trainings were conducted	• Safety Training • Prevention of Sexual Harassment • Code of Business Conduct • Nayi Urja Nayi Disha	• Safety Training – 100% • Prevention of Sexual Harassment – 100% • Code of Business Conduct – 100% • Nayi Urja Nayi Disha – 23%

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil		Nil	Nil
Punishment	Nil	Nil		Nil	Nil

- Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	NIL



4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Escorts Kubota Limited have well-defined anti-corruption and anti-bribery section as part of code of conduct policy. It applies to all employees and members of the Board of Directors of the Company. It also applies to individuals who serve the Company on contract, subcontract or any other such basis.

The policy has been displayed on the Company's website:

https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/EKL-Code-of-Conduct.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NIL

L: Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	1. Kaizen Workshop for continuous improvement with supplier 2. Discussion on EKL's Mid-term Business Plan (MTBP) with Suppliers	1. 10% for Workshop for Kaizen 2. 100% for MTBP

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, Escorts Kubota Limited have code of conduct procedure to avoid/manage conflict of interest. The policy has been displayed on the Company's website:

https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/KUBOTA-Group-Charter-for-Code-of-Conduct.pdf

Principle 2:

Businesses should provide goods and services in a manner that is sustainable and safe

E: Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	2.36%	2.14%	EKL has invested on Trem IV & Stage 5 emission regulations which have resulted in the reduction of Reduction in emissions and improvement in efficiency of products
Capex	0.53%	0.25%	

Note

- R&D represents total R&D expenses + Capex related to R&D
- Capex represents R&D assets capitalised during the year and do not includes adjustments for R&D capital work in progress and R&D repeated capital advances
- Revenue from sale of goods and services has been considered to calculate %ages

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?

Yes, % of returnable packaging - 20%

Escorts Kubota Limited have procedures including Supplier's code of conduct, Suppliers Quality Manual for sustainable sourcing and initiatives for Green/Returnable Packaging. The description is provided below:

Supplier Code of Conduct: Escorts is committed to ethical business practice and has formulated Supplier's code of conduct to ensure that the Supplier(s) dealing with Escorts uphold the highest standards of ethical business conduct and provide services that comply with applicable laws and industry standards.

Supplier Quality Manual: The Company strives to procure components without compromising on Quality, hence to strengthen the Quality of the component supplied by our supplier and to provide the guiding principle for the regular supplies "Supplier Quality Manual "is being shared with vendor.

Green/Returnable Packaging: We are working on green /returnable packaging with suppliers. Returnable Packaging will not only improve inbound/ outbound freight efficiency but also will reduce the packaging waste with Improved quality control. Some other benefit includes Improved workplace safety, reduce inspection/ unload and load time, reduces warehousing and storage needs, Reduce labour costs.

On the basis on market demand and supplier performance, wide network of supplier is periodically rationalised. Our supplier base includes technology driven auto component manufacturing organisation, well established core auto ancillary companies, large number of Small & Medium Enterprises (SME) and MSME.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Waste management in a safe and responsible manner is a crucial priority for our businesses.



Plastics: All plastic waste generated in the plant premises is disposed off through an authorized recycler approved by the Central Pollution Control Board or the State Pollution Control Board. From FY 2023-24, EKL will focus on the recycling of plastic from post-consumer market also.

E-waste: E-waste is not material to EKL. All the E-waste is disposed through authorised third parties.

Hazardous waste: We recycle or incinerate Hazardous wastes or send them to landfill. We have partnered with Satyam Petro Chemical, a Haryana State Pollution Control Board (HSPCB) dealer, to recycle our waste oil. For disposing the other types of hazardous wastes, we have partnered with Gujarat Enviro Protection & Infrastructure Ltd. (GEPI), also a HSPCB dealer, who incinerate the paint sludge and dispose the rest into landfill.

Other waste – All the other Non-hazardous waste generated is sent to the recycler.

I- Lead acid battery waste – The Lead acid battery waste generated in plant premises is sent to authorized lead acid battery recycler who is authorized by Central Pollution Control Board or State Pollution Control Board)

II- Lithium-ion waste battery – EKL has made an agreement with authorised Lithium-ion battery recycler for disposal of the lithium-ion battery at the end of its life. We ensure the recycling/extraction of the metals of lithium battery waste from the recycler by obtaining certificate.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

Yes.

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Escorts Kubota Limited has submitted details on the Central Pollution Control Board portal as per Central Pollution Control Board requirement and directions. For plastic waste, Extended Producer Responsibility registration as brand owner/Importer is under process.

L: Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? –** No, the entity has not conducted any Life Cycle Perspective / Assessments (LCA) for any of its products.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
-	Nil	Nil	Nil	Nil	Nil

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Nil	Nil	Nil
Nil	Nil	Nil

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material			
	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Nil	Nil	Nil	Nil

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including packaging)	Nil	111.12	Nil	Nil	Nil	Nil
E-waste (includes electrical scrap)	Nil	41.38	Nil	Nil	Nil	Nil
Hazardous waste ETP Sludge, Grinding Sludge, Industrial Waste, Paint Sludge, Phosphate Sludge, waste coolant, waste used oil, Discarded Asbestos, Celdak Pad, Bio-medical waste, battery Waste)	Nil	632.51	252.85	Nil	Nil	Nil
Others (Non-hazardous waste)	Nil	14,754	4.56	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

Principle 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

E: Essential Indicators

1. a. Details of measures for the well-being of employees.

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Permanent employees											
Male	2,466	2,444	99.11%	2,444	99.11%	0	0%	0	-	0	-
Female	132	127	96.21%	127	96.21%	132	100.00%	0	-	0	-
Total	2,598	2,571	98.96%	2,571	98.96%	132	5.08%	0	-	0	-
Other than Permanent employees											
Male	899	882	98.11%	882	98.11%	0	-	0	-	0	-
Female	84	80	95.24%	80	95.24%	80	95.24%	0	-	0	-
Total	983	962	97.86%	962	97.86%	80	8.14%	0	-	0	-

- b. Details of measures for the well-being of workers.

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Permanent workers											
Male	1,313	1,313	100.0%	1,313	100.0%	0	-	0	-	0	-
Female	9	9	100.0%	9	100.0%	9	100.0%	0	-	0	-
Total	1,322	1,322	100.0%	1,322	100.0%	9	0.68%	0	-	0	-
Other than Permanent workers											
Male	8,518	7,535	88.46%	7,535	88.46%	0	-	0	-	0	-
Female	184	91	49.46%	91	49.46%	184	100.0%	0	-	0	-
Total	8,702	7,626	87.64%	7,626	87.64%	184	2.11%	0	-	0	-



2. Details of retirement benefits

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	98.96%	100.00%	Y	100.00%	100.00%	Y
Gratuity	98.96%	100.00%	N	100.00%	100.00%	Y
ESI	0.04%	0.98%	Y	100.00%	100.00%	Y
Others –Please specify	-	-	-	EPS	EPS	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, Escorts Kubota Limited complies with the Rights of Persons with Disabilities Act, 2016, and the premises are largely accessible as per the requirements.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, we have a policy for Equal Employment Opportunity as per the Rights of Persons with Disabilities Act, 2016 and can be accessed via link:

https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/EKL-Code-of-Conduct.pdf

Our Code of Business Conduct also highlights our policy to promote equal opportunities to all without discriminating on the grounds of gender, age, language, cultural background, sexual orientation and gender identity, health or medical condition, religious beliefs, physical ability, appearance, marital status, etc. The Code of Business Conduct can be accessed via link:

https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/EKL-Code-of-Conduct.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	5	100%	-	-
Total	5	100%	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Escorts Kubota Limited have Grievance Mechanism Policy which is accessible to internal stakeholders and is available on Company's intranet and brief under code of business conduct that can be accessible on website:

https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/Escorts_COBC_Policy_V1-2.pdf

In case of any unethical matter, all employees are encouraged to report the concern to their supervisor or reporting manager. For Organisational issues, performance and appraisal related concerns or if the complaint is against the Supervisor or Reporting Manager, they are directed towards Human Resource Manager. Employees should reach out to the Ethics Committee if complaint is of the nature as described in the whistle blower policy which can be accessed via link:

https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/Whistle-Blower-Policy-aug22.pdf

All complaints are reviewed periodically, and investigation is carried out followed by strict disciplinary action against person.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	2,598	0	-	2,383	0	-
- Male	2,466	0	-	2,270	0	-
- Female	132	0	-	113	0	-
Total Permanent Workers	1,322	1,322	100.0%	1,440	1,440	100.0%
- Male	1,313	1,313	100.0%	1,428	1,428	100.0%
- Female	9	9	100.0%	12	12	100.0%

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F/D)
	Employees					Employees				
Male	2,466	2,466	100.0%	2,466	100.0%	2,270	2,270	100.0%	2,270	100.0%
Female	132	132	100.0%	132	100.0%	113	113	100.0%	113	100.0%
Total	2,598	2,598	100.0%	2,598	100.0%	2,383	2,383	100.0%	2,383	100.0%
	Workers					Workers				
Male	1,313	1,313	100.0%	1,313	100.0%	1,428	1,428	100.0%	1,428	100.0%
Female	9	9	100.0%	9	100.0%	12	12	100.0%	12	100.0%
Total	1,322	1,322	100.0%	1,322	100.0%	1,440	1,440	100.0%	12	100.0%

All Employees (Excluding other than permanent employees) and all workers (Excluding other than permanent workers) are provided with health & safety trainings & Skill upgradation trainings.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,466	2,466	100%	2,270	2,270	100%
Female	132	132	100%	113	113	100%
Total	2,598	2,598	100%	2,383	2,383	100%
Workers						
Male	1,313	1,313	100.0%	1,428	1,428	100%
Female	9	9	100.0%	12	12	100%
Total	1,322	1,322	100.0%	1,440	1,440	100%

Note: Includes only permanent employees



10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes, Escorts Kubota Limited has implemented a robust health and safety management system across the business. We have EHS policy, applicable to all employees and workers and multiple processes implemented to eliminate risk in the system. Also, we have more than 30 signed off document for safety environment & compliances and under implementation. All our operational facilities are certified with ISO 45001 & ISO 14001.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Escorts Kubota Limited follow Risk Assessment process as per ISO 45001 for identification of risks and development of mitigation plan. All such processes are prepared by central team and trainings are imparted for all area heads to develop the competency. Further, all the mitigation plans are periodically updated to ensure safety at workplace.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

All sites have incident and hazard reporting procedures laid down to assist the workforce to highlight unsafe working conditions and remove themselves from such situations. We have multiple platform and processes to report hazards like Safety Observation tour (SOT) where Concerned line manager goes to the workmen & ask for safety related issues, if any. Also, we have online safety risk reporting mechanism, and we provide multiple trainings for Safety Risk Assessment, Mock Drill Fire-Disaster Management, Emergency Management, Driving Safety etc. A Safety Committee meeting is also held on monthly basis with complete workmen participation.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

We have dedicated occupational health centre at all plants which has all time access for workmen to take facility for non-occupational illness. A full time Doctor is available to take care of the regular medications and general medicines are provided by the Company for illness. In case, issue persists, Doctor provides support to obtain outside medications.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.26
	Workers	0.67	1.69
Total recordable work-related injuries	Employees	0	6
	Workers	230	82
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	2
	Workers	18	30

Last year data has been reiterated/ regrouped as per instructions provided in BRSR guidelines.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Escorts Kubota Limited manufacturing plants are certified with ISO 45001 & ISO 14001. Every measure has been taken to ensure a safe and healthy workplace. Performance in safety, environment, and compliance is being monitored by top management monthly. We have a defined & well-established structure with defined accountability and accordingly management review the progress on various parameters.

Every manufacturing plant has a separate safety committee where equal participation of the workers, and the management is ensured. At the group level, the group safety committee is ensuring horizontal deployment of action as per standardised process.

For strategic actions and planning, a yearly safety environment plan is prepared, and based on that, monthly activity tracking is done. We are equally focusing on man, machine, and method. For men, different types of training and development are planned on a regular basis.

For machines, we have focused on inherently safe equipment, which we are ensuring with a target of zero level-1 machines. For methods, we have focused on Escorts Kubota system guidelines, where we ensure each process should have a written document and all processes are carried out according to Kubota Production System (KPS).. To motivate our employees, one company - one rule is enforced. Various motivational activities, such as National Safety Week, Fire Service Week, Road Safety Week, Environment Week, etc., are celebrated from time to time to ensure the participation of employees.

Employee Engagement: Organisation wide drive of training & awareness programs, and other motivational activities for all the employees for safe act and safe behaviour.

R/R & consequence: Reward/Recognition & Consequence Management has been implemented for dealing with all types of situations and work behaviours.

13. Number of complaints on the following made by employees and workers

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	17,490	326	-	8,965	357	-
Health & Safety	5,478	105	-	3,481	74	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% (Including assessments done by Escorts Kubota Limited and third parties)
Working Conditions	100% (including assessments done by Escorts Kubota Limited and third parties)

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Safety at the workplace is of utmost priority at Escorts Kubota Limited. We have system in place w.r.t. safety inspections, operation control, monitoring, audit and assessments and others. Gaps, learnings, improvements are implemented across the Company to avoid Repeated incidents. The corrective actions are driven by site leadership of each location.



L: Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Yes, Escorts Kubota Limited provide 3 policy benefits for Managers/ employees:

1. Death benefit Scheme
2. Jeevan Dhara policy benefits in case of death
3. Accidental insurance of 20 lacs in case of accidental death

(B) In case of workers' death, the organisation provides following benefits:

1. Provision of ₹12 lacs as onetime payment or job for one biological son (if meeting the education & Age criteria). Additionally, EDLI, EPS, PF and Gratuity is also provided to the beneficiary.
2. Voluntary contribution by all employees (employees+ workers) is also collected and given to the employee nominee.
3. The amount from Death benefit Scheme and Jeevan Dhara policy benefits is also provided to the nominee.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Escorts Kubota Limited ensures that statutory dues as applicable to the transactions are deducted and deposited in accordance with regulations. The proof of Statutory dues submission is also reviewed as part of the internal and statutory audit and monthly copy of ESI/ PF challans and Electronic Challan Receipt is shared by the manpower contractor with the Employee Relation team; The ER team validates the challan along with wage sheet and salary bank transfer sheets submitted by the contractor.

The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the employees can opt to continue the medical insurance of self and family (premium paid by self).

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	0%
Working conditions	0%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NIL

Principle 4:

Businesses should respect the interests of and be responsive to all its stakeholders

E: Essential Indicators**1. Describe the processes for identifying key stakeholder groups of the entity.**

At Escorts Kubota Limited, the engagement approach takes into cognisance the fact that each stakeholder group is unique and has a distinctive set of priorities. Insights gathered from stakeholder engagements, help validate the Company's performance and shape new perspectives.

The process for identifying key stakeholders is on the basis of the material influence they have on the Company or on how they are materially influenced by the Company's corporate decisions and the consequences of those decisions.

For details on Process of Stakeholder Engagement, refer to 'Stakeholder Engagement' section of Integrated Report 2022-23.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	<ul style="list-style-type: none"> As Clients/customers Advocating for innovations Development of product quality standards Regulatory compliance CSR initiatives 	<ul style="list-style-type: none"> Throughout the year 	<ul style="list-style-type: none"> Meetings as and when required Regulatory & Legal requirements Technology & Innovation Capacity expansion
Employees	No	<ul style="list-style-type: none"> Feedback sessions Training & safety programmes Festival Celebrations Games Award Programmes 	<ul style="list-style-type: none"> Quarterly feedback sessions Trainings throughout the year 	<ul style="list-style-type: none"> Meeting on regular basis and employees townhall Job Satisfaction Fair Pay and performance remuneration Training & Development Performance review Grievance redressal mechanism
Customers	No	<ul style="list-style-type: none"> Customer Satisfaction Survey Installation of "Care" devices in tractors Web Portals 	<ul style="list-style-type: none"> Throughout the year 	<ul style="list-style-type: none"> All means of communication throughout the year with our customers on:- Customer Satisfaction Customer complaints Extending product & services
Suppliers	No	<ul style="list-style-type: none"> Annual Supplier Convention Supplier Audits Informal Interaction 	<ul style="list-style-type: none"> Throughout the year 	<ul style="list-style-type: none"> Transparent, fair & accountable supply chain practice Supplier financial health/ reputation Service Quality Access to knowledge on sustainable supply chain practices Innovation & Technology



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Local community	No	<ul style="list-style-type: none"> CSR Initiatives Public disclosure of company information Local Employment 	<ul style="list-style-type: none"> Throughout the year 	<ul style="list-style-type: none"> CSR Initiatives Creation of job opportunities Relationship development
Investors & shareholders	No	<ul style="list-style-type: none"> General Body Meetings Interaction with Investors Annual Report Media Updates Company's website 	<ul style="list-style-type: none"> Annual General body meetings Monthly investor meets 	<ul style="list-style-type: none"> Discussion on financial & non-financial performance, market value of shares Shareholder returns Effective & robust corporate governance

L; Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Our stakeholders are those individuals or organisations who have an interest in, and/or whose actions impact our ability to execute our strategy. We periodically engage with different stakeholder groups and actively respond to their concerns and issues through various means.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

No.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Escorts always consciously acts as a responsible corporate citizen and engages with the marginalised & vulnerable sections of our society.

The Company's CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society. Kindly refer to the Annexure - E i.e. Annual Report on Corporate Social Responsibility Activities at page 166-169 and Social and Relationship Capital at page 70-77 for further details.

Principle 5:

Businesses should respect and promote human rights

E: Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	2,598	2,598	100.0%	2,383	2,120	88.96%
Other than permanent	983	983	100.0%	933	-	-
Total employees	3,581	3,581	100.0%	3,316	2,120	63.93%

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Workers						
Permanent	1,322	1,322	100.0%	1,440	955	66.32%
Other than permanent	8,702	8,702	100.0%	6,451	2,211	36.07%
Total workers	10,024	10,024	100.0%	7,891	3,166	41.83%

* Human Rights is part of EKL CoBC so every employee is trained during Induction

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2,466	-	-	2466	100.0%	2,270	-	-	2,270	100.0%
Female	132	-	-	132	100.0%	113	-	-	113	100.0%
Other than permanent										
Male	899	-	-	899	100.0%	854	-	-	854	100.0%
Female	84	-	-	84	100.0%	79	-	-	79	100.0%
Workers										
Permanent										
Male	1,313	-	-	1,313	100.0%	1,428	-	-	1,428	100.0%
Female	9	-	-	9	100.0%	12	-	-	12	100.0%
Other than permanent										
Male	8,518	-	-	8,518	100.0%	6,293	6,293	100%	-	-
Female	184	-	-	184	100.0%	158	158	100%	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	15	17,75,000	3	18,00,000
Key Managerial Personnel	1	NA	-	-
Employees other than BoD and KMP	2,463	9,50,004	131	6,58,980
Workers	1,313	39,255	9	17,955

*Mr. Nikhil Nanda, Mr. Seiji Fukuoka and Mr. Bharat Madan are also KMP as per the Companies Act, 2013.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Company has Ethics committee to look into issues reported due to contravention of Code of business conduct and complaints received through whistle blower mechanism through toll free number, mail or post; from any stakeholder. For any interpersonal grievance, there is a Grievance redressal committee. Employees have the option of approaching any committee.



5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

EKL has Human Rights Policy to redress grievances related to human rights issues. Also, Reporting avenues have been provided for EKL employees, customers, suppliers and other stakeholders to raise concern or make disclosure when they become aware of any actual or potential violation of the Company's code, policies or law including human right violations. Representation made in the reporting avenues are reviewed and appropriate action, if required, being taken.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	1	Complaint has been closed by the time the report is being published	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Escorts Kubota Limited is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and expression (including transgender identity), political opinion, medical condition, language as protected by applicable laws.

The Company has Whistle blower Policy to protect the whistle blower. The identity of the complainant remains confidential, in case a complaint is filed and action is taken on immediate basis.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Human rights requirements form part of your business agreements and contracts.

9. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%
Forced/involuntary labour	Escorts Kubota Limited periodically monitors compliances of all the relevant laws and policies pertaining to mentioned issues.
Sexual harassment	No observation has been observed by statutory authorities and third parties during the reporting FY 2022-23.
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

NIL

L: Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Escorts Kubota Limited regularly through training convey its employees on Code of Conduct. The Company strives to uphold the basic principles of human rights in all its operations. This is in alignment with its codes and policies. The company regularly sensitizes its employees on the Code of Conduct, Human Rights through various training and awareness programs.

2. Details of the scope and coverage of any Human rights due-diligence conducted

Escorts Kubota Limited is of the belief that it has upheld the basic principles of human rights in all its dealings. This is in alignment with its Human Rights Policy. The Company follows zero tolerance to child, forced or compulsory labour and regularly sensitises its employees on the Code of Conduct through various training programmes.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the registered and corporate office and all plants have ramps for easy movement of differently abled visitors. Most of the offices are located in commercial premises which may be on the ground floor or have elevators and infrastructure for differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	No assessment conducted during the year 2022-23. We are aiming to conduct assessment in the near future.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NIL

Principle 6:

Businesses should respect and make efforts to protect

E: Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	187.13	172.98
Total fuel consumption (B)	153.06	153.67
Energy consumption through other sources (C)	4.53	4.08
Total energy consumption (A+B+C)	344.72	330.73
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.04 x 10 ⁻⁷	0.05 x 10 ⁻⁷
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

All the values are in Tera Joules

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, Grant Thornton Bharat LLP has given Limited Assurance on Energy consumption for FY 2022-23. Details for the same have been mentioned in the assurance statement.



2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, as we do not fall under DC Category

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	4,58,101.94	6,26,949.00
(iii) Third party water (Municipal water supplies)	61,454.80	34,940.3
(iv) Seawater / desalinated water	-	-
(v) Others	41,329.00	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)*	5,19,556.74	6,61,889.30
Total volume of water consumption (in kilolitres)	3,48,539.74	4,57,139.50
Water intensity per rupee of turnover (Water consumed / turnover)	0.42 x 10 ⁻⁵	0.64 x 10 ⁻⁵
Water intensity (optional) – the relevant metric may be selected by the entity		

EKL has stopped the extraction of ground water in Railway plant and resulting third party water increased. For FY 2021-22 figures have been reiterated as per guidance note - Purchased water was not part of Third-Party Water procurement.

*Water withdrawal includes city water & ground water only Recycled water is part of others (v) and is not included in total volume of water withdrawal

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, Grant Thornton Bharat LLP has given Limited Assurance on Water Withdrawal and Water Consumption for FY 2022-23. Details for the same have been mentioned in the assurance statement.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. Escorts Kubota Limited has a Zero Liquid Discharge (ZLD) plant at their Railway Equipment Business Division facility in Faridabad. The wastewater generated in plant operations is used for gardening and landscaping purpose.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	2021-22: ug/m3 2022-23: kg/year	97,858.98	4,56,91,571.37
SOx	2021-22: ug/m3 2022-23: kg/year	2,206.00	7,37,736.99
Particulate matter (PM)	2021-22: ug/m3 2022-23: kg/year	92,454.78	70,88,048.05
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (HCFC – 22 or R-22)	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	9,153.03	12,796.24
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	36,907.51	37,960.00
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/INR of revenue	0.06 x 10 ⁻⁵	0.07 x 10 ⁻⁵
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Scope 1 also include fugitive emissions

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. –

Yes, Grant Thornton Bharat LLP has given Limited Assurance on Scope 1 and Scope 2 Emissions for FY 2022-23. Details for the same have been mentioned in the assurance statement.

7. Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.

Yes, Conversion to Gas Gensets: EKL has discontinued 33 Diesel Genset out of 35 and switched to Gas Genset for power generation. This year 5 Gas gensets were installed and for FY 23-24, EKL is in procurement process for 6 new genset of capacity 1300KW.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	111.12	100.15
E-waste (B)	2.67	2.71
Bio-medical waste (C)	0.22	0.23
Construction and demolition waste (D)	-	-
Battery waste (E)	37.20	-
Radioactive waste (F)	-	-
Total Waste Generated	151.21	103.06
S.No. Other Hazardous waste (G)		
ETP Sludge	45.998	46.14
Grinding Sludge	10.56	14.91
Paint Sludge	397.67	468.56
Waste Used Oil	97.75	72.70 in KL
Industrial Waste	1.29	0.52
Phosphate Sludge	37.03	24.30
Discarded Asbestos	200.41	9.83
Others	92.99	
(Waste coolant, Celdak Pad, Electrical Scrap)		
Total Hazardous Waste Generated (G)	883.69	Total (G) Excluding waste oil: 564.24 MT Waste Oil: 72.70 KL
Other Non-hazardous waste generated (H), Please specify, if any.		
Wooden	1,268.05	1,080.61
Garbage	4.56	1,736.84
Casting	322.42	622.81
Forging	221.40	-
Tractor Parts	146.87	-
Turning & Boring	4,151.66	-



Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Radiator	3.13	-
Rubber	57.99	-
Others	8,582.19	-
Total Non-Hazardous Waste Generated (H)	14,758.29	3,440.26
Total (A+B + C + D + E + F + G + H)	15,793.20	Total Excluding waste oil: 4,107.59 MT Waste Oil: 72.70 KL

Data restated for waste oil

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	1.51	-
(ii) Landfilling	304.14	-
(iii) Other disposal operations	15,487.55	4,177.40
Total	15,793.2	4,177.40

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, Grant Thornton Bharat LLP has given Limited Assurance on Waste Generated (Hazardous and Non-Hazardous) for FY 2022-23. Details for the same have been mentioned in the assurance statement.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

EKL have robust waste management infrastructure within our plants which considers environmental impact, social effects and commercial viability.

The waste generated is recycled or incinerated or sent to landfill. For recycling our waste oil, we have partnered with Satyam Petro Chemical, a Haryana State Pollution Control Board (HSPCB) dealer. For disposing the other types of hazardous wastes, we have partnered with Gujarat Enviro Protection & Infrastructure Ltd. (GEPII), also a HSPCB dealer, who incinerate the paint sludge and dispose the rest into landfill.

Various initiative has been taken to manage waste in our operations. We have an Oil Filtration Unit which cleans industrial lubricants, enhancing equipment's longevity and efficiency. We convert food waste into compost and use it for gardening, encourage reduced usage of paper at all our facilities and offices, promote recycling of paper and have designated waste bins for paper to facilitate paper recycling.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	-	-	-
-	-	-	-

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No data Recorded

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-
-	-	-	-	-	-

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Escorts Kubota Limited is compliant with the applicable environment laws/guidelines.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-	-	-	-	-

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	4.53	4.07
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	4.53	4.07
From non-renewable sources		
Total electricity consumption (D)	187.14	172.98
Total fuel consumption (E)	153.06	153.67
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	340.2	326.65

Renewable Energy consumption is only from captive solar plant. All figures are in Tera Joules and accordingly FY 2021-22 figures are revised.

All figures are in Tera Joules and accordingly FY 2021-22 figures are revised accordingly

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Grant Thornton Bharat LLP has given Limited Assurance on Energy consumption for FY 2022-23. Details for the same have been mentioned in the assurance statement



2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	1,71,017 KL	2,04,749.7 KL
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	1,71,017 KL	2,04,749.7 KL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Grant Thornton Bharat LLP has given Limited Assurance on Water Discharge for FY 2022-23. Details for the same have been mentioned in the assurance statement.

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: NIL
- (ii) Nature of operations: NIL
- (iii) Water withdrawal, consumption, and discharge in the following format: NIL

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	9,30,878.21	14,022.18
Total Scope 3 emissions per rupee of turnover		1.12 x 10 ⁻⁵	0.02 x 10 ⁻⁵
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Scope 3 figures are not comparable as in FY2021-22 only one category was reported as against 5 categories in FY2022-23. Please refer to page number 68 for details.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NIL

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Conversion to Gas Gensets	EKL has discontinued 33 Diesel Genset out of 35 and switched to Gas Genset for power generation. This year 5 Gas gensets were installed and for FY 23-24, EKL is in procurement process for 6 new genset of capacity 1300KW.	Reduction in CO ₂ emissions
2.	Optimization of Paint during Painting operation and Disposal of paint in Environment-efficient manner	Following steps has been taken for the initiative: <ul style="list-style-type: none"> Reduction in paint consumption Switched to co-processing for paint disposal instead of incineration 	Adoption of Environment-friendly waste disposal methodology
3.	Reduction in water consumption	EKL has taken various water conservation measure to reduce its water consumption	Reduction in water consumption

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

EKL have an Enterprise Risk Management (ERM) framework that allows for efficient resource allocation. Our ERM framework addresses critical risks in four domains: strategic, operational, financial, and compliance risks.



The systematic and proactive approach enables us to identify and manage risks effectively.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

NIL

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

0%

Principle 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

E: Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Number of affiliations with trade and industry chambers/ associations - 6

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	CII – Confederation of Indian Industry	National/Regional/State & Zone
2	IACC- Indo-American Chamber of Commerce	National
3	FICCI- Federation of Indian Chambers of Commerce & Industry	National
4	TMA - Tractors & Mechanization Association	National
5	ICEMA - Indian Construction Equipment Manufacturers Association	National
6	FIA - Faridabad Industry Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Company has carried out training across verticals on various policies like code of conduct and Competition Compliance Policy during the year to create awareness amongst the various stakeholders of the Company.

Name of authority	Brief of the case	Corrective action taken
-	-	-
-	-	-

L: Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
-	-	-	-	-	-
-	-	-	-	-	-

Principle 8:

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

NIL

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-
-	-	-	-	-	-

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

NIL

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

3. Describe the mechanisms to receive and redress grievances of the community.

- EKL has established Grievance Redressal Policy and system to receive and address enquiry/grievance from an internal & external stakeholder.
- An Ethics Committee is responsible to look into any breach/violation of the Company's Code of Conduct, Supplier Code of Conduct in case of fraud, misconduct, corruption, financial issues, conflicts of interest, insider trading or antitrust regulations, theft, embezzlement, employee relations and human resources issues, such as harassment, discrimination, improper workplace conduct or immigration issues, loss prevention and asset protection, workplace violence and alcohol/ drug abuse, environment, conflict minerals, health and safety, such as occupational health and safety violation etc.
- Shareholders can approach the compliance officer or can contact through E-mail/phone to lodge their complaints via contact details as mentioned on the EKL website.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	27.82%	26.10%
Sourced directly from within the district and neighbouring districts	46.15%	45.77%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

NIL

Details of negative social impact identified	Corrective action taken



2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

NIL

S. No.	State	Aspirational District	Amount spent (In ₹)

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes

- (b) From which marginalized /vulnerable groups do you procure?

Data not Captured

- (c) What percentage of total procurement (by value) does it constitute?

27.82%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

NIL

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes / No)	Basis of calculating benefit share
-	-	-	-	-
-	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

NIL

Name of authority	Brief of the case	Corrective action taken
-	-	-
-	-	-

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups*
1.	COVID Support	6,839	75
2.	Community Development	1,63,100	51.18
3.	Road Safety	1,130	50
4.	Health Care	10,191	100
5.	Farmer Training Program	1,090	50

*100% where the scheme implemented for marginalized group and 50% for mixed community except for COVID programme where maximum marginal people benefitted hence 75% has been assumed.

Principle 9:

Businesses should engage with and provide value to their consumers in a responsible manner

E: Essential Indicators**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

EKL handhold its customer with utmost importance and engages with them through various channels like Customer Empathy index, Service Quality index to understand their needs and obtain crucial insights into their requirements, interests, and preferences.

The Customer Empathy Index is calculated based on pre-defined parameters including Complaint Appointment, Turnaround Time, and Customer Satisfaction and the Service Quality Index is calculated based on Post Service Feedback, Doorstep Services, and First Time Right (Comeback and Repeat). EKL installs "Care" device in tractors to helps farmers access customer care support instantly.

To ensure customer grievances get addressed in time and with quality, our team follows a time bound standard operating procedure of grievance redressal. Once a customer registers a grievance, it is logged in our system. We analyse the issue and provide Corrective actions and ensure proper resolution. We take measures to make sure that customers don't face the same issues in the future. During the reporting year, we did not receive a single complaint on breach of customer privacy and loss of customer data.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	Data Not Captured

3. Number of consumer complaints in respect of the following:

	FY 2022-23 Current Financial Year		Remarks	FY 2021-22 Previous Financial Year		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	-
Forced recalls	NIL	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Escorts Kubota Limited have policy on Cyber Security and risks which clearly outlines the approach on data privacy. The policy is available on intranet of the company. Also the EKL's risk policy covers data protection briefly. The Policy is available at following link: https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/policy-on-risk-management.pdf



6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Escorts Kubota consider data privacy, a critical aspect to ensure customer information safety. Our Policy on “Risk Management” clearly outlines our approach to maintaining data privacy.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

- Company Website: www.escortsgroup.com
- Company social media channels
- Company authorized Dealerships and Distributors
- Company Toll Free Numbers
- Print Media and Electronic Media
- Influencer Meets
- Client Submissions

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

At Escorts Kubota Limited, we work together and with our partners and customers to explore new ways to incorporate sustainable materials across our solutions and bring them to new markets including increased communications, which includes but not limited to Onsite services for raw material testing and product application, through Technical Mobile Van. Site supervision services to educate customers on right construction methodologies and practices. The Company also install the products at customer site after giving proper demo and usage guidance, product information, warranty and other essential information of the product. Also, the mobile apps, various tutorials and customer care helpline helps the customers to utilise the product fully and properly. The Company is paving the path to educate its vendors/ customers for the safe and responsible usage of products, and it will deliver the substantial transformational Change in the tractor Industry in near future.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

NIL

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

The Company furnish the information about its product as required under applicable laws.

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, Escorts Kubota Limited conduct customer satisfaction survey periodically to understand customer review/satisfaction level. Also, the Company maintains customer Satisfaction Index through call centres and feedback based on service records internally.

6. **Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact - 0
- b. Percentage of data breaches involving personally identifiable information of customers – 0.0%

Independent Auditor's Report

To the Members of Escorts Kubota Limited (formerly Escorts Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Escorts Kubota Limited (formerly Escorts Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter described below to be the key audit matter to be communicated in our report:

Key audit matter

Revenue recognition

We refer to the Company's significant accounting policies in note 2.2(a) and the revenue related disclosures in note 46 of the standalone financial statements. Owing to the multiplicity of the Company's products, volume of sales transactions, size of distribution network and varied terms of contracts with customers, in line with the requirements of the Standards on Auditing, revenue is determined to be an area involving significant risk and hence requiring significant auditor attention.

Further Ind AS 115, "Revenue from Contracts with Customers", requires management to make certain key judgements, such as, identification of distinct performance obligations in contracts with customers (such as after sales maintenance services and product warranties), determination of transaction price for the contract factoring in the consideration payable to customers (such as rebates and discounts) and selection of a method to allocate the transaction price to the performance obligations.

This matter is considered to be of most significance given the extent of industry knowledge and skills needed to apply audit procedures to address the matter and evaluate the results of those procedures.

How our audit addressed the key audit matter

Our audit procedures, related to revenue recognition, included, but were not limited, to the following:

- a) assessed the design and operating effectiveness of Company's controls (including the automated controls) around revenue recognition and measurement (including rebates / discounts);
- b) assessed the appropriateness of Company's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115;
- c) scrutinised sales ledgers to verify accuracy and completeness of sales transactions;
- d) on a sample basis, tested the revenue recognised including testing of cut off assertion as at the year end;
- e) tested the appropriateness of accruals for various rebates and discounts as at the year-end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches / deliveries (as the case may be), and approved incentives / discounts schemes;
- f) assessed the revenue recognised with substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts at customer level;
- g) circularised balance confirmations to a sample of customers and evaluated the responses; and
- h) tested the related disclosures made in notes to the standalone financial statements in respect of the revenue from operations.



Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

8. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



- i. the Company, as detailed in note 32 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 47(ii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 47(iii) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. Further, as stated in note 36(b) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Ashish Gupta

Partner

Membership No.: 504662

UDIN: 23504662BGWGDP7972

Place: Mumbai

Date: 10 May 2023

Annexure A

referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Escorts Kubota Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right of use assets and investment property.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment, right of use assets and investment property under which the assets are physically verified in a phased manner 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. In accordance with this programme, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in notes 3(i), 4 and 5 to the standalone financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no

discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

- (b) As disclosed in note 35 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹5 crore by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit / review.

- (iii) (a) The Company has not made any investment or provided any guarantee or security during the year. Further, the Company has provided loans to a joint venture during the year as per details given below:

Particulars	Loans (in ₹ crores)
Aggregate amount provided / granted during the year to joint venture	1.00
Balance outstanding as at balance sheet date in respect of above cases to joint venture	1.00

- (b) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of loans and advances in the nature of loans are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and principal amount is not due for repayment currently, however, the receipts of the interest are regular.
- (d) There is no overdue amount in respect of loan granted to such companies, firms, LLPs or other parties.



- (e) The Company has granted loan which had fallen due during the year and such loan was renewed. The details of the same has been given below:

(in ₹ crores)				
Name of the party	Total loan amount granted during the year	Nature of extension	Aggregate amount of overdues of existing loans renewed	Percentage of the aggregate to the total loans granted during the year
Adico Escorts Agri Equipment Private Limited	1.00	Renewed	Nil	100%

- (f) The Company has not granted any loan which is repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. 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 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross amount (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Haryana Local Area Development Tax, 2000	Local Area Development Tax	52.80	39.90	2000-2008	Hon'ble High Court of Punjab and Haryana
Value Added Tax Acts	Sales Tax	2.16	1.72	2003-2005	Hon'ble High Court of Andhra Pradesh
Value Added Tax Acts	Sales Tax	1.22	0.01	2008-2017	Hon'ble High Court of West Bengal
Value Added Tax Acts	Sales Tax	1.24	-	1994-2000	Hon'ble High Court of Bihar
Value Added Tax Acts	Sales Tax	0.52	-	2002-2003	Hon'ble High Court of Punjab and Haryana
Value Added Tax Acts	Sales Tax	20.36	0.60	1994-2018	Appellate Tribunal
Value Added Tax Acts	Sales Tax	34.75	5.27	1997-2018	Appellate authority till Commissioner level
Central Excise Act, 1944	Excise Duty	19.65	-	2013-2015	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	449.47	50.69	2004-2017	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	0.99	0.18	1992-2018	Appellate authority till Commissioner level

Name of the statute	Nature of dues	Gross amount (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	1.38	-	2005-2009	Hon'ble High Court of Punjab & Haryana
Finance Act, 1994	Service tax	0.31	0.01	2010-2012	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	0.74	0.06	2011-2013	Appellate authority till Commissioner level
The Customs Act, 1962	Custom Duty	9.02	6.97	2007-2020	Customs Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Custom Duty	0.56	-	2017-2021	Appellate authority till Commissioner level
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	3.78	0.61	2017-2022	Appellate authority till Commissioner level
Income Tax Act, 1961	Income Tax	23.39	3.93	2002-2017	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	1.40	-	2003-2016	Income Tax Appellate Tribunal

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(x)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the

obligations of its subsidiaries, associate or joint ventures.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) The whistle blower complaints received by the Company during the year, as shared with us by the management have been considered by us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly,



reporting under clause 3(xii) of the Order is not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Companies.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets

and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company
- (b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Ashish Gupta

Partner

Membership No.: 504662

UDIN: 23504662BGWGDGP7972

Place: Mumbai

Date: 10 May 2023

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Escorts Kubota Limited (formerly Escorts Limited) ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Ashish Gupta

Partner

Membership No.: 504662

UDIN: 23504662BGWGDGP7972

Place: Mumbai

Date: 10 May 2023

Standalone Balance Sheet

as at 31 March 2023

			(₹ crores)
	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3 (i)	1,729.85	1,692.24
Capital work-in-progress	3 (ii)	69.39	56.34
Investment property	4	79.80	82.60
Right-of-use assets	5	50.23	34.64
Intangible assets	6 (i)	28.44	22.70
Intangible assets under development	6 (ii)	44.29	31.45
Financial assets			
Investments	7 (i)	3,235.63	548.85
Other financial assets	8 (i)	6.42	16.55
Income tax assets (net)		0.28	8.69
Other non current assets	10 (i)	196.33	87.87
Total non-current assets		5,440.66	2,581.93
Current assets			
Inventories	11	1,159.04	803.57
Financial assets			
Investments	7 (ii)	1,794.93	4,584.60
Trade receivables	12	1,207.56	827.56
Cash and cash equivalents	13	181.60	82.83
Bank balances other than above	14	286.86	175.63
Other financial assets	8 (ii)	19.35	25.52
Other current assets	10 (ii)	200.59	281.10
Total current assets		4,849.93	6,780.81
Assets held for sale	15	17.54	9.00
Total assets		10,308.13	9,371.74
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	131.94	131.94
Other equity	17	8,302.87	7,746.24
Total equity		8,434.81	7,878.18
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	39	44.91	41.34
Other financial liabilities	19 (i)	26.95	26.72
Provisions	21 (i)	41.76	42.03
Deferred tax liabilities (net)	9 (i)	65.12	37.91
Other non-current liabilities	20 (i)	7.92	8.52
Total non-current liabilities		186.66	156.52
Current liabilities			
Financial liabilities			
Lease liabilities	39	12.39	10.59
Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		103.70	71.75
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,129.17	805.90
Other financial liabilities	19 (ii)	115.07	93.93
Other current liabilities	20 (ii)	220.56	235.16
Provisions	21 (ii)	103.62	97.17
Current tax liabilities		2.15	22.54
Total current liabilities		1,686.66	1,337.04
Total equity and liabilities		10,308.13	9,371.74

The accompanying notes form an integral part of these financial statements.

As per our Report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

ASHISH GUPTA
Partner
Membership No. 504662

Place : Mumbai
Date : 10 May 2023

NIKHIL NANDA
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

BHARAT MADAN
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

SEJI FUKUOKA
Deputy Managing Director
(DIN: 08786470)
Place : Faridabad

For and on behalf of the Board of Directors

VIMAL BHANDARI
Director
(DIN: 00001318)
Place : Mumbai

SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023



Standalone Statement of Profit and Loss

for the year ended 31 March 2023

			(₹ crores)
	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	23	8,344.95	7,196.90
Other income	24	280.56	168.80
Total income		8,625.51	7,365.70
Expenses			
Cost of materials consumed	25 (i)	5,721.89	4,492.43
Purchases of stock-in-trade		509.03	508.74
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25 (ii)	(163.98)	(68.37)
Employee benefits expense	26	594.97	528.27
Finance costs	27	10.26	12.70
Depreciation and amortisation expense	28	148.43	129.75
Other expenses	29	902.62	740.30
Total expenses		7,723.22	6,343.82
Profit before exceptional items and tax		902.29	1,021.88
Exceptional items	30 (ii)	(97.16)	-
Profit before tax		805.13	1,021.88
Tax expense	9 (ii)		
Current tax		171.56	242.00
Deferred tax charge		26.59	14.27
Total tax expense		198.15	256.27
Profit for the year		606.98	765.61
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net changes in fair values of equity instruments carried at fair value through other comprehensive income		0.06	0.24
Re-measurements of defined employee benefit plans		2.43	2.56
Income tax relating to items that will not be reclassified to profit or loss		(0.62)	(0.67)
Total other comprehensive income for the year		1.87	2.13
Total comprehensive income for the year		608.85	767.74
Earnings per equity share:	30 (i)		
Basic (₹)		46.74	58.91
Diluted (₹)		46.68	58.71

The accompanying notes form an integral part of these financial statements.

As per our Report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

ASHISH GUPTA
Partner
Membership No. 504662

Place : Mumbai
Date : 10 May 2023

NIKHIL NANDA
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Director
(DIN: 00001318)
Place : Mumbai

For and on behalf of the Board of Directors

SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023

Standalone Cash Flow Statement

for the year ended 31 March 2023

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
A Cash flow from operating activities		
Profit before tax	805.13	1,021.88
Adjustments for:		
Depreciation and amortisation expense	148.43	129.75
Provisions written back net of provisions recognised during the year	7.98	(40.33)
Provision for diminution on investment in Subsidiary & Joint Venture	97.16	-
Finance costs (other than finance and bank charges)	7.84	9.60
Interest income	(161.80)	(88.56)
Gain on disposal of property, plant and equipment (net)	(2.13)	(3.74)
Gain on disposal of assets held for sale	-	(8.90)
Gain on fair valuation and sale of investments carried at fair value through profit or loss (net)	(88.12)	(94.91)
Share based payment to employees	5.70	9.80
Unrealised foreign exchange (gain)/loss	(5.24)	1.74
Operating profit before working capital changes	814.95	936.33
Movement in working capital		
Inventories	(355.47)	(129.11)
Trade receivables	(383.63)	(141.58)
Other financial assets	4.57	7.82
Other assets	(31.73)	(90.93)
Trade payables	356.96	(254.92)
Other financial liabilities	33.95	(54.29)
Other liabilities	(16.86)	21.66
Cash generated from operating activities post working capital changes	422.74	294.98
Income tax paid (net)	(186.39)	(253.88)
Net cash generated from operating activities (A)	236.35	41.10
B Cash flows from investing activities		
Purchase of property, plant and equipment (including capital advances)	(190.32)	(173.14)
Sale of property, plant and equipment	4.62	8.04
Purchase of intangible assets	(28.41)	(12.69)
Purchase of investment property	(0.02)	(14.05)
Proceeds from sale of assets held for sale	-	23.54
Investment in subsidiaries and joint ventures	-	(19.15)
Proceeds from sale of investment in subsidiary and joint venture	0.01	5.46
Sale/(Purchase) of other non current investments	(422.54)	25.82
Sale/(Purchase) of current investments(net)	667.26	(2,836.72)
Bank deposits (having original maturity of more than 3 months)	(100.01)	1,022.48
Margin/bank deposits	(9.55)	(5.70)
Interest received	11.37	104.57
Net cash used in investing activities (B)	(67.59)	(1,871.54)
C Cash flows from financing activities (refer note 18)		
Proceeds from shares(including ESOP) issued during the year	20.57	1,902.07
Repayment of lease liability	(7.03)	(6.11)
Interest paid	(7.84)	(9.64)
Dividend paid	(75.69)	(73.73)
Net cash generated from financing activities (C)	(69.99)	1,812.59
Increase/(decrease) in cash and cash equivalents (A+B+C)	98.77	(17.85)
Cash and cash equivalents at the beginning of the year (refer note 13)	82.83	100.50
Exchange difference on translation of foreign currency cash and cash equivalents	-	0.18
Cash and cash equivalents at the end of the year (refer note 13)	181.60	82.83

Note: The above statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes form an integral part of these financial statements.

As per our Report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

For and on behalf of the Board of Directors

ASHISH GUPTA
Partner
Membership No. 504662

NIKHIL NANDA
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

SEIJI FUKUOKA
Deputy Managing Director
(DIN: 08786470)
Place : Faridabad

VIMAL BHANDARI
Director
(DIN: 00001318)
Place : Mumbai

Place : Mumbai
Date : 10 May 2023

BHARAT MADAN
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023



Standalone Statement of changes in equity

for the year ended 31 March 2023

A Equity share capital

Balance as at 1 April 2021	Changes in equity share capital during the year		Balance as at 31 March 2022	Changes in equity share capital during the year		Balance as at 31 March 2023
	Capital reduction	Issued		Capital reduction	Issued	
134.83	(12.25)	9.36	131.94	-	-	131.94

(₹ crores)

B Other equity

	Treasury shares		Reserves and surplus			Fair value changes of equity instruments measured at fair value through other comprehensive income		Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Employees' stock options outstanding	Retained earnings	income	
Balance as at 1 April 2021	97.40	4.00	1,502.71	731.49	19.18	2,925.71	0.73	5,256.76
Profit for the year	-	-	-	-	-	765.61	-	765.61
Other comprehensive income for the year	-	-	-	-	-	1.91	0.21	2.12
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Proceeds from shares issued during the year	-	-	1,845.94	-	-	-	-	1,845.94
Impact of shares cancelled during the year	-	-	(100.95)	-	-	-	-	(100.95)
Dividends paid	-	-	-	-	-	(73.73)	-	(73.73)
Employee stock option exercise for the year	-	-	15.05	-	(15.05)	-	-	-
Employee stock option charge for the year	-	-	-	-	10.10	-	-	10.10
Transfer from employees' stock option outstanding account against vested options lapsed during the year	-	-	-	0.07	(0.07)	-	-	-
Adjustment for options exercised during the year	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	97.40	4.00	3,298.79	731.56	14.16	3,619.50	0.94	7,746.24
Profit for the year	-	-	-	-	-	606.98	-	606.98
Other comprehensive income for the year	-	-	-	-	-	1.82	0.05	1.87
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(76.28)	-	(76.28)
Employee stock option exercise for the year	-	-	-	-	-	(7.62)	-	-
Employee stock option charge for the year	-	-	7.62	-	(7.62)	-	-	-
Adjustment for options exercised during the year	-	-	-	-	5.76	-	-	5.76
Balance as at 31 March 2023	97.40	4.00	3,322.98	731.56	12.30	4,152.02	0.99	8,302.87

(₹ crores)

The accompanying notes form an integral part of these financial statements.
As per our Report of even date attached

For **Walker Chandok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

ASHISH GUPTA
Partner
Membership No. 504662

Place : Mumbai
Date : 10 May 2023

For and on behalf of the Board of Directors

SEIJI FUKUOKA
Deputy Managing Director
(DIN: 08786470)
Place : Faridabad

VIMAL BHANDARI
Director
(DIN: 00001318)
Place : Mumbai

BHARAT MADAN
Whole-time Director and Chief Financial Officer

SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023

Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

1. Company overview

Escorts Kubota Limited (Formerly Escorts Limited) ("the Company") is a public limited company incorporated and domiciled in India and having its registered office at 15/5, Mathura Road, Faridabad (Haryana). The Company's shares are listed with Bombay Stock Exchange and National Stock Exchange. The Equity Shares of the Company were listed on the Delhi Stock Exchange. However, DSE has been de-recognized and allowed to exit as a stock exchange by Securities Exchange Board of India (SEBI) by way of SEBI's Order No. WTM/SR/SEBI/MRD-DSA/04/01/2017 dated 23 January 2017. The Company is primarily engaged in the business of manufacturing of agricultural tractors, engines for agricultural tractors, construction, earth moving and material handling equipment, round and flat tubes, heating elements, double acting hydraulic shock absorbers for railways coaches, centre buffer couplers, automobile shock absorbers, telescopic front fork & McPherson struts, brake block, internal combustion engines and all types of brake used by railways. It also trades in oils & lubricants, implements, trailers, tractors, compressor accessories and spares, construction, earth moving and material handling equipment.

Pursuant to the approval of the Board of Directors of the Company, approval of the shareholders of the Company and Registrar of Companies, NCT of Delhi and Haryana on November 18, 2021, December 18, 2021 and June 9, 2022, respectively, the name of the Company has changed to "Escorts Kubota Limited" effective June 9, 2022.

2. Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2023 in accordance with Ind AS 110 and

the same were also approved for issue by the Board of Directors on 10 May 2023.

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared under historical cost convention basis except for the following –

- Certain financial assets which are measured at fair value;
- Defined benefit plans – plan assets measured at fair value.

2.2 Summary of significant accounting policies

a) Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods, after-sales maintenance and extended warranty services.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at transaction price received or receivable, excluding the estimates of variable consideration allocable to the performance obligation, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). In case of multi-element revenue arrangements, which involve delivery or performance of multiple



Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position (see note 20). Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

The Company provides 1 to 5 years' product warranty on its goods sold to the buyer. Under the terms of this warranty customers can return the product for repair or replacement if it fails to perform in accordance with published specifications. These warranties are accounted for under Ind AS 37.

After-sale services

The Company enters into fixed price maintenance and extended warranty contracts with its customers for terms between one and two years in length. Customers are required to pay in advance for the services along with the contractual amount paid for the purchase of goods.

- Maintenance contracts – The Company enters into agreements with its customers to perform regularly scheduled maintenance services on goods purchased from the Company. Revenue is recognised over time based on the ratio between the number of services provided/lapsed in the current period and the total number of such services expected to be provided under each contract. This method best depicts the transfer of services to the customer because details of the services to be provided are specified by management in advance as part of its published maintenance program.
- Extended warranty program – The Company enters into agreements with its customers to perform necessary repairs falling outside the Company's standard warranty period. As this service involves an indeterminate number of acts, the Company is required to 'stand ready' to perform whenever a request falling within the scope of the program is made by a customer. Revenue is recognised on a straight-line basis over the term of the contract and matched to related costs. This method best depicts the transfer of services to the customer as (a) the Company's historical experience demonstrates no statistically significant variation in the quantum of services provided in each year of a multi-year contract, and (b) no reliable prediction can be made as to if and when any individual customer will require service.

Other income

Income from export incentives are recognised on accrual basis.

Interest Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured

Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

at amortised cost (refer 'h' below), interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

b) Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') and are rounded to two decimal places of crores, which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing

costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

d) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are stated at their cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives mentioned below:

Asset category	Estimated useful life (in years)
Factory buildings	30
Office buildings	60
Tubewells and fencing	5
Roads	10
Sheds	3
Plant and machinery	3-15*
Furniture and fixtures	5-10*
Office equipment	3-10
Vehicles	8-10



Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

Leasehold improvements	Over the effective term of the lease
Electrical appliances	10
IT equipment	6
Computers	3

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for certain items within these classes of assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

e) Investment properties

Recognition and initial measurement

Investment properties are properties including right-of-use in properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements.

Subsequent measurement (depreciation and useful lives)

Depreciation on investment properties other than right-of-use in properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

f) Intangible assets

Recognition and initial measurement

Purchased intangible assets are stated at cost.

Internally developed intangible assets

Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

Expenditure on the research phase of projects is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Company can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs.

Subsequent measurement (amortisation)

Purchased intangible assets are stated at cost less accumulated amortization and impairment, if any.

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic

factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Asset category	Estimated useful life (in years)
Software	6
Prototypes	4
Technical know how	6

g) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or



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prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

h) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value or trade receivables which are recognised at their transaction price, where the trade receivable does not contain a significant financing component.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- a) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- b) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- i. **Financial assets at amortised cost** – a financial instrument is measured at amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets at fair value

Investments in equity instruments (other than subsidiaries/ associates/ joint ventures) – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL), except investment in certain fixed maturity plans (FMPs) and target maturity funds (TMFs).

Fixed maturity plans (FMP), purchased by the Company on or after 1 April 2021, are measured at amortised cost, if the Company intends to hold the FMPs to maturity. Further, the Company applies amortised cost for those FMPs where the Company is able to demonstrate that the underlying instruments in the portfolio would fulfill the SPPI test and the churn in the underlying portfolio is negligible.

These conditions are assessed at each Balance Sheet date. If these conditions are not fulfilled, then FMPs are valued at FVTPL.

The Company intends to hold its investment in open ended target maturity funds (i.e. exchange traded funds/ETF) purchased on or after 1 April 2021 till maturity. It may be noted that these funds have a pre-determined maturity date. These funds follow a passive buy and hold strategy; in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such strategy mitigates intermittent price volatility in open ended target maturity fund's underlying investments; and investors who remain invested until maturity are expected to mitigate the market/volatility risk to a large extent. These funds can invest only in plain vanilla rupee denominated bonds with fixed coupon and maturity; and cannot invest in floating rate bonds. Based on this, the Company believes that the investments in open ended target maturity funds meet the requirements of SPPI test as per the requirements of Ind AS 109.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using effective interest method. Amortised cost is calculated after considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an



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existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

Initial and subsequent measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The Company uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables. Life time expected credit losses are assessed and accounted based on company's historical collection experience for customers and forecast of macro-economic factors for each identified segment.

The Company defines default as an event when the financial asset is past due for more than 365 days. This definition is based on management's expectation of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant

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increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

j) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

k) Fair value measurement

The Company measures certain financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Refer Note 35 for fair value hierarchy.

l) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed using weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

m) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in



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accordance with the Income-tax Act, 1961. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

n) Investment in subsidiaries, joint ventures and associates

In accordance with Ind AS 27 – Separate Financial Statements, investments in equity instruments of subsidiaries, joint ventures and associates can be measured at cost or at fair value in accordance with Ind AS 109. The Company has opted to measure such investments at cost at initial recognition.

Subsequently, such investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognised as deferred income at fair value and subsequently is recognised in statement of profit and loss as other income on a systematic basis over the expected useful life of the related asset.

When the Company receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

q) Post-employment, long term and short term employee benefits

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

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Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year in which the related employee services are received.

Defined benefit plans

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity and pension are post-employment benefits and are in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity and pension is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

r) Non-current assets held for sale and discontinued operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale. Profit or loss from discontinued operations comprise the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations.

s) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.



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Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

t) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

u) Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

v) Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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.

2.3 Significant management judgements in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognised in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant management estimates

Allowance for doubtful debts – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should

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the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Allowance for obsolete and slow-moving inventory-

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined based on past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Product warranties- The Company makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information of the nature, frequency, and average cost of warranty claims. The Company seeks to improve vehicle quality and minimize warranty expenses arising from claims. Warranty costs may differ from those estimated if actual claim rates are higher or lower than historical rates.

Useful lives of depreciable/amortisable assets –

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligations (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Significant management judgments

Capitalisation of internally developed intangible assets –

Distinguishing the research and development phases for new products and design enhancements determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there any indicators that capitalised costs may be impaired.

Evaluation of indicators for impairment of non-financial assets –

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities –

The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable, and the amount of the loss can be reasonably estimated.

2.4 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:



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Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible

temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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3 (i) Property, plant and equipment

									(₹ crores)
Description	Land	Buildings	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Computers	Vehicles	Office equipment	Total
Gross carrying value									
As at 1 April 2021	1,040.63	394.67	0.05	1,058.72	87.67	53.49	21.53	11.80	2,668.56
Additions	-	27.18	-	116.61	12.64	7.57	0.28	0.41	164.69
Disposals	-	-	-	(22.25)	(0.69)	(3.42)	(5.07)	(1.84)	(33.27)
As at 31 March 2022	1,040.63	421.85	0.05	1,153.08	99.62	57.64	16.74	10.37	2,799.98
Additions	5.12	13.09	-	123.15	15.79	7.98	0.22	1.94	167.29
Disposals	-	(0.43)	-	(13.63)	(2.08)	(2.98)	(2.85)	(0.02)	(21.99)
As at 31 March 2023	1,045.75	434.51	0.05	1,262.60	113.33	62.64	14.11	12.29	2,945.28
Accumulated depreciation									
As at 1 April 2021	-	259.06	0.01	642.35	65.65	39.84	9.86	9.60	1,026.37
Charge for the year	-	8.78	-	87.81	5.34	4.61	2.52	1.28	110.34
Adjustment for disposals	-	-	-	(19.84)	(0.69)	(3.41)	(3.19)	(1.84)	(28.97)
As at 31 March 2022	-	267.84	0.01	710.32	70.30	41.04	9.19	9.04	1,107.74
Charge for the year	-	10.85	-	101.15	6.47	5.62	1.83	1.26	127.18
Adjustment for disposals	-	(0.29)	-	(11.69)	(2.07)	(2.93)	(2.49)	(0.02)	(19.49)
As at 31 March 2023	-	278.40	0.01	799.78	74.70	43.73	8.53	10.28	1,215.43
Net block as at 31 March 2022	1,040.63	154.01	0.04	442.76	29.32	16.60	7.55	1.33	1,692.24
Net block as at 31 March 2023	1,045.75	156.11	0.04	462.82	38.63	18.91	5.58	2.01	1,729.85

Notes:

(i) Property, plant and equipment include assets in use for in house research and development

Refer note 34 for details.

(ii) Contractual obligations

Refer note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Property, plant and equipment pledged as security

Refer note 44 for information on property, plant and equipment pledged as security by the Company.

(iv) Depreciation for the year has been included in "Depreciation and amortisation expense" line item in statement of profit and loss.

3 (ii) Capital work-in-progress

(₹ crores)		
	31 March 2023	31 March 2022
Capital work-in-progress	69.39	56.34



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Movement in capital work-in-progress during the year:

		(₹ crores)
Particulars		Amount
Capital work-in-progress as at 1 April 2021		41.18
Add: additions during the year		193.91
Less: capitalisation during the year		(178.75)
Capital work-in-progress as at 31 March 2022		56.34
Add: additions during the year		180.35
Less: capitalisation during the year		(167.30)
Capital work-in-progress as at 31 March 2023		69.39

Capital work in progress ageing schedule-projects in progress

(₹ crores)					
Particulars	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 2023	62.58	5.60	0.60	0.61	69.39
As at March 2022	54.35	1.34	0.64	0.01	56.34

There is no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

4 Investment property

					(₹ crores)
Description		Land	Building		Total
Gross carrying value					
As at 1 April 2021		28.09	48.90		76.99
Additions		-	14.06		14.06
Disposals		-	-		-
As at 31 March 2022		28.09	62.96		91.05
Additions		-	0.01		0.01
Disposals		-	-		-
As at 31 March 2023		28.09	62.97		91.06
Accumulated depreciation					
As at 1 April 2021		-	7.14		7.14
Charge for the year		-	1.31		1.31
Adjustment for disposals		-	-		-
As at 31 March 2022		-	8.45		8.45
Charge for the year		-	2.81		2.81
Adjustment for disposals		-	-		-
As at 31 March 2023		-	11.26		11.26
Net block as at 31 March 2022		28.09	54.51		82.60
Net block as at 31 March 2023		28.09	51.71		79.80

(i) Amount recognised in the statement of profit and loss for investment property

				(₹ crores)
		31 March 2023	31 March 2022	
Rental income		10.66	10.15	
Direct operating expenses that generated rental income		-	-	
Direct operating expenses that did not generate rental income		-	-	
Profit from leasing of investment properties		10.66	10.15	

Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

(iii) Fair value of investment property

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
Land	119.86	105.97
Building	59.79	56.24

The Company obtains independent valuations for its investment property annually. The best evidence of fair value is current prices in an active market for similar properties.

Where such information is not available, the independent valuer considers information from a variety of sources including:

- In case of valuation of land, current prices in an active market for similar properties of the same area and localities have been taken.
- In case of constructed building, rates derived from CPWD/CWC PARS as on 01-10-2012 have been taken as the basis of valuation. These rates have further been modified to bring them at par with the present day price index and as per specifications found at site. Necessary depreciation for age and life of the structure has been taken into account.

5 Right-of-use assets

Description	(₹ crores)		Investment property	Total
	Property, plant and equipment			
	Land	Building	Land	
Gross carrying value				
As at 1 April 2021	34.52	16.32	4.16	55.00
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2022	34.52	16.32	4.16	55.00
Additions	24.20	-	-	24.20
Reclassification during the year	4.16	-	-4.16	-
Disposals	-	-	-	-
As at 31 March 2023	62.88	16.32	-	79.20
Accumulated depreciation				
As at 1 April 2021	6.45	4.54	1.28	12.27
Charge for the year	4.28	3.17	0.64	8.09
Adjustment for disposals	-	-	-	-
As at 31 March 2022	10.73	7.71	1.92	20.36
Charge for the year	5.70	2.53	0.38	8.61
Reclassification during the year	2.30	-	-2.30	-
Adjustment for disposals	-	-	-	-
As at 31 March 2023	18.73	10.24	-	28.97
Net block as at 31 March 2022	23.79	8.61	2.24	34.64
Net block as at 31 March 2023	44.15	6.08	-	50.23



Notes

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Notes:

(i) Right-of-use assets classified as investment property

(a) Amount recognised in statement of profit and loss for investment property

	(₹ crores)	
	31 March 2023	31 March 2022
Rental income	0.54	0.90
Direct operating expenses that generated rental income	-	-
Direct operating expenses that did not generate rental income	-	-
Profit from leasing of investment properties	0.54	0.90

(b) Leasing arrangements

Land classified as investment property is leased to a tenant under long-term operating lease arrangement with rentals payable monthly. The said lease arrangement has been terminated during the year and the corresponding land is being used by the company for its own business.

(c) Fair value of investment property

	(₹ crores)	
Particulars	31 March 2023	31 March 2022
Land	-	2.92

The Company obtains independent valuations for its investment property annually. The best evidence of fair value is current prices in an active market for similar properties.

Where such information is not available, the independent valuer considers information from a variety of sources such as in case of right-of-use of land, fair value is determined by discounting market lease rentals for the remaining tenure of the lease.

- (ii) Depreciation for the year has been included in "Depreciation and amortisation expense" line item in statement of profit and loss.

6 (i) Intangible assets

	(₹ crores)			
Description	Prototypes	Technical know how	Software	Total
Gross carrying value				
As at 1 April 2021	42.38	22.34	56.59	121.31
Additions	0.69	1.50	2.27	4.46
Disposals	-	-	-	-
As at 31 March 2022	43.07	23.84	58.86	125.77
Additions	0.59	-	14.98	15.57
Disposals	-	-	-	-
As at 31 March 2023	43.66	23.84	73.84	141.34
Accumulated amortisation				
As at 1 April 2021	35.86	14.99	42.21	93.06
Charge for the year	2.73	2.66	4.62	10.01
Adjustment for disposals	-	-	-	-
As at 31 March 2022	38.59	17.65	46.83	103.07
Charge for the year	2.36	1.76	5.71	9.83
Adjustment for disposals	-	-	-	-
As at 31 March 2023	40.95	19.41	52.54	112.90
Net block as at 31 March 2022	4.48	6.19	12.03	22.70
Net block as at 31 March 2023	2.71	4.43	21.30	28.44

Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

Notes:

(i) Contractual obligations

Refer note 32 for disclosure of contractual commitments for the acquisition of intangible assets.

(ii) Expenses incurred and assets in use for in house research and development :

During the year, expenditure of ₹129.66 crores (31 March 2022: ₹112.97 crores) was incurred on research and development (excluding depreciation) recognised in statement of profit and loss.

Refer note 34 for detail.

(iii) Amortisation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.

6 (ii) Intangible assets under development

	(₹ crores)	
	31 March 2023	31 March 2022
Intangible assets under development	44.29	31.45

Movement in intangible assets under development during the year :

(₹ crores)	
Particulars	Amount
Intangible assets under development as at 1 April 2021	23.23
Add: additions during the year	12.68
Less: capitalisation during the year	(4.46)
Intangible assets under development as at 31 March 2022	31.45
Add: additions during the year	28.41
Less: capitalisation during the year	(15.57)
Intangible assets under development as at 31 March 2023	44.29

Intangible assets under development ageing schedule-projects in progress

(₹ crores)					
Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 2023	19.97	5.42	5.82	13.08	44.29
As at March 2022	9.83	7.77	8.96	4.89	31.45

There are no Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

7 Investments

(i) Investments - non-current

	(₹ crores)	
	31 March 2023	31 March 2022
Investments carried at cost		
Subsidiary companies		
Fully paid equity shares (quoted)	1.17	1.17
Fully paid equity shares (unquoted)	231.17	255.57



Notes

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	(₹ crores)	
	31 March 2023	31 March 2022
Joint ventures and associates		
Fully paid equity shares (unquoted)	218.40	291.17
Investments carried at fair value through OCI		
Fully paid equity shares (quoted)	1.00	0.94
Investments carried at amortised Cost		
Mutual funds (quoted) (Target Maturity Funds)	2,783.89	-
	3,235.63	548.85
Aggregate amount of quoted investments	2,786.06	2.11
Market value of quoted investments	2,718.36	3.41
Aggregate amount of unquoted investments	449.57	546.74
Aggregate amount of impairment in value of investments	27.35	2.95

(ii) Investments - current

	(₹ crores)	
	31 March 2023	31 March 2022
Investment carried at fair value through profit or loss		
Mutual funds (quoted)	1,794.93	2,374.06
Investments carried at amortised Cost		
Mutual funds (quoted) (Target Maturity Funds)	-	2,210.54
	1,794.93	4,584.60
Aggregate amount of quoted investments	1,794.93	4,584.60
Market value of quoted investments	1,794.93	4,581.64

Details of investments are as follows:

Non-current investments

	(₹ crores)			
	Number of shares		Amount	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
In equity instruments*				
Subsidiaries (quoted)				
Escorts Finance Limited	38,19,700	38,19,700	3.12	3.12
less: provision for impairment			(1.95)	(1.95)
			1.17	1.17
Subsidiaries (unquoted)				
Escorts Crop Solution Limited	2,43,50,000	2,43,49,930	24.40	24.40
less: provision for impairment			-24.40	-
			-	24.40
Farmtrac Tractors Europe SP Z.o.o, Poland (face value of 1000 PLN each)	15,500	15,500	18.68	18.68
EKL CSR Foundation (Formerly Escorts Skill Development)	50,000	50,000	0.02	0.02
Sole beneficiary interest in Escorts Benefit and Welfare Trust	-	-	212.47	212.47
			231.17	255.57
Joint ventures and associates (unquoted)				
Escorts Consumer Credit Limited	12,50,000	12,50,000	1.00	1.00
less: provision for impairment			(1.00)	(1.00)

Notes

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	Number of shares		Amount	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
			-	-
Adico Escorts Agri Equipment Private Limited	84,00,000	84,00,000	8.40	8.40
Tadano Escorts India Private Limited	-	7,27,65,000	-	72.77
Escorts Kubota India Private Limited (face value of ₹100 each)	1,20,00,000	1,20,00,000	120.00	120.00
Kubota Agricultural Machinery India Private Limited	2,00,00,000	2,00,00,000	90.00	90.00
			218.40	291.17
Investments carried at fair value through OCI (Quoted)				
Asahi India Glass Limited (face value of ₹1 each)	18,862	18,862	0.85	0.81
Godavari Drugs Limited	19,700	19,700	0.15	0.13
Twenty First Century Medicare Limited^	19,400	19,400	-	-
Tamilnadu Newsprints & Papers Limited ^	100	100	-	-
			1.00	0.94
In preference shares				
Subsidiaries				
Escorts Finance Limited (1% redeemable cumulative)	95,00,000	95,00,000	-	-

* All equity shares are of ₹10 each unless otherwise stated.

^ Amount less than ₹1 lakh.

8 Other financial assets

(i) Other non-current financial assets

	(₹ crores)	
	31 March 2023	31 March 2022
Lease Receivable	-	10.46
Security Deposits *	6.42	6.09
	6.42	16.55

* includes deposit given to related party for ₹0.04 crores (previous year ₹0.04 crores).

Refer note 35 - Financial instruments for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

(ii) Other current financial assets

	(₹ crores)	
	31 March 2023	31 March 2022
Export incentives receivable	3.62	6.08
Claims receivable	0.28	0.69
Derivative assets	-	0.32
Security Deposits	9.23	9.80
Lease receivable	-	1.97
Other recoverable		
-from related parties (refer note 45 for related party balances)	3.47	4.32
-from others	2.75	2.34
	19.35	25.52

The carrying values are considered to be a reasonable approximation of their fair values.



Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

9 (i) Deferred tax liabilities (net)

	(₹ crores)	
	31 March 2023	31 March 2022
Deferred tax liability arising on account of :		
Property, plant and equipment, investment property and intangible assets	48.15	52.55
Investments carried at fair value	58.55	31.66
Deferred tax asset arising on account of :		
Financial assets and financial liabilities at amortised cost and inventories	(30.24)	(35.24)
Provision for employee benefits and other liabilities deductible on actual payment	(11.34)	(11.06)
Net deferred tax liabilities	65.12	37.91

Notes:

(a) Movement in deferred tax liabilities for the year ended 31 March 2023 is as follows:

	(₹ crores)			
	Opening balance	Recognised/ (reversed) in statement of profit and loss	Recognised/ (reversed) in other comprehensive income	Closing balance
Deferred tax liabilities/(assets) in relation to:				
Property, plant and equipment, investment property and intangible assets	52.55	(4.40)	-	48.15
Financial assets and financial liabilities at amortised cost and inventories	(35.24)	5.00	-	(30.24)
Provision for employee benefits and other liabilities deductible on actual payment	(11.06)	(0.89)	0.61	(11.34)
Investments carried at fair value	31.66	26.88	0.01	58.55
Net deferred tax liabilities	37.91	26.59	0.62	65.12

(b) Movement in deferred tax liabilities for the year ended 31 March 2022 is as follows:

	(₹ crores)			
	Opening balance	Recognised/ (reversed) in statement of profit and loss	Recognised/ (reversed) in other comprehensive income	Closing balance
Deferred tax liabilities/(assets) in relation to:				
Property, plant and equipment, investment property and intangible assets	59.70	(7.15)	-	52.55
Financial assets and financial liabilities at amortised cost and inventories	(36.50)	1.26	-	(35.24)
Provision for employee benefits and other liabilities deductible on actual payment	(12.43)	0.73	0.64	(11.06)
Assets held for disposal	0.22	(0.22)	-	-
Investments carried at fair value	11.98	19.65	0.03	31.66
Net deferred tax liabilities	22.97	14.27	0.67	37.91

9 (ii) Tax expense

The income tax expense consists of the following:

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Current tax expense	171.56	242.00
Deferred tax expense	26.59	14.27
Total tax expense	198.15	256.27

Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

Notes:

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

		(₹ crores)
	31 March 2023	31 March 2022
Profit before income tax	805.13	1,021.88
Statutory income tax rate*	25.17%	25.17%
Expected income tax expense	202.64	257.19
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax on expense not eligible for deduction	3.64	3.96
Adjustment for tax expense pertaining to prior years	(3.98)	(0.74)
Income chargeable to lower rate of tax	(3.77)	(3.68)
Others	(0.38)	(0.46)
Total income tax expense	198.15	256.27

* Statutory tax rate applicable to the Company has been computed as follows

Base tax rate	22%	22%
Surcharge (% of tax)	10%	10%
Cess (% of tax)	4%	4%
Applicable rate	25.17%	25.17%

10 Other assets

(i) Non-current

		(₹ crores)
	As at 31 March 2023	As at 31 March 2022
Capital advances*	17.78	21.50
Deposits with statutory authorities**	68.52	68.51
Balances with statutory authorities	112.17	-
	198.47	90.01
Allowance for doubtful advances	(2.14)	(2.14)
	196.33	87.87

* includes advance given to related party ₹0.30 crores (previous year ₹0.22 crores)

** includes deposit paid under protest with statutory authorities.

(ii) Current

		(₹ crores)
	As at 31 March 2023	As at 31 March 2022
Refund asset	5.02	6.03
Advances to suppliers	39.27	42.86
Prepaid expenses**	10.10	10.16
Balances with statutory authorities	144.90	220.53
Other advances	1.30	1.52
	200.59	281.10

** includes advance payment to related party ₹0.06 crores (previous year Nil).



Notes

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11 Inventories

(Valued at lower of cost and net realisable value, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
		(₹ crores)
Raw materials and components	507.59	314.58
Goods-in-transit	43.25	46.40
	550.84	360.98
Work-in-progress	60.20	40.29
Finished goods	380.73	267.39
Goods-in-transit	63.85	27.74
	444.58	295.13
Stock-in-trade	83.38	87.79
Goods-in-transit	0.80	1.77
	84.18	89.56
Stores and spares	13.47	11.98
Loose tools	5.77	5.63
	1,159.04	803.57

(i) Refer note 44 for inventories pledged as security for borrowings .

(ii) Amount of write down and reversal of write down of inventories recognised in statement of profit and loss:

Particulars	Amount
	(₹ crores)
Allowance for obsolete and slow moving inventories as at 1 April 2021	55.23
Add: write-down recognised during the year	24.58
Less: allowance utilised during the year	(33.03)
Allowance for obsolete and slow moving inventories as at 31 March 2022	46.78
Add: write-down recognised during the year	32.18
Less: allowance utilised during the year	(12.79)
Allowance for obsolete and slow moving inventories as at 31 March 2023	66.17

12 Trade receivables

	As at 31 March 2023	As at 31 March 2022
		(₹ crores)
Secured, considered good	221.99	149.18
Unsecured, considered good	998.58	688.75
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	17.11	59.85
	1,237.68	897.78
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(13.01)	(10.37)
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	(17.11)	(59.85)
	(30.12)	(70.22)
	1,207.56	827.56

Notes

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Trade receivables ageing schedule

As at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					(₹ crores)
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	942.10	241.94	6.58	1.30	0.50	0.61	1,193.03
(ii) Undisputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	0.77	0.06	0.63	1.46
(iv) Disputed trade receivables – considered good	-	0.79	10.96	11.74	2.42	1.63	27.54
(v) Disputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	9.01	0.94	5.70	15.65
Total	942.10	242.73	17.54	22.82	3.92	8.57	1,237.68

Trade receivables ageing schedule

As at 31 March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					(₹ crores)
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	623.04	163.29	12.43	6.49	1.56	1.91	808.72
(ii) Undisputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	0.43	0.75	1.37	5.51	8.06
(iv) Disputed trade receivables – considered good	-	1.50	4.15	10.29	6.02	7.25	29.21
(v) Disputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	0.59	4.37	8.80	38.03	51.79
Total	623.04	164.79	17.60	21.90	17.75	52.70	897.78

(i) Refer note 44 for trade receivables pledged as security for liabilities.

(ii) Refer note 35 - Financial instruments for assessment of expected credit losses.



Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

- (iii) The carrying values are considered to be a reasonable approximation of their fair values.
- (iv) Trade receivables include ₹100.13 crores (31 March 2022 ₹51.45 crores) due from related parties. For details refer note 45 - related party disclosure

13 Cash and cash equivalents

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Balances with banks in current accounts	17.68	15.68
Debit balance in cash credit accounts	53.88	24.15
Bank deposits with original maturity of less than or equal to 3 months	110.04	43.00
	181.60	82.83

The carrying values are a reasonable approximation of their fair values.

14 Other bank balances

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Earmarked bank balances	12.23	10.17
Fixed deposits with original maturity of more than 3 months but less than 12 months	100.24	0.18
Margin money deposits	2.61	0.41
Escrow account	171.78	164.87
	286.86	175.63

- (i) Earmarked balances with banks largely pertain to balance in unspent CSR account (refer note 29) and unclaimed dividends.
- (ii) Fixed deposits with maturity of more than 3 months but less than 12 months includes ₹0.17 crores (31 March 2022: ₹0.16 crores) deposits held by the entity which are not available for use by the Company, as these are lien marked
- (iii) Balance in Escrow account is not available for use by the Company, refer note 21 (ii) for details.
- (iv) ₹2.61 crores (31 March 2022: ₹0.41 crores) represent margin money pledged with various authorities.
- (v) Other than as disclosed, there are no repatriation restrictions with respect to other bank balances as at the end of the reporting year and previous year.
- (vi) The carrying values are a reasonable approximation of their fair values.

15 Assets held for sale

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Land held for sale	17.54	9.00
	17.54	9.00

Notes

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Notes:

(i) Details of assets held for sale :

The Company executed an agreement to sell in an earlier year, for transfer of 25 acres of land at Plot No. 219, Sector 58, Ballabhgarh, Haryana for a consideration of ₹9.00 crores. Further, during the year, the Company has additionally paid ₹8.54 crores to Haryana Shehri Vikas Pradhikaran (HSVP) under “Last and Final Settlement Scheme, 2022” towards settlement of enhancement dues related to the aforesaid land and the same is recoverable from the buyer of which ₹4.00 crores has been received as at 31 March 2023. Accordingly, the aforesaid payment of ₹8.54 crores has been accounted for as an addition to the land held for sale.

The said transfer is subject to necessary approval from Haryana Urban Development Authority (HUDA) and accordingly the consideration amount of ₹9.00 crores and receipt of additional payment of ₹4.00 crores as aforesaid is being classified in other current liabilities. Owing to the inordinate delay in obtaining approval from HUDA, the transfer has been delayed for more than a year that was not originally envisaged. However, the Company is taking necessary action to respond to the current conditions and favourable resolution is expected. Therefore, such land continues to be classified as held for sale.

(ii) Non-recurring fair value measurements

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell at the time of re-classification. A total write down of ₹0.76 crores was made in earlier years on account of such measurement for land.

16 Equity Share Capital

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Authorised		
40,10,00,000 (previous year 40,10,00,000) Equity shares of ₹10 each	401.00	401.00
88,80,00,000 (previous year 88,80,00,000) Unclassified shares of ₹10 each	888.00	888.00
	1,289.00	1,289.00
Issued, subscribed and fully paid-up		
13,19,40,604 (previous year 13,19,40,604) Equity shares of ₹10 each	131.94	131.94
	131.94	131.94

(a) Reconciliation of number of shares

Description	As at 31 March 2023		As at 31 March 2022	
	No of shares	₹ crores	No of shares	₹ crores
Equity shares at the beginning of the year	13,19,40,604	131.94	13,48,34,566	134.83
Cancelled during the year (refer note 42)	-	-	(1,22,57,688)	(12.25)
Issued during the year (refer note 42)	-	-	93,63,726	9.36
Equity shares at the end of the year	13,19,40,604	131.94	13,19,40,604	131.94

(b) Rights/preferences/restrictions 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. 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.



Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

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

	As at 31 March 2023		As at 31 March 2022	
	No of shares	% holding	No of shares	% holding
Escorts Benefit and Welfare Trust	2,14,42,343	16.25	2,14,42,343	16.25
Kubota Corporation*	5,91,12,970	44.80	2,16,21,414	16.39
Har Parshad and Company Private Limited	1,07,26,308	8.13	1,07,26,308	8.13

* excluding shares held in escrow account for previous year ended 31st March 2022

(d) The Company has a holding company named Kubota corporation w.e.f. 11 April, 2022.

(e) The Company has issued total 2,04,625 (31 March 2022: 5,14,538) 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.

(f) Shares reserved for issue under options

	As at 31 March 2023	As at 31 March 2022
	No of shares	No of shares
Under the Employee Stock Option Plan (ESOP) 2006, equity share of ₹10 each, at an exercise price as decided by management on case to case basis	21,75,230	23,79,855

These shares are held as treasury shares under other equity (refer note 17).

For terms and other details refer note 38.

(g) Shares held by promoters at the end of the year

As at 31 March 2023

S. No	Promoter Name	No. of shares at beginning of the year	Change during the year	No. of shares at end of the year	% of Total shares	% change during the year
1	Shweta Nanda	17,000	-	17,000	0.01%	-
2	Nikhil Nanda	12,03,091	-	12,03,091	0.91%	-
3	Nitasha Nanda	1,93,422	-	1,93,422	0.15%	-
4	Navya Naveli Nanda	18,000	-	18,000	0.01%	-
5	Agastya Nanda	10,000	-	10,000	0.01%	-
6	Hardeep Singh	500	-	500	0.00%	-
7	AAA Portfolios Private Limited	16,87,280	-	16,87,280	1.28%	-
8	Big Apple Clothing Private Limited	17,71,837	-	17,71,837	1.34%	-
9	Escorts Finance Limited	31	-	31	0.00%	-
10	Har Parshad and Company Private Limited	1,07,26,308	-	1,07,26,308	8.13%	-
11	Sietz Technologies India Private Limited	826	-	826	0.00%	-
12	Niky Tasha Communications Private Limited	3,850	-	3,850	0.00%	-
13	Niky Tasha Energies Private Limited	1,250	-	1,250	0.00%	-
14	Escorts Benefit And Welfare Trust	2,14,42,343	-	2,14,42,343	16.25%	-
15	Kubota Corporation*	2,16,21,414	3,74,91,556	5,91,12,970	44.80%	28.42%

* Kubota corporation holds 2,16,21,414 share at the beginning of the year in public category hence only additional acquisition is considered for change during the year.

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As at 31 March 2022

S. No	Promoter Name	No. of shares at beginning of the year	Change during the year	No. of shares at end of the year	% of Total shares	% change during the year
1	Shweta Nanda	17,000	-	17,000	0.01%	-
2	Nikhil Nanda	12,03,091	-	12,03,091	0.91%	-
3	Nitasha Nanda	1,93,422	-	1,93,422	0.15%	-
4	Girish Behari Mathur	179	(179)	-	-	-
5	Navya Naveli Nanda	18,000	-	18,000	0.01%	-
6	Agastya Nanda	10,000	-	10,000	0.01%	-
7	Rachna Mathur	75	(75)	-	-	-
8	Hardeep Singh	500	-	500	-	-
9	AAA Portfolios Private Limited	16,87,280	-	16,87,280	1.28%	-
10	Big Apple Clothing Private Limited	17,71,837	-	17,71,837	1.34%	-
11	Escorts Finance Limited	31	-	31	-	-
12	Har Parshad and Company Private Limited	1,07,26,308	-	1,07,26,308	8.13%	-
13	Sietz Technologies India Private Limited	826	-	826	-	-
14	Niky Tasha Communications Private Limited	3,850	-	3,850	-	-
15	Niky Tasha Energies Private Limited	1,250	-	1,250	-	-
16	Escorts Benefit And Welfare Trust	3,37,00,031	(1,22,57,688)	2,14,42,343	16.25%	(9.09%)

17 Other equity

	As at 31 March 2023	As at 31 March 2022
Capital reserve	97.40	97.40
Capital redemption reserve	4.00	4.00
General reserve		
Opening balance	731.56	731.49
Add: transferred from employees' stock option outstanding account against vested options lapsed during the year	-	0.07
	731.56	731.56
Securities premium		
Opening balance	3,298.79	1,502.71
Less: cancellation of shares held by Escorts Benefit and Welfare Trust	-	(100.95)
Add: net proceeds from shares issued during the year	-	1,845.94
Add: amount received from employees on exercise of employees' stock option against options exercised during the year (net of tax)	16.57	36.04
Add: transferred from employees' stock option outstanding account against options exercised during the year	7.62	15.05
	3,322.98	3,298.79
Employees' stock option outstanding account		
Opening balance	14.16	19.18
Add: charge for the year*	5.76	10.10
Less: transferred to securities premium against vested options exercise during the year	(7.62)	(15.05)
Less: transferred to general reserve against vested options lapsed during the year	-	(0.07)
	12.30	14.16
Treasury shares		
Opening balance	(20.11)	(24.46)
Less: adjustment for options exercised during the year	1.73	4.35
	(18.38)	(20.11)



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	As at 31 March 2023	(₹ crores) As at 31 March 2022
Retained earnings		
Opening balance	3,619.50	2,925.71
Add: net profit for the year	606.98	765.61
Less: equity dividend (net of dividend on treasury shares) (during FY 2022-23: ₹7.00 per share paid for FY 2021-22) (during FY 2021-22: ₹7.50 per share paid for FY 2020-21)	(76.28)	(73.73)
Add: remeasurement of defined benefit plans (net of tax)	1.82	1.91
	4,152.02	3,619.50
Other comprehensive income, net of tax		
Equity instruments measured at fair value through other comprehensive income		
Opening balance	0.94	0.73
Add : changes during the year	0.05	0.21
	0.99	0.94
	8,302.87	7,746.24

* includes ₹0.06 crores (previous year ₹. 0.30 crores) charged back to a subsidiary company.

Nature and purpose of reserves:

(i) Securities premium

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Employee's stock options outstanding account

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

(iii) Capital redemption reserve

This reserve represents reserve created on redemption of preference shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Capital reserve

This reserve represents the excess of net assets taken, over the cost of consideration paid at the time of amalgamation done in earlier years. This reserve is not available for distribution to the shareholders.

(v) Treasury shares

Treasury shares represents Company's own equity shares held by Escorts Employees Benefit and Welfare Trust, which is created for the purpose of issuing equity shares to employees under Company's stock option plan.

(vi) General reserve

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. This reserve is available for distribution to shareholders in accordance with provisions of Companies Act, 2013.

(vii) Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

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(viii) Other comprehensive income (OCI)

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

18 Reconciliation of financial liabilities with cashflow arising from financing activities:

		(₹ crores)
	Lease liabilities	Current borrowings
Opening balance as at 1 April 2021	58.04	-
Cash flows:		
Proceeds/(repayments)	(6.11)	-
Interest paid	(4.76)	(0.75)
Interest expenses	4.76	0.75
Non cash:		
Addition during the year	-	-
Reclassification	-	-
Foreign currency fluctuation impact	-	-
Closing balance as at 31 March 2022	51.93	-
Cash flows:		
Proceeds/(repayments)	(7.03)	-
Interest paid	(4.58)	(0.43)
Interest expenses	4.58	0.43
Non cash:		
Addition during the year	12.40	-
Closing balance as at 31 March 2023	57.30	-

19 Other financial liabilities

(i) Other non-current financial liabilities

	31 March 2023	31 March 2022
Security deposits	26.95	26.72
	26.95	26.72

Refer note 35 - Financial instruments for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

(ii) Other current financial liabilities

	31 March 2023	31 March 2022
Capital creditors	27.21	32.37
Security deposits	0.61	0.62
Unpaid dividends*	2.06	1.67
Payable to related parties (refer note 45)	0.42	0.46
Employee related payables	74.50	50.15
Retention money	0.58	0.58
Derivative liabilities	0.48	-
Other payables	9.21	8.08
	115.07	93.93

*Investor Education and Protection Fund will be credited as and when due

The carrying values are considered to be a reasonable approximation of their fair values.



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20 Other liabilities

(i) Other non-current liabilities

	31 March 2023	31 March 2022
Deferred income	7.92	8.52
	7.92	8.52

(₹ crores)

(ii) Other current liabilities

	31 March 2023	31 March 2022
Advances received from customers	83.93	97.90
Advance against assets held for sale	13.00	9.00
Payable to statutory authorities	54.62	59.34
Deferred income	24.27	22.21
Others	44.74	46.71
	220.56	235.16

(₹ crores)

21 Provisions

(i) Non-current

	31 March 2023	31 March 2022
Provision for employee benefits		
Provision for compensated absences	22.30	25.14
Provision for pension	4.14	4.39
Others		
Provision for warranty	15.32	12.50
	41.76	42.03

(₹ crores)

(ii) Current

	31 March 2023	31 March 2022
Provision for employee benefits		
Provision for gratuity	6.22	6.29
Provision for compensated absences	2.27	2.74
Provision for pension	0.64	0.65
Others		
Provision for claims	65.00	65.00
Provision for warranty	29.49	22.49
	103.62	97.17

(₹ crores)

Notes:

1 Information about individual provisions:

Provision for claims

During the year 2005-06, the Company sold its entire shareholding in Escorts Heart Institute and Research Center Limited (EHIRCL) vide Share Purchase Agreement (SPA) dated 25 September 2005. At the time of sale, EHIRCL had certain pending income-tax demands. For this purpose and in terms of said SPA, an amount of ₹64.99

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crores had been kept under Escrow as fixed deposit by the Company, which after renewal(s) along with interest cumulatively amounts to ₹171.78 crores as on 31 March 2023 (31 March 2022: ₹164.87 crores). In accordance with the terms of said SPA, the Company has undertaken to indemnify the purchaser against the aforesaid tax demands arising on EHIRCL upon final adjudication in law, to the maximum extent of funds lying in the Escrow Account plus one-third of the remaining tax demand in excess of the balance in the Escrow Account or as may be finally settled between the parties. Correspondingly, a provision was created earlier on prudent basis to meet this liability, if and when the same arises, whose carrying value is ₹65.00 crores on 31 March 2023 (31 March 2022: ₹65.00 crores). The disputed tax demands on EHIRCL are presently reduced to Nil after the first appellate authority decided the disputed matters in the Company's favour and the appeals filed by Income Tax Department against the orders of first appellate authority have been dismissed. The income-tax department has now filed appeal(s) before Hon'ble Delhi High Court where these are pending.

Provision for warranty

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 outflows is expected to be within a period of five years. The provision is based on estimates made from historical warranty data associated with similar products and services. The Company expects to incur the related expenditure over the future periods.

2 Movement in other provisions :

	(₹ crores)	
	Provision for claims	Provision for warranty
Provision at 31 March 2021	65.00	37.71
Additions during the year	-	22.47
Amount utilised during the year	-	(25.19)
Provision at 31 March 2022	65.00	34.99
Additions during the year	-	28.42
Amount utilised during the year	-	(18.60)
Provision at 31 March 2023	65.00	44.81

3 For disclosures on provisions related to employee benefits, refer note 37.

22 Trade payables

	(₹ crores)	
	31 March 2023	31 March 2022
Acceptances	-	0.97
Trade payables		
-due to micro, small and medium enterprises(MSME) (refer note 41)	103.70	71.75
-due to others	822.74	628.83
Other accrued liabilities	306.43	176.10
	1,232.87	877.65

The carrying values are considered to be a reasonable approximation of their fair values.



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Trade Payables ageing schedule as at 31 March 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payments				Total
			Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
(i) MSME	0.91	40.96	59.45	1.36	0.28	0.74	103.70
(ii) Others	338.15	451.66	331.76	1.47	0.81	5.32	1,129.17
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	339.06	492.62	391.21	2.83	1.09	6.06	1,232.87

Trade Payables ageing schedule as at 31 March 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payments				Total
			Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
(i) MSME	1.12	16.21	52.50	1.00	0.38	0.54	71.75
(ii) Others	244.45	294.93	260.00	0.78	2.13	3.61	805.90
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	245.57	311.14	312.50	1.78	2.51	4.15	877.65

23 Revenue from operations

	Year ended	
	31 March 2023	31 March 2022
Operating revenue		
Sale of products		
Export	610.16	492.45
Domestic	7,553.31	6,479.57
Sale of services	9.10	23.70
	8,172.57	6,995.72
Other operating revenue		
Sale of services	36.51	28.76
Export incentives	21.62	12.92
Scrap sales	56.94	47.40
Liabilities no longer required written back	2.69	52.73
Others	54.62	59.37
	172.38	201.18
	8,344.95	7,196.90

Also refer note 46 for disclosures pursuant to Ind AS 115 -Revenue from Contracts with Customers.

24 Other income

	Year ended	
	31 March 2023	31 March 2022
Interest from		
Bank deposits	9.14	25.12
Other financial assets carried at amortised cost	1.85	2.72
Investments carried at amortised cost	150.81	16.50
	161.80	44.34

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		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
Other income		
Lease rentals	11.32	12.99
Gain on fair valuation of investments carried at fair value through profit or loss (net)	88.12	94.91
Gain on disposal of property, plant and equipment (net)	2.13	3.74
Gain on disposal of assets held for sale	-	8.90
Miscellaneous income	17.19	3.92
	118.76	124.46
	280.56	168.80

25 Cost of materials consumed

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
(i) Cost of material consumed		
Opening stock	360.98	298.87
Purchases	5,911.75	4,554.54
	6,272.73	4,853.41
Closing stock	(550.84)	(360.98)
	5,721.89	4,492.43

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
(ii) Changes in inventories of work-in-progress, stock-in-trade and finished goods		
Opening stock		
Finished goods	295.13	246.49
Work-in-progress	40.29	43.27
Stock-in-trade	89.56	66.85
	424.98	356.61
Closing stock		
Finished goods	(444.58)	(295.13)
Work-in-progress	(60.20)	(40.29)
Stock-in-trade	(84.18)	(89.56)
	(588.96)	(424.98)
	(163.98)	(68.37)

26 Employee benefits expense

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	523.96	457.76
Share based payments to employees (refer note 38)	5.70	9.80
Post-employment and other long term benefits expense (refer note 37)	8.92	9.14
Contribution to provident and other funds (refer note 37)	22.56	20.92
Staff welfare	33.83	30.65
	594.97	528.27



Notes

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27 Finance costs

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Interest on		
Cash credit and short term loans	0.43	0.75
Lease liabilities	4.58	4.76
Others	-	0.15
Finance and bank charges	2.43	3.10
Unwinding of discount on provisions and financial liabilities carried at amortised cost	2.82	3.94
	10.26	12.70

28 Depreciation and amortisation

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on		
Property, plant and equipment	127.18	110.34
Investment property	2.81	1.31
Right-of-use assets	8.61	8.09
Amortisation on		
Intangible assets	9.83	10.01
	148.43	129.75

29 Other expenses

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Stores and spares consumed	66.47	49.91
Power, fuel and electricity	45.01	39.49
Repair and maintenance		
Building	9.10	6.39
Machinery	18.40	11.40
Others	29.84	28.70
Outsourcing expenses	18.05	18.05
Warranties and after sale service	62.91	46.38
Rent	5.48	5.71
Research and development expense on projects	10.53	6.40
Rates and taxes	3.61	4.81
Insurance	23.91	10.39
Travelling and conveyance	75.86	54.43
Postage and telephones	6.30	5.54
Manpower hiring on contract	163.04	133.01
Legal and professional (refer note 31)	48.98	38.49
Commission, discounts and sales incentive	10.85	5.74
Advertisement and promotional expenses	63.08	56.30
Royalty paid	40.86	34.98
Packing, freight and forwarding	119.83	104.93
Security charges	6.88	6.31
Printing and stationery	4.17	3.50

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	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Director's sitting fees and commission	6.42	7.41
Corporate social responsibility (CSR) expenditure *	17.30	15.83
Provision for doubtful debts/advances and deposits	9.19	11.19
Bad debts written off	51.08	0.31
Less : Provision already held	(49.61)	(0.31)
Miscellaneous expenses	35.08	35.01
	902.62	740.30
* CSR Expenditure		
(i) Opening balance of amount deposited in designated bank account in terms of section 135(6) of the Companies Act, 2013^	17.42	8.50
(ii) Gross amount required to be spent by the Company during the year	17.30	15.83
(iii) Amount spent (in cash) during the year on:		
a) Construction/acquisition of any asset	-	-
b) For the purposes other than (a) above	4.20	6.91
(iv) Unspent amount deposited in a designated bank account on 29 April 2023 (Previous Year: 29 April 2022), in terms of section 135(6) of the Companies Act, 2013.	13.10	8.92
(v) Amount spent (in cash) during the year from amount deposited in designated bank account in terms of section 135(6) of the Companies Act, 2013	7.25	-
(vi) Closing balance of amount deposited in designated bank account in terms of section 135(6) of the Companies Act, 2013^	23.27	17.42

^Opening and closing balances include amount deposited in the designated bank account subsequent to the respective year end but before the date of approval of the financial statements by the Board

30 (i) Earnings per share (EPS)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit for the year (A) (₹ in crores)	606.98	765.61
Total shares issued at the beginning of the year	13,19,40,604	13,48,34,566
Less: shares reserved for issue under options held by Escorts Employees Benefit & Welfare Trust at the beginning of the year	21,75,230	28,94,393
Add : Weighted average number of Equity Shares issued and allotment of shares by ESOP Trust to Employees	92,010	12,05,857
Less: capital reduction	-	31,90,357
Weighted-average number of equity shares for basic EPS (B)	12,98,57,384	12,99,55,673
Effect of dilution :		
Weighted average number of share options granted to employees	1,66,538	4,37,305.00
Weighted average number of equity shares adjusted for the effect of dilution (C)	13,00,23,922	13,03,92,978
Basic EPS (Amount in ₹) (A/B)	46.74	58.91
Diluted EPS (Amount in ₹) (A/C)	46.68	58.71



Notes

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30 (ii) Exceptional items

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Loss on sale of investment in joint venture (note a)	72.76	-
Impairment of investments in subsidiary (note b)	24.40	-
	97.16	-

Notes:

- a) Pursuant to the in-principle approval of the Board of Directors dated September 15, 2022 and the subsequent Share Purchase Agreement dated November 4, 2022 between the Company and Tadano Limited, Japan (Tadano) for sale of 7,27,65,000 equity shares held by the Company in Tadano Escorts India Private Limited (TEIPL), the Company has transferred the said equity shares to Tadano on November 9, 2022 at a consideration of ₹0.01 Crores and accordingly TEIPL has ceased to be a Joint Venture of the Company. The loss on sale of the aforesaid equity share amounting to ₹72.76 Crores, being, the excess of the carrying value over the aforesaid consideration received has been disclosed as exceptional item.
- b) Represents provision for impairment in investment in Escorts Crop Solutions Limited amounting to ₹24.40 Crores.

31 Legal and professional expenses includes payments to auditor

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
As Auditor:		
Audit fee	1.30	1.27
Certification and other services*	0.11	0.05
For reimbursement of expenses	0.07	0.06

* excluding ₹ Nil (Previous Year: ₹0.14 crores) debited to securities premium account.

32 Commitments and contingencies

	(₹ crores)	
	31 March 2023	31 March 2022
A. Capital commitments		
- Estimated amounts of contracts remaining to be executed on capital account and not provided for	133.83	189.11
- Letter of Credit/guarantees executed in favour of others	43.90	55.28
B. Contingencies		
(i) Taxation related contingencies		
Excise duty/ customs duty /service tax demands/ GST demands	466.25	464.41
Sales tax and other demands	32.21	34.13
Demand raised by income tax department, disputed by the Company and pending in appeal (refer note 1 below)	63.50	63.40
(ii) Others		
Cases under litigation relating to :		
- Personnel	5.19	5.22
- Others	59.56	32.02
(iii) Claims not acknowledged as debts	15.42	15.42

Notes

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Notes:

- Contingencies for demand raised by income tax department, disputed by the Company and pending in appeal does not include Income tax cases pending w.r.t. Escorts Heart Institute and Research Center Limited since the amount is indeterminable (refer note 21(ii) for details). Further the amount includes ₹32.17 crores (31 March 2022 ₹32.17 crores) in respect of matters which have been decided in favour of the Company, however the income tax department has preferred appeals at the next levels.
- 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. Penalties wherever quantified have been included.

33 Loss from agricultural business :

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Expenses	-	0.21
Sales and other income	-	-
Net loss from agricultural activities	-	(0.21)

34 Research and development

- Research and development costs on in house R&D centers amounting to ₹149.48 crores (31 March 2022: ₹131.83 crores) were incurred during the year.

	(₹ crores)			
Particulars	Tractor		Construction equipment	
	31 Mar 2023	31 March 2022	31 Mar 2023	31 March 2022
Cost of materials consumed	5.22	9.99	0.54	0.03
Employee benefits expense	66.04	56.82	11.22	10.37
Other expenses	41.29	30.54	5.35	5.22
Depreciation	18.54	17.70	1.28	1.16
Total	131.09	115.05	18.39	16.78

- Assets purchased/capitalised for research and development centers*:

	(₹ crores)	
Description	R & D Centre (Tractors)	R&D Centre (Construction Equipment)
Gross carrying value		
As at 1 April 2021	325.55	13.51
Additions	16.22	1.58
Disposals	(2.93)	(2.54)
As at 31 March 2022	338.84	12.55
Additions	42.28	1.05
Disposals	(5.36)	-
As at 31 March 2023	375.76	13.60
Accumulated depreciation and amortisation		
As at 1 April 2021	133.04	8.93
Depreciation and amortisation for the year	17.70	1.16
Disposals	(2.56)	(2.26)
As at 31 March 2022	148.18	7.83
Depreciation and amortisation for the year	18.54	1.28



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Description	(₹ crores)	
	R & D Centre (Tractors)	R&D Centre (Construction Equipment)
Disposals	(4.65)	-
As at 31 March 2023	162.07	9.11
Net block as at 31 March 2022	190.66	4.72
Net block as at 31 March 2023	213.69	4.49

* Excluding capital advance/capital work-in-progress.

(iii) Expenses on research and development as percentage to gross turnover is:

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Tractor	1.60%	1.64%
Construction equipment	0.23%	0.24%

35 Financial Instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

	Note	(₹ crores)	
		31 March 2023	31 March 2022
Financial assets measured at fair value			
Investments measured at			
Fair value through other comprehensive income	7 (i)	1.00	0.94
Fair value through profit and loss	7 (ii)	1,794.93	2,374.06
Derivative assets			
Fair value through profit and loss	8 (ii)	-	0.32
Financial assets measured at amortised cost			
Investments	7 (i), 7 (ii)	2,783.89	2,210.54
Trade receivables	12	1,207.56	827.56
Cash and cash equivalents	13	181.60	82.83
Other bank balances	14	286.86	175.63
Other financial assets	8 (i), 8 (ii)	25.77	41.75
Total		6,281.61	5,713.63
Financial liabilities measured at fair value			
Derivative liabilities			
Fair value through profit and loss	19(ii)	0.48	-
Financial liabilities measured at amortised cost			
Trade payables	22	1,232.87	877.65
Lease liabilities	39	57.30	51.93
Other financial liabilities	19(i), 19(ii)	141.54	120.65
Total		1,432.19	1,050.23

Investment in subsidiaries, joint ventures and associates are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

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B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

	(₹ crores)			
	Level 1	Level 2	Level 3	Total
As at 31 March 2023				
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	1.00	-	-	1.00
Fair value through profit and loss	1,794.93	-	-	1,794.93
Derivative liabilities measured at fair value through profit and loss	-	0.48	-	0.48

	(₹ crores)			
	Level 1	Level 2	Level 3	Total
As at 31 March 2022				
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	0.94	-	-	0.94
Fair value through profit and loss	2,374.06	-	-	2,374.06
Derivative assets measured at fair value through profit and loss	-	0.32	-	0.32

a. Valuation process and technique used to determine fair value

- The fair value of quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- The derivative financial instruments are valued using forward exchange rates as at the balance sheet date.



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B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

As at 31 March 2023	(₹ crores)	
	Carrying value	Fair value
Other financial assets	6.42	6.42
Investments	2,783.89	2,715.42
Security deposits received	26.95	27.83
Lease liabilities	57.30	56.92

As at 31 March 2022	(₹ crores)	
	Carrying value	Fair value
Other financial assets	16.55	16.81
Investments	2,210.54	2,207.58
Security deposits received	26.72	29.95
Lease liabilities	51.93	53.99

The management assessed that fair values of other current financial assets, cash and cash equivalents, other bank balances, trade receivables, short term borrowings, trade payables and other current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.
- (ii) The fair values of the Company's fixed interest-bearing receivables and lease liabilities are determined by applying discounted cash flows ('DCF') method on contractual cash flows, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2023 was assessed to be insignificant.
- (iii) All the other long term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values. However, there are no long-term borrowings as at 31 March 2023 and 31 March 2022.

C Financial Risk Management

Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements

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Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

C.1 Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Company provides for expected credit loss based on the following:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, and other financial assets measured at amortised cost	12 month expected credit loss
High credit risk	Trade receivables	Other financial assets - Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher.



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In respect of trade receivables that result from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

Financial assets (other than trade receivables) that expose the entity to credit risk –

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Low credit risk on financial reporting date		
Investments**	2,783.89	2,210.54
Cash and cash equivalents *	181.60	82.83
Other bank balances *	286.86	175.63
Other financial assets *	25.77	41.75

* Represents carrying values of financial assets, without deduction for expected credit losses

** Represents target maturity funds at amortised cost

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit from customers where credit risk is high and taking insurance cover for receivables. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. In case of trade receivables, default is considered to have occurred when amounts receivable become one year past due.

Trade receivables are generally extended a credit period of 0 to 90 days, except in case of sale to government, where the credit period is governed by terms of the order or the tender document and do not involve any significant financing component.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place ensure the amounts are within defined limits.

b) Expected credit losses for financial assets

i) Financial assets (other than trade receivables)

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply

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consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets.

ii) Expected credit loss for trade receivables under simplified approach

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default (net of any recoveries from the insurance companies) relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Trade receivables amounting to ₹221.99 crores (31 March 2022: ₹149.18 crores) are secured by way of security deposits from customer and letter of credit issued by banks. The letter of credit are issued by reputable banks and their credit risk is assessed to be low.

31 Mar 2023

Agri machinery

	(₹ crores)					
Ageing	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount- trade receivables	754.28	106.36	31.07	4.38	22.28	918.37
Expected loss rate	0.5%	4.5%	3.7%	32.9%	35.9%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	3.56	4.74	1.15	1.44	7.99	18.88

Construction equipment

	(₹ crores)					
Ageing	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount- trade receivables	66.22	1.06	0.15	0.06	11.57	79.06
Expected loss rate	0.17%	6.60%	20.00%	100.00%	36.82%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	0.11	0.07	0.03	0.06	4.26	4.53

31 March 2022

Agri machinery

	(₹ crores)					
Ageing	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount- trade receivables	486.31	45.23	23.60	5.35	53.98	614.47
Expected loss rate	0.5%	6.5%	7.7%	17.2%	60.9%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	2.36	2.95	1.81	0.92	32.87	40.91



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Construction equipment

	(₹ crores)					
Ageing	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount- trade receivables	115.87	6.53	0.77	0.09	24.98	148.24
Expected loss rate	0.36%	7.81%	32.47%	66.67%	88.11%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	0.42	0.51	0.25	0.06	22.01	23.25

	(₹ crores)					
Particulars	31 Mar 2023			31 March 2022		
	Auto products*	Railway products	Others	Auto products*	Railway products	Others
Historical loss rate on sales during the year	0.00%	0.12%	0.00%	0.00%	0.56%	0.00%
Loss allowance provision on the sales	-	1.85	-	-	1.09	-
Loss allowance provision on the debtors outstanding more than one year	4.31	0.28	0.27	4.31	0.38	0.28

The Company estimates loss allowance provision for the railway products division at 100% for the debtors (other than government) outstanding more than one year as at the reporting date and historical loss rate on the sales made during the year.

* Auto products business was discontinued and all assets & liabilities were transferred under a sale agreement executed in FY 2016-17, except certain receivables and other assets which remained with the Company.

Reconciliation of loss allowance provision from beginning to end of reporting period:

	(₹ crores)	
Reconciliation of loss allowance	Trade receivables	Other financial assets
Loss allowance on 1 April 2021	59.12	-
Loss allowance created	11.41	-
Loss allowance written back	(0.31)	-
Loss allowance on 31 March 2022	70.22	-
Loss allowance created	9.51	-
Loss allowance written back	(49.61)	-
Loss allowance on 31 March 2023	30.12	-

C.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

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a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	(₹ crores)	
Floating rate	31 Mar 2023	31 Mar 2022
- Expiring within one year (cash credit and other facilities)	550.00	550.00

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice. For long term borrowings, there were no undrawn facilities as at 31 March 2023.

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

	(₹ crores)				
31 Mar 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Derivatives					
Derivative liabilities	0.48	-	-	-	0.48
Non-derivatives					
Lease liabilities	12.90	14.20	12.00	37.85	76.95
Trade payable (including MSME)	1,232.87	-	-	-	1,232.87
Security deposits	1.19	7.14	-	27.48	35.81
Other financial liabilities	113.98	-	-	-	113.98
Total	1,360.94	21.34	12.00	65.33	1,459.61

	(₹ crores)				
31 March 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Lease liabilities	11.03	11.51	12.79	30.83	66.16
Trade payable (including MSME)	877.65	-	-	-	877.65
Security deposits	0.62	-	8.82	26.64	36.08
Other financial liabilities	93.31	-	-	-	93.31
Total	982.61	11.51	21.61	57.47	1,073.20

C.3 Market risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, EURO, GBP and JPY. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the volume of foreign currency transactions, the Company has taken forward contracts to manage its exposure. The Company does not use forward contracts and swaps for speculative purposes.



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(i) Foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	(₹ crores)	
	31 Mar 2023	31 March 2022
Financial assets	19.53	32.71
Financial liabilities	10.42	21.53
Net exposure to foreign currency risk (liabilities)/assets	9.11	11.18

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	(₹ crores)	
	31 Mar 2023	31 March 2022
USD sensitivity		
INR/USD- increase by 4.09% (31 March 2022 - 4.06%)*	0.28	0.34
INR/USD- decrease by 4.09% (31 March 2022 - 4.06%)*	(0.28)	(0.34)

* Holding all other variables constant

(ii) Foreign currency risk exposure in EURO:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

Particulars	(₹ crores)	
	31 Mar 2023	31 March 2022
Financial assets	95.94	52.00
Financial liabilities	25.88	48.62
Net exposure to foreign currency risk assets	70.06	3.38

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	(₹ crores)	
	31 Mar 2023	31 March 2022
EURO sensitivity		
INR/EURO- increase by 6.62% (31 March 2022 - 4.74%)*	3.47	0.12
INR/EURO- decrease by 6.62% (31 March 2022 - 4.74%)*	(3.47)	(0.12)

* Holding all other variables constant

(iii) Foreign currency risk exposure in JPY:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	(₹ crores)	
	31 Mar 2023	31 March 2022
Financial liabilities	1.39	0.04
Net exposure to foreign currency risk (liabilities)	(1.39)	(0.04)

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Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	(₹ crores)	
	31 Mar 2023	31 March 2022
JPY sensitivity		
INR/JPY- increase by 9.50% (31 March 2022 - 6.12%)*	(0.10)	-
INR/JPY- decrease by 9.50% (31 March 2022 - 6.12%)*	0.10	-

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. There are no outstanding borrowings as at 31 March 2023 and 31 March 2022 and accordingly exposure to interest rate risk and sensitivity thereof is not disclosed.

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period :

Impact on profit after tax

Particulars	(₹ crores)	
	31 Mar 2023	31 March 2022
Mutual funds		
Net assets value – increase by 100 bps (100bps)	13.43	17.77
Net assets value – decrease by 100 bps (100bps)	(13.43)	(17.77)

Impact on other comprehensive income after tax

Particulars	(₹ crores)	
	31 Mar 2023	31 March 2022
Quoted equity instruments		
Market price – increase by 500 bps (500bps)	0.04	0.04
Market price – decrease by 500 bps (500bps)	(0.04)	(0.04)



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36 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

Particulars	(₹ crores)	
	31 Mar 2023	31 March 2022
Net debts	-	-
Total equity	8,434.81	7,878.18
Net debt to equity ratio	0.00%	0.00%

(b) Dividends

Particulars	(₹ crores)	
	31 Mar 2023	31 March 2022
(i) Dividend paid on equity shares		
Final dividend for the year ended 31 March 2022 of ₹7.00 per share (excluding tax)	77.35	-
Final dividend for the year ended 31 March 2021 of ₹7.50 per share (excluding tax)	-	75.85
(ii) Dividend proposed	77.35	77.35
In addition to the above, dividend, if any recommended by the Board of Directors post end of relevant reporting year shall be accrued and distributed in the year of approval in annual general meeting.		

37 Employee benefits

A Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

(i) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Gratuity				
Present value of defined benefit obligation	93.52	-	95.70	-
Fair value of plan assets	87.30	-	89.41	-
Net value of defined benefit obligation	6.22	-	6.29	-

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(ii) Amount recognised in the statement of profit and loss is as under:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Current service cost	8.11	7.84
Net interest cost	0.45	0.91
Net impact on profit (before tax)	8.56	8.75
Actuarial loss/(gain) recognised during the year	(2.34)	(2.47)
Amount recognised in the statement of profit and loss	6.22	6.28

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation as at the start of the year	95.70	99.22
Current service cost	8.11	7.84
Interest cost	6.91	6.75
Actuarial loss/(gain) recognised during the year	(2.53)	(2.59)
Benefits paid	(14.67)	(15.52)
Present value of defined benefit obligation as at the end of the year	93.52	95.70

(iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets at beginning of year	89.41	85.81
Expected return on plan assets	6.46	5.83
Employer's contribution	6.29	13.41
Benefits paid	(14.67)	(15.52)
Actuarial gain/(loss) on plan assets	(0.19)	(0.12)
Fair value of plan assets at the end of the year	87.30	89.41
Actual return on plan assets	6.27	5.71

(v) Breakup of actuarial (gain)/loss:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(0.81)	(2.91)
Actuarial (gain)/loss on arising from experience adjustment	(1.53)	0.44
Total actuarial (gain)/loss	(2.34)	(2.47)

(vi) Actuarial assumptions

Description	As at 31 March 2023	As at 31 March 2022
Discount rate	7.36%	7.22%
Future salary increase	8.00%	8.00%
Expected average remaining working lives of employees (years)	20.98	20.06



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Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vii) Sensitivity analysis for gratuity liability

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	93.52	95.70
- Impact due to increase of 0.50 %	(3.49)	(3.41)
- Impact due to decrease of 0.50 %	3.78	3.69
Impact of the change in salary increase		
Present value of obligation at the end of the year	93.52	95.70
- Impact due to increase of 0.50 %	3.73	3.64
- Impact due to decrease of 0.50 %	(3.48)	(3.41)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(viii) Maturity profile of defined benefit obligation

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Within next 12 months	11.38	12.21
Between 1-5 years	39.08	41.46
Beyond 5 years	116.32	129.70

(ix) Category of plan assets :

Particulars	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
LIC of India - Group Gratuity Cash Accumulation Fund	85.70	87.87
Others	1.60	1.54
Total	87.30	89.41

- (x) The Company expects to contribute ₹10.08 crores (previous year ₹9.65 crores) to its gratuity plan for the next year.

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B Compensated absences (unfunded)

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. Amount of ₹3.17 crores (previous year: ₹5.64 crores) has been recognised in the statement of profit and loss.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Compensated absences (unfunded)	2.27	22.30	2.74	25.14

C Pension

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Pension	0.64	4.14	0.65	4.39

(i) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Pension:				
Present value of defined benefit obligation	0.64	4.14	0.65	4.39
Fair value of plan assets	-	-	-	-
Net value of defined benefit obligation	0.64	4.14	0.65	4.39

(ii) Amount recognised in the statement of profit and loss is as under:

Description	As at 31 March 2023	As at 31 March 2022
Current service cost	-	-
Past service cost including curtailment gains/losses	-	-
Net interest cost	0.36	0.39
Net impact on profit (before tax)	0.36	0.39
Actuarial loss/(gain) recognised during the year	0.09	(0.09)
Amount recognised in the statement of profit and loss	0.45	0.30

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation as at the start of the year	5.04	5.31
Current service cost	-	-
Past service cost	-	-
Interest cost	0.36	0.39
Actuarial loss/(gain) recognised during the year	0.09	(0.09)
Benefits paid	(0.71)	(0.57)
Present value of defined benefit obligation as at the end of the year	4.78	5.04



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(iv) Breakup of actuarial (gain)/loss:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Actuarial (gain)/loss on arising from change in financial assumption	-	-
Actuarial (gain)/loss on arising from experience adjustment	0.09	(0.09)
Total actuarial (gain)/loss	0.09	(0.09)

(v) Actuarial assumptions

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Discount rate	7.36%	7.22%
Future salary increase	-	-
Expected average remaining working lives of employees (years)	-	-

Pension liability arises on account of future payments, which are required to be made after retirement. It is a special plan in which selective retired employees are getting some fix amount of pension on quarterly and annual basis.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Pension growth rate is Company's long term best estimate as to salary increases and takes account of inflation, on long term basis as provided in relevant accounting standard. As this is a fix pension plan so this has been assumed as nil.

(vi) Sensitivity analysis for pension liability

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	4.78	5.04
- Impact due to increase of 0.50 %	(0.11)	(0.12)
- Impact due to decrease of 0.50 %	0.11	0.12

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

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(vii) Maturity profile of defined benefit obligation

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Within next 12 months	0.64	0.65
Between 1-5 years	2.85	2.85
Beyond 5 years	4.16	4.10

(viii) The Company expects to contribute ₹0.35 crores (previous year ₹0.36 crores) to its pension plan for the next year.

D Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to ₹22.21 crores (Previous year: ₹20.64 crores) and contribution to Employee State Insurance Scheme for the year aggregated to ₹0.28 crores (Previous year: ₹0.19 crores).

E The Company has taken an insurance policy for medical benefits in respect of its retired and working employees. The insurance policy for on-roll employees is fully funded by the Company

38 Share-based payments

The option plan is designed to provide incentives to employees of the Company. Under the plan, participants have been granted options which will vest as follows:

Scheme	Vesting conditions	Exercise period	Exercise price per share (₹)
Employees Stock Option Scheme, 2006	Vested equally over 4 years from the date of grant	Three years from the date of vesting	870.00
	Vested equally over 4 years from the date of grant	Three years from the date of vesting	1,122.00
	Vested equally over 4 years from the date of grant	Three years from the date of vesting	1,385.00
	Vested equally over 4 years from the date of grant	Three years from the date of vesting	1,465.80
	Vested equally over 4 years from the date of grant	Three years from the date of vesting	1,805.00
	Vested equally over 4 years from the date of grant	Three years from the date of vesting	1,928.00

Options are granted under the plan for the consideration as mentioned above and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share.

Set out below is a summary of options granted under the plan:

Particulars	(₹ crores)	
	As at 31 March 2023 Number of options	As at 31 March 2022 Number of options
Opening balance	5,54,444	10,87,556
Granted during the year	2,40,000	34,800
Exercised during the year	2,04,625	5,14,538
Forfeited during the year	-	2,050
Lapsed during the year	40,725	51,324
Closing balance	5,49,094	5,54,444



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The weighted average share price at the date of exercise of options during the year ended 31 March 2023 was ₹1,987.20 (31 March 2022 ₹1,708.69).

Weighted average remaining contractual life of options as at 31 March 2023 is 4.16 years (31 March 2022 : 3.89 years).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price (₹)	(₹ crores)	
			Share options 31 March 2023	Share options 31 March 2022
August 16, 2018	August 15, 2022	870.00	-	5,000
August 16, 2018	August 15, 2023	870.00	3,750	5,001
August 16, 2018	August 15, 2024	870.00	8,365	30,627
August 16, 2018	August 15, 2025	870.00	77,613	2,00,277
September 08, 2020	September 07, 2024	1,122.00	13,262	15,965
September 08, 2020	September 07, 2025	1,122.00	28,228	54,925
September 08, 2020	September 07, 2026	1,122.00	54,277	54,925
September 08, 2020	September 07, 2027	1,122.00	53,925	54,925
February 03, 2021	February 02, 2025	1,385.00	-	9,688
February 03, 2021	February 02, 2026	1,385.00	1,250	29,438
February 03, 2021	February 02, 2027	1,385.00	27,688	29,438
February 03, 2021	February 02, 2028	1,385.00	27,688	29,438
September 16, 2021	September 15, 2025	1,465.80	5,700	8,700
September 16, 2021	September 15, 2026	1,465.80	7,450	8,700
September 16, 2021	September 15, 2027	1,465.80	7,450	8,700
September 16, 2021	September 15, 2028	1,465.80	7,450	8,700
November 26, 2022	November 25, 2026	1,805.00	47,500	-
November 26, 2022	November 25, 2027	1,805.00	47,500	-
November 26, 2022	November 25, 2028	1,805.00	47,500	-
November 26, 2022	November 25, 2029	1,805.00	47,500	-
February 07, 2023	February 06, 2027	1,928.00	8,750	-
February 07, 2023	February 06, 2028	1,928.00	8,750	-
February 07, 2023	February 06, 2029	1,928.00	8,750	-
February 07, 2023	February 06, 2030	1,928.00	8,750	-
			5,49,094	5,54,444

Fair value of options granted

The value of the options has been determined by an independent valuer. The following assumptions were used for calculation of fair value of options in accordance with Black Scholes model :

a)	Options are granted for consideration equivalent to exercise price referred below and vest in a graded manner over a period of four years. Vested options are exercisable for a period of three years after vesting.						
b)	Exercise price	₹870.00	₹1,122.00	₹1,385.00	₹1,465.80	₹1,805.00	₹1,928.00
c)	Grant date, as per the details shared above.	16 August, 2018	08 September, 2020	03 February, 2021	16 September, 2021	26 November, 2022	07 February, 2023
d)	Expiry date	as per details shared above					
e)	Share price at grant date	₹869.50	₹1,121.10	₹1,384.15	₹1,465.80	₹1,805.00	₹ ₹ 1,928.00
f)	Expected price volatility of the company's shares	26.86%	41.40%	41.90%	37.33%	29.00%	35.00%
g)	Expected dividend yield	0.29%	0.36%	0.29%	0.27%	0.76%	0.85%
h)	Risk free rate	7.56% - 7.97%	4.70% - 5.74%	4.62% - 5.68%	4.65%-5.76%	6.8% - 6.98%	6.83% - 6.98%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

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39 Leases

(a) Information for leases where the Company is a lessee

Lease liabilities are presented in the statement of financial position as follows:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Current	12.39	10.59
Non-current	44.91	41.34
	57.30	51.93

The Company has leases for the factory lands, marketing offices, depots and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Company has considered automatic extension option available for land leases in lease period assessment since the Company can enforce its right to extend the lease beyond the initial lease period. The Company also has plans of setting up production facility on the land, therefore is likely to be benefited by exercising the extension option.

The following are amounts recognised in statement of profit or loss:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Depreciation expense of right-of-use assets	8.61	8.09
Interest expense on lease liabilities	4.58	4.76
Rent expense*	5.48	5.71
Total	18.67	18.56

*Rent expense in term of short term leases

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

As at 31 Mar 2023

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	No of leases with extension options	No of leases with termination options
Land	7	2.50-17.30	7	-
Marketing offices and related facilities	2	2.42-3.76	0	-



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As at 31 Mar 2022

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	No of leases with extension options	No of leases with termination options
Land	4	3.50-6.51	4	-
Marketing offices and related facilities	6	0.25-4.76	-	-

The maturity analysis of lease liabilities are disclosed in note 35.

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the financials statements. The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹5.48 crores (previous year: 5.71 crores).

Total cash outflow for leases for the year ended 31 March 2023 was ₹17.09 crores (previous year: ₹16.58 crores).

(b) Information for leases where the Company is a lessor

i) Finance Lease

The following are amounts recognised in statement of profit or loss with respect to finance lease arrangements:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Interest income on lease receivable	0.55	1.00
Total	0.55	1.00

Changes in carrying amount of lease receivable

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	12.43	13.34
Interest income on lease receivable	0.55	1.00
Reversal of rental income	(1.17)	(1.91)
Adjustment on account of termination of lease contract	(11.81)	-
Total	-	12.43

During the year, the Company has terminated the finance lease arrangement with its joint venture company for sublease of land acquired by it as a Right of Use.

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The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Less than one year	-	2.04
One to two years	-	2.07
Two to three years	-	2.43
Three to four years	-	2.72
Four to five years	-	2.72
More than five years	-	4.09
Total undiscounted lease receivable	-	16.07
Unearned finance income	-	3.64
Net investment in the lease	-	12.43

ii) Operating Lease

The Company leases out investment properties under operating leases (see note 4 and note 5).

Lease payments in relation to operating leases are as follow:

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Less than one year	11.02	11.45
One to two years	4.25	11.67
Two to three years	-	4.25
Three to four years	-	-
Total	15.27	27.37

- 40** During 2008 the Haryana State Government introduced Haryana Tax on Entry of Goods into Local Area 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 & Haryana High Court in their judgment dated 1 October 2008. The State Government of Haryana has preferred an appeal before the Hon'ble Supreme Court which was disposed of by the Hon'ble Supreme Court by nine Hon'ble Judges of Constitution Bench and hence that Compensator issue is no more relevant as it does not arise out of the Constitution but imaginary. Matters are not decided by Division Bench by making an order that the interested parties may prefer writs before the High Court. Hence the matter remains pending till its decision. Based on the legal advice received by the Company no further provision on this account is considered necessary after 31 March 2008.

- 41 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:**

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	103.70	71.75
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-



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	As at 31 March 2023	(₹ crores) As at 31 March 2022
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.91	1.11
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

- 42** (a) Subsequent to approval of the Board of Directors on 15 July 2020 for selective reduction of share capital of the Company by cancelling and extinguishing 1,22,57,688 Equity Shares, held by the Escorts Benefit and Welfare Trust, the Company filed a Scheme for reduction of share capital ("the Scheme") between the Company and its shareholders, under Section 66 read with Section 52 and other applicable sections of the Companies Act, 2013 and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, with the Hon'ble NCLT of Chandigarh ("the Tribunal") on 13 March 2021. The Scheme was approved by the Hon'ble NCLT Bench, Chandigarh ("NCLT") vide its order dated December 23, 2021 ("Order"). The scheme became effective upon filing of the certified copy of the order of the Tribunal sanctioning this Scheme and the minute of reduction with the RoC on 27 December 2021.
- (b) On November 1, 2021, the Company has acquired 40,500 equity shares of face value of ₹10/- each, of EKL CSR Foundation (Formerly, Escorts Skill Development) (ECF), a section 8 Company, consequently, effective November 1, 2021, the Company holds entire equity share capital (50,000 equity shares of face value ₹10/- each) of ECF and accordingly, it has become wholly owned subsidiary of the Company.
- (c) Pursuant to the approval of the Board of Directors of the Company and the Share Subscription Agreement ("SSA"), Shareholders' Agreement ("SHA") and other ancillary agreement dated November 18, 2021 in relation to issue and allotment of equity share capital through preferential issue of 93,63,726 equity shares ("preferential issue") of face value of ₹10 at ₹2,000 per share (including a premium of ₹1,990 for each equity share) to Kubota Corporation, Japan, a company incorporated under the laws of Japan ("Investor"), and the approval of the the Shareholders of the Company for the preferential issue on December 18, 2021 and requisite regulatory approvals, the Company has allotted the aforesaid equity shares on December 18, 2021, upon receipt of the requisite amount (₹1,872.75 Crores) from the Investor.
- (d) Pursuant to the Public Announcement ("PA") dated November 18, 2021 in relation to the open offer to the Public Shareholders of the Company by Kubota Corporation ("Acquirer"), Detailed public statement (DPS) dated November 25, 2021 and Letter of Offer (LoF) dated March 3, 2022, for acquisition of up to 37,491,556 fully paid-up equity shares of face value of ₹10 Each ("Equity Shares"), representing 28.42% of the equity share capital of the Company from the public shareholders, the Acquirer on April 11, 2022, has completed the said acquisition of 3,74,91,556 equity shares from the public shareholders of the Company. Consequently, the acquirer currently holds 44.80% equity share capital of the Company.
- (e) Post the completion of the preferential allotment and open offer as mentioned in Note 42 (c) and Note 42(d) above, the Share Subscription Agreement ("SSA") and Shareholders' Agreement ("SHA") dated November 18, 2021 executed among the Kubota Corporation ("Investor"), the Company, certain Existing Promoters has become effective on April 11, 2022, and accordingly, Kubota Corporation has become a Joint Promoter of the Company effective April 11, 2022 along with existing promoters of the Company.
- (f) The Board of the Directors of the Company on February 18, 2022 had approved a draft Scheme for Selective Capital Reduction ("Scheme"), under Section 66, Section 52 and other applicable provisions of the Companies Act, 2013, read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("NCLT Rules") for selective reduction of the share capital of the Company by cancelling and extinguishing 2,14,42,343

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Equity Shares, held by the Escorts Benefit and Welfare Trust. The scheme has been cleared by the stock exchanges vide their no observation letters dated June 29, 2022 and has been approved by the shareholders on August 5, 2022. Subsequently, the Scheme was filed with the NCLT, Chandigarh, on August 14, 2022 and the approval is awaited.

- (g) The Board of the Directors of the Company on September 15, 2022 had approved a Scheme for Amalgamation ("Scheme"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and rules framed thereunder. The Scheme, inter alia, provides for amalgamation of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited (Amalgamating Companies) into and with Escorts Kubota Limited (Amalgamated Company). The Scheme is subject to approvals of requisite majorities of the shareholders, creditors, regulatory authorities including stock exchanges and the National Company Law Tribunal, Chandigarh bench (NCLT). The Scheme is pending with the National Stock Exchange Limited and Bombay Stock Exchange for approval, post which the same will be filed with the NCLT for approval.
- (h) Pursuant to the in-principle approval of the Board of Directors dated September 15, 2022 and the subsequent Share Purchase Agreement dated November 4, 2022 between the Company and Tadano Limited, Japan (Tadano) for sale of 7,27,65,000 equity shares held by the Company in Tadano Escorts India Private Limited (TEIPL), the Company has transferred the said equity shares to Tadano on November 9, 2022 at a consideration of ₹0.01 Crores and accordingly TEIPL has ceased to be a Joint Venture of the Company.
- (i) Pursuant to the Business Transfer Agreement dated November 4, 2022 between the Company and TEIPL, for purchase of Rough Terrain (RT) Crane Business and the associated equipment and parts (including spare parts) from TEIPL at a lumpsum cash consideration ₹16.59 Crores on a slump sale basis, the related assets and liabilities of the RT Crane Business including certain other assets were transferred to the Company.
- (j)
 - a) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
 - b) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
 - c) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
 - d) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
 - e) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
 - f) No proceeding have been initiated on or is pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

43 A Scheme of Arrangement and Amalgamation under Section 391 to 394 of the Companies Act, 1956 for the amalgamation of Escorts Construction Equipment Limited ('ECEL'), a subsidiary company and Escotrac Finance and Investments Private Limited ('Escotrac') and Escorts Finance Investments and Leasing Private Limited ('EFILL'), joint ventures of the Company (together referred to as 'transferor companies'), was sanctioned by the Hon'ble High Court of Punjab and Haryana at Chandigarh vide its order dated 9 August 2012 (hereinafter referred to as 'the Scheme'). Upon necessary filings with the Registrar of Companies, NCT of Delhi and Haryana by the Transferor Companies and Transferee Company, the Scheme became effective on 12 October 2012. In accordance with the Scheme, 3,73,00,031 equity shares of the Company comprising (a) equity shares issued in consideration of amalgamation of ECEL and (b) investments held by two amalgamating entities in the Company were transferred to Escorts Benefit and Welfare Trust ('EBWT'). The beneficiary interest of the Company in EBWT, has been accounted for as an Investment by the Company in the manner prescribed in the Scheme.

Post selective reduction of share capital of the Company as detailed in Note 42(a) above, EBWT presently holds 2,14,42,343 (31 March 2022: 2,14,42,343) equity shares of the Company and 2,34,97,478 (31 March 2022: 2,34,97,478) equity shares of Escorts Finance Limited (subsidiary of the Company). Market value of outstanding shares held by Trust on 31 March 2023 is ₹4,068.64 crores (31 March 2022: ₹3,640.76 crores).



Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

44 Assets pledged as security for borrowings

		(₹ crores)	
	Note	31 March 2023	31 March 2022
Current			
Financial assets			
First charge			
Investments	7 (ii)	1,794.93	4,584.60
Trade receivables	12	1,207.56	827.56
Cash and cash equivalents	13	181.60	82.83
Bank balances other than above	14	286.86	175.63
Other financial assets	8 (ii)	19.35	25.52
Non financial assets			
First charge			
Inventories	11	1,159.04	803.57
Other current assets	10 (ii)	200.59	281.10
Total current assets pledged as security		4,849.93	6,780.81
Non-current			
Second Charge			
Other movable assets (other than specifically charged to other term lenders)	3 (i)	527.95	497.56
Total non-currents assets pledged as security		527.95	497.56
Total assets pledged as security*		5,377.88	7,278.37

* charge on the assets shall be limited to the amount of borrowings.

45 Related party transactions

The Company's related party transactions and outstanding balances are with its subsidiaries, associate and joint venture, key management and others as described below.

A Relationships

Holding Company (Overseas)

Kubota Corporation (w.e.f 11 Apr 2022)

Subsidiaries including Fellow Subsidiaries

Domestic Subsidiaries

Escorts Crop Solutions Limited
Escorts Benefit and Welfare Trust
Escorts Finance Limited
Escorts Benefit Trust
EKL CSR Foundation (Formerly Escorts Skill Development)

Overseas Subsidiaries

Farmtrac Tractors Europe Sp. Z.o.o, Poland

Fellow Subsidiaries (Overseas) (w.e.f 11 Apr 2022)

Kubota Europe S.A.S.
Kubota Holdings Europe B.V.
Kubota (Deutschland) GmbH
Kubota España S.A.

Kubota (U.K.) Limited
Kubota Malaysia SDN BHD
Kubota Tractor Corporation
Kubota Machinery Trading Co. Ltd

Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

Joint venture

Adico Escorts Agri Equipment Private Limited
Escorts Kubota India Private Limited
Tadano Escorts Private Limited (relationship ceased w.e.f 09 November 2022)
Kubota Agricultural Machinery India Private Limited

Associate

Escorts Consumer Credit Limited

B Key management personnel

Mr. Nikhil Nanda #	Chairman and Managing Director
Mr. Seiji Fukuoka #	Deputy Managing Director (w.e.f 13 May 2022)
Mr. Shailendra Agarwal	Executive Director (ceased to be w.e.f 04 February 2023)
Mr. Bharat Madan #	Whole-time Director (w.e.f 8 February 2023) and Chief Financial Officer
Mr. Satyendra Chauhan #	Company Secretary

Other directors

Ms. Nitasha Nanda
Mr. Hardeep Singh
Mr. P.H Ravikumar (ceased to be w.e.f 14 July 2022)
Mr. Sutanu Behuria
Ms. Vibha Paul Rishi (ceased to be w.e.f 14 July 2022)
Mr. Sunil Kant Munjal
Ms. Tanya Dubash
Mr. Harish N. Salve
Mr. Dai Watanabe
Mr. Yuji Tomiyama
Mr. Ravindra Chandra Bhargava (appointed as Director w.e.f. 13 May 2022)
Mr. Kenichiro Toyofuku (appointed as Director w.e.f. 13 May 2022)
Mr. Shiro Watanabe (appointed as Director w.e.f. 13 May 2022)
Mr. Vimal Bhandari (appointed as Director w.e.f. 14 July 2022)
Mr. Reema Rameshchandra Nanavati (appointed as Director w.e.f. 14 July 2022)
Mr. Manish Sharma (appointed as Director w.e.f. 14 July 2022)
Mr. Yasukazu Kamada (appointed as Director w.e.f. 14 July 2022)

Key Management Personnel (KMP) as defined under Section 2(51) of the Companies Act, 2013

Enterprises over which key management personnel and relatives of such personnel exercise significant influence

AAA Portfolios Private Limited	Raksha Health Insurance TPA Private Limited (formerly known as Raksha TPA Private Limited)
Agresource Management Private Limited	Sietz Technologies India Private Limited
Big Apple Clothing Private Limited	Sun & Moon Travels (India) Private Limited
EEWL Limited	Hero Mindmine Institute Private Limited
Har Parshad And Company Private Limited	The IVY Trust
Niky Tasha Communications Private Limited	
Niky Tasha Energies Private Limited	

List of other related parties

Escorts Limited Employees' Group Gratuity Fund Trust (refer note 37 for transaction)



Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

Key management personnel remuneration includes the following expenses:

Description	As at	
	31 March 2023	31 March 2022
Short-term employee benefits:	23.98	32.08
Other long term benefits	-	0.08
Post-employment benefits:	0.74	0.73
Total remuneration	24.72	32.89

C Transactions with related party

(i) Transactions with joint ventures

Nature of transactions*	As at									
	Purchase of goods	Interest Income	Expense recovered/ Reimbursement	Rent Received	Receiving of services	Sale of goods	Rendering of services	Investments made	Advance given/Trade receivables	Payables/ Advance received
Adico Escorts Agri Equipment Private Limited	51.25 (43.11)	0.25 (0.13)	-	-	-	0.21 (0.16)	-	-	1.00 (1.00)	5.14 (1.04)
Escorts Kubota India Private Limited	-	-	-	10.29	22.08	0.55	8.89	-	3.17	1.22
Tadano Escorts India Private Limited *	14.62 (16.92)	-	(5.38)	3.13 (5.91)	(9.80) (1.10)	0.27 (0.29)	14.69 (0.20)	-	(4.58) (2.12)	(1.10) (7.43)
Kubota Agricultural Machinery India Private Limited	-	-	-	0.02	2.07	0.06	0.01	-	0.01	2.07
	-	-	(0.19)	(0.02)	-	-	-	-	(0.19)	-

* excluding purchase of net assets pertaining to RT crane business purchases pursuant to Business Transfer Agreement amounting to ₹16.59 crores [refer note 42(ii)].

(ii) Transactions with Subsidiaries :

Nature of transactions*	As at									
	Sale of goods	Rendering of services	Lease income	Reimbursement of expenses/ Receiving of services	Purchase of goods	Investments made	Dividend Paid	Advance given/other recoverable	Trade/ Other Receivables	Payables/ Advance received
Farmtrac Tractors Europe Sp. Z.o.o., Poland	71.96 (55.62)	-	-	0.92 (0.59)	0.52 (0.33)	-	-	-	58.80 (45.15)	1.07 (0.03)
Escorts Crop Solutions Limited	8.81 (7.48)	-	-	0.36 (0.07)	-	-	-	-	3.10 (2.93)	0.03 -

(ii) Transactions with ultimate Holding company and Fellow Subsidiaries :

Nature of transactions*	As at									
	Sale of goods	Rendering of services	Lease income	Reimbursement of expenses	Purchase of goods	Investments made	Dividend Paid	Advance given/other recoverable	Trade/ Other Receivables	Payables/ Advance received
Kubota Corporation	1.99 (1.31)	-	-	1.90 (0.52)	-	-	41.38 (9.19)	-	0.54 (0.09)	0.85 -
Kubota Europe S.A.S.	51.04 -	-	-	0.11 -	-	-	-	-	10.88 -	- -
Kubota Holdings Europe B.V.	80.15 -	-	-	0.02 -	-	-	-	-	25.84 -	- -
Kubota (Deutschland) GmbH	- -	-	-	0.09 -	-	-	-	-	- -	- -
Kubota España S.A.	- -	-	-	0.02 -	-	-	-	-	- -	- -
Kubota (U.K.) Limited	7.84 -	-	-	- -	-	-	-	-	- -	- -
Kubota Malaysia SDN BHD	0.87 -	-	-	- -	-	-	-	-	- -	0.16 -

Notes

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(₹ crores)									
Nature of transactions*	Sale of goods	Rendering of services	Lease income	Reimbursement of expenses	Purchase of goods	Investments made	Dividend Paid	Advance given/other recoverable	Trade/ Other Receivables
Kubota Tractor Corporation	-	-	-	-	-	-	-	-	0.18
	-	-	-	-	-	-	-	-	-
Kubota Machinery Trading Co. Ltd	0.32	-	-	-	-	-	-	-	0.02
	-	-	-	-	-	-	-	-	-

*Numbers in brackets represents financial year ending 31 March 2022

(iii) Transactions with key management personnel, their relatives and entities in which they exercise control/significant influence

(₹ crores)										
Nature of transactions*	Royalty	Remuneration/ commission	Rent received	Rent paid	Purchase of goods	Sale of goods and services	Services received	Dividend paid	Advance given/other recoverable	Trade Receivables
Nikhil Nanda	-	12.02	-	0.42	-	-	-	0.84	-	-
	-	(12.51)	(0.30)	(0.40)	-	-	-	(0.90)	-	(5.00)
Nitasha Nanda	-	2.85	-	0.47	-	-	-	0.14	0.04	-
	-	(2.85)	-	(0.45)	-	-	-	(0.15)	(0.04)	(0.70)
Shweta Nanda	-	-	-	-	-	-	-	0.01	-	-
	-	-	-	-	-	-	-	-	-	-
Navya Naveli Nanda	-	-	-	-	-	-	0.12	0.01	-	0.02
	-	-	-	-	-	-	-	-	-	-
Agastya Nanda	-	-	-	-	-	-	-	0.01	-	-
	-	-	-	-	-	-	-	-	-	-
Shailendra Agrawal	-	3.90	-	-	-	-	-	-	-	1.06
	-	(8.94)	-	-	-	-	-	-	-	(0.67)
Bharat Madan	-	3.60	-	-	-	-	-	-	-	0.86
	-	(7.89)	-	-	-	-	-	-	-	(0.50)
Satyendra Chauhan	-	0.64	-	-	-	-	-	-	-	0.10
	-	(0.70)	-	-	-	-	-	-	-	(0.07)
Smarti Chauhan	-	-	-	-	-	-	0.03	-	-	-
	-	-	-	-	-	-	-	-	-	-
Hardeep Singh^	-	-	-	-	-	-	0.29	**	-	0.13
	-	-	-	-	-	-	(0.28)	(**)	-	(0.13)
P.H Ravikumar^	-	-	-	-	-	-	0.03	-	-	-
	-	-	-	-	-	-	(0.37)	-	-	(0.23)
Vibha Paul Rishi^	-	-	-	-	-	-	0.04	-	-	-
	-	-	-	-	-	-	(0.24)	-	-	(0.13)
Sutanu Behuria^	-	-	-	-	-	-	0.23	-	-	0.13
	-	-	-	-	-	-	(0.28)	-	-	(0.13)
Sunil Kant Munjal^	-	-	-	-	-	-	0.19	0.02	-	0.13
	-	-	-	-	-	-	(0.20)	(0.02)	-	(0.13)
Seiji Fukuoka	-	1.71	-	-	-	-	-	-	-	0.04
	-	-	-	-	-	-	-	-	-	-
Manish Sharma^	-	-	-	-	-	-	0.22	-	-	0.13
	-	-	-	-	-	-	-	-	-	-
Ravindra Chandra Bharvaga^	-	-	-	-	-	-	0.18	-	-	0.13
	-	-	-	-	-	-	-	-	-	-
Reema Rameshchandra Nanavati^	-	-	-	-	-	-	0.18	-	-	0.13
	-	-	-	-	-	-	-	-	-	-
Vimal Bhandari^	-	-	-	-	-	-	0.24	-	-	0.13
	-	-	-	-	-	-	-	-	-	-
Tanya Arvind Dubash^	-	-	-	-	-	-	0.16	-	-	0.13
	-	-	-	-	-	-	(0.18)	-	-	(0.13)
Harish N. Salve^	-	-	-	-	-	-	0.14	-	-	0.13
	-	-	-	-	-	-	(0.15)	-	-	(0.13)



Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

(₹ crores)											
Nature of transactions*	Royalty	Remuneration/ commission	Rent received	Rent paid	Purchase of goods	Sale of goods and services	Services received	Dividend paid	Advance given/other recoverable	Trade Receivables	Payables/ Advance received
Harparshad & Co. Private Limited	41.03	-	-	-	-	-	-	7.51	-	-	0.31
	(34.98)	-	-	-	-	-	-	(8.04)	-	-	(0.42)
Raksha Health Insurance TPA Private. Limited	-	-	-	-	-	-	-	-	-	-	-
	-	-	(0.66)	-	-	(0.60)	-	-	(0.67)	-	-
AAA Portfolios Private. Limited	-	-	-	-	-	-	-	1.18	-	-	-
	-	-	-	-	-	-	-	(1.27)	-	-	-
Big Apple Clothing Private Limited	-	-	-	-	-	-	-	1.24	-	-	-
	-	-	-	-	-	-	-	(1.33)	-	-	-
Niky Tasha Communications Private Limited	-	-	-	-	-	-	-	**	-	-	-
	-	-	-	-	-	-	-	(**)	-	-	-
Niky Tasha Energies Private Limited	-	-	-	-	-	-	-	**	-	-	-
	-	-	-	-	-	-	-	(**)	-	-	-
Sietz Technologies India Private Limited	-	-	0.37	0.63	173.26	0.32	0.01	**	0.30	0.15	19.21
	-	-	(0.36)	(0.75)	(150.47)	(1.17)	-	(**)	(0.45)	-	(10.84)
Sun & Moon Travels (India) Private Limited	-	-	0.02	-	-	-	11.16	-	0.02	0.01	0.30
	-	-	(0.02)	-	-	-	(3.50)	-	(0.03)	-	(0.15)
EEWL Limited	-	-	**	-	-	0.28	-	-	0.05	**	0.40
	-	-	-	-	-	-	-	-	(0.05)	-	(0.46)
Agresource Management Private Limited	-	-	-	-	-	-	0.62	-	-	-	-
	-	-	-	-	-	-	(0.62)	-	-	-	-
Hero Mindmine Institute Private Limited	-	-	-	-	-	-	0.08	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
The IVY Trust	-	-	-	0.18	-	-	-	-	-	-	-
	-	-	-	(0.34)	-	-	-	-	-	(0.08)	-

*Numbers in brackets represents financial year ending 31 March 2022

** Amount represents less than a lakh.

^ Services received includes Directors sitting fees and commission.

46 Revenue from Contracts with Customers

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

For the year ended 31 March 2023

(₹ crores)				
Revenue from operations	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic	7,553.31	9.10	93.45	7,655.86
Export	610.16	-	-	610.16
Total	8,163.47	9.10	93.45	8,266.02
Revenue by time				
Revenue recognised at point in time				8,256.92
Revenue recognised over time				9.10
Total				8,266.02

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For the year ended 31 March 2022

				(₹ crores)
Revenue from operations	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic	6,479.57	23.70	76.16	6,579.43
Export	492.45	-	-	492.45
Total	6,972.02	23.70	76.16	7,071.88
Revenue by time				
Revenue recognised at point in time				7,048.18
Revenue recognised over time				23.70
Total				7,071.88

* Other operating revenue amounting to ₹78.93 crores (31 March 2022 : ₹125.02 crores) in the nature of export incentives, liabilities no longer required written back and others is not in the scope of Ind AS 115. Hence, not covered here.

(b) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

	(₹ crores)
Description	As at 31 March 2023
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	83.71
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-

(c) Assets and liabilities related to contracts with customers

	(₹ crores)
Description	As at 31 March 2023
	Non-current
Contract liabilities related to sale of goods	
Advance from customers	-
Deferred income	7.92

Remaining performance obligations as at the reporting date are expected to be substantially recognised over the next three years by the Company.

(d) Reconciliation of revenue recognised in Statement of profit and loss with Contract price

	(₹ crores)
Description	As at 31 March 2023
Contract price	8,606.21
Less: Discount, rebates, credits etc.	340.19
Revenue from operations as per Statement of Profit and Loss	8,266.02

- (e) The Company provide warranties on products sold by them and majority of these are in nature of assurance that the related products will function as the parties intended because it complies with agreed-upon specifications and hence accounted for in accordance with Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets. Additionally, the Company extends its services by offering extended warranty with the sale of products which is deferred over the warranty period.



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47 Other Statutory Information

- (i) Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

- a. Transactions other than shareholding with struck off Companies

Name of the Struck off company	Nature of transaction with struck-off company	(₹ crores)	
		Balance Outstanding Amount as at 31 March 2023	Balance Outstanding Amount as at 31 March 2022
365 XPO Digital Private Limited	Trade payable	-	-
74 BC Technologies Private Limited	Trade payable	0.01	0.01
Carry More Hoists Private Limited	Trade payable	0.02	-
Core Leadership Search Consulting Private Limited	Trade payable	-	-
J.J. Engineering Pvt. Ltd.	Trade payable	-	-
Net Air Express Private Limited	Trade payable	-	-
Fabricon Generators Private Limited	Trade receivables	-	-
FG Wilson Generators India Private Limited	Trade receivables	-	-
Synergy Telecommunications Privatelimited	Trade receivables	-	-
Trinity Electro Mechanicals Pvt Ltd	Trade receivables	-	-
R K Industries Pvt Ltd	Trade receivables	-	-
RDVS Infra Private Limited	Trade receivables	-	-
Carry More Hoists Private Limited	Trade receivables	-	-
The West Bengal Power Development Corporation Limited	Trade receivables	-	-
Sigma Holdings Private Limited	Advance from Customer	1.43	-

- b. Details of shares held by struck off company (Face value of ₹10 each):

Name of the Struck off company	Nature of transaction with struck-off company	Number of shares	
		as at 31 March 2023	as at 31 March 2022
Dreams Broking Private Limited	Shares held by struck off company	9	9
Esvee Tools Private Limited	Shares held by struck off company	50	50
Kothari Intergroup Private Limited	Shares held by struck off company	1	1
Mani Traders Private Limited	Shares held by struck off company	-	40
Popular Stock & Share Services Private Limited	Shares held by struck off company	100	100
Sanketh Metals Private Limited	Shares held by struck off company	-	265
Sunren Exports Investments Private Limited	Shares held by struck off company	112	112

- (ii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

- (iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

48 Ratio analysis

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	% Change	Reason for change
Current Ratio	Current Assets	Current Liabilities	2.88	5.07	(43.30%)	This decrease is primarily on account of decrease in current investment as on 31st March 2023 as compared to 31 March 2022 coupled with increase in trade payables at the year end
Debt Equity Ratio	Total Debt (including Current maturities of Long Term Borrowings excluding lease liabilities)	Shareholder's Equity	-	-	-	NA
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest Expense	Debt service = Interest & Lease Payments + Principal Repayments	51.18	56.80	(9.88%)	NA
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	7.44%	11.54%	(35.51%)	The decrease is primarily on account of lower profits as compared to financial year ended March 31, 2022.
Inventory turnover ratio	Cost of goods sold	Average Inventory	6.18	6.67	(7.38%)	NA
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	8.20	9.43	(13.06%)	NA
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchases return	Average Trade Payables	6.08	4.90	24.06%	NA
Net capital turnover ratio	Net sales = Total sales - sales return	Average Working capital = Current assets – Current liabilities	1.94	1.72	12.50%	NA
Net profit ratio	Net Profit	Net sales = Total sales - sales return	7.27%	10.64%	(31.63%)	Decrease is mainly on account of lower profits in current year coupled with increase in current year year sales.



Notes

forming part of the Standalone Financial Statements for the year ended 31 March 2023

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	% Change	Reason for change
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	9.65%	13.12%	(26.47%)	The decrease is primarily on account of lower profits as compared to financial year ended 31 March 2022.
Return on Investment	$\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}$ (Refer note below)	$\{MV(T0) + \text{Sum } [W(t) * C(t)]\}$ (Refer below notes)	11.43%	30.72%	(62.80%)	Decline is mainly on account of lower increase in market price of the equity shares of the company in current financial year as compared to financial year ended 31 March, 2022.

Notes:

T1 = End of year

T0 = Beginning of year

t = Specific date falling between T1 and T0

MV(T1) = Market value at end of year

MV(T0) = Market value at beginning of year

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$

- 49** The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these financial statements.

As per our Report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

ASHISH GUPTA
Partner
Membership No. 504662

NIKHIL NANDA
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

BHARAT MADAN
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Place : Mumbai
Date : 10 May 2023

For and on behalf of the Board of Directors

SEIJI FUKUOKA
Deputy Managing Director
(DIN: 08786470)
Place : Faridabad

VIMAL BHANDARI
Director
(DIN: 00001318)
Place : Mumbai

SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023

Independent Auditor's Report

To the Members of Escorts Kubota Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Escorts Kubota Limited (formerly Escorts Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint ventures, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint ventures, as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter described below to be the key audit matter to be communicated in our report:



Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>We refer to the Group's significant accounting policies in note 2.2(a) and the revenue related disclosures in note 46 of the consolidated financial statements. Owing to the multiplicity of the Holding Company's products, volume of sales transactions, size of distribution network and varied terms of contracts with customers, in line with the requirements of the Standards on Auditing, revenue is determined to be an area involving significant risk and hence requiring significant auditor attention.</p> <p>Further Ind AS 115, "Revenue from Contracts with Customers", requires management to make certain key judgements, such as, identification of distinct performance obligations in contracts with customers (such as after sales maintenance services and product warranties), determination of transaction price for the contract factoring in the consideration payable to customers (such as rebates and discounts) and selection of a method to allocate the transaction price to the performance obligations.</p> <p>This matter is considered to be of most significance given the extent of industry knowledge and skills needed to apply audit procedures to address the matter and evaluate the results of those procedures.</p>	<p>Our audit procedures, related to revenue recognition, included, but were not limited, to the following:</p> <ol style="list-style-type: none"> assessed the design and operating effectiveness of Holding Company's controls (including the automated controls) around revenue recognition and measurement (including rebates / discounts); assessed the appropriateness of Holding Company's identification of performance obligations in its contracts with customers, its determination of transaction price, including allocation thereof to performance obligations and accounting policies for revenue recognition in accordance with the accounting principles laid down in Ind AS 115; scrutinised sales ledgers to verify accuracy and completeness of sales transactions; on a sample basis, tested the revenue recognised including testing of cut off assertion as at the year end; tested the appropriateness of accruals for various rebates and discounts as at the year-end. Our testing included tracing the information to agreements, price lists, invoices, proof of dispatches/deliveries (as the case may be), and approved incentives / discounts schemes; assessed the revenue recognised with substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts at customer level; circularised balance confirmations to a sample of customers and evaluated the responses; and tested the related disclosures made in notes to the consolidated financial statements in respect of the revenue from operations.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate company and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether

due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its associate and joint ventures, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of



such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹106.14 crores and net liabilities of ₹159.91 crores as at 31 March 2023, total revenues of ₹169.39 crores and net cash outflows amounting to ₹8.25 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹7.29 crores for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one associate and three joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures

included in respect of these subsidiaries, associate and joint ventures, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associate and joint ventures, are based solely on the reports of the other auditors.

Further, of these subsidiaries, associate and joint ventures, one subsidiary, is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary located outside India, is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹0.19 crores for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one joint venture, whose financial information has not been audited by us. These financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid joint venture is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, associate and joint ventures, we report that the Holding Company and two subsidiary companies incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to three subsidiary companies and four joint venture companies incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act. Further, we report that one associate company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such associate company.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act, refer Annexure 2 for details of qualifications and / or adverse remarks given by the respective auditors in the Order reports of such companies.
19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associate and joint ventures incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and joint venture companies, covered under the Act, none of the directors of the Group companies, its associate company and joint venture companies, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate company and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, associate and joint ventures incorporated in India whose financial statements have been audited under the Act:



- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint ventures as at 31 March 2023, as detailed in Note 33 to the consolidated financial statements;
 - ii. The Holding Company, its subsidiary companies, associate company and joint venture companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, its associate company and the joint venture companies during the year ended 31 March 2023.
 - iv. a. The respective managements of the Holding Company and its subsidiary companies, associate company and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in note 47(ii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, its associate company or its joint venture companies to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies, its associate company or its joint venture companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiary companies, associate company and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in note 47(iii) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its associate company or its joint venture companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies, its associate company or its joint venture companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, associate and joint ventures, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The final dividend paid by the Holding Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- Further, as stated in Note 35(b) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2023 which is

subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

The subsidiary companies, associate and joint venture companies have not declared or paid any dividend during the year ended 31 March 2023.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with

effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Ashish Gupta

Partner

Membership No.: 504662

UDIN: 23504662BGWGDO9457

Place: Mumbai

Date: 10 May 2023



Annexure 1

List of entities included in the Consolidated Financial Statements

Subsidiaries:

1. Farmtrac Tractors Europe Sp. Z.o.o.
2. Escorts Crop Solutions Limited
3. Escorts Finance Limited
4. Escorts Benefit and Welfare Trust
5. Escorts Benefit Trust

Associate:

1. Escorts Consumer Credit Limited

Joint ventures:

1. Adico Escorts Agri Equipment Private Limited
2. Tadano Escorts India Private Limited (till 15 September 2022)
3. Escorts Kubota India Private Limited
4. Kubota Agricultural Machinery India Private Limited

Annexure 2

referred to in Paragraph 18 of the Independent Auditor's Report of even date to the members of Escorts Kubota Limited on the consolidated financial statements for the year ended 31 March 2023

As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued till date by us and by the respective other auditors, of companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under the Act, we report that:

- A) Following are the qualifications/adverse remarks reported by other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued till date:

(in ₹ crores)				
S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1.	Escorts Kubota India Private Limited	U34300HR2019FTC078790	Joint Venture	3(ix)(d)

Annexure A

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Escorts Kubota Limited (formerly Escorts Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint ventures as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the

Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with



authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, associate company and joint venture companies, the Holding Company, its subsidiary companies, its associate company and joint venture companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements / financial information reflect total assets of ₹9.91 crores and net liabilities of ₹167.50 as at 31 March 2023, total revenues of ₹15.00 crores and net cash outflows amounting to ₹0.42 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹7.29 crores for the year ended 31 March 2023, in respect of one associate company and three joint venture companies, which are companies covered under the Act, whose internal financial controls with reference to financial

statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies, associate company and joint venture companies, to the extent applicable, have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, its associate company and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, associate company and joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one joint venture, which is a company covered under the Act, in respect of which Group's share of net loss (including other comprehensive income) of ₹0.19 crores for the year ended 31 March 2023 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of this joint venture company, which is a company covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid joint venture, which is a company covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements report certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Ashish Gupta

Partner

Membership No.: 504662

UDIN: 23504662BGWGD09457

Place: Mumbai

Date: 10 May 2023

Consolidated Balance Sheet

as at 31 March 2023

		As at 31 March 2023	As at 31 March 2022
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	3 (i)	1,732.05	1,699.99
Capital work-in-progress	3 (ii)	69.39	56.34
Investment property	4	79.80	82.60
Right-of-use assets	5	50.23	34.65
Intangible assets	6 (i)	29.07	23.81
Intangible assets under development	6 (ii)	44.29	31.46
Investments accounted for using equity method	7 (i)	186.84	247.38
Financial assets			
Investments (other than investment accounted using equity method)	7 (ii)	2,784.92	0.96
Other financial assets	8 (i)	7.51	17.06
Deferred tax assets (net)	9 (i)	0.41	-
Income tax assets (net)		0.97	9.39
Other non current assets	10 (i)	196.34	87.87
Total non-current assets		5,181.82	2,291.51
Current assets			
Inventories	11	1,217.68	846.56
Financial assets			
Investments	7 (iii)	1,794.93	4,587.50
Trade receivables	12	1,179.65	792.62
Cash and cash equivalents	13	182.15	91.51
Bank balances other than above	14	289.75	180.33
Other financial assets	8 (ii)	18.96	25.24
Other current assets	10 (ii)	201.32	283.47
Total current assets		4,884.44	6,807.23
Assets held for sale	15	18.97	9.00
Total assets		10,085.23	9,107.74
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	131.94	131.94
Other equity	17	8,054.77	7,467.96
Total of Equity (for shareholders of parent)		8,186.71	7,599.90
Non-controlling interests	18	(3.88)	(3.75)
Total equity		8,182.83	7,596.15
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	39	44.91	41.35
Other financial liabilities	20 (i)	26.94	26.72
Provisions	22 (i)	42.09	42.27
Deferred tax liabilities (net)	9 (i)	64.64	37.27
Other non-current liabilities	21 (i)	7.92	8.52
Total non-current liabilities		186.50	156.13
Current liabilities			
Financial liabilities			
Lease liabilities	39	12.39	10.60
Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		103.74	71.75
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,157.04	822.00
Other financial liabilities	20 (ii)	115.21	94.01
Other current liabilities	21 (ii)	220.75	236.50
Provisions	22 (ii)	104.52	97.96
Current tax liabilities		2.25	22.64
Total current liabilities		1,715.90	1,355.46
Total liabilities		1,902.40	1,511.59
Total equity and liabilities		10,085.23	9,107.74

The accompanying notes form an integral part of these consolidated financial statements.

As per our Report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

ASHISH GUPTA
Partner
Membership No. 504662

Place : Mumbai
Date : 10 May 2023

NIKHIL NANDA
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

BHARAT MADAN
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

SEIJI FUKUOKA
Deputy Managing Director
(DIN: 08786470)
Place : Faridabad

For and on behalf of the Board of Directors

VIMAL BHANDARI
Director
(DIN: 00001318)
Place : Mumbai

SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023



Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

			(₹ crores)
	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	24	8,428.69	7,282.65
Other income	25	280.93	173.80
Total income		8,709.62	7,456.45
Expenses			
Cost of materials consumed	26 (i)	5,776.18	4,534.63
Purchases of stock-in-trade		510.35	510.82
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26 (ii)	(163.65)	(66.94)
Employee benefits expense	27	607.40	541.90
Finance costs	28	13.27	14.97
Depreciation and amortisation expense	29	150.06	132.06
Other expenses	30	920.89	766.83
Total expenses		7,814.50	6,434.27
Profit before share of net loss of investment accounted for using the equity method and tax		895.12	1,022.18
Share of loss of equity accounted investments		(7.48)	(29.35)
Profit before exceptional items and tax		887.64	992.83
Exceptional items	31	(53.05)	-
Profit before tax		834.59	992.83
Tax expense:	9 (ii)		
Current tax		171.60	242.81
Deferred tax charge		26.34	14.41
Total tax expense		197.94	257.22
Profit for the year		636.65	735.61
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net changes in fair values of equity instruments carried at fair value through other comprehensive income		0.06	0.24
Re-measurements of defined employee benefit plans		2.40	2.58
Income tax relating to items that will not be reclassified to profit or loss		(0.62)	(0.67)
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		0.41	(0.07)
Total other comprehensive income for the year		2.25	2.08
Total comprehensive income for the year		638.90	737.69
Profit attributable to:			
(i) Owners		636.78	736.47
(ii) Non-controlling interests		(0.13)	(0.86)
Other comprehensive income attributable to:			
(i) Owners		2.25	2.08
(ii) Non-controlling interests		-	-
Total comprehensive income attributable to:			
(i) Owners		639.03	738.55
(ii) Non-controlling interests		(0.13)	(0.86)
Earnings per equity share:	32		
Basic (₹)		58.85	74.06
Diluted (₹)		58.76	73.73

The accompanying notes form an integral part of these consolidated financial statements.

As per our Report of even date attached

For **Walker Chandio & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

ASHISH GUPTA
Partner
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BHARAT MADAN
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023

Place : Mumbai
Date : 10 May 2023

For and on behalf of the Board of Directors

Consolidated Cash Flow Statement

for the year ended 31 March 2023

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
A Cash flow from operating activities		
Profit before tax	834.59	992.83
Adjustments for:		
Depreciation and amortisation expense	150.06	132.06
Provisions written back net of provisions recognised during the year	9.47	(38.60)
Finance costs (other than finance and bank charges)	10.75	11.57
Interest income	(162.03)	(90.59)
Share of loss of equity accounted investments	7.48	29.35
Gain on disposal of property, plant and equipment (net)	(1.20)	(3.25)
Gain on disposal of assets held for sales	-	(8.90)
Impairment of property, plant and equipment	1.51	-
Exceptional item (related to investing activities)	53.05	-
Gain on fair valuation and sale of investments carried at fair value through profit or loss (net)	(88.14)	(94.80)
Share based payment to employees	5.76	10.10
Unrealised foreign exchange loss/(gain)	(0.77)	0.99
Gain on sale of investment in subsidiary	-	(1.21)
Operating profit before working capital changes	820.53	939.55
Movement in working capital		
Inventories	(371.13)	(128.40)
Trade receivable	(398.31)	(149.78)
Other financial assets	2.85	7.91
Other assets	(30.03)	(91.99)
Trade payables	368.74	(246.26)
Other financial liabilities	26.50	(57.79)
Other liabilities	(8.81)	13.74
Cash generated from operating activities post working capital changes	410.34	286.98
Income tax paid (net)	(186.43)	(254.70)
Net cash generated from operating activities (A)	223.91	32.28
B Cash flows from investing activities		
Purchase of property, plant and equipment (including capital advances)	(190.35)	(173.15)
Sale of property, plant and equipment	5.55	10.46
Purchase of intangible assets	(28.44)	(13.19)
Purchase of investment property	(0.02)	(14.05)
Proceeds from sale of assets held for sale including advance	-	23.54
Investment in joint ventures	-	(17.16)
Proceeds from sale of investment in subsidiary and joint venture	0.01	6.92
(Purchase)/sale of other non current investments	(422.55)	27.46
Sale/(purchase) of current investment (net)	670.17	(2,826.19)
Bank deposit (having original maturity of more than 3 months)	(98.18)	1,017.77
Margin/bank deposits	(9.55)	(5.70)
Interest received	11.59	106.60
Net cash used in investing activities (B)	(61.77)	(1,856.69)
C Cash flows from financing activities (refer note 19)		
Proceeds from shares (including ESOP) issued during the year	20.57	1,902.07
Repayment of long term borrowings	-	(1.72)
Repayment of lease liabilities	(7.05)	(6.12)
Repayment of short term borrowings (net)	-	(0.82)
Interest paid	(9.05)	(9.80)
Dividend and tax thereon paid	(75.69)	(73.73)
Net cash (used in) / generated from financing activities (C)	(71.22)	1,809.88
Increase / (Decrease) in cash and cash equivalents (A+B+C)	90.92	(14.53)
Cash and cash equivalents at the beginning of the year (refer note 13)	91.51	105.74
Exchange difference on translation of foreign currency cash and cash equivalents	(0.28)	0.30
Cash and cash equivalents at the end of the year (refer note 13)	182.15	91.51

Note: The above statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes form an integral part of these consolidated financial statements.

As per our Report of even date attached

For **Walker Chandio & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

ASHISH GUPTA
Partner
Membership No. 504662

Place : Mumbai
Date : 10 May 2023

NIKHIL NANDA
Chairman and
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(DIN: 00043432)
Place : Faridabad

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(DIN: 00944660)
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(DIN: 08786470)
Place : Faridabad

For and on behalf of the Board of Directors

VIMAL BHANDARI
Director
(DIN: 00001318)
Place : Mumbai

SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023



Consolidated Statement of changes in equity

for the year ended 31 March 2023

A Equity share capital

Balance as at 1 April 2021	Changes in equity share capital during the year		Balance as at 31 March 2022	Changes in equity share capital during the year		Balance as at 31 March 2023
	Capital reduction	Issued		Capital reduction	Issued	
134.83	(12.25)	9.36	131.94	-	-	131.94

B Other equity

	Reserves and surplus				Fair value changes of equity instruments measured at fair value through other comprehensive income	Foreign currency translation reserve	Total attributable to owners of the parent	Attributable to non-controlling interest	Total
	Treasury shares	Capital redemption reserve	Securities premium reserve	General reserve	Employee stock option outstanding account	Retained earnings	Additional paid in capital		
Balance as at 1 April 2021	(335.71)	97.91	6.00	1,502.71	730.40	19.18	2,868.53	0.75	0.07
Profit for the year	-	-	-	-	-	-	736.47	-	0.73
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(0.07)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-
Proceeds from shares issued during the year	-	-	-	-	-	-	1.94	-	0.21
Dividend paid	-	-	-	-	-	-	-	-	-
Employee stock option exercised for the year	-	-	-	-	-	-	(73.73)	-	-
Employee stock option charge for the year	-	-	-	-	-	-	(15.05)	-	-
Share issue expenses of joint venture	-	-	-	-	-	-	10.10	-	-
Adjustment on transaction between shareholders	-	-	-	-	-	-	(0.26)	-	-
Adjustment on transaction between shareholders against dilution of non-controlling stake in subsidiaries	-	-	-	-	-	-	3.40	-	-
Adjustment on disposal of subsidiary	-	-	-	-	-	-	-	-	-
Cancellation of shares held by Escorts benefit and welfare trust	113.21	-	-	(100.95)	-	-	-	-	-
Transfer from employees' stock option outstanding account against vested options lapsed during the year	-	-	-	-	0.07	(0.07)	-	-	-
Adjustment for options exercised during the year	4.35	-	-	36.04	-	-	-	-	-
Balance as at 31 March 2022	(218.15)	97.91	6.00	3,298.79	730.39	14.16	3,537.19	-	0.07
Profit for the year	-	-	-	-	-	-	636.78	-	0.66
Other comprehensive income for the year	-	-	-	-	-	-	-	-	0.41
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(76.28)	-	-
Employee stock option exercised for the year	-	-	-	-	-	-	(7.62)	-	-
Employee stock option charge for the year	-	-	-	-	-	-	5.76	-	-
Adjustment for options exercised during the year	1.73	-	-	16.57	-	-	-	-	-
Balance as at 31 March 2023	(216.42)	97.91	6.00	3,322.98	730.39	12.30	4,099.48	-	0.07

The accompanying notes form an integral part of these consolidated financial statements.
As per our Report of even date attached

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SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023

For and on behalf of the Board of Directors

Place : Mumbai
Date : 10 May 2023

Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

1 Group information

The Company or Parent Company, its subsidiaries, its joint venture and associate (jointly referred to as the 'Group' herein under) considered in these consolidated financial statements are:

A. Subsidiaries

Name of the entity	Principal activities	Country of incorporation	% equity Interest	
			31 March 2023	31 March 2022
Escorts Finance Limited	Recovery of delinquent loan assets	India	67.87%	67.87%
Escorts Benefit & Welfare Trust	Holding stocks on behalf of Settlor Escorts Kubota Limited	India	100%	100%
Escorts Benefit Trust	Holding fund for payment of dues of fixed deposit holders of Escorts Finance Limited	India	100%	100%
Farmtrac Tractors Europe Spolka z.o.o	Production, development and import of parts and accessories, sale of agricultural tractors and organisation of services in respect of agricultural tractors	Poland	100%	100%
Escorts Crop Solution Limited	Crop solution services	India	100%	*100%
EKL CSR Foundation (Formerly Escorts Skill Development) @	Corporate Social Responsibility	India	NA	NA

*Rounded off to 100%

@ EKL CSR Foundation (Formerly Escorts Skill Development) ("ECF") has become wholly owned subsidiary of the Company on 01 November, 2021. Based on the control assessment carried out by management in terms of Ind AS 110, ECF has not been consolidated in these consolidated financial statements.

B. Interests in associate and joint ventures

Name of the entity	Principal activities	Country of incorporation	31 March 2023	31 March 2022	Relationship	Accounting method
			% Ownership Interest	% Ownership Interest		
Adico Escorts Agri Equipment Private Limited	Manufacturing and trading of agricultural equipments and its spares and implements	India	40%	40%	Joint venture	Equity method
Tadano Escorts India Private Limited #	Terrain crane	India	-	49%	Joint venture	Equity method
Escorts Kubota India Private Limited	Manufacturing (including contract manufacturing) and sale of tractors and parts thereof	India	40%	40%	Joint venture	Equity method
Kubota Agricultural Machinery India Private Limited	Sale of agricultural equipments and its spares and implements	India	40%	40%	Joint venture	Equity method
Escorts Consumer Credit Limited	Financing activity	India	29.41%	29.41%	Associate	Equity method

relationship ceased w.e.f 09 November 2022



Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

C. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crores)	As % of consolidated profit or loss	Amount (₹ crores)	As % of consolidated other comprehensive income	Amount (₹ crores)	As % of consolidated total comprehensive income	Amount (₹ crores)
Parent								
Escorts Kubota Limited	103.08%	8,434.81	95.34%	606.98	83.11%	1.87	95.30%	608.85
Indian subsidiaries								
Escorts Crop Solutions Limited	0.02%	2.01	(1.09%)	(6.95)	(1.33%)	(0.03)	(1.09%)	(6.98)
Escorts Benefit and Welfare Trust	-	0.01	-	(0.01)	-	-	-	(0.01)
Escorts Finance Limited	(2.07%)	(169.51)	(0.07%)	(0.42)	-	-	(0.07%)	(0.42)
Escorts Benefit Trust	0.01%	0.17	(0.03%)	(0.20)	-	-	(0.03%)	(0.20)
Foreign subsidiaries								
Farmtrac Tractors Europe Sp. Z.o.o, Poland	0.09%	7.41	0.43%	2.76	18.22%	0.41	0.50%	3.17
Joint venture and associate (investment as per the equity method)								
Indian								
Adico Escorts Agri Equipment Private Limited	0.04%	3.29	(0.11%)	(0.69)	-	-	(0.11%)	(0.69)
Tadano Escorts India Private Limited	-	-	(0.03%)	(0.19)	-	-	(0.03%)	(0.19)
Escorts Kubota India Private Limited	0.77%	63.23	(0.61%)	(3.87)	-	-	(0.61%)	(3.87)
Kubota Agricultural Machinery India Private Limited	1.47%	120.32	(0.43%)	(2.76)	-	-	(0.43%)	(2.76)
Non-controlling interest in all subsidiaries	(0.05%)	(3.88)	(0.02%)	(0.13)	-	-	(0.02%)	(0.13)
Intercompany elimination and consolidation adjustment	(3.36%)	(275.03)	6.62%	42.13	-	-	6.59%	42.13
Total	100.00%	8,182.83	100.00%	636.65	100.00%	2.25	100.00%	638.90

Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

2. Basis of preparation, measurement, consolidation and significant accounting policies

2.1 Overall consideration

Basis of preparation and measurement

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable

The consolidated financial statements for the year ended 31 March 2023 were approved for issue by the Board of Directors on 10 May 2023.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared under the historical cost convention basis except for the following –

- Certain financial assets which are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The

Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Profit/ (loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31 March 2023.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the parent company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.



Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in these entities.

Joint ventures

Investments in joint arrangements are classified as either Joint operations or Joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement.

Joint ventures – Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2.2 Summary of significant accounting policies

a) Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods, after-sales maintenance and extended warranty services.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at transaction price received or receivable, excluding the estimates of variable consideration allocable to the performance obligation, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). In case of multi-element revenue arrangements, which involve delivery or performance of multiple products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies

Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position (see note 22). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

The Group provides 1 to 5 years' product warranty on its goods sold to the buyer. Under the terms of this warranty customers can return the product for repair or replacement if it fails to perform in accordance with published specifications. These warranties are accounted for under Ind AS 37.

After-sale services

The Group enters into fixed price maintenance and extended warranty contracts with its customers for terms between one and two years in length. Customers are required to pay in advance for the services along with the contractual amount paid for the purchase of goods.

- **Maintenance contracts** – The Group enters into agreements with its customers to perform regularly scheduled maintenance services on goods purchased from the Group. Revenue is recognised over time based on the ratio between the number of services provided/

lapsed in the current period and the total number of such services expected to be provided under each contract. This method best depicts the transfer of services to the customer because details of the services to be provided are specified by management in advance as part of its published maintenance program.

- **Extended warranty program** – The Group enters into agreements with its customers to perform necessary repairs falling outside the Group's standard warranty period. As this service involves an indeterminate number of acts, the Group is required to 'stand ready' to perform whenever a request falling within the scope of the program is made by a customer. Revenue is recognised on a straight-line basis over the term of the contract and matched to related costs. This method best depicts the transfer of services to the customer as (a) the Group's historical experience demonstrates no statistically significant variation in the quantum of services provided in each year of a multi-year contract, and (b) no reliable prediction can be made as to if and when any individual customer will require service.

Other income

Income from export incentives are recognised on accrual basis.

Interest Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost (refer 'h' below), interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.



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Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

b) Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') and are rounded to two decimal places of crores, which is also the functional and presentation currency of the Group.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date. Fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Indian Rupee at the

closing rate. Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. Exchange differences are charged/ credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to the statement of profit or loss and are recognized as part of the gain or loss on disposal.

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

d) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred

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payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are stated at their cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any

Depreciation on property, plant and equipment of the Group is provided on the straight-line method except for Adico Escorts Agri Equipment Private Limited (Joint Venture) which provided depreciation on written down value method, computed on the basis of useful lives mentioned below:

Asset category	Estimated useful life (in years)
Factory buildings	30
Office buildings	60
Tubewells and fencing	5
Roads	10
Sheds	3
Plant and machinery	3-15*
Furniture and fixtures	5-10*
Office equipment	3-10
Vehicles	8-10
Leasehold improvements	Over the effective term of the lease
Electrical appliances	10
IT equipments	6
Computers	3

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for certain items within these classes of assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any

asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

In case of one of the subsidiary (Farmtrac Tractors Europe Spolka Z.O.O), no depreciation of the land with perpetual usufruct right is made by the Company.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

e) Investment properties

Recognition and initial measurement

Investment properties are properties, including right-of-use in properties, held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Group measures investment property using cost based measurement, the



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fair value of investment property is disclosed in the notes to the financial statements.

Subsequent measurement (depreciation and useful lives)

Depreciation on investment properties other than right-of-use in properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

f) Intangible assets

Recognition and initial measurement

Purchased intangible assets are stated at cost.

Internally developed intangible assets

Expenditure on the research phase of projects is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Group can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs.

Subsequent measurement (amortisation)

Purchased intangible assets are stated at cost less accumulated amortization and impairment, if any

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset

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Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Asset category	Estimated useful life (in years)
Software	2- 6
Prototypes	4
Technical know how	6

g) Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less

any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

h) Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value or trade receivables which are recognised at their transaction price,



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where the trade receivable does not contain a significant financing component.

If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- a) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- b) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- i. **Financial assets at amortised cost**
 - a financial instrument is measured at amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets at fair value

Investments in equity instruments

other than above – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL), except

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investment in certain fixed maturity plans (FMPs) and target maturity funds (TMFs).

Fixed maturity plans (FMP), purchased by the Company on or after 1 April 2021, are measured at amortised cost, if the Company intends to hold the FMPs to maturity. Further, the Company applies amortised cost for those FMPs where the Company is able to demonstrate that the underlying instruments in the portfolio would fulfill the SPPI test and the churn in the underlying portfolio is negligible. These conditions are assessed at each Balance Sheet date. If these conditions are not fulfilled, then FMPs are valued at FVTPL.

The Company intends to hold its investment in open ended target maturity funds (i.e. exchange traded funds/ETF) purchased on or after 1 April 2021 till maturity. It may be noted that these funds have a pre-determined maturity date. These funds follow a passive buy and hold strategy; in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such strategy mitigates intermittent price volatility in open ended target maturity fund's underlying investments; and investors who remain invested until maturity are expected to mitigate the market/volatility risk to a large extent. These funds can invest only in plain vanilla rupee denominated bonds with fixed coupon and maturity; and cannot invest in floating rate bonds. Based on this, the Company believes that the investments in open ended target maturity funds meet the requirements of SPPI test as per the requirements of Ind AS 109.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has

transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

Initial and subsequent measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and



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there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Group applies approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The Group uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables. Life time expected credit losses are assessed

and accounted based on company's historical collection experience for customers and forecast of macro-economic factors for each identified segment.

The Group defines default as an event when the financial asset is past due for more than 365 days. This definition is based on management's expectation of the time period beyond which if a receivable is outstanding, it is an objective evidence of impairment.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

j) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

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At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

k) Fair value measurement

The Group measures certain financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Refer Note 34 for fair value hierarchy.

l) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

m) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying



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tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

n) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognised as deferred income at fair value and subsequently is recognised in statement of profit and loss as other income on a systematic basis over the expected useful life of the related asset.

When the Group receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

o) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

p) Post-employment, long term and short term employee benefits

The Group provides post-employment benefits through various defined contribution and defined benefit plans

Defined contribution plans

A defined contribution plan is a plan under which the Group pays fixed contributions into an independent fund administered by the government. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year in which related employee services are received.

Defined benefit plans

The defined benefit plans sponsored by the Group define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Group.

Gratuity and pension are post-employment benefits and are in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity and pension is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial

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gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

q) Non-current assets held for sale and discontinued operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the

lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. Profit or loss from discontinued operations comprise the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations.

r) Share based payments

The Group has equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares



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issued with any excess being recorded as share premium.

s) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

t) Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors assess the financial performance and position of the Group, and makes strategic decisions and therefore the board would be the chief operating decision maker.

The Group has the following operating/reportable segments: Agri machinery, Construction equipment, Railway equipment and Auto ancillary products (Discontinued in financial year 2016-17). In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

v) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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.

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2.3 Significant management judgements in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Group's accounting policies and that may have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant management estimates

Allowance for doubtful debts – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on the Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

Allowance for obsolete and slow-moving inventory– The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognized in the financial statements.

Product warranties– The Group makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information of the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimize warranty expenses

arising from claims. Warranty costs may differ from those estimated if actual claim rates are higher or lower than historical rates.

Useful lives of depreciable/amortisable assets

– Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Significant management judgments

Capitalisation of internally developed intangible assets– Distinguishing the research and development phases for new products and design enhancements determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there any indicators that capitalised costs may be impaired.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Non-consolidation of Farmtrac North America LLC (FNA)

– At the behest of the creditors of FNA the authorities had appointed receiver who has taken over all the assets, books and records of FNA. Therefore, the Group has lost its control on the relevant activities of FNA, hence the Group has not considered FNA for consolidation in these financial statements.



Notes

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Contingent liabilities – The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

2.4 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is

material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Notes

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3 (i) Property, plant and equipment

	(₹ crores)									
Description	Land	Leasehold land*	Buildings	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Computers	Vehicles	Office equipment	Total
Gross carrying value										
As at 1 April 2021	1,040.65	0.44	396.91	0.05	1,062.39	88.02	54.88	32.97	10.58	2,686.89
Additions	-	-	27.18	-	116.71	12.66	7.56	0.37	0.41	164.89
Disposals	-	-	-	-	(24.69)	(0.69)	(3.42)	(7.18)	(1.84)	(37.82)
Exchange differences	-	(0.01)	(0.05)	-	(0.01)	(0.01)	-	(0.01)	-	(0.09)
As at 31 March 2022	1,040.65	0.43	424.04	0.05	1,154.40	99.98	59.02	26.15	9.15	2,813.87
Additions	5.12	-	13.09	-	123.24	15.79	7.98	0.27	1.94	167.43
Reclassified to assets held for sale (refer note 15)	-	-	-	-	(0.50)	(0.02)	-	(6.13)	(0.02)	(6.67)
Disposals	-	-	(0.43)	-	(14.20)	(2.08)	(2.98)	(5.69)	(0.02)	(25.40)
Exchange differences	-	0.03	0.15	-	0.02	0.02	-	0.04	-	0.26
As at 31 March 2023	1,045.77	0.46	436.85	0.05	1,262.96	113.69	64.02	14.64	11.05	2,949.49
Accumulated depreciation										
As at 1 April 2021	-	-	259.68	0.03	643.29	65.71	41.01	13.67	8.72	1,032.11
Charge for the year	-	-	8.89	-	88.30	5.38	4.61	3.93	1.28	112.39
Adjustment for disposals	-	-	-	-	(20.52)	(0.69)	(3.41)	(4.13)	(1.84)	(30.59)
Exchange differences	-	-	(0.01)	-	(0.01)	-	-	(0.01)	-	(0.03)
As at 31 March 2022	-	-	268.56	0.03	711.06	70.40	42.21	13.46	8.16	1,113.88
Charge for the year	-	-	10.96	-	101.27	6.51	5.62	2.86	1.26	128.48
Adjustment for disposals	-	-	(0.30)	-	(11.99)	(2.07)	(2.93)	(3.99)	(0.02)	(21.30)
Impairment during the year	-	-	-	-	0.13	-	-	1.38	-	1.51
Reclassified to assets held for sale (refer note 15)	-	-	-	-	(0.42)	(0.02)	-	(4.78)	(0.02)	(5.24)
Exchange differences	-	-	0.05	-	0.01	0.02	-	0.03	-	0.11
As at 31 March 2023	-	-	279.27	0.03	800.06	74.84	44.90	8.96	9.38	1,217.44
Net carrying amount as at 31 March 2022	1,040.65	0.43	155.48	0.02	443.34	29.58	16.81	12.69	0.99	1,699.99
Net carrying amount as at 31 March 2023	1,045.77	0.46	157.58	0.02	462.90	38.85	19.12	5.68	1.67	1,732.05

*Leasehold land with perpetual usufruct right

^During the year, Escorts Crop Solution Limited, a subsidiary of the Group has scaled down its operation in relation to farming business and it is expected that the carrying value of related property, plant and equipment will be realised through sale in active market, rather than continuing use in the business, accordingly, impairment loss amounting to ₹1.51 Crores has been recognised to bring down the carrying value of the said assets to the realisable value.



Notes

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Notes:

(i) Contractual obligations

Refer note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Property plant and equipment pledged as security

Refer note 43 for information on property, plant and equipment pledged as security by the Group.

(iii) Property, plant and equipment include assets in use for in house research and development

Refer note 42 for details.

(iv) Depreciation for the year has been included in “ Depreciation & amortisation expense “ line item in the statement of profit & loss.

3 (ii) Capital work-in-progress

	(₹ crores)	
	31 March 2023	31 March 2022
Capital work-in-progress	69.39	56.34

Movement in capital work-in-progress during the year:

Particulars	(₹ crores)
Capital work-in-progress as at 1 April 2021	41.20
Add: additions during the year	194.00
Less: capitalisation during the year	(178.75)
Less: discarded during the year	(0.11)
Capital work-in-progress as at 31 March 2022	56.34
Add: additions during the year	180.35
Less: capitalisation during the year	(167.30)
Capital work-in-progress as at 31 March 2023	69.39

Capital work in progress ageing schedule-projects in progress

Particulars	(₹ crores)				
	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 2023	62.58	5.60	0.60	0.61	69.39
As at March 2022	54.35	1.34	0.64	0.01	56.34

There is no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

Notes

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4 Investment property

Description	(₹ crores)		
	Freehold Land	Building	Total
Gross carrying value			
As at 1 April 2021	28.09	48.91	77.00
Additions	-	14.05	14.05
As at 31 March 2022	28.09	62.96	91.05
Additions	-	0.02	0.02
As at 31 March 2023	28.09	62.98	91.07
Accumulated depreciation			
As at 1 April 2021	-	7.14	7.14
Charge for the year	-	1.31	1.31
As at 31 March 2022	-	8.45	8.45
Charge for the year	-	2.82	2.82
As at 31 March 2023	-	11.27	11.27
Net carrying amount as at 31 March 2022	28.09	54.51	82.60
Net carrying amount as at 31 March 2023	28.09	51.71	79.80

(i) Amount recognised in statement of profit and loss for investment property

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
Rental income	10.66	10.15
Direct operating expenses that generated rental income	-	-
Direct operating expenses that did not generate rental income	-	-
Profit from leasing of investment properties	10.66	10.15

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

(iii) Fair value of investment property

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
Land	119.86	105.97
Building	59.79	56.24

The Group obtains independent valuations for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties.

Where such information is not available, the independent valuer considers information from a variety of sources including:

- In case of valuation of land, current prices in an active market for similar properties of the same area and localities have been taken.
- In case of constructed building, rates derived from CPWD/CWC PARS as on 01-10-2012 have been taken as the basis of valuation. These rates have further been modified to bring them at par with the present day price index and as per specifications found at site. Necessary depreciation for age and life of the structure has been taken into account.



Notes

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5 Right-of-use assets

Description	Property, plant and equipment		Investment property	(₹ crores)
	Land	Building	Land	Total
Gross carrying value				
As at 1 April 2021	34.52	16.38	4.16	55.06
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2022	34.52	16.38	4.16	55.06
Additions	24.20	-	-	24.20
Reclassification during the year	4.16	-	(4.16)	-
As at 31 March 2023	62.88	16.38	-	79.26
Accumulated depreciation				
As at 1 April 2021	6.45	4.57	1.28	12.30
Charge for the year	4.28	3.19	0.64	8.11
As at 31 March 2022	10.73	7.76	1.92	20.41
Charge for the year	5.70	2.54	0.38	8.62
Reclassification during the year	2.30	-	(2.30)	-
As at 31 March 2023	18.73	10.30	-	29.03
Net carrying amount as at 31 March 2022	23.79	8.62	2.24	34.65
Net carrying amount as at 31 March 2023	44.15	6.08	-	50.23

Notes:

(i) Right-of-use assets classified as investment property

(a) Amount recognised in statement of profit and loss for investment property

	(₹ crores)	
	31 March 2023	31 March 2022
Rental income	0.54	0.90
Direct operating expenses that generated rental income	-	-
Direct operating expenses that did not generate rental income	-	-
Profit from leasing of investment properties	0.54	0.90

(b) Leasing arrangements

Land classified as investment property is leased to a tenant under long-term operating lease arrangement with rentals payable monthly. The said lease arrangement has been terminated during the year and the corresponding land is being used by the company for its own business

(c) Fair value of investment property

	(₹ crores)	
	31 March 2023	31 March 2022
Land	-	2.92

The Group obtains independent valuations for its investment property annually. The best evidence of fair value is current prices in an active market for similar properties.

Notes

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Where such information is not available, the independent valuer considers information from a variety of sources such as in case of ROU of land, fair value is determined by discounting market lease rentals for the remaining tenure of the lease.

- (ii) Depreciation for the year has been included in "Depreciation and amortisation expense" line item in statement of profit and loss.

6 (i) Intangible assets

	(₹ crores)			
Description	Prototypes	Technical know how	Software	Total
Gross carrying value				
As at 1 April 2021	42.38	24.25	56.59	123.22
Additions	0.69	1.96	2.58	5.23
Exchange differences	-	(0.04)	-	(0.04)
As at 31 March 2022	43.07	26.17	59.17	128.41
Additions	0.59	0.03	14.99	15.61
Disposals	-	-	(0.31)	(0.31)
Exchange differences	-	0.16	-	0.16
As at 31 March 2023	43.66	26.36	73.85	143.87
Accumulated amortisation				
As at 1 April 2021	35.86	16.32	42.21	94.39
Charge for the year	2.73	2.89	4.63	10.25
Exchange differences	-	(0.04)	-	(0.04)
As at 31 March 2022	38.59	19.17	46.84	104.60
Charge for the year	2.36	2.01	5.77	10.14
Adjustment for disposals	-	-	(0.05)	(0.05)
Exchange differences	-	0.11	-	0.11
As at 31 March 2023	40.95	21.29	52.56	114.80
Net carrying amount as at 31 March 2022	4.48	7.00	12.33	23.81
Net carrying amount as at 31 March 2023	2.71	5.07	21.29	29.07

Notes:

(i) Contractual obligations

Refer note 33 for disclosure of contractual commitments for the acquisition of intangible assets.

(ii) Expenses incurred and assets in use for in house research and development :

During the year, expenditure of ₹129.66 crores (31 March 2022: ₹112.97 crores) was incurred on research and development (excluding depreciation) recognised in statement of profit and loss.

Refer note 42 for detail.

- (iii) Amortisation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.



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6 (ii) Intangible assets under development

		(₹ crores)
	31 March 2023	31 March 2022
Intangible assets under development	44.29	31.46

Movement in intangible assets under development :

Particulars	(₹ crores)
Intangible assets under development as at 1 April 2021	23.49
Add: additions during the year	12.69
Less: capitalisation during the year	(4.72)
Intangible assets under development as at 31 March 2022	31.46
Add: additions during the year	28.44
Less: capitalisation during the year	(15.61)
Intangible assets under development as at 31 March 2023	44.29

Intangible assets under development ageing schedule-projects in progress

	(₹ crores)				
Particulars	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 2023	19.97	5.42	5.82	13.08	44.29
As at March 2022	9.84	7.77	8.96	4.89	31.46

There are no Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

7 Investments

Investments - non-current

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
(i) Investments accounted for using equity method (refer note 36)		
Fully paid equity shares (unquoted)	186.84	247.38
	186.84	247.38
Aggregate amount of impairment in value of investments	1.00	1.00
(ii) Investments (other than investment accounted using equity method)		
(A) Investments carried at fair value through OCI		
Fully paid equity shares (quoted)	1.00	0.94
(B) Investment carried at cost		
Fully paid equity shares (unquoted)	0.02	0.02
(C) Debt instruments carried at amortised cost		
Mutual funds (quoted) (Target Maturity Funds)	2,783.90	-
	2,784.92	0.96
Aggregate amount of quoted investments	2,784.90	0.94
Market value of quoted investments	2,716.42	0.94
Aggregate amount of unquoted investments	0.02	0.02

Notes

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	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
(iii) Investments - Current		
(A) Investment carried at fair value through profit or loss		
Mutual funds (quoted)	1,794.93	2,376.96
(B) Investment carried at amortised cost		
Mutual funds (quoted) (Target Maturity Funds)	-	2,210.54
	1,794.93	4,587.50
Aggregate amount of quoted investments	1,794.93	4,587.50
Market value of quoted investments	1,794.93	4,584.54

Details of investments are as follows:

Non-current investments

	(₹ crores)			
Description	Number of shares		Amount	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
In equity instruments[^]				
Joint ventures and associate (unquoted)				
Escorts Consumer Credit Limited	12,50,000	12,50,000	1.00	1.00
Less: provision for impairment			(1.00)	(1.00)
			-	-
Adico Escorts Agri Equipment Private Limited	84,00,000	84,00,000	3.29	3.98
Tadano Escorts India Private Limited	-	7,27,65,000	-	53.23
Escorts Kubota India Private Limited	1,20,00,000	1,20,00,000	63.23	67.10
Kubota Agricultural Machinery India Private Limited	2,00,00,000	2,00,00,000	120.32	123.07
			186.84	247.38
Others (quoted)				
Asahi India Glass Limited (face value of ₹1 each)	18,862	18,862	0.85	0.81
Godavari Drugs Limited	19,700	19,700	0.15	0.13
Twenty First Century Medicare Limited *	19,400	19,400	-	-
Tamilnadu Newsprints & Papers Limited*	100	100	-	-
			1.00	0.94
Others (unquoted)				
EKL CSR Foundation (Formerly Escorts Skill Development)	50,000	50,000	0.02	0.02

[^]All equity shares are of ₹10 each unless otherwise stated.

*Amount less than ₹1 lakh

8 Other financial assets

(i) Other non-current financial assets

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Deposits with remaining maturity of more than 12 months	1.09	0.51
Security deposits*	6.42	6.09
Lease receivable	-	10.46
	7.51	17.06

* includes deposit given to related party for ₹0.04 crores (previous year ₹0.04 crores).



Notes

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Refer note 34 - Financial instruments for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

(ii) Other current financial assets

	As at 31 March 2023	As at 31 March 2022
Export incentives receivable	3.62	6.08
Claims receivable	0.28	0.69
Derivative assets	-	0.32
Lease receivable	-	1.97
Security deposits	9.24	9.92
Other recoverables		
-from related parties (refer note 44 for related party balances)	2.94	3.85
-from others	2.88	2.41
	18.96	25.24

The carrying values are considered to be a reasonable approximation of their fair values.

9 (i) Deferred tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset arising on account of :		
Financial assets and financial liabilities at amortised cost and inventories	(31.15)	(35.86)
Provision for employee benefits and other liabilities deductible on actual payment	(11.34)	(11.06)
Deferred tax liability arising on account of :		
Investments carried at fair value	58.57	31.64
Assets held for disposal	-	(0.37)
Property, plant and equipment, investment property and intangible assets	48.15	52.55
Net deferred tax liabilities	64.23	36.90
Less: Deferred tax asset transferred to asstes held for sale/ subsidiary disposed off	-	(0.37)
	64.23	37.27

Notes:

(a) Movement in deferred tax liabilities for the year ended 31 March 2023 is as follows:

	Opening balance deferred tax assets	Opening balance deferred tax liabilities	(Reversed)/ recognised through statement of profit and loss	(Reversed)/ recognised in other comprehensive income	Closing balance deferred tax liabilities	Closing balance deferred tax assets
Deferred tax assets/liabilities in relation to:						
Property, plant and equipment, investment property and intangible assets	-	52.55	(4.40)	-	48.15	-
Financial assets and liabilities at amortised cost and inventories	-	(35.86)	4.71	-	(30.74)	0.41

Notes

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						(₹ crores)
	Opening balance deferred tax assets	Opening balance deferred tax liabilities	(Reversed)/ recognised through statement of profit and loss	(Reversed)/ recognised in other comprehensive income	Closing balance deferred tax liabilities	Closing balance deferred tax assets
Provision for employee benefits and other liabilities deductible on actual payment	-	(11.06)	(0.89)	0.61	(11.34)	-
Unrealised gain on investment carried at fair value	-	31.64	26.92	0.01	58.57	-
Net deferred tax assets/liabilities	-	37.27	26.34	0.62	64.64	0.41

(b) Movement in deferred tax liabilities for the year ended 31 March 2022 is as follows:

						(₹ crores)
	Opening balance deferred tax assets	Opening balance deferred tax liabilities	(Reversed)/ recognised through statement of profit and loss	(Reversed)/ recognised in other comprehensive income	Closing balance deferred tax liabilities	Closing balance deferred tax assets*
Deferred tax assets/liabilities in relation to:						
Property, plant and equipment, investment property and intangible assets	-	59.70	(7.15)	-	52.55	-
Financial assets and liabilities at amortised cost and inventories	-	(36.79)	0.93	-	(35.86)	-
Provision for employee benefits and other liabilities deductible on actual payment	-	(12.43)	0.73	0.64	(11.06)	-
Assets held for disposal	1.48	0.22	0.89	-	-	0.37
Unrealised gain on investment carried at fair value	-	12.60	19.01	0.03	31.64	-
Net deferred tax assets/liabilities	1.48	23.30	14.41	0.67	37.27	0.37

* Classified under assets held for sale

9 (ii) Tax expense

The income tax expense consists of the following:

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax expense	171.60	242.81
Deferred tax expense	26.34	14.41
Total income tax expense	197.94	257.22



Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

Notes:

- (a) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Profit before income tax	834.59	992.83
Statutory income tax rate*	25.17%	25.17%
Expected income tax expense	210.05	249.88
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax effect of expenses not eligible for deduction	3.64	3.96
Adjustment for tax expense pertaining to prior years	(3.98)	(0.74)
Income chargeable to lower rate of tax	(3.77)	(3.68)
(Utilisation)/addition of tax losses on which no deferred tax is recognised	(6.82)	8.22
Others	(1.18)	(0.42)
Total income tax expense	197.94	257.22

* Statutory tax rate applicable to the Company has been computed as follows

Base tax rate	22%	22%
Surcharge (% of tax)	10%	10%
Cess (% of tax)	4%	4%
Applicable rate	25.17%	25.17%

10 Other assets

- (i) Non-current

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Capital advances*	17.79	21.50
Deposits with statutory authorities**	68.52	68.51
Balances with statutory authorities	112.17	-
	198.48	90.01
Allowance for doubtful advances	(2.14)	(2.14)
	196.34	87.87

* includes advance given to related party for ₹0.30 crores (previous year ₹0.22 crores).

** includes deposit paid under protest with statutory authorities.

- (ii) Current

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Refund asset	5.02	7.40
Advances to suppliers	39.64	45.09
Prepaid expenses*	10.15	10.23
Balances with statutory authorities	145.21	220.58
Other advances	1.30	0.17
	201.32	283.47

* includes advance payment to related party ₹0.06 crores (previous year Nil).

Notes

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11 Inventories

(Valued at lower of cost and net realisable value, unless otherwise stated)

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Raw materials and components	559.68	351.04
Goods-in-transit	43.25	46.40
	602.93	397.44
Work-in-progress	61.73	41.41
Finished goods	384.67	271.21
Goods-in-transit	63.85	27.74
	448.52	298.95
Stock-in-trade	84.46	89.38
Goods-in-transit	0.80	1.77
	85.26	91.15
Stores and spares	13.47	11.98
Loose tools	5.77	5.63
	1,217.68	846.56

Note :

- (i) Refer note 43 for inventories pledged as security for borrowings.
- (ii) Amount of write down and reversal of write down of inventories recognised in statement of profit and loss:

	(₹ crores)
Particulars	Amount
Allowance for obsolete and slow moving inventories as at 1 April 2021	55.45
Add: write-down recognised during the year	24.58
Less: allowance utilised during the year	(33.03)
Allowance for obsolete and slow moving inventories as at 31 March 2022	47.00
Add: write-down recognised during the year	32.21
Less: allowance utilised during the year	(12.79)
Allowance for obsolete and slow moving inventories as at 31 March 2023	66.42

12 Trade receivables

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Secured, considered good	221.99	149.18
Unsecured, considered good	970.67	653.82
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	25.17	68.11
	1,217.83	871.11
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(13.01)	(10.38)
Trade receivables which have significant increase in credit Risk	-	-
Trade receivables - credit impaired	(25.17)	(68.11)
	(38.18)	(78.49)
	1,179.65	792.62



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Trade receivables ageing schedule

As at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					(₹ crores)
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	910.10	244.06	7.41	2.28	0.51	0.76	1,165.12
(ii) Undisputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	0.42	1.01	0.19	0.90	2.52
(iv) Disputed trade receivables – considered good	-	0.79	10.96	11.74	2.42	1.63	27.54
(v) Disputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	9.01	0.94	12.70	22.65
Total	910.10	244.85	18.79	24.04	4.06	15.99	1,217.83

As at 31 March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					(₹ crores)
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	593.41	155.32	12.53	6.28	1.56	4.69	773.79
(ii) Undisputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	0.04	0.58	1.17	1.73	5.80	9.32
(iv) Disputed trade receivables – considered good	-	1.50	4.15	10.29	6.02	7.25	29.21
(v) Disputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	0.59	4.37	8.80	45.03	58.79
Total	593.41	156.86	17.85	22.11	18.11	62.77	871.11

Notes:

- Refer note 43 for trade receivables pledged as security for liabilities.
- Refer note 34 - Financial instruments for assessment of expected credit losses.
- The carrying values are considered to be a reasonable approximation of their fair values.
- Trade receivables include ₹38.75 crores (31 March 2022 ₹2.82 crores) due from related parties. For details refer note 44 - related party disclosures.

Notes

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13 Cash and cash equivalents

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Balances with banks in current accounts	18.22	24.19
Cash on hand	-	0.08
Debit balance in cash credit accounts	53.88	24.15
Bank deposits with original maturity of less than or equal to 3 months	110.05	43.09
	182.15	91.51

The carrying values are a reasonable approximation of their fair values.

14 Other bank balances

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Earmarked bank balances	12.23	10.17
Fixed deposits with original maturity of more than 3 months but less than 12 months	103.13	4.88
Margin money deposits	2.61	0.41
Escrow account	171.78	164.87
	289.75	180.33

Notes:

- (i) Earmarked balances with banks largely pertain to balance in unspent CSR account (refer note 30) and unclaimed dividends.
- (ii) Fixed deposits with original maturity of more than 3 months but less than 12 months includes ₹0.17 crores (31 March 2022: ₹0.16 crores) deposits held by the Group which are not available for use by the Group, as these are lien marked.
- (iii) Balance in Escrow account is not available for use by the Group, refer note 22 (ii) for details.
- (iv) ₹2.61 crores (31 March 2022: ₹0.41 crores) represent margin money pledged with various authorities.
- (v) Other than as disclosed, there are no repatriation restrictions with respect to other bank balances as at the end of the reporting year and previous year.
- (vi) The carrying values are a reasonable approximation of their fair values.

15 Assets held for sale

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Land held for sale	17.54	9.00
Property, plant and equipment held for sale	1.43	-
Total	18.97	9.00

Notes:

(i) Details of assets held for sale :

- (a) The Group executed an agreement to sell in earlier year, for transfer of 25 acres of land at Plot No. 219, Sector 58, Ballabhgarh, Haryana for a consideration of ₹9.00 crores. Further, during the year, the Group has additionally paid ₹8.54 crores to Haryana Shehri Vikas Pradhikaran (HSVP) under "Last and Final Settlement



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Scheme, 2022" towards settlement of enhancement dues related to the aforesaid land and the same is recoverable from the buyer of which ₹4.00 crores has been received as at 31 March 2023. Accordingly, the aforesaid payment of ₹8.54 crores has been accounted for as an addition to the land held for sale. The said transfer is subject to necessary approval from Haryana Urban Development Authority (HUDA) and accordingly the consideration amount of ₹9.00 crores and receipt of additional payment of ₹4.00 crores as aforesaid is being classified in other current liabilities. Owing to the inordinate delay in obtaining approval from HUDA, the transfer has been delayed for more than a year that was not originally envisaged. However, the Group is taking necessary action to respond to the current conditions and favourable resolution is expected. Therefore, such land continues to be classified as held for sale.

- (b) During the year, Escorts Crop Solution Limited, the subsidiary of the Group has scaled down its operation in relation to farming business and it is expected that the carrying value of related property, plant and equipment will be realised through sale in active market, rather than continuing use in the business. Accordingly, the remaining carrying value as at 31 March 2023 amounting to ₹1.43 crores has been disclosed under "Assets held for sale" (refer note 3(i)).

(ii) Non-recurring fair value measurements

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell at the time of re-classification. A total write down of ₹0.76 crores was made in earlier years on account of such measurement for land.

16 Equity Share Capital

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Authorised		
40,10,00,000 (previous year 40,10,00,000) Equity shares of ₹10 each	401.00	401.00
88,80,00,000 (previous year 88,80,00,000) Unclassified shares of ₹10 each	888.00	888.00
	1,289.00	1,289.00
Issued, Subscribed and Fully paid-up		
13,19,40,604 (previous year 13,19,40,604) Equity shares of ₹10 each	131.94	131.94
	131.94	131.94

(a) Reconciliation of number of shares

Description	As at 31 March 2023		As at 31 March 2022	
	No of shares	₹ crores	No of shares	₹ crores
Equity shares at the beginning of the year	13,19,40,604	131.94	13,48,34,566	134.83
Cancelled during the year (refer note 40)	-	-	(1,22,57,688)	(12.25)
Issued during the year (refer note 40)	-	-	93,63,726	9.36
Equity shares at the end of the year	13,19,40,604	131.94	13,19,40,604	131.94

(b) Rights/preferences/restrictions attached to equity shares

The Parent 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. In the event of liquidation of the Parent Company, equity shareholders will be entitled to receive remaining assets after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2023		As at 31 March 2022	
	No of shares	% holding	No of shares	% holding
Escorts Benefit and Welfare Trust	2,14,42,343	16.25%	2,14,42,343	16.25%
Kubota Corporation*	5,91,12,970	44.80%	2,16,21,414	16.39%
Har Parshad and Company Private Limited	1,07,26,308	8.13%	1,07,26,308	8.13%

* excluding shares held in escrow account for previous year ended 31st March 2022

- (d) The Group has a holding company named Kubota Corporation w.e.f. 11 April, 2022.
- (e) The Group has issued total 2,04,625 (31 March 2022: 5,14,538) 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.
- (f) Shares reserved for issue under options

	As at 31 March 2023	As at 31 March 2022
	No of shares	No of shares
Under the Employee Stock Option Plan (ESOP) 2006, equity share of ₹10 each, at an exercise price as decided by management on case to case basis	21,75,230	23,79,855

These shares are held as treasury shares under other equity (refer note 17).

For terms and other details refer note 38.

(g) Shares held by promoters at the end of the year

As at 31 March 2023

S. No	Promoter Name	No. of shares at beginning of the year	Change during the year	No. of shares at end of the year	% of Total shares	% change during the year
1	Shweta Nanda	17,000	-	17,000	0.01%	-
2	Nikhil Nanda	12,03,091	-	12,03,091	0.91%	-
3	Nitasha Nanda	1,93,422	-	1,93,422	0.15%	-
4	Navya Naveli Nanda	18,000	-	18,000	0.01%	-
5	Agastya Nanda	10,000	-	10,000	0.01%	-
6	Hardeep Singh	500	-	500	0.00%	-
7	AAA Portfolios Private Limited	16,87,280	-	16,87,280	1.28%	-
8	Big Apple Clothing Private Limited	17,71,837	-	17,71,837	1.34%	-
9	Escorts Finance Limited	31	-	31	0.00%	-
10	Har Parshad and Company Private Limited	1,07,26,308	-	1,07,26,308	8.13%	-
11	Sietz Technologies India Private Limited	826	-	826	0.00%	-
12	Niky Tasha Communications Private Limited	3,850	-	3,850	0.00%	-
13	Niky Tasha Energies Private Limited	1,250	-	1,250	0.00%	-
14	Escorts Benefits And Welfare Trust	2,14,42,343	-	2,14,42,343	16.25%	-
15	Kubota Corporation*	2,16,21,414	3,74,91,556	5,91,12,970	44.80%	28.42%

* Kubota corporation holds 2,16,21,414 share at the beginning of the year in public category hence only additional acquisition is considered for change during the year.



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As at 31 March 2022

S. No	Promoter Name	No. of shares at beginning of the year	Change during the year	No. of shares at end of the year	% of Total shares	% change during the year
1	Shweta Nanda	17,000	-	17,000	0.01%	-
2	Nikhil Nanda	12,03,091	-	12,03,091	0.91%	-
3	Nitasha Nanda	1,93,422	-	1,93,422	0.15%	-
4	Girish Behari Mathur	179	(179)	-	-	-
5	Navya Naveli Nanda	18,000	-	18,000	0.01%	-
6	Agastya Nanda	10,000	-	10,000	0.01%	-
7	Rachna Mathur	75	(75)	-	-	-
8	Hardeep Singh	500	-	500	0.00%	-
9	AAA Portfolios Private Limited	16,87,280	-	16,87,280	1.28%	-
10	Big Apple Clothing Private Limited	17,71,837	-	17,71,837	1.34%	-
11	Escorts Finance Limited	31	-	31	0.00%	-
12	Har Parshad and Company Private Limited	1,07,26,308	-	1,07,26,308	8.13%	-
13	Sietz Technologies India Private Limited	826	-	826	0.00%	-
14	Niky Tasha Communications Private Limited	3,850	-	3,850	0.00%	-
15	Niky Tasha Energies Private Limited	1,250	-	1,250	0.00%	-
16	Escorts Benefit And Welfare Trust	3,37,00,031	(1,22,57,688)	2,14,42,343	16.25%	(9.09%)

17 Other equity

	As at 31 March 2023	As at 31 March 2022
Capital reserve	97.91	97.91
Capital redemption reserve	6.00	6.00
General reserve		
Opening balance	730.39	730.40
Less: adjustment on disposal of subsidiary	-	(0.08)
Add: transferred from employees' stock option outstanding account against vested options lapsed during the year	-	0.07
	730.39	730.39
Securities premium		
Opening balance	3,298.79	1,502.71
Add: Proceeds from shares issued during the year	-	1,845.94
Add: Amount received from employees on exercise of employees' stock option against options exercised during the year (net of tax)	16.57	36.04
Add: transferred from employees' stock option outstanding account against options exercised during the year	7.62	15.05
Less: cancellation of shares held by Escorts benefit and welfare trust	-	(100.95)
	3,322.98	3,298.79
Employees' stock option outstanding account		
Opening balance	14.16	19.18
Add: charge for the year	5.76	10.10
Less: transferred to Securities Premium against vested options exercise during the year	(7.62)	(15.05)
Less: transferred to general reserve against vested options lapsed during the year	-	(0.07)
	12.30	14.16
Treasury shares		
Opening balance	(218.15)	(335.71)

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	As at 31 March 2023	As at 31 March 2022
Less: cancellation of shares held by Escorts benefit and welfare trust	-	113.21
Less: adjustment for options exercised during the year	1.73	4.35
	(216.42)	(218.15)
Retained earnings		
Opening balance	3,537.19	2,868.53
Add: net profit for the year	636.78	736.47
Less: Equity dividend (net of dividend on treasury shares) (during FY 2022-23: ₹7.00 per share paid for FY 2021-22) (during FY 2021-22: ₹7.50 per share paid for FY 2020-21)	(76.28)	(73.73)
Add : share of share issue expenses of joint venture	-	(0.26)
Add: adjustment on transaction between shareholders against dilution of non-controlling stake in subsidiaries	-	3.40
Less: remeasurement benefit of defined benefit plans (net of tax)	1.79	1.94
Less: adjustment on disposal of subsidiary	-	0.84
	4,099.48	3,537.19
Additional paid in capital		
Opening balance	-	0.75
Less: adjustment on disposal of subsidiary	-	(0.75)
	-	-
Special reserve	0.07	0.07
Other comprehensive income, net of tax		
Fair value changes of equity instruments measured at fair value through other comprehensive income		
Opening balance	0.94	0.73
Add: net changes in fair values of equity instruments carried at fair value through other comprehensive income	0.05	0.21
	0.99	0.94
Foreign currency translation reserve		
Opening balance	0.66	0.73
Add: changes during the year	0.41	(0.07)
	1.07	0.66
Total	8,054.77	7,467.96

Nature and purpose of other reserves

(i) Securities premium

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Employee's stock options outstanding account

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

(iii) Capital redemption reserve

This reserve represents reserve created on redemption of preference shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Capital reserve

This reserve represents the excess of net assets taken, over the cost of consideration paid at the time of amalgamation done in earlier year. This reserve is not available for the distribution to the shareholders.



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(v) Treasury shares

This reserve represents the cost of Parent Company's own equity shares held by the Escorts Employees Benefit and Welfare Trust, which is created under the Employee Stock Option Plan, Escorts Benefit and Welfare Trust and Escorts Benefit Trust which has been consolidated in these financial statements.

(vi) Retained earnings

Retained earnings are created from the profit / loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

(vii) General reserve

The Group has transferred a portion of the net profit of the group before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(viii) Additional paid in capital

The Group had issued Optionally Convertible Redeemable Preference Shares (OCRPS) during the earlier years. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Group had computed the liability portion of OCRPS as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the OCRPS and the liability so computed had been treated as the 'Additional paid in capital' and grouped under other equity.

(ix) Special reserve

This reserve was created by Escorts Finance Limited ('subsidiary company') pursuant to the requirements of section 45-IC of the Reserve Bank of India Act, 1934.

(x) Other Comprehensive Income (OCI) reserve

- (i) The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- (ii) The Group has recognised remeasurements of defined benefits plans through other comprehensive income.
- (iii) The Group recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in foreign currency translation reserve in other equity.

18 Non-controlling interest

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	(3.75)	(0.91)
Less: adjustment on disposal of subsidiary	-	0.79
Less: adjustment on transaction between shareholders for loss realised on dilution of stake in certain subsidiaries	-	(2.77)
Less: share of profit/(loss) for the year	(0.13)	(0.86)
Closing non-controlling interest	(3.88)	(3.75)

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19 Reconciliation of financial liabilities with cash flow arising from financing activities:

			(₹ crores)
	Non-current borrowings and Current maturities of long-term borrowings	Lease liabilities	Current borrowings
Opening balance as at 1 April 2021	2.54	58.07	-
Cash flows:			
Repayments	(2.54)	(6.12)	-
Interest paid	(0.20)	(4.76)	(1.08)
Interest expenses	0.20	4.76	1.08
Closing balance as at 31 March 2022	-	51.95	-
Cash flows:			
Repayments	-	(7.05)	-
Interest paid	-	(4.58)	(0.43)
Interest expenses	-	4.58	0.43
Non cash:			
Addition during the year	-	12.40	-
Closing balance as at 31 March 2023	-	57.30	-

20 Other financial liabilities

(i) Other non-current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Security deposits	26.94	26.72
	26.94	26.72

Refer note 34 - Financial instruments for disclosure of fair values in respect of Financial liabilities measured at amortised cost and analysis of their maturity profiles.

(ii) Other current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Capital creditors	27.21	32.37
Security deposits	0.61	0.62
Unpaid dividends*	2.06	1.67
Payable to related parties (refer note 44)	0.42	0.46
Employee related payables	74.64	50.21
Retention money	0.58	0.58
Derivative liabilities	0.48	-
Other payables	9.21	8.10
	115.21	94.01

*Investor Education and Protection Fund will be credited as and when due.

The carrying values are considered to be a reasonable approximation of their fair values.



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21 Other liabilities

(i) Other non-current liabilities

	As at 31 March 2023	As at 31 March 2022
Deferred income	7.92	8.52
	7.92	8.52

(ii) Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advances received from customers	84.05	99.16
Advance against assets held for sale	13.00	9.00
Payable to statutory authorities	54.69	59.42
Deferred income	24.27	22.21
Others	44.74	46.71
	220.75	236.50

22 Provisions

(i) Non-current

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity	0.06	0.05
Provision for compensated absences	22.57	25.33
Provision for pension	4.14	4.39
Others		
Provision for warranty	15.32	12.50
	42.09	42.27

(ii) Current

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Provision for gratuity	6.22	6.29
Provision for compensated absences	3.17	3.53
Provision for pension	0.64	0.65
Others		
Provision for claims	65.00	65.00
Provision for warranty	29.49	22.49
	104.52	97.96

1 Information about individual provisions

Provision for claims

During the year 2005-06, the Group sold its entire shareholding in Escorts Heart Institute and Research Center Limited (EHIRCL) vide Share Purchase Agreement (SPA) dated 25 September 2005. At the time of sale, EHIRCL had

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certain pending income-tax demands. For this purpose and in terms of said SPA, an amount of ₹64.99 crores had been kept under Escrow as fixed deposit by the Company, which after renewal(s) along with interest cumulatively amounts to ₹171.78 crores as on 31 March 2023 (31 March 2022: ₹164.81 crores). In accordance with the terms of said SPA, the Company has undertaken to indemnify the purchaser against the aforesaid tax demands arising on EHIRCL upon final adjudication in law, to the maximum extent of funds lying in the Escrow Account plus one-third of the remaining tax demand in excess of the balance in the Escrow Account or as may be finally settled between the parties. Correspondingly, a provision was created earlier on prudent basis to meet this liability, if and when the same arises, whose carrying value is ₹65.00 crores on 31 March 2023 (31 March 2022: ₹65.00 crores). The disputed tax demands on EHIRCL are presently reduced to Nil after the first appellate authority decided the disputed matters in their favour and the appeals filed by Income Tax Department against the orders of first appellate authority have been dismissed. The income-tax department has now filed appeal(s) before Hon'ble Delhi High Court where these are pending.

Provision for warranty

The Group 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 outflows is expected to be within a period of five years. The provision is based on estimates made from historical warranty data associated with similar products and services. The Group expects to incur the related expenditure over the future periods.

2 Movement in provisions :

		(₹ crores)
	Provision for claims	Provision for warranty
Provision at 1 April 2021	65.00	37.70
Additions during the year	-	22.47
Amount utilised during the year	-	(25.18)
Provision at 31 March 2022	65.00	34.99
Additions during the year	-	28.42
Amount utilised during the year	-	(18.60)
Provision at 31 March 2023	65.00	44.81

3 For disclosures on provisions related to employee benefits, refer note 37.

23 Trade Payables

	As at 31 March 2023	As at 31 March 2022
Acceptances	-	0.97
Trade payables		
-due to micro, small and medium enterprises (MSME) (refer note 41)	103.74	71.75
-due to others	846.16	642.20
Other accrued liabilities	310.88	178.83
	1,260.78	893.75

The carrying values are considered to be a reasonable approximation of their fair values.



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Trade payable ageing schedule

As at 31 March 2023

Particulars	Unbilled	Not due	(₹ crores)				
			Outstanding for following periods from due date of payments				
			Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
(i) Undisputed- MSME	0.91	41.00	59.45	1.36	0.28	0.74	103.74
(ii) Undisputed- Others	338.27	451.66	359.51	1.47	0.81	5.32	1,157.04
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
Total	339.18	492.66	418.96	2.83	1.09	6.06	1,260.78

As at 31 March 2022

Particulars	Unbilled	Not due	(₹ crores)				
			Outstanding for following periods from due date of payments				
			Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
(i) Undisputed- MSME	1.11	16.21	52.50	1.00	0.38	0.54	71.74
(ii) Undisputed- Others	244.62	294.93	275.71	0.80	2.12	3.83	822.01
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
Total	245.73	311.14	328.21	1.80	2.50	4.37	893.75

24 Revenue from operations

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Operating revenue		
Sale of products		
Export	544.61	436.82
Domestic*	7,688.49	6,592.47
Sale of services	9.10	23.70
	8,242.20	7,052.99
Other operating revenue		
Sale of services	39.01	29.82
Export incentives	21.62	12.92
Scrap sales	56.94	47.40
Management fee/brokerage income	-	8.81
Liabilities no longer required written back	2.69	52.73
Others	66.23	77.98
	186.49	229.66
	8,428.69	7,282.65

*Domestic sale includes domestic sale made by foreign subsidiary of the Group in its country of domicile.

Also refer note 46 for disclosure pursuant to Ind AS 115- Revenue from Contracts with Customers.

Notes

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25 Other income

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
Interest from :		
Bank deposits	9.37	25.36
Other financial assets carried at amortised cost	1.85	4.51
Investments carried at amortised cost	150.81	16.50
	162.03	46.37
Other income		
Lease rentals	11.32	13.42
Gain on fair valuation of investments carried at fair value through profit or loss (net)	88.14	94.80
Gain on sale of investment in subsidiary	-	1.21
Gain on disposal of property, plant and equipment (net)	2.13	3.74
Gain on disposal of assets held for sales	-	8.90
Miscellaneous income	17.31	5.36
	118.90	127.43
	280.93	173.80

26 Cost of materials consumed

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
(i) Cost of material consumed		
Opening stock	397.44	334.48
Purchases	5,979.83	4,598.33
	6,377.27	4,932.81
Closing stock	(602.93)	(397.44)
Foreign currency translation	1.84	(0.74)
	5,776.18	4,534.63

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
(ii) Changes in inventories of work-in-progress, stock-in-trade and finished goods		
Opening stock		
Finished goods	298.95	252.71
Work-in-progress	41.41	45.06
Stock-in-trade	91.15	66.62
	431.51	364.39
Closing stock		
Finished goods	(448.52)	(298.95)
Work-in-progress	(61.73)	(41.41)
Stock-in-trade	(85.26)	(91.15)
	(595.51)	(431.51)
Foreign currency translation	0.35	0.18
	(163.65)	(66.94)



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27 Employee benefit expense

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	535.78	470.71
Share based payments to employees (refer note 38)	5.76	10.10
Post-employment and long term benefits expense (refer note 37)	8.94	9.21
Contribution to provident and other funds (refer note 37)	22.71	21.15
Staff welfare	34.21	30.73
	607.40	541.90

28 Finance costs

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
Interest on		
Long term loans	-	0.20
Cash credit and short term loans	0.43	1.08
Lease liabilities	4.58	4.76
Others	2.91	1.60
Finance and bank charges	2.52	3.40
Unwinding of discount on provisions and financial liabilities carried at amortised cost	2.83	3.93
	13.27	14.97

29 Depreciation and amortisation

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
(i) Depreciation on		
Property, plant and equipment	128.48	112.39
Investment property	2.82	1.31
Right-of-use assets	8.62	8.11
(ii) Amortisation on		
Intangible assets	10.14	10.25
	150.06	132.06

30 Other expenses

		(₹ crores)
	Year ended 31 March 2023	Year ended 31 March 2022
Stores and spares consumed	66.47	49.91
Power, fuel and electricity	45.84	40.59
Repair and maintenance		
Building	9.10	6.39
Machinery	18.93	12.05
Others	29.95	29.25
Outsourcing expenses	18.05	18.05
Warranties and after sale service	63.89	47.18
Rent	5.75	6.50
Research and development expense on projects	10.53	6.46

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	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Rates and taxes	4.08	5.14
Insurance	24.12	10.55
Travelling and conveyance	76.74	55.33
Postage and telephone	6.89	6.21
Manpower hiring on contract	165.20	134.81
Legal and professional	49.61	39.21
Commission, discounts and sales incentive	10.85	8.47
Advertisement and promotional expenses	65.03	58.03
Royalty paid	40.86	34.98
Packing, freight and forwarding	121.54	106.40
Security charges	7.24	6.61
Printing and stationery	4.18	3.54
Director's sitting fees and commission	6.43	7.51
Corporate social responsibility (CSR) expenditure *	17.30	15.83
Provision for doubtful debts/advances and deposits	10.14	12.90
Bad debts written off	49.61	0.31
Less : Provision already held	(49.61)	(0.31)
Impairment of Property, plant and equipment	1.51	-
Assets written off	2.02	1.24
Miscellaneous expenses	38.64	43.69
	920.89	766.83

* CSR Expenditure

(i) Gross amount required to be spent by the Group during the year	17.30	15.83
(ii) Amount spent (in cash) during the year on:		
a) Construction/acquisition of any asset	-	-
b) For the purposes other than (a) above	4.20	6.91
(iii) Unspent amount deposited in a designated bank account on 29 April 2023 (Previous Year: 29 April 2022) in terms of section 135(6) of the Companies Act, 2013.	13.10	8.92

31 Exceptional items

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Loss on sale of shares of Joint venture	53.05	-
	53.05	-

Notes:

Pursuant to the in-principle approval of the Board of Directors dated September 15, 2022 and the subsequent Share Purchase Agreement dated November 4, 2022 between the Holding Company and Tadano Limited, Japan (Tadano) for sale of 7,27,65,000 equity shares held by the Holding Company in Tadano Escorts India Private Limited (TEIPL), the Holding Company has transferred the said equity shares to Tadano on November 9, 2022 at a consideration of ₹0.01 Crores and accordingly TEIPL has ceased to be a Joint Venture of the Holding Company. The loss on sale of the aforesaid equity share amounting to ₹53.05 Crores, being, the excess of the carrying value over the aforesaid consideration received has been disclosed as exceptional item.



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32 Earnings per share (EPS)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit for the year (A) (₹ in crores)	636.78	736.47
Computation of weighted average number of shares for EPS		
Total shares issued	13,19,40,604	13,19,40,604
Less: shares reserved for issue under options held by Escorts Employees Benefit & Welfare Trust	21,75,230	23,79,855
Less: shares held by Escorts Benefit and Welfare Trust at the beginning of the year	2,14,42,343	2,14,42,343
Less: Impact of weighted average number of shares issued during the year	1,12,615	86,72,407
Weighted-average number of equity shares for basic EPS (B)	10,82,10,416	9,94,45,999
Effect of Dilution :		
Weighted average number of share options granted to employees	1,66,538	4,37,305
Weighted average number of Equity shares adjusted for the effect of dilution (C)	10,83,76,954	9,98,83,304
Basic EPS (Amount in ₹) (A/B)	58.85	74.06
Diluted EPS (Amount in ₹) (A/C)	58.76	73.73

33 Commitments and contingencies

	As at 31 March 2023	(₹ crores) As at 31 March 2022
A. Commitments		
- Estimated amounts of contracts remaining to be executed on capital account and not provided for	133.83	189.11
- Letter of credit/guarantees executed in favour of others	43.90	55.28
B. Contingencies		
(i) Taxation related contingencies		
Excise duty/ customs duty /service tax demands / GST demands	470.65	464.41
Sales tax and other demands	32.24	34.16
Demand raised by Income tax department, disputed by the Group and pending in appeal (refer note (1) below)	68.00	67.90
(ii) Others		
Cases under litigation relating to :		
- Personnel	5.19	5.22
- Others	59.56	32.02
(iii) Claims not acknowledged as debts	15.42	15.42

Notes:

- Contingencies for demand raised by income tax department, disputed by the Group and pending in appeal does not include Income tax cases pending w.r.t. Escorts Heart Institute and Research Center Limited since the amount is indeterminable (refer note 22(ii) for details). Further the amount includes ₹34.20 crores (31 March 2022 ₹34.20 crores) in respect of matters which have been decided in favour of the Group, however the income tax department has preferred appeals at the next levels.
- The amounts indicated as contingent liability or claims against the Group only reflect the basic value. Interest, penalty if any or legal costs, being indeterminable are not considered. Penalties wherever quantified have been included.
- Farmtrac Tractors Europe Sp. Z.o.o, Poland, one of the subsidiary of the Group has provided a blank promissory note to bank against the working capital credit facility amounting to ₹3.86 crores (31 March 2022 ₹3.62 crores).

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34 Financial Instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

		(₹ crores)	
	Note	As at 31 March 2023	As at 31 March 2022
Financial assets measured at fair value			
Investments measured at			
Fair value through other comprehensive income	7 (ii)	1.00	0.94
Fair value through profit and loss	7 (iii)	1,794.93	2,376.96
Derivative assets			
Fair value through profit and loss	8(ii)	-	0.32
Financial assets measured at amortised cost			
Investments	7 (ii) & (iii)	2,783.90	2,210.54
Trade receivables	12	1,179.65	792.62
Cash and cash equivalents	13	182.15	91.51
Other bank balances	14	289.75	180.33
Others financial assets	8(i) & 8(ii)	26.47	41.98
Total		6,257.85	5,695.20
Financial liabilities measured at fair value			
Derivative liabilities			
Fair value through profit and loss	20(ii)	0.48	-
Financial liabilities measured at amortised cost			
Trade payables	23	1,260.78	893.75
Lease liabilities	39	57.30	51.95
Other financial liabilities	20(i) & 20(ii)	141.67	120.73
Total		1,460.23	1,066.43

Investment in joint ventures and associate are measured using equity method and hence, not presented here.

B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.



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B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

	(₹ crores)			
	Level 1	Level 2	Level 3	Total
As at 31 March 2023				
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	1.00	-	-	1.00
Fair value through profit and loss	1,794.93	-	-	1,794.93
Derivative liabilities measured at				
Fair value through profit and loss	-	0.48	-	0.48

	(₹ crores)			
	Level 1	Level 2	Level 3	Total
As at 31 March 2022				
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	0.94	-	-	0.94
Fair value through profit and loss	2,376.96	-	-	2,376.96
Liabilities at fair value				
Derivative assets measured at				
Fair value through profit and loss	-	0.32	-	0.32

a. Valuation process and technique used to determine fair value

- The fair value of quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

	(₹ crores)	
	Carrying value	Fair value
As at 31 March 2023		
Other financial assets	7.51	7.51
Investments	2,783.90	2,715.42
Security deposits received	26.94	27.83
Lease liabilities	57.30	56.92

	(₹ crores)	
	Carrying value	Fair value
As at 31 March 2022		
Other financial assets	17.06	17.32
Investments	2,210.54	2,207.58
Security deposits received	26.72	29.95
Lease liabilities	51.95	54.01

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The management assessed that fair values of other current financial assets, cash and cash equivalents, other bank balances, trade receivables, other receivables, short term borrowings, trade payables and other current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.
- (ii) The fair values of the Group's fixed interest-bearing receivables and lease liabilities are determined by applying discounted cash flows ('DCF') method on contractual cash flows, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2023 was assessed to be insignificant.
- (iii) All the other long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values. However, there are no long term borrowings as on 31 March 2023 and 31 March 2022.

C Financial Risk Management

Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

The Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

C.1 Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.



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a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Group provides for expected credit loss on financial assets other than trade receivables based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, and other financial assets measured at amortised cost	12 month expected credit loss
High credit risk	Trade receivables	Other financial assets - Life time expected credit loss (when there is significant deterioration) or specific provision, whichever is higher.

In respect of trade receivables that result from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

Financial assets (other than trade receivables) that expose the entity to credit risk –

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
(i) Low credit risk on financial reporting date		
Investments**	2,783.90	2,210.54
Cash and cash equivalents*	182.15	91.51
Other bank balances*	289.75	180.33
Other financial assets*	26.47	41.98

*Represents carrying values of financial assets, without deduction for expected credit losses

** Represents target maturity funds at amortised cost

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit from customers where credit risk is high and taking insurance cover for receivables. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit

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risk to pre-calculated amounts. In case of trade receivables, default is considered to have occurred when amounts receivable become one year past due.

Trade receivables are generally extended a credit period of 0 to 90 days, except in case of sale to government, where the credit period is governed by terms of the order or the tender document and do not involve any significant financing component.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place ensure the amounts are within defined limits.

b) Expected credit losses for financial assets other than trade receivables

i) Financial assets (other than trade receivables)

Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For loans comprising security deposits paid - Credit risk is considered low because the Group is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets.

ii) Expected credit loss for trade receivables under simplified approach

The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analysing historical trend of default (net of any recoveries from the insurance companies) relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Trade receivables amounting to ₹221.99 crores (31 Mar 2022 : ₹149.18 crores) are secured by way of security deposits from customer and letter of credit issued by banks. The letter of credit are issued by reputable banks and their credit risk is assessed to below.

31 Mar 2023

Agri machinery

	(₹ crores)					
Ageing	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount - trade receivables	742.86	85.90	1.51	4.38	22.28	856.93
Expected loss rate	0.48%	5.52%	76.16%	32.88%	35.86%	
Expected credit loss allowance (net of expected recoveries under insurance contracts)	3.56	4.74	1.15	1.44	7.99	18.88



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Construction equipment

	(₹ crores)					
Ageing	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount - trade receivables	66.22	1.06	0.15	0.06	11.57	79.06
Expected loss rate	0.17%	6.60%	20.00%	100.00%	36.82%	
Expected credit loss allowance (net of expected recoveries under insurance contracts)	0.11	0.07	0.03	0.06	4.26	4.53

31 March 2022

Agri machinery

	(₹ crores)					
Ageing	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount - trade receivables	467.37	33.43	6.37	5.35	53.76	566.28
Expected loss rate	0.50%	8.82%	28.41%	17.20%	61.14%	
Expected credit loss allowance (net of expected recoveries under insurance contracts)	2.36	2.95	1.81	0.92	32.87	40.91

Construction equipment

	(₹ crores)					
Ageing	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount - trade receivables	115.87	6.53	0.77	0.09	24.98	148.24
Expected loss rate	0.36%	7.81%	32.47%	66.67%	88.11%	
Expected credit loss allowance (net of expected recoveries under insurance contracts)	0.42	0.51	0.25	0.06	22.01	23.25

	(₹ crores)			(₹ crores)		
Particulars	31 Mar 2023			31 March 2022		
	Auto products	Railway products	Financing & others	Auto products	Railway products	Financing & others
Historical loss rate on sales during the year	-	0.12%	0.00%	-	0.56%	0.00%
Loss allowance provision on the sales	-	1.85	-	-	1.09	-
Loss allowance provision on the debtors outstanding more than one year	4.31	0.28	8.34	4.31	0.38	8.55

The Group estimates loss allowance provision for the railway products division at 100% for the debtors (other than government) outstanding more than one year as at the reporting date and historical loss rate on the sales made during the year.

Reconciliation of loss allowance provision from beginning to end of reporting period:

	(₹ crores)	
Reconciliation of loss allowance	Trade receivables	Other financial assets
Loss allowance on 1 April 2021	67.14	-
Loss allowance created	11.66	-
Loss allowance written back	(0.31)	-
Loss allowance on 31 March 2022	78.49	-
Loss allowance created	9.30	-
Loss allowance written back	(49.61)	-
Loss allowance on 31 March 2023	38.18	-

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C.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

(a) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	(₹ crores)	
Floating rate	31 March 2023	31 March 2022
- Expiring within one year (cash credit and other facilities)	553.86	553.62
- Expiring beyond one year (bank loans)	-	-
	553.86	553.62

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice. For long term borrowings, there were no undrawn facilities as at 31 March 2023 and 31 March 2022.

(b) Maturities of financial liabilities

The tables below analyse the Group financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

	(₹ crores)				
31 Mar 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Derivatives					
Derivative liabilities	0.48	-	-	-	0.48
Non-derivatives					
Lease liabilities	12.90	14.20	12.00	37.85	76.95
Trade payable (including MSME)	1,260.78	-	-	-	1,260.78
Security deposits	1.19	7.14	-	27.48	35.81
Other financial liabilities	114.12	-	-	-	114.12
Total	1,388.99	21.34	12.00	65.33	1,487.66

	(₹ crores)				
31 March 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Lease liabilities	11.05	11.52	12.79	30.83	66.19
Trade payables (including MSME)	893.75	-	-	-	893.75
Security deposits	0.62	-	8.82	26.64	36.08
Other financial liabilities	93.39	-	-	-	93.39
Total	998.81	11.52	21.61	57.47	1,089.41



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C.3 Market risk

a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, EURO and JPY . Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. Considering the low volume of foreign currency transactions, the Group's has taken forward contracts to manage its exposure. Also, the Group does not use forward contracts and swaps for speculative purposes.

(i) Foreign currency risk exposure in USD:

The Group exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
Financial assets	19.53	32.71
Financial liabilities	10.42	21.53
Net exposure to foreign currency risk assets/(liabilities)	9.11	11.18

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
USD sensitivity		
INR/USD- increase by 4.09% (31 March 2022 4.06%)*	0.28	0.34
INR/USD- decrease by 4.09% (31 March 2022 4.06%)*	(0.28)	(0.34)

* Holding all other variables constant

(ii) Foreign currency risk exposure in EURO:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
Financial assets	37.66	7.28
Financial liabilities	23.50	47.71
Net exposure to foreign currency risk assets/(liabilities)	14.16	(40.43)

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
EURO sensitivity		
INR/EURO- increase by 6.62 % (31 March 2022 4.74%)*	0.70	(1.43)
INR/EURO- decrease by 6.62 % (31 March 2022 4.74%)*	(0.70)	1.43

* Holding all other variables constant

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(iii) Foreign currency risk exposure in JPY:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
Financial liabilities	1.39	0.04
Net exposure to foreign currency risk (liabilities)	(1.39)	(0.04)

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
JPY sensitivity		
INR/JPY- increase by 9.50 % (31 March 2022 6.12%)*	(0.10)	-
INR/JPY- decrease by 9.50 % (31 March 2022 6.12%)*	0.10	-

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on external financing. There are no borrowings as on 31 March 2023 and 31 March 2022 and accordingly exposure to interest rate risk and sensitivity thereof is not disclosed.

ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the year :

Impact on profit after tax

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
Mutual funds		
Net assets value – increase by 100 bps (100bps)	13.43	17.79
Net assets value – decrease by 100 bps (100bps)	(13.43)	(17.79)



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Impact on other comprehensive income after tax

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
Quoted equity instruments		
Market price – increase by 500 bps (500bps)	0.04	0.04
Market price – decrease by 500 bps (500bps)	(0.04)	(0.04)

35 Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
Net debts	-	-
Total equity	8,182.83	7,596.15
Net debt to equity ratio	0%	0%

(b) Dividends

Particulars	(₹ crores)	
	31 March 2023	31 March 2022
(i) Dividend paid on equity shares		
Final dividend for the year ended 31 March 2022 of ₹7.00 per share (excluding tax)	77.35	-
Final dividend for the year ended 31 March 2021 of ₹7.50 per share (excluding tax)	-	75.85
(ii) Dividend proposed	77.35	77.35
In addition to the above dividends, the dividends, if any recommended by the Board of Directors post end of relevant reporting year shall be accrued and distributed in the year of approval in annual general meeting.		

36 Summarised financial information for joint venture that is material to the Group:

Summarised balance sheet	(₹ crores)	
	Adico Escorts Agri Equipment Private Limited	
	31 March 2023	31 March 2022
Current assets		
Cash and cash equivalents	0.46	0.55
Other assets	14.37	10.04

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(₹ crores)

Summarised balance sheet	Adico Escorts Agri Equipment Private Limited	
	31 March 2023	31 March 2022
Total current assets	14.83	10.59
Total non-current assets	9.23	7.81
Current liabilities		
Financial liabilities	14.78	6.98
Other liabilities	1.05	1.48
Total current liabilities	15.83	8.46
Total non-current liabilities	-	-
Net assets	8.23	9.94

(₹ crores)

Reconciliation to carrying amounts	Adico Escorts Agri Equipment Private Limited	
	31 March 2023	31 March 2022
Opening net assets	9.94	9.63
Profit/(loss) for the year	(1.71)	0.31
Closing net assets	8.23	9.94
Group's share in %	40%	40%
Group's share in Indian Rupees	3.29	3.98
Carrying amount	3.29	3.98

(₹ crores)

Summarised statement of profit and loss	Adico Escorts Agri Equipment Private Limited	
	31 March 2023	31 March 2022
Revenue	51.26	46.04
Interest income	0.05	0.06
Finance costs	0.27	0.16
Depreciation and amortisation expense	1.62	0.67
Tax expenses	(0.59)	0.22
Profit/(loss) for the year	(1.71)	0.31
Total comprehensive profit	(1.71)	0.31

(₹ crores)

Summarised balance sheet	Tadano Escorts India Private Limited	
	31 March 2023	31 March 2022
Current assets		
Cash and cash equivalents	-	17.34
Other assets	-	44.46
Total current assets	-	61.80
Total non-current assets	-	100.93
Current liabilities		
Financial liabilities	-	17.61
Other liabilities	-	1.09
Total current liabilities	-	18.70
Non-current liabilities		
Financial liabilities	-	24.03



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		(₹ crores)	
Summarised balance sheet		Tadano Escorts India Private Limited	
		31 March 2023	31 March 2022
Other liabilities		-	0.68
Total non-current liabilities		-	24.71
Net assets		-	119.32

		(₹ crores)	
Reconciliation to carrying amounts		Tadano Escorts India Private Limited	
		15 September 2022	31 March 2022
Opening net assets		119.33	106.05
Equity share capital issued during the year		-	35.00
Loss for the year		(0.38)	(21.20)
Capital reserve adjustment		-	(0.52)
Closing net assets		118.95	119.33
Less : Adjustment on account of Business Transfer Agreement		(10.68)	(10.70)
Closing net assets		108.27	108.63
Group's share in %		49%	49%
Group's share in Indian Rupees		53.05	53.23
Disposed off during the year		(53.05)	-
Carrying amount		-	53.23

		(₹ crores)	
Summarised statement of profit and loss		Tadano Escorts India Private Limited	
		Till 15 September 2022*	31 March 2022
Revenue		21.95	31.16
Interest income		0.13	0.57
Finance costs		0.26	0.40
Depreciation and amortisation expense		1.87	2.79
Loss for the year		(0.38)	(21.20)
Total comprehensive loss		(0.38)	(21.20)

* Equity method accounting in respect of Group's investment in Tadano Escorts India Private Limited (TEIPL) was discontinued effective 15 September 2022 pursuant to the in-principle approval of the Board of Directors of the Holding Company for sale of entire stake of the Group in TEIPL (refer note 31).

		(₹ crores)	
Summarised balance sheet		Escorts Kubota India Private Limited	
		31 March 2023	31 March 2022
Current assets			
Cash and cash equivalents		0.62	0.41
Other assets		367.37	299.65
Total current assets		367.99	300.06
Total non-current assets		261.36	251.97
Current liabilities			
Financial liabilities		338.29	354.83
Other liabilities		44.63	5.91
Total current liabilities		382.92	360.74
Non-current liabilities			
Financial liabilities		79.90	18.39
Other liabilities		8.46	5.16

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(₹ crores)

Summarised balance sheet	Escorts Kubota India Private Limited	
	31 March 2023	31 March 2022
Total non-current liabilities	88.36	23.55
Net assets	158.07	167.74

(₹ crores)

Reconciliation to carrying amounts	Escorts Kubota India Private Limited	
	31 March 2023	31 March 2022
Opening net assets	167.74	264.07
Loss for the year	(9.67)	(96.33)
Closing net assets	158.07	167.74
Group's share in %	40%	40%
Group's share in Indian Rupees	63.23	67.10
Carrying amount	63.23	67.10

(₹ crores)

Summarised statement of profit and loss	Escorts Kubota India Private Limited	
	31 March 2023	31 March 2022
Revenue	975.56	687.33
Finance costs	14.22	7.22
Depreciation and amortisation expense	41.87	35.79
Loss for the year	(9.67)	(96.33)
Total comprehensive loss	(9.67)	(96.33)

(₹ crores)

Summarised balance sheet	Kubota Agricultural Machinery India Private Limited	
	31 March 2023	31 March 2022
Current assets		
Cash and cash equivalents	257.83	75.31
Other assets	531.81	720.39
Total current assets	789.64	795.70
Total non-current assets	99.99	66.22
Intangible assets	48.77	56.09
Current liabilities		
Financial liabilities	615.43	590.15
Other liabilities	27.01	35.39
Total current liabilities	642.44	625.54
Total non-current liabilities	40.18	26.92
Net assets	255.78	265.55



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	(₹ crores)	
	Kubota Agricultural Machinery India Private Limited	
	31 March 2023	31 March 2022
Reconciliation to carrying amounts		
Opening net assets	247.31	198.78
Total comprehensive income for the year	(6.89)	48.53
Closing net assets	240.42	247.31
Group's share in %	40%	40%
Group's share in Indian Rupees	96.17	98.92
Goodwill recognised	24.15	24.15
Carrying amount	120.32	123.07

	(₹ crores)	
	Kubota Agricultural Machinery India Private Limited	
	31 March 2023	31 March 2022
Summarised statement of profit and loss		
Revenue	2,054.54	1,805.48
Other income	13.40	16.08
Finance costs	5.55	8.49
Depreciation and amortisation expense	26.03	24.31
Other expenses	99.48	86.38
Profit for the year	(6.89)	48.53
Total comprehensive (loss)/profit	(6.89)	48.53

37 Employee benefits

A Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(i) Amount recognised in the balance sheet is as under:

	(₹ crores)	
	As at 31 March 2023	
	Current	Non-current
Particulars		
Gratuity	6.22	0.06
Net value of defined benefit obligation	6.22	0.06

(ii) Amount recognised in the statement of profit and loss is as under:

	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Description		
Current service cost	8.13	7.91
Net interest cost	0.45	0.91
Net impact on profit (before tax)	8.58	8.82
Amount recognised in the other comprehensive income Actuarial loss/(gain) recognised during the year	(2.31)	(2.49)
Impact on total comprehensive income	6.27	6.33

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- (iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Present value of defined benefit obligation as at the start of the year	95.76	99.26
Current service cost	8.13	7.86
Interest cost	6.91	6.75
Actuarial loss/(gain) recognised during the year	(2.50)	(2.59)
Benefits paid	(14.71)	(15.52)
Present value of defined benefit obligation as at the end of the year	93.59	95.76
Net value of defined benefit obligation	93.59	95.76

- (iv) Movement in the plan assets recognised in the balance sheet is as under:

Description	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets at beginning of year	89.42	85.82
Expected return on plan assets	6.46	5.83
Employer's contribution	6.29	13.41
Benefits paid	(14.67)	(15.52)
Actuarial gain/(loss) on plan assets	(0.19)	(0.12)
Fair value of plan assets at the end of the year	87.31	89.42
Actual return on plan assets	6.27	5.71

- (v) Breakup of actuarial (gain)/loss:

Description	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(0.81)	(2.93)
Actuarial (gain)/loss on arising from experience adjustment	(1.50)	0.44
Total actuarial gain	(2.31)	(2.49)

- (vi) Actuarial assumptions

Description	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.36%	7.22%
Future salary increase	8.00%	8.00%
Expected average remaining working lives of employees (years)	20.98	20.06

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.



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(vii) Sensitivity analysis for gratuity liability

Description	(₹ crores)	
	31 March 2023	31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	93.59	95.76
- Impact due to increase of 0.50 %	(3.49)	(3.41)
- Impact due to decrease of 0.50 %	3.78	3.69
Impact of the change in salary increase		
Present value of obligation at the end of the year	93.59	95.76
- Impact due to increase of 0.50 %	3.73	3.64
- Impact due to decrease of 0.50 %	(3.48)	(3.41)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(viii) Maturity profile of defined benefit obligation

Description	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Within next 12 months	11.38	12.21
Between 1-5 years	39.14	41.52
Beyond 5 years	116.44	129.84

(ix) Category of plan assets :

Particulars	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
LIC of India - Group Gratuity Cash Accumulation Fund	85.70	87.87
Others	1.61	1.55
Total	87.31	89.42

- (x) The Group expects to contribute ₹10.08 crores (previous year ₹9.65 crores) to its gratuity plan for the next year.

B Compensated absences (unfunded)

The leave obligations cover the Group's liability for sick and earned leaves. The Group does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. Amount of ₹3.21crores (previous year: ₹16.58 crores) has been recognised in the statement of profit and loss.

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Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Compensated absences (unfunded)	3.17	22.57	3.53	25.33

C Pension

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Pension	0.64	4.14	0.65	4.39

(i) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Pension:				
Present value of defined benefit obligation	0.64	4.14	0.65	4.39
Fair value of plan assets	-	-	-	-
Net value of defined benefit obligation	0.64	4.14	0.65	4.39

(ii) Amount recognised in the statement of profit and loss is as under:

Description	Year ended 31 March 2023		Year ended 31 March 2022	
Net interest cost	0.36		0.39	
Net impact on profit (before tax)	0.36		0.39	
Amount recognised in the other comprehensive income Actuarial loss/(gain) recognised during the year	0.09		(0.09)	
Impact on total comprehensive income	0.45		0.30	

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	Year ended 31 March 2023		Year ended 31 March 2022	
Present value of defined benefit obligation as at the start of the year	5.04		5.31	
Interest cost	0.36		0.39	
Actuarial loss/(gain) recognised during the year	0.09		(0.09)	
Benefits paid	(0.71)		(0.57)	
Present value of defined benefit obligation as at the end of the year	4.78		5.04	

(iv) Breakup of actuarial (gain)/loss:

Description	Year ended 31 March 2023		Year ended 31 March 2022	
Actuarial (gain)/loss on arising from change in financial assumption	-		-	
Actuarial (gain)/loss on arising from experience adjustment	0.09		(0.09)	
Total actuarial loss	0.09		(0.09)	



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(v) Actuarial assumptions

Description	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.36%	7.22%

Pension liability arises on account of future payments, which are required to be made after retirement. It is a special plan in which selective retired employees are getting some fix amount of pension on quarterly and annual basis.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Pension growth rate is Group long term best estimate as to salary increases and takes account of inflation, on long term basis as provided in relevant accounting standard. As this is a fix pension plan so this has been assumed as nil.

(vi) Sensitivity analysis for pension liability

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	4.78	5.04
- Impact due to increase of 0.50 %	(0.11)	(0.12)
- Impact due to decrease of 0.50 %	0.11	0.12

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation recognised in the balance sheet.

(vii) Maturity profile of defined benefit obligation

Description	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Within next 12 months	0.64	0.65
Between 1-5 years	2.85	2.85
Beyond 5 years	4.16	4.10

(viii) The Group expects to contribute ₹0.35 crores (previous year ₹0.36 crores) to its pension plan for the next year.

D Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Scheme which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to ₹22.35 crores (previous year: ₹20.85 crores) and contribution to Employee State Insurance Scheme for the year aggregated to ₹0.28 crores (previous year: ₹0.21 crores).

E The Group has taken an Insurance policy for medical benefits in respect of its retired and working employees. The Insurance policy for on-roll employees is fully funded by the Group.

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38 Share-based payments

The option plan is designed to provide incentives to employees of the Group. Under the plan, participants have been granted options which will vest as follows –

Scheme	Vesting conditions	Exercise period	Exercise price per share (₹)
Employees Stock Option Scheme, 2006	Vested equally over 4 years from the date of grant	Three years from the date of vesting	870.00
	Vested equally over 4 years from the date of grant	Three years from the date of vesting	1,122.00
	Vested equally over 4 years from the date of grant	Three years from the date of vesting	1,385.00
	Vested equally over 4 years from the date of grant	Three years from the date of vesting	1,465.80
	Vested equally over 4 years from the date of grant	Three years from the date of vesting	1,805.00
	Vested equally over 4 years from the date of grant	Three years from the date of vesting	1,928.00

Options are granted under the plan for the consideration as mentioned above and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share.

Set out below is a summary of options granted under the plan:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	Number of options	Number of options
Opening balance	5,54,444	10,87,556
Granted during the year	2,40,000	34,800
Exercised during the year	2,04,625	5,14,538
Forfeited during the year	-	2,050
Lapsed during the year	40,725	51,324
Closing balance	5,49,094	5,54,444

The weighted average share price at the date of exercise of options during the year ended 31 March 2023 was ₹1,987.20 (31 March 2022 ₹1,708.69)

Weighted average remaining contractual life of options as at 31 March 2023 4.16 years (31 March 2022 : 3.89 years).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price (₹)	Share options 31 March 2023	Share options 31 March 2022
August 16, 2018	August 15, 2022	870.00	-	5,000
August 16, 2018	August 15, 2023	870.00	3,750	5,001
August 16, 2018	August 15, 2024	870.00	8,365	30,627
August 16, 2018	August 15, 2025	870.00	77,613	2,00,277
September 08, 2020	September 07, 2024	1,122.00	13,262	15,965
September 08, 2020	September 07, 2025	1,122.00	28,228	54,925
September 08, 2020	September 07, 2026	1,122.00	54,277	54,925
September 08, 2020	September 07, 2027	1,122.00	53,925	54,925
February 03, 2021	February 02, 2025	1,385.00	-	9,688
February 03, 2021	February 02, 2026	1,385.00	1,250	29,438
February 03, 2021	February 02, 2027	1,385.00	27,688	29,438
February 03, 2021	February 02, 2028	1,385.00	27,688	29,438
September 16, 2021	September 15, 2025	1,465.80	5,700	8,700



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Grant Date	Expiry date	Exercise price (₹)	Share options 31 March 2023	Share options 31 March 2022
September 16, 2021	September 15, 2026	1,465.80	7,450	8,700
September 16, 2021	September 15, 2027	1,465.80	7,450	8,700
September 16, 2021	September 15, 2028	1,465.80	7,450	8,700
November 26, 2022	November 25, 2026	1,805.00	47,500	-
November 26, 2022	November 25, 2027	1,805.00	47,500	-
November 26, 2022	November 25, 2028	1,805.00	47,500	-
November 26, 2022	November 25, 2029	1,805.00	47,500	-
February 07, 2023	February 06, 2027	1,928.00	8,750	-
February 07, 2023	February 06, 2028	1,928.00	8,750	-
February 07, 2023	February 06, 2029	1,928.00	8,750	-
February 07, 2023	February 06, 2030	1,928.00	8,750	-
			5,49,094	5,54,444

Fair value of options granted

The value of the options has been determined by an independent valuer. The following assumptions were used for calculation of fair value of options in accordance with Black Scholes model :

a) Options are granted for consideration equivalent to exercise price referred below and vest in a graded manner over a period of four years. Vested options are exercisable for a period of three years after vesting.						
b) Exercise price	₹870.00	₹1,122.00	₹1,385.00	₹1,465.80	₹1,805.00	₹1,928.00
c) Grant date, as per the details shared above.	16 August, 2018	08 September, 2020	03 February, 2021	16 September, 2021	26 November, 2022	07 February, 2023
d) Expiry date	as per details shared above					
e) Share price at grant date	₹869.50	₹1,121.10	₹1,384.15	₹1,465.80	₹1,805.00	₹1,928.00
f) Expected price volatility of the company's shares	26.86%	41.40%	41.90%	37.33%	29.00%	35.00%
g) Expected dividend yield	0.29%	0.36%	0.29%	0.27%	0.76%	0.85%
h) Risk free rate	7.56% - 7.97%	4.70% - 5.74%	4.62% - 5.68%	4.65% - 5.76%	6.8% - 6.98%	6.83% - 6.98%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

39 Leases

Lease liabilities are presented in the statement of financial position as follows:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Current	12.39	10.60
Non-current	44.91	41.35
	57.30	51.95

The Group has leases for the factory lands, marketing offices, depots and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group

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is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Group has considered automatic extension option available for land leases in lease period assessment since the Group can enforce its right to extend the lease beyond the initial lease period. The Group also has plans of setting up production facility on the land, therefore is likely to be benefited by exercising the extension option.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	31 March 2023			
	No of right-of-use assets leased	Range of remaining term (in years)	No of leases with extension options	No of leases with termination options
Land	7	2.50-17.30	7	-
Marketing offices and related facilities	2	2.42-3.76	-	-

Right-of-use asset	31 March 2022			
	No of right-of-use assets leased	Range of remaining term (in years)	No of leases with extension options	No of leases with termination options
Land	4	3.50-6.51	4	-
Marketing offices and related facilities	8	0.17-4.76	-	-

The following are amounts recognised in profit or loss:

Description	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation expense of right-of-use assets	8.62	8.11
Interest expense on lease liabilities	4.58	4.76
Rent expense*	5.75	6.50
Total	18.95	19.37

*Rent expense in term of short term leases

The maturity analysis of lease liabilities are disclosed in refer note 34.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the financials statements. The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹5.75 crores (31 March 2022: ₹6.50 crores)

Total cash outflow for leases for the year ended 31 March 2023 was ₹17.38 crores (31 March 2022: ₹17.38 crores).

(b) Information for leases where the Group is a lessor

i) Finance Lease

During the year, the Group has entered into a finance lease arrangement with it's joint venture company for sublease of land acquired by it as a Right of Use for the remaining period of land lease arrangement.



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The following are amounts recognised in profit or loss with respect to finance lease arrangements:

Description	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on lease receivable	0.55	1.00
Total	0.55	1.00

Changes in carrying amount of lease receivable

Description	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	12.42	13.34
Reversal of rental income	(1.17)	(1.92)
Interest income on lease receivable	0.55	1.00
Adjustment on account of termination of lease contract	(11.80)	-
Total	-	12.42

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Less than one year	-	2.04
One to two years	-	2.07
Two to three years	-	2.43
Three to four years	-	2.72
Four to five years	-	2.72
More than five years	-	4.09
Total undiscounted lease receivable	-	16.07
Unearned finance income	-	3.65
Net investment in the lease	-	12.42

ii) Operating Lease

The Group leases out investment properties under operating leases (refer note 4 and 5).

Lease payments in relation to operating leases are as follow:

Description	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
Less than one year	11.02	11.45
One to two years	4.25	11.67
Two to three years	-	4.25
Total	15.27	27.37

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- 40** (a) During 2008 the Haryana State Government introduced Haryana Tax on Entry of Goods into Local Area 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 & Haryana High Court in their judgment dated 1 October 2008. The State Government of Haryana has preferred an appeal before the Hon'ble Supreme Court which was disposed of by the Hon'ble Supreme Court by nine Hon'ble Judges of Constitution Bench and hence that Compensator issue is no more relevant as it does not arise out of the Constitution but imaginary. Matters are not decided by Division Bench by making an order that the interested parties may prefer writs before the High Court. Hence the matter remains pending till its decision. Based on the legal advice received by the Group no further provision on this account is considered necessary after 31 March 2008.
- (b) A Scheme of Arrangement and Amalgamation under Section 391 to 394 of the Companies Act, 1956 for the amalgamation of Escorts Construction Equipment Limited ('ECEL'), a subsidiary company and Escotrac Finance and Investments Private Limited ('Escotrac') and Escorts Finance Investments and Leasing Private Limited ('EFILL'), joint ventures of the Company (together referred to as 'transferor companies'), was sanctioned by the Hon'ble High Court of Punjab and Haryana at Chandigarh vide its order dated 9 August 2012 (hereinafter referred to as 'the Scheme'). Upon necessary filings with the Registrar of Companies, NCT of Delhi and Haryana by the Transferor Companies and Transferee Company, the Scheme became effective on 12 October 2012. In accordance with the Scheme, 3,73,00,031 equity shares of the Company comprising (a) equity shares issued in consideration of amalgamation of ECEL and (b) investments held by two amalgamating entities in the Company were transferred to Escorts Benefit and Welfare Trust ('EBWT'). The beneficiary interest of the Holding Company in EBWT in respect of the Holding Company's equity shares held by EBWT has been accounted for as 'Treasury Shares' and reduced from 'Other Equity' in the consolidated financial statements.

Post selective reduction of share capital of the Parent Company as detailed in Note 40(e) below, EBWT presently holds 2,14,42,343 (31 March 2022: 2,14,42,343) equity shares of the Company and 2,34,97,478 (31 March 2022: 2,34,97,478) equity shares of Escorts Finance Limited (subsidiary of the Company). The Company is the sole beneficiary of the Trust. Market value of outstanding shares held by Trust on 31 March 2023 is ₹4,066.81 crores (31 March 2022: ₹3,640.76 crores).

- (c) Pursuant to the in-principle approval of the Board of Directors dated September 15, 2022 and the subsequent Share Purchase Agreement dated November 4, 2022 between the Parent Company and Tadano Limited, Japan (Tadano) for sale of 7,27,65,000 equity shares held by the Parent Company in Tadano Escorts India Private Limited (TEIPL), the Parent Company has transferred the said equity shares to Tadano on November 9, 2022 at a consideration of ₹0.01 Crores and accordingly TEIPL has ceased to be a Joint Venture of the Company.
- (d) Pursuant to the Business Transfer Agreement dated November 4, 2022 between the Company and TEIPL, for purchase of Rough Terrain (RT) Crane Business and the associated equipment and parts (including spare parts) from TEIPL at a lumpsum cash consideration ₹16.59 Crores on a slump sale basis, the related assets and liabilities of the RT Crane Business including certain other assets were transferred to the Parent Company.
- (e) Subsequent to approval of the Board of Directors on 15 July 2020 for selective reduction of share capital of the Parent Company by cancelling and extinguishing 1,22,57,688 Equity Shares, held by the Escorts Benefit and Welfare Trust, the Parent Company filed a Scheme for reduction of share capital ("the Scheme") between the Parent Company and its shareholders, under Section 66 read with Section 52 and other applicable sections of the Companies Act, 2013 and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, with the Hon'ble NCLT of Chandigarh ("the Tribunal") on 13 March 2021. During the year, the Scheme has been approved by the Hon'ble NCLT Bench, Chandigarh ("NCLT") vide its order dated 23 December 2021 ("Order"). The scheme became effective upon filing of the certified copy of the order of the Tribunal sanctioning this Scheme and the minute of reduction with the RoC on 27 December 2021.



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- (f) On 01 November 2021, the Parent Company has acquired 40,500 equity shares of face value of ₹10/- each, of EKL CSR Foundation (Formerly Escorts Skill Development) (ECF), a section 8 Company, consequently, effective 01 November 2021, the Parent Company holds entire equity share capital (50,000 equity shares of face value ₹10/- each) of ECF and ECF has become wholly owned subsidiary of the Parent Company. Based on the control assessment carried out by management in terms of Ind AS 110, ECF has not been consolidated in these consolidated financials.
- (g) Pursuant to the approval of the Board of Directors of the Parent Company and the Share Subscription Agreement ("SSA"), Shareholders' Agreement ("SHA") and other ancillary agreement dated 18 November 2021 in relation to issue and allotment of equity share capital through preferential issue of 93,63,726 equity shares ("preferential issue") of face value of ₹10 at ₹2,000 per share (including a premium of ₹1,990 for each equity share) to Kubota Corporation, Japan, a company incorporated under the laws of Japan ("Investor"), and the approval of the the Shareholders of the Company for the preferential issue on 18 December 2021 and requisite regulatory approvals, the Company has allotted the aforesaid equity shares on 18 December 2021, upon receipt of the requisite amount (₹1,872.75 Crores) from the Investor.
- (h) Pursuant to the Public Announcement ("PA") dated 18 November 2021 in relation to the open offer to the Public Shareholders of the Parent Company by Kubota Corporation ("Acquirer"), Detailed public statement (DPS) dated 25 November 2021 and Letter of Offer (LoF) dated 03 March 2022, for acquisition of up to 37,491,556 fully paid-up equity shares of face value of ₹10 Each ("Equity Shares"), representing 28.42% of the equity share capital of the Parent Company from the public shareholders, the Acquirer on 11 April 2022, has completed the said acquisition of 3,74,91,556 equity shares from the public shareholders of the Parent Company. Consequently, the acquirer currently holds 44.80% equity share capital of the Parent Company.
- (i) Post the completion of the preferential allotment and open offer as mentioned in Note 40 (g) and Note 40(h) above, the Share Subscription Agreement ("SSA") and Shareholders' Agreement ("SHA") dated 18 November 2021 executed among the Kubota Corporation ("Investor"), the Company, certain Existing Promoters has become effective on 11 April 2022, and accordingly, Kubota Corporation has become a Joint Promoter of the Parent Company effective April 11, 2022 along with existing promoters of the Parent Company.
- (j) The Board of the Directors of the Parent Company on February 18, 2022 had approved a draft Scheme for Selective Capital Reduction ("Scheme"), under Section 66, Section 52 and other applicable provisions of the Companies Act, 2013, read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("NCLT Rules") for selective reduction of the share capital of the Parent Company by cancelling and extinguishing 2,14,42,343 Equity Shares, held by the Escorts Benefit and Welfare Trust. The scheme has been cleared by the stock exchanges vide their no observation letters dated June 29, 2022 and has been approved by the shareholders on 05 August 2022. Subsequently, the Scheme was filed with the NCLT, Chandigarh, on August 14, 2022 and the approval is awaited.
- (k) The Board of the Directors of the Parent Company on September 15, 2022 had approved a Scheme for Amalgamation ("Scheme"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and rules framed thereunder. The Scheme, inter alia, provides for amalgamation of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited (Amalgamating Companies) into and with Escorts Kubota Limited (Amalgamated Company). The Scheme is subject to approvals of requisite majorities of the shareholders, creditors, regulatory authorities including stock exchanges and the National Company Law Tribunal, Chandigarh bench (NCLT). The Scheme is pending with the National Stock Exchange Limited and Bombay Stock Exchange for approval, post which the same will be filed with the NCLT for approval.
- (l) Pursuant to the approval of the Board of Directors of the Company, approval of the shareholders of the Company and Registrar of Companies, NCT of Delhi and Haryana on November 18, 2021, December 18, 2021 and June 9, 2022, respectively, the name of the Parent Company has changed to "Escorts Kubota Limited" effective June 9, 2022

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41 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

	(₹ crores)	
	As at 31 March 2023	As at 31 March 2022
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	103.74	71.75
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.91	1.11
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

42 Research and development

- (i) Research and development costs on in house R&D centers amounting to ₹149.48 crores (31 March 2022: ₹131.83 crores) were incurred during the year.

	(₹ crores)			
Particulars	Tractor		Construction equipment	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Cost of materials consumed	5.22	9.99	0.54	0.03
Employee benefits expense	66.04	56.82	11.22	10.37
Other expenses	41.29	30.54	5.35	5.22
Depreciation	18.54	17.70	1.28	1.16
Total	131.09	115.05	18.39	16.78

- (ii) Assets purchased/capitalised for research and development centers*:

	(₹ crores)	
Description	R&D Centre (Tractors)	R&D Centre (Construction Equipment)
Gross carrying value		
As at 1 April 2021	325.55	13.51
Additions	16.22	1.58
Disposals	(2.93)	(2.54)
As at 31 March 2022	338.84	12.55
Additions	42.28	1.05
Disposals	(5.36)	-
As at 31 March 2023	375.76	13.60
Accumulated depreciation		
As at 1 April 2021	133.04	8.93
Depreciation for the year	17.70	1.16



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Description	(₹ crores)	
	R&D Centre (Tractors)	R&D Centre (Construction Equipment)
Disposals	(2.56)	(2.26)
As at 31 March 2022	148.18	7.83
Depreciation for the year	18.54	1.28
Disposals	(4.65)	-
As at 31 March 2023	162.07	9.11
Net block as at 31 March 2022	190.66	4.72
Net block as at 31 March 2023	213.69	4.49

* Exclude capital advance/capital work-in-progress

(iii) Expenses on research and development as percentage to gross turnover is:

Description	31 March 2023	31 March 2022
Tractors	1.59%	1.63%
Construction equipment	0.22%	0.24%

43 Assets pledged as security

	Note	(₹ crores)	
		31 March 2023	31 March 2022
Current			
Financial assets			
<i>First charge</i>			
Investments	7 (iii)	1,794.93	4,584.60
Trade receivables	12	1,159.95	779.95
Cash and cash equivalents	13	181.60	82.83
Bank balances other than above	14	286.86	175.63
Other financial assets	8 (ii)	18.88	25.05
Non Financial assets			
Inventories	11	1,216.33	844.56
Other current assets	10 (ii)	200.59	281.10
Total current assets pledged as security		4,859.14	6,773.72
Non-current			
<i>First charge</i>			
Land and building	3 (i)	1.96	1.94
<i>Second Charge</i>			
Other movable assets (other than specifically charged to other term lenders)	3 (i)	527.95	497.56
Total non-currents assets pledged as security		529.91	499.50
Total assets pledged as security*		5,389.05	7,273.22

* charge on the assets shall be limited to the amount of borrowings.

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44 Related party transactions

A Holding Company (Overseas)

Kubota Corporation (w.e.f 11 Apr 2022)

B Fellow Subsidiaries (Overseas) (w.e.f 11 Apr 2022)

Kubota Europe S.A.S.	Kubota (U.K.) Limited
Kubota Holdings Europe B.V.	Kubota Malaysia SDN BHD
Kubota (Deutschland) GmbH	Kubota Tractor Corporation
Kubota España S.A.	Kubota Machinery Trading Co. Ltd

C Joint venture in the Group

Adico Escorts Agri Equipment Private Limited
Escorts Kubota India Private Limited
Tadano Escorts India Private Limited (relationship ceased w.e.f 09 November 2022)
Kubota Agricultural Machinery India Private Limited

D Subsidiary - Not consolidated

EKL CSR Foundation (Formerly Escorts Skill Development)

E Associate in the Group

Escorts Consumer Credit Limited

F Key management personnel

Mr. Nikhil Nanda*	Chairman and Managing Director and Trustee
Mr. Seiji Fukuoka *	Deputy Managing Director (w.e.f 13 May 2022)
Mr. Shailendra Agrawal	Executive Director (relationship ceased w.e.f. 04 February 2023)
Mr. Bharat Madan*	Whole-time Director (w.e.f 8 February 2023), Chief Financial Officer and Trustee
Mr. Satyendra Chauhan*	Company Secretary and Trustee
Ms. Nitasha Nanda	Director
Mr. Hardeep Singh	Director
Mr. P.H Ravikumar	Director (relationship ceased w.e.f. 14 July 2022)
Ms. Vibha Paul Rishi	Director (relationship ceased w.e.f. 14 July 2022)
Mr. Sutanu Behuria	Director and Trustee
Mr. Sunil Kant Munjal	Director
Ms. Tanya Arvind Dubash	Director
Mr. Harish N. Salve	Director
Mr. Dai Watanabe	Director
Mr. Yuji Tomiyama	Director
Mr. Ravindra Chandra Bhargava	Director (appointed as Director w.e.f. 13 May 2022)
Mr. Kenichiro Toyofuku	Director (appointed as Director w.e.f. 13 May 2022)
Mr. Shiro Watanabe	Director (appointed as Director w.e.f. 13 May 2022)
Mr. Vimal Bhandari	Director (appointed as Director w.e.f. 14 July 2022)
Mr. Reema Rameshchandra Nanavati	Director (appointed as Director w.e.f. 14 July 2022)
Mr. Manish Sharma	Director (appointed as Director w.e.f. 14 July 2022)
Mr. Yasukazu Kamada	Director (appointed as Director w.e.f. 14 July 2022)
Mr. Pawan Goenka*	Chief Financial Officer
Mr. Deba Prasad Roy	Director (relationship ceased w.e.f. 14 February 2022)
Mr. Pawan Kumar Bhalla	Director (till 14 February 2022) and Trustee



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Mr. Ashish Kumar Bhattacharya	Director (relationship ceased w.e.f. 14 February 2022)
Mr. Shenu Agarwal	Director (relationship ceased w.e.f. 30 November 2022)
Mr. Rajan Chugh*	Managing Director
Mr. Vinod Dixit	Director
Mr. Rajeev Khanna*	Whole Time Director
Ms. Preeti Chauhan	Director
Mr. Sumit Raj	Director
Mr. Priyank Kalra	Director
Ms. Moni Singh	Director
Mr. Vicky Chauhan*	Company Secretary
Mr. Pranjal Gupta*	Company Secretary (w.e.f. 22 August 2022)
Mr. Donald Fernandez*	Chief Financial Officer

*Key managerial personnel (KMP) as defined under section 2(51) the Companies Act, 2013.

Enterprises over which key management personnel and relatives of such personnel exercise significant influence

AAA Portfolios Private Limited
 Big Apple Clothing Private Limited
 EEWL Limited
 Hero Mindmine Institute Private Limited
 Har Parshad And Company Private Limited
 Niky Tasha Communications Private Limited
 Niky Tasha Energies Private Limited
 Raksha Health Insurance TPA Private Limited (formerly known as Raksha TPA Private Limited)
 Sietz Technologies India Private Limited
 Sun & Moon Travels (India) Private Limited
 Agresource Management Private Limited
 The IVY Trust
 Smartparts Innovations Private Limited

List of other related parties in the Group

Escorts Limited Employees' Group Gratuity Fund Trust (refer note 37 for transaction)

Key management personnel remuneration includes the following expenses:

	31 March 2023	31 March 2022
Short-term employee benefits:	25.62	33.78
Other long-term benefits:	-	0.08
Post-employment benefits:	1.01	1.07
Total remuneration	26.63	34.93

(i) Transactions and balances with joint ventures

Nature of transactions*	Purchase of goods	Interest Income	Expense recovered/ Reimbursement	Rent Received	Receiving of services	Sale of goods	Rendering of services	Investments made	Advance given/Trade receivables	Payables/ Advance received
Adico Escorts Agri Equipment Private Limited	51.25 (43.11)	0.25 (0.13)	- -	- -	- -	0.21 (0.16)	- -	- -	1.00 (1.00)	5.14 (1.04)
Escorts Kubota India Private Limited	- -	- -	- (5.38)	10.29 (9.80)	22.08 (1.10)	0.55 (0.35)	8.89 (4.72)	- -	3.17 (4.58)	1.22 (1.10)
Tadano Escorts India Private Limited#	14.62 (16.92)	- -	- (3.23)	3.13 (5.91)	- -	0.27 (0.29)	14.69 (0.20)	- (17.15)	- (2.12)	- (7.43)

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Nature of transactions*	(₹ crores)									
	Purchase of goods	Interest Income	Expense recovered/ Reimbursement	Rent Received	Receiving of services	Sale of goods	Rendering of services	Investments made	Advance given/Trade receivables	Payables/ Advance received
Kubota Agricultural Machinery India Private Limited	-	-	-	0.02	2.07	0.06	0.01	-	0.01	2.07
	-	-	(0.19)	(0.02)	-	-	-	-	(0.19)	-

excluding purchase of net assets pertaining to RT crane business purchases pursuant to Business Transfer Agreement amounting to ₹16.59 crores (refer note 40(d)).

*Numbers in brackets represents financial year ending 31 March, 2022.

(ii) Transactions with Holding company and Fellow Subsidiaries :

Nature of transactions*	(₹ crores)									
	Sale of goods	Rendering of services	Lease income	Reimbursement of expenses	Purchase of goods	Investments made	Dividend Paid	Advance given/other recoverable	Trade/ Other Receivables	Payables/ Advance received
Kubota Corporation	1.99	-	-	1.90	-	-	41.38	-	0.54	0.85
	(1.31)	-	-	(0.52)	-	-	(9.19)	-	(0.09)	-
Kubota Europe S.A.S.	51.04	-	-	0.11	-	-	-	-	10.88	-
	-	-	-	-	-	-	-	-	-	-
Kubota Holdings Europe B.V.	80.15	-	-	0.02	-	-	-	-	25.84	-
	-	-	-	-	-	-	-	-	-	-
Kubota (Deutschland) GmbH	-	-	-	0.09	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Kubota España S.A.	-	-	-	0.02	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Kubota (U.K.) Limited	7.84	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Kubota Malaysia SDN BHD	0.87	-	-	-	-	-	-	-	-	0.16
	-	-	-	-	-	-	-	-	-	-
Kubota Tractor Corporation	-	-	-	-	-	-	-	-	-	0.18
	-	-	-	-	-	-	-	-	-	-
Kubota Machinery Trading Co. Limited	0.32	-	-	-	-	-	-	-	0.02	-
	-	-	-	-	-	-	-	-	-	-

*Numbers in brackets represents financial year ending 31 March, 2022.

(iii) Transactions with key management personnel, their relatives and entities in which they exercise control/ significant influence

											(₹ crores)
Nature of transactions*	Royalty	Remuneration/ commission	Rent received	Rent paid	Purchase of goods	Sale of goods and services	Services received	Dividend paid	Advance given/other recoverable	Trade Receivables	Payables/ Advance received
Nikhil Nanda	-	12.02	-	0.42	-	-	-	0.84	-	-	4.00
	-	(12.51)	(0.30)	(0.40)	-	-	-	(0.90)	-	-	(5.00)
Nitasha Nanda	-	2.85	-	0.47	-	-	-	0.14	0.04	-	0.56
	-	(2.85)	-	(0.45)	-	-	(0.02)	(0.15)	(0.04)	-	(0.70)
Shweta Nanda	-	-	-	-	-	-	-	0.01	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Navya Naveli Nanda	-	-	-	-	-	-	0.12	0.01	-	-	0.02
	-	-	-	-	-	-	-	-	-	-	-
Agastya Nanda	-	-	-	-	-	-	-	0.01	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Shailendra Agrawal	-	3.90	-	-	-	-	-	-	-	-	1.06
	-	(8.94)	-	-	-	-	-	-	-	-	(0.67)
Bharat Madan	-	3.60	-	-	-	-	-	-	-	-	0.86
	-	(7.89)	-	-	-	-	-	-	-	-	(0.50)



Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

(₹ crores)											
Nature of transactions*	Royalty	Remuneration/ commission	Rent received	Rent paid	Purchase of goods	Sale of goods and services	Services received	Dividend paid	Advance given/other recoverable	Trade Receivables	Payables/ Advance received
Satyendra Chauhan	-	0.64	-	-	-	-	-	-	-	-	0.10
	-	(0.70)	-	-	-	-	-	-	-	-	(0.07)
Smarti Chauhan	-	-	-	-	-	-	0.03	-	-	-	**
	-	-	-	-	-	-	-	-	-	-	-
Hardeep Singh^	-	-	-	-	-	-	0.29	**	-	-	0.13
	-	-	-	-	-	-	(0.28)	(**)	-	-	(0.13)
P.H Ravikumar^	-	-	-	-	-	-	0.03	-	-	-	-
	-	-	-	-	-	-	(0.37)	-	-	-	(0.23)
Vibha Paul Rishi^	-	-	-	-	-	-	0.04	-	-	-	-
	-	-	-	-	-	-	(0.24)	-	-	-	(0.13)
Sutanu Behuria^	-	-	-	-	-	-	0.23	-	-	-	0.13
	-	-	-	-	-	-	(0.28)	-	-	-	(0.13)
Sunil Kant Munjal^	-	-	-	-	-	-	0.19	0.02	-	-	0.13
	-	-	-	-	-	-	(0.20)	(0.02)	-	-	(0.13)
Seiji Fukuoka	-	1.71	-	-	-	-	-	-	-	-	0.04
	-	-	-	-	-	-	-	-	-	-	-
Manish Sharma^	-	-	-	-	-	-	0.22	-	-	-	0.13
	-	-	-	-	-	-	-	-	-	-	-
Ravindra Chandra Bharvaga^	-	-	-	-	-	-	0.18	-	-	-	0.13
	-	-	-	-	-	-	-	-	-	-	-
Reema Rameshchandra Nanavati^	-	-	-	-	-	-	0.18	-	-	-	0.13
	-	-	-	-	-	-	-	-	-	-	-
Vimal Bhandari^	-	-	-	-	-	-	0.24	-	-	-	0.13
	-	-	-	-	-	-	-	-	-	-	-
Harish N. Salve^	-	-	-	-	-	-	0.14	-	-	-	0.13
	-	-	-	-	-	-	(0.15)	-	-	-	(0.13)
Tanya Arvind Dubash^	-	-	-	-	-	-	0.16	-	-	-	0.13
	-	-	-	-	-	-	(0.18)	-	-	-	(0.13)
Har Parshad And Company Private Limited	41.03	-	-	-	-	-	-	7.51	-	-	0.31
	(34.98)	-	-	-	-	-	-	(8.04)	-	-	(0.42)
Raksha Health Insurance TPA Private Limited	-	-	(0.66)	-	-	(0.60)	-	-	(0.67)	-	-
AAA Portfolios Private. Limited	-	-	-	-	-	-	-	1.18	-	-	-
	-	-	-	-	-	-	-	(1.27)	-	-	-
Big Apple Clothing Private Limited	-	-	-	-	-	-	-	1.24	-	-	-
	-	-	-	-	-	-	-	(1.33)	-	-	-
Niky Tasha Communications Private Limited	-	-	-	-	-	-	-	**	-	-	-
	-	-	-	-	-	-	-	(**)	-	-	-
Niky Tasha Energies Private Limited	-	-	-	-	-	-	-	**	-	-	-
	-	-	-	-	-	-	-	(**)	-	-	-
Sietz Technologies India Private Limited	-	-	0.37	0.63	173.26	0.32	0.01	**	0.30	0.15	19.21
	-	-	(0.36)	(0.75)	(150.47)	(1.17)	-	(**)	(0.45)	-	(10.84)
Sun & Moon Travels (India) Private Limited	-	-	0.02	-	-	-	11.16	-	0.02	0.01	0.30
	-	-	(0.02)	-	-	-	(3.50)	-	(0.03)	-	(0.15)
EEWL Limited	-	-	**	-	-	0.28	-	-	0.05	**	0.40
	-	-	-	-	-	-	-	-	(0.05)	-	(0.46)
Hero Mindmine Institute Private Limited	-	-	-	-	-	-	0.08	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
The IVY Trust	-	-	-	0.18	-	-	-	-	-	-	-
	-	-	-	(0.34)	-	-	-	-	-	(0.08)	-
Agresource Management Private Limited	-	-	-	-	-	-	0.62	-	-	-	-
	-	-	-	-	-	-	(0.62)	-	-	-	-
Sumit Raj	-	-	-	-	-	-	**	-	-	-	-
	-	-	-	-	-	-	(**)	-	-	-	-
Preeti Chauhan	-	-	-	-	-	-	**	-	-	-	-
	-	-	-	-	-	-	(**)	-	-	-	-

Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

(₹ crores)											
Nature of transactions*	Royalty	Remuneration/ commission	Rent received	Rent paid	Purchase of goods	Sale of goods and services	Services received	Dividend paid	Advance given/other recoverable	Trade Receivables	Payables/ Advance received
Rajeev Khanna	-	-	-	-	-	-	**	-	-	-	-
	-	-	-	-	-	-	(**)	-	-	-	-
Donald Fernandez	-	0.07	-	-	-	-	-	-	-	-	-
	-	(0.07)	-	-	-	-	-	-	-	-	-
Priyank Kalra	-	1.84	-	-	-	-	-	-	-	-	-
	-	(1.48)	-	-	-	-	-	-	-	-	-
Ms. Moni Singh	-	-	-	-	-	-	**	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Deba Prasad Roy	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(0.03)	-	-	-	-
Pawan Bhalla	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(0.01)	-	-	-	-
Vinod Dixit	-	-	-	-	-	-	**	-	-	-	-
	-	(0.49)	-	-	-	-	(0.01)	-	-	-	-
Ashish Kumar Bhattacharya	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(0.03)	-	-	-	-
Smartparts Innovations Private Limited	-	-	-	-	-	-	-	-	-	0.11	-
	-	-	-	-	(0.12)	-	-	-	-	(0.11)	-

*Numbers in brackets represents financial year ending 31 March 2022

** Amount represents less than a lakh

^ Services received includes directors sitting fees and commission.



Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

45 Segment information

The Group has determined following reportable segments based on the information reviewed by the Group's management:

- | | |
|-----|--|
| i | Agri machinery products |
| ii | Construction equipments |
| iii | Railway equipments |
| iv | Auto ancillary products (discontinued operation) |
| v | Others |

A Segment revenue and results

Particulars	31 March 2023					
	Agri machinery products	Construction equipments	Railway equipments	Unallocated	Inter segment adjustment	Total
Revenue	6,397.08	1,178.98	841.86	19.58	(8.81)	-
Segment Result before interest income unallocable, exceptional items, finance cost and tax	593.32	34.13	115.87	5.20	-	-
Add: Interest income unallocable						
Less: Finance cost						
Less: Exceptional items						
Less: Share of loss of equity accounted investments						
Profit before tax						
Less: Tax expense						
Profit after tax						
Other comprehensive income						
Total comprehensive income						
	8,428.69	986.79	636.21	37.79	(7.48)	7,282.65
	748.52	23.87	94.32	34.24	-	1,011.98
	159.87					25.17
	(13.27)					(14.97)
	(63.05)					-
	(7.48)					(29.35)
	834.59					992.83
	197.94					257.22
	636.65					735.61
	2.25					2.08
	638.90					737.69

B Other information

Segment	Segment assets		Construction equipment		(₹ crores)
	As on 31 March 2023	As on 31 March 2022	As on 31 March 2023	As on 31 March 2022	
Agri machinery products	3,644.03	3,025.15	1,290.36	964.30	
Construction equipments	353.46	376.49	292.16	236.18	
Railway equipments	623.09	374.77	79.11	92.85	
Auto ancillary products (discontinued operation)	0.12	0.55	5.13	6.83	
Unallocated	5,464.53	5,330.78	235.64	211.43	
Total	10,085.23	9,107.74	1,902.40	1,511.59	

Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

C Additional information by geographies

Description	(₹ crores)	
	Year ended 31 March 2023	Year ended 31 March 2022
Revenue by geographical market		
India	7,737.55	6,679.94
Outside India	691.14	558.49
	8,428.69	7,238.43
Non-current assets*		
India	2,199.64	2,022.95
Outside India	2.91	3.16
	2,202.55	2,026.11

*Non-current assets excludes financial instruments.

D Revenue from major customers

The Group is not reliant on revenues on transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Notes:

- Operating segments have been identified by the Group taking into account nature of services, associated risks and returns and internal reporting system that reflects the manner in which operating results are regularly reviewed by the Chief Operating Decision Maker for purpose of making decisions on resources to be allocated to such segments and assess their performance.
- Segment revenue, segment results, segment assets and segment liabilities include the respective amount identifiable for each operating segment.

46 Revenue from Contracts with Customers

(a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

For the year ended 31 March 2023

Revenue from operations	(₹ crores)			
	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic	7,688.49	9.10	95.95	7,793.54
Export	544.61	-	-	544.61
Total	8,233.10	9.10	95.95	8,338.15
Revenue by time				
Revenue recognised at point in time				8,329.05
Revenue recognised over time				9.10
Total				8,338.15



Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

For the year ended 31 March 2022

				(₹ crores)
Revenue by geography	Goods	Services	Other operating revenue*	Total
Domestic				
Export	6,592.47	23.70	86.03	6,702.20
Total	436.82	-	-	436.82
	7,029.29	23.70	86.03	7,139.02
Revenue by time				
Revenue recognised at point in time				7,115.32
Revenue recognised over time				23.70
Total				7,139.02

* Other operating revenue amounting to ₹90.54 crores (31 March 2022 : ₹143.63 crores) in the nature of export incentives, liabilities no longer required written back and others is not in the scope of Ind AS 115. Hence, not covered here

(b) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below

	(₹ crores)	
Description	As at 31 March 2023	As at 31 March 2022
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	83.71	86.86
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

(c) Assets and liabilities related to contracts with customers

	(₹ crores)			
Description	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	84.05	-	99.16
Deferred income	7.92	24.27	8.52	22.21

Remaining performance obligations as at the reporting date are expected to be substantially recognised over the next three years by the Group.

(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

	(₹ crores)	
Description	Year ended 31 March 2023	Year ended 31 March 2022
Contract price	8,678.34	7,399.61
Less: Discount, rebates, credits etc.	340.19	260.59
Revenue from operations as per Statement of Profit and Loss*	8,338.15	7,139.02

*Other operating revenue amounting to ₹90.54 crores (31 March 2022 : ₹143.63 crores) in the nature of export incentives, liabilities no longer required written back and others is not in the scope of Ind AS 115. Hence, not covered here.

Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

- (e) The Group provide warranties on products sold by them and majority of these are in nature of assurance that the related products will function as the parties intended because it complies with agreed-upon specifications and hence accounted for in accordance with Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets. Additionally, the Group extends its services by offering extended warranty with the sale of products which is deferred over the warranty period.

47 Other Statutory Information

- (i) Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

- a. Transactions other than shareholding with struck off Companies

(₹ crores)			
Name of the Struck off company	Nature of transaction with struck-off company	Balance Outstanding Amount as on 31 March 2023	Balance Outstanding Amount as on 31 March 2022
365 XPO Digital Private Limited	Trade payable	-	-
74 BC Technologies Private Limited	Trade payable	0.01	0.01
Carry More Hoists Private Limited	Trade payable	0.02	-
Core Leadership Search Consulting Private Limited	Trade payable	-	-
J.J. Engineering Private Limited	Trade payable	-	-
Net Air Express Private Limited	Trade payable	-	-
Fabicon Generators Private Limited	Trade receivables	-	-
FG Wilson Generators India Private Limited	Trade receivables	-	-
Synergy Telecommunications Private Limited	Trade receivables	-	-
Trinity Electro Mechanicals Private Limited	Trade receivables	-	-
R K Industries Private Limited	Trade receivables	-	-
RDVS Infra Private Limited	Trade receivables	-	-
Carry More Hoists Private Limited	Trade receivables	-	-
The West Bengal Power Development Corporation Limited	Trade receivables	-	-
Sigma Holdings Private Limited	Advance from Customer	1.43	-

- b. Details of shares held by struck off company (Face value of ₹10 each):

Name of the Struck off company	Nature of transaction with struck-off company	Number of shares as on 31 March 2023	Number of shares as on 31 March 2022
Dreams Broking Private Limited	Shares held by struck off company	9	9
Esvee Tools Private Limited	Shares held by struck off company	50	50
Kothari Intergroup Private Limited	Shares held by struck off company	1	1
Mani Traders Private Limited	Shares held by struck off company	-	40
Popular Stock & Share Services Private Limited	Shares held by struck off company	100	100
Sanketh Metals Private Limited	Shares held by struck off company	-	265
Sunren Exports Investments Private Limited	Shares held by struck off company	112	112



Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

- (ii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - b) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (iii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

48 Ratio analysis

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	% Change	Reason for change
Current Ratio	Current Assets	Current Liabilities	2.85	5.02	(43.32%)	This decrease is primarily on account of decrease in current investment as on 31 March 2023 as compared to 31 March 2022 coupled with increase in trade payables at the year end.
Debt Equity Ratio	Total Debt (including Current maturities of Long Term Borrowings and excluding lease liabilities)	Shareholder's Equity	-	-	-	NA
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest Expense	Debt service = Interest & Lease Payments + Principal Repayments	44.68	42.78	4.45%	NA
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	8.07%	11.65%	(30.78%)	The decrease is primarily on account of lower profits as compared to previous year ended 31 March 2022
Inventory turnover ratio	Cost of goods sold	Average Inventory	5.93	6.36	(6.77%)	NA
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales	Average Trade Receivable	8.55	10.04	(14.90%)	NA

Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	% Change	Reason for change
Trade payable turnover ratio	Total purchases of raw material, store and spares and stock in trade	Average Trade Payables	6.02	4.89	23.18%	NA
Net capital turnover ratio	Net sales = Total sales - sales return	Average Working capital = Current assets – Current liabilities	1.96	1.74	12.22%	NA
Net profit ratio	Net Profit	Net sales = Total sales - sales return	7.55%	10.10%	(25.22%)	Decrease is mainly on account of lower profits in current year coupled with increase in current year sales.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	10.99%	13.25%	(17.07%)	The decrease is primarily on account of lower profits as compared previous year ended 31 March 2022
Return on Investment	{MV(T1) – MV(T0) – Sum [C(t)]} (Refer notes below)	{MV(T0) + Sum [W(t) * C(t)]} (Refer notes below)	11.43%	30.72%	(62.80%)	Decline is mainly on account of lower increase in market price of the equity shares of the company in current financial year as compared to previous financial year.

Notes:

T1 = End of year

T0 = Beginning of year

t = Specific date falling between T1 and T0

MV(T1) = Market value at end of year

MV(T0) = Market value at beginning of year

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$

- 49** 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 4 March 2011.

As per our Report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

For and on behalf of the Board of Directors

ASHISH GUPTA
Partner
Membership No. 504662

NIKHIL NANDA
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

SEIJI FUKUOKA
Deputy Managing Director
(DIN: 08786470)
Place : Faridabad

VIMAL BHANDARI
Director
(DIN: 00001318)
Place : Mumbai

Place : Mumbai
Date : 10 May 2023

BHARAT MADAN
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023



Notes

forming part of the Consolidated Financial Statements for the year ended 31 March 2023

Statement containing salient features of the consolidated financial statements of subsidiaries/joint venture for the year 2022-23

Subsidiaries

(₹ crores)

Name of the subsidiaries	Escorts Finance Limited	Farmtrac Tractors Europe Sp. Z.o.o, Poland*	Escorts Crop Solution Limited	Escorts Benefit and Welfare Trust	Escorts Benefit Trust	EKL CSR Foundation (Formerly Escorts Skill Development) (Unaudited) ^
Reporting period	31 March 2023	31 March 2023	31 March 2023	31 March 2023	31 March 2023	31 March 2023
Capital	40.17	25.87	24.40	-	-	0.05
Reserves & Surplus	(219.22)	(18.45)	(22.39)	0.01	0.17	0.48
Total assets	4.24	96.04	5.68	0.02	0.17	2.94
Total liability	183.29	88.63	3.66	0.01	0.00	2.41
Investments	-	-	-	-	-	-
Turnover	-	154.37	14.30	-	-	5.15
Profit/(loss) before taxation	(0.45)	2.39	(6.95)	(0.01)	(0.17)	-
Provision for taxation	-	-	-	-	0.04	-
Profit/(loss) after taxation	(0.45)	2.39	(6.95)	(0.01)	(0.20)	-
Proposed dividend	-	-	-	-	-	-
% of shareholding	67.87%	100%	100%	100%	100%	100%

* Note : Exchange rate 1 PLN= ₹19.31 (i.e. closing rate)

^ EKL CSR Foundation (Formerly Escorts Skill Development) has become wholly owned subsidiary of the Company on November 01, 2021. Based on the control assessment carried out by management in terms of Ind AS 110, ECF has not been consolidated in these consolidated financials.

Joint venture

(₹ crores)

Name of the Joint venture	Adico Escorts Agri Equipment Private Limited	Escorts Kubota India Private Limited	Kubota Agricultural Machinery India Private Limited
Latest audited balance sheet date	31st March, 2023	31st March, 2023	31st March, 2023
Shares held by company			
Numbers	84,00,000	1,20,00,000	2,00,00,000
Amount of investment (₹ Crores)	8.40	120.00	90.00
Holding %	40%	40%	40%
Description of how there is significant influence	Joint venture agreement	Joint venture agreement	Joint venture agreement
Reason for not considered for consolidation	Not applicable	Not applicable	Not applicable
Networth attributable to shareholding (including goodwill)	3.29	63.23	120.32
Total comprehensive income/(loss) for the year	(1.71)	(9.67)	(6.89)
Considered in consolidation	(0.68)	(3.87)	(2.76)
Not considered in consolidation	(1.03)	(5.80)	(4.13)

Notes:

Pursuant to the sale of 49% stake i.e. 7,27,65,000 equity shares of ₹10/- each of Tadano Escorts India Private Limited ("TEIPL") to Tadano Limited, Japan on November 9, 2022, TEIPL has ceased to be a Joint Venture of the Company.

For and on Behalf of the Board

NIKHIL NANDA
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

SEIJI FUKUOKA
Deputy Managing Director
(DIN: 08786470)
Place : Faridabad

VIMAL BHANDARI
Director
(DIN: 00001318)
Place : Mumbai

BHARAT MADAN
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)

SATYENDRA CHAUHAN
Company Secretary
Membership No. A14783
Place : Faridabad
Date : 10 May 2023

Global Reporting Initiative (GRI) Standards index

We have applied the reporting principles of GRI 101: Foundation 2016 Standard in this report

General disclosures	Disclosure title	Page No.
102-1	Name of the organisation	Cover Page
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102-3	Location of headquarters	Page 160
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102-5	Ownership and legal form	Page 255, 256, 312, 344, 345
102-6	Markets served	Page 178
102-7	Scale of the organisation	Page 8-9, 12,13,16,17
102-8	Information on employees and other workers	Page 79-80
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102-11	Precautionary principle or approach	Page 3
102-12	External initiatives	Page 73-77
102-13	Membership of associations	Page 209
102-14	Statement from the most senior decision-maker	Page 16-25
102-15	Key impacts, risks and opportunities	Page 54-57
102-16	Value, principles, standards and norms of behaviour	Page 7, 143, 144
102-18	Governance structure	Page 94 - 102
102-40	List of stakeholder groups	Page 44 - 47, 198
102-41	Collective bargaining agreements	Page 88
102-42	Stakeholder identification and selection	Page 44 - 47, 198
102-43	Approach to stakeholder engagement	Page 44 - 47, 198
102-44	Stakeholder topics and concerns	Page 44 - 47, 198
102-45	Entities in consolidated financial statements	Page 128
102-46	Defining report content and topic boundaries	Page 2
102-47	List of material topics	Page 48 - 51
102-48	Restatements of information	Page 68,79
102-49	Changes in reporting	Page 68,79
102-50	Reporting period	Page 3
102-51	Date of most recent report	Page 3
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102-53	Contact for questions regarding the report	Page 3
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103-3	Evaluation of the management approach	Page 58-59
201-1	Direct economic value generated and distributed	Page 59
201-2	Financial implications and other risks and opportunities of climate change	Page 181 -185
201-3	Defined benefit plan obligations and other retirement plans	Page 59

Topic-specific disclosures	Disclosure title	Page No.
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103-1	Explanation of the material topic and its Boundary	Page 77
103-2	Management approach and its components	Page 77
103-3	Evaluation of the management approach	Page 77
204-1	Proportion of spending on local suppliers	Page 79
Anti-corruption		
103-1	Explanation of the material topic and its boundary	Page 188-189
103-2	Management approach and its components	Page 188-189
103-3	Evaluation of the management approach	Page 188-189
205-2	Communication & training about anti-corruption policies and procedures	Page 188-189
Materials		
103-1	Explanation of the material topic and its Boundary	Page 69
103-2	Management approach and its components	Page 69
103-3	Evaluation of the management approach	Page 69
301-1	Materials used by weight or volume	Page 69
Energy		
103-1	Explanation of the material topic and its Boundary	Page 65
103-2	Management approach and its components	Page 65
103-3	Evaluation of the management approach	Page 65
302-1	Energy consumption within the organisation	Page 65, 202
302-2	Energy Consumption outside the organisation	Page 66, 208
302-3	Energy Intensity	Page 65, 202
Water & Effluents		
103-1	Explanation of the material topic and Boundary	Page 68, 203, 206, 207
103-2	Management approach and its components	Page 68, 203, 206, 207
103-3	Evaluation of the management approach	Page 68, 203, 206, 207
303-3	Water withdrawal	Page 68, 203, 206
303-4	Water Discharged	Page 68, 203, 206, 207
303-5	Water consumption	Page 68, 203
Emissions		
103-1	Explanation of the material topic and Boundary	Page 65
103-2	Management approach and its components	Page 65
103-3	Evaluation of the management approach	Page 65
305-1	Direct (Scope 1) GHG emissions	Page 33, 66, 204
305-2	Energy indirect (Scope 2) GHG emissions	Page 33, 66, 204
305-3	Other indirect (Scope 3) GHG emissions	Page 66, 208
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305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Page 33, 65
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103-2	Management approach and its components	Page 66
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103-2	Management approach and its components	Page 79
103-3	Evaluation of the management approach	Page 79
401-1	New employee hires and employee turnover	Page 79
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 81-82
401-3	Parental leave	Page 81-82
Labour and management relations		
103-1	Explanation of the material topic and Boundary	Page 87
103-2	Management approach and its components	Page 87
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402-1	Minimum notice periods regarding operational changes	Page 87
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103-2	Management approach and its components	Page 85 - 87
103-3	Evaluation of the management approach	Page 85-87
403-1	Occupational health and safety management system	Page 85-86
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403-5	Worker training on occupational health and safety	Page 87
403-8	Workers covered by an occupational health and safety management system	Page 85, 87
403-9	Work-related injuries	Page 87, 195
Training and education		
103-1	Explanation of the material topic and Boundary	Page 88-89
103-2	Management approach to training and education	Page 88-89
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404-1	Average hours of training per year per employee	page 88
404-2	Programs for upgrading employee skills and transition assistance programme	Page 88
404-3	Percentage of employees receiving regular performance and career development reviews	Page 89
Diversity and equal opportunity		
103-1	Explanation of the material topic and Boundary	Page 80, 94, 95, 100
103-2	Management approach and its components	Page 80, 94, 95, 100
103-3	Evaluation of the management approach	Page 80, 94, 95, 100
405-1	Diversity of governance bodies and employees	Page 80, 94, 95, 100
Non - Discrimination		
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103-2	Management approach and its components	Page 82 - 83
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Topic-specific disclosures	Disclosure title	Page No.
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103-2	Management approach and its components	Page 88
103-3	Evaluation of the management approach	Page 88
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 88
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103-1	Explanation of the material topic and Boundary	Page 199-200
103-2	Management Approach and its components	Page 199-200
103-3	Evaluation of the management approach	Page 199-200
412-2	Employee training on human right policies or procedures	Page 199-200
412-3	Significant investment agreements and contracts that include human right clauses or that underwent human rights screening	Page 201
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103-1	Explanation of the material topic and Boundary	Page 73 - 77, 168-179, 211
103-2	Management approach and its components	Page 73 - 77, 168-179, 211
103-3	Evaluation of the management approach	Page 73 - 77, 168-179, 211
413-1	Operations with local community engagement, impact assessments, and development programmes	Page 73 - 77, 168-179, 211
Customer Health & Safety		
103-1	Explanation of the material topic and Boundary	Page 71-72
103-2	Management approach and its components	Page 71-72
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416-1	Assessment of Health & Safety impacts of product and service categories	Page 71-72
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 71-72

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Independent Limited Assurance Statement on the non-financial performance data and information included in the Integrated Annual Report of Escorts Kubota Limited for the FY 2022-23

To
The Board of Directors
Escorts Kubota Limited
Faridabad, Haryana, India

Introduction

We, Grant Thornton Bharat LLP, have been engaged by Escorts Kubota Limited ('EKL' or 'the Company') for the purpose of providing an independent assurance on selected non-financial disclosures presented in the Integrated Annual Report for FY 2022-23 ('the Report').

Reporting Criteria

The Report has been developed by the Company based on the principles of the International Integrated Reporting Framework published by the International Integrated Reporting Council ('IIRC'). The sustainability performance reporting criteria has been derived from the Global Reporting Initiative ('GRI') Sustainability Reporting Standards 2020 ('the GRI Standards'). In addition, the National Guidelines on Responsible Business Conduct (NGRBCs) for Business Responsibility and Sustainability Reporting (BRSR) and UN-Sustainable Development Goals (UNSDGs) are also considered while developing this Report.

Responsibilities

The preparation and fair representation of the Report in accordance with the above stated reporting criteria, which is free from any material misstatement, whether due to error or fraud, is the sole responsibility of the management of the Company. This responsibility includes establishing and maintaining relevant and appropriate performance management systems and internal control framework to facilitate collections, calculation, aggregation and validation of the data with respect to management's basis of preparation and the GRI Standards.

Our report is prepared only for the purpose of expressing limited assurance in relation to specified non-financial information contained in the Report to the Company's Management/ Board of Directors and accordingly, should not be used for any other purpose without our prior written consent.

Assurance Standards

Our assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements ('ISAE') 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000') issued by the International Federation of Accountants ('IFAC') and third version of AA1000 Assurance Standard ('AA1000AS v3') issued by AccountAbility, a body recognized as a 'Framework Developer' by World Economic Forum's ESG Ecosystem Map.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves performing procedures to obtain evidence towards conformity of sustainability performance disclosures as per GRI Standards. Under this standard, we have reviewed the information presented in the Report against the characteristics of relevance, completeness, reliability, neutrality and understandability. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The nature, timing and extent of our procedures performed were based on our professional judgment, including the assessment of the risks of material misstatement of the selected non-financial disclosures.

Type 2 Moderate Assurance under AA100AS v3 requires us to obtain evidence from internal and external sources and parties including stakeholders, and at all levels of organization to conclude on the nature and extent of adherence of the Report to the AA1000AP principles, i.e., Inclusivity, Materiality, Responsiveness and Impact including the conclusion on reliability and quality of the information.

Scope, Boundary and Limitations

Scope

The Scope of Work was limited to the examination of non-financial performance data and information disclosed in the Report, for the period of 01 April, 2022 till 31 March, 2023.

Non-financial performance disclosures subject to assurance are:

Series	Material Issue	GRI	Key Performance Indicator
GRI – 102	General Disclosures	102-7	Scale of the organization
		102-12	External initiatives
GRI – 200 Economic	201 – Economic Performance (2016)	201-1	Direct economic value generated and distributed
	203: Indirect Economic Impacts (2016)	203-1	Infrastructure investments and services supported
GRI – 300 Environment	302 – Energy (2016)	302-1	Energy consumption within the organization
		302-3	Energy intensity (on revenue)
	303 – Water and Effluents (2018)	303-3	Water withdrawal
		303-4	Water discharge
		303-5	Water Consumption
	305 – Emissions (2016)	305-1	Direct (Scope 1) GHG emissions
		305-2	Energy indirect (Scope 2) GHG emissions
		305-4	GHG emissions intensity (on revenue)

Series	Material Issue	GRI	Key Performance Indicator
	306 – Waste (2020)	306-3	Waste generated (Hazardous) and (Non-Hazardous)
GRI – 400 Social	401 – Employment (2016)	401-1	New employee hires and employee turnover (age and gender)
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
		401-3	Parental leave
	403 – Occupational Health and Safety (2018)	403-8	Workers covered by an occupational health and safety management system
		403-9	Work-related injuries
	405 – Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees (age and gender)

Boundary

Boundary of the report covers EKL's operations in India, which includes:

- Escorts Kubota Limited Corporate Office located in Faridabad, Haryana
- Knowledge Management Centre
- Agri Machinery Division
- Construction Equipment Division
- Railway Equipment Division
- ETDC (Escorts Training and Development Centre)
- Water Withdrawal, Consumption and Discharge Data only limited to Corporate Office, Knowledge Management Centre, Agri Machinery Division, Construction Equipment Division and Railway Equipment Division.
- New employee hires and employee turnover (age and gender) only limited to permanent employees
- Diversity of governance bodies and employees (age and gender) only limited to permanent employees

Limitations

We have relied on the information, documents, records, data, and explanations provided to us by the Company for the purpose of our review. Data review was restricted to data provided by the Corporate Office and the plants:

The assurance scope excludes:

- Any disclosure other than those mentioned in the Scope section above
- Data and information outside the defined reporting period
- Data related to Company's financial performance, strategy and other related linkages expressed in the Report
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.

- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Assurance Methodology

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance. During the risk assessments, we have considered the internal controls pertaining to the preparation of the Report to design appropriate assurance procedures which included:

- Physical site visit at the corporate office and all the plants for data and document verification and virtual data and document verification for ETDC
- Interviewing senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
- Reviewing the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
- Evaluating the suitability and application of Criteria and that the Criteria have been applied appropriately to the subject matter.
- Selecting key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
- Re-performing calculations to check accuracy of claims,
- Reviewing data from independent sources, wherever available.
- Reviewing data, information about sustainability performance indicators and statements in the report.
- Reviewing the Company's stakeholder identification and engagement process;
- Reviewing materiality assessments process;
- Reviewing and verifying information/ data related to six capitals of International Integrated Reporting Council (IIRC) Framework;
- Reviewing accuracy, transparency and completeness of the information/ data provided;

Conclusions

Based on the procedures performed as above, evidences obtained and the information and explanations given to us along with the representation provided by the management and subject to inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that EKL's non-financial performance data and information for the period of 01 April 2022 to 31 March 2023 included in the Report, is not prepared fairly, in all material respects with reference to the Reporting Criteria defined above.

Our conclusions on the Report's adherence to the AA1000 Accountability Principles of Inclusivity, Materiality, Responsiveness and Impact including the conclusion on Reliability and Quality of the information are as follows:

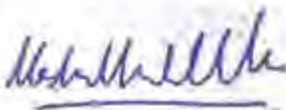
- **Inclusivity** – The Company has identified its key stakeholder groups based on the level of influence and impacts the company has on these stakeholder groups. However, they should implement a structured, documented process for stakeholder prioritisation.
- **Materiality** – The Company has reported on material topics across economic, environmental, social, and governance aspects, post stakeholder consultations. However, the process of obtaining stakeholders' feedback and determination of materiality score needs to be well documented.
- **Responsiveness** - The Company has demonstrated their commitment to understand stakeholder concerns, as evident from the various stakeholder consultation and engagement mechanisms that have been applied.
- **Impact** - The company acknowledges its impact on the wider society and has established policies and processes to measure, monitor and evaluate the economic, environmental and social impacts for select aspects material to the Company.
- **Reliability and Quality** - The data collected has been adequately recorded, compiled, analysed and disclosed. The data when subject to examination will establish the quality and materiality of the information. The data trail has been traced up to the source of information and recording & compilation has been done with working sheets. The data has been sourced from data owners to validate the authenticity of the information.

Independence and Competencies

- We have complied with Grant Thornton's independence policies, which are in line with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the 'IESBA Code'). The firm complies with the requirements of International Standard on Quality Control -1 ('ISQC1') and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
- We also confirm that we have maintained our independence in the Report and there were no events or prohibited services related to the Assurance Engagement which could impair our independence.

Grant Thornton Bharat LLP is one of the largest fully integrated Assurance, Tax & Advisory firms in India. With a presence in 13 major cities of India, we have a strength of more than 6000+ competent individuals. We have member firms in over 140 countries worldwide. We are ranked one of the top six firms in 88 markets around the world and we're well established in all major business centres and emerging markets.

This assurance engagement has been carried out by a multi-disciplinary team of competent experts in the field of non-financial assurance, for both ISAE 3000 and AA1000AS v3 having significant years of experience across different industries. The team has extensive experience in conducting independent assurance on the non-financial parameters for Environmental – energy, water, air emissions etc. Social – employees, training etc, and Governance – laws, fines and penalties etc, parameters.



Abhishek Tripathi

Partner

Dated: 20th June 2023



AA1000
Licensed Report
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Glossary List

Short Form	Full form
AAR	The Association of American Railroads
AGM	Annual General Meeting
AR	Annual Report
BHL	Backhoe Loader
BRR	Business Responsibility Report
BSE	Bombay Stock Exchange
BSIV	Bharat stage emission standards
CAGR	Compound Annual Growth Rate
CEI	Customer Empathy Index
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHRO	Chief Human Resource Officer
CII	Conferderation of Indian Industry
CNG	Compressed natural gas
CoBC	Code of Business Conduct
COO	Chief Operating Officer
CSR	Corporate social responsibility
CY	Current Year
DFC	Dedicated Freight Corridors
DG	Diesel Generator
DHBVN	Dakshin Haryana Bijli Vitran Nigam
DIY	Do it yourself
DLP	Data Loss Prevention
DNA	Deoxyribonucleic acid
EAM	Escorts Kubota Agri Machinery Business Division
EBIT	Earnings before interest and taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EBWT	Escorts Benefit and Welfare Trust
ECE	Escorts Kubota Construction Equipment Business Division
ED	Executive Director
EHS	Environment, Health and Safety
EK	E-Kubota
EKI	Escorts Kubota India Private Limited
EKL	Escorts Kubota Limited or Escorts Limited
EMDE	Emerging Market and Developing Economies
ERM	Enterprise Risk Management
ESG	Environment, Social and Governance

Glossary List

Short Form	Full form
ESL	Escorts Securities Limited
ESOPs	Employee Stock Option Plan
ETP	Effluent Treatment Plant
EY	Ernst & Young
FT	Farmtrac
FY	Fiscal Year represents the 12 months period from 1st April to 31st March
FY2021-22 or FY22	Fiscal Year represents the 12 months period from 1st April 2021 to 31st March 2022
FY2022-23 or FY23	Fiscal Year represents the 12 months period from 1st April 2022 to 31st March 2023
GDP	Gross domestic product
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GST	Goods and Services Tax
GVA	Gross value added
HIRA	Hazard Identification and Risk Assessment
HP	Horsepower
HR	Human Resource
HSPCB	Haryana State Pollution Control Board
IBC	Insolvency and Bankruptcy Code
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
IndAS	Indian Accounting Standards
IP	INTELLECTUAL PROPERTY
IRIS	International Railway Industry Standard
ISO	International Organization for Standardization
IT	Informational Technology
JIT	Just in time
JSA	Job Safety Analysis
JV	Joint venture
KAI	Kubota Agriculture Machinery India Pvt. LTD.
KL	kilolitre
KMC	Knowledge Management Centre
KMP	Key Managerial Personnel
KRAs	Key Result Areas
KWH	kilowatt hour
LMS	Learning Management System
LODR	Listing Obligations and Disclosure Requirements
LPG	Liquefied Petroleum Gas



Glossary List

Short Form	Full form
LY	Represents Last Year
MGNREGS	Mahatma Gandhi Employment Guarantee Act
ML	millilitre
MMU	Mobile Medical Units
MOU	Memorandum of understanding
MSME	Ministry of Micro, Small and Medium Enterprises
MSP	Minimum support price
MTBP	Mid Term Business Plan
MT	Metric Ton
MWh	Megawatt hour
NAV	Net Asset Value
NETS	New Escorts Tractor Series
NFSA	National Food Security Act
NIP	National Infrastructure Pipeline
NPD	New Product Developed
NR	Not Relevant
NRC	Nomination and Remuneration Committee of the Company
NSE	National Stock Exchange
OCI	other comprehensive income
OHC	Occupational Health Centre
OHSMS	Occupational, Health & Safety Management System
PAT	Profit After Tax
PBT	Profit Before Tax
PM	Pradhan Mantri
PM	Particulate Matter
PMGKAY	Pradhan Mantri Garib Kalyan Anna Yojana
PnC	Pick & Carry Crane
PoSH	Prevention of Sexual Harassment at Workplace
PPE	Personal Protective Equipment
PSI	Plant Sustainability Index
PT	Powertrac
Q1	Represents the 3 months period from 1st April to 30th June
Q2	Represents the 3 months period from 1st July to 30th September
Q3	Represents the 3 months period from 1st October to 31st December
Q4	Represents the 3 months period from 1st January to 31st March
QoQ	Represents Quarter on Quarter
R&D	Research and development

Glossary List

Short Form	Full form
RBI	Reserve Bank of India
RDSO	Research Designs and Standards Organisation
RDX Series	Rotavator Diesel Saver Extrapower
REBA	Rapid Entire Body Assessment
RED	Escorts Kubota Railway Equipment Business Division
RNIL	Rajan Nanda Innovation Lab
ROCE	Return on capital employed
RT-PCR	Reverse transcription polymerase chain reaction
SA	Service APP
SCM	Safety Committee Meeting
SDGs	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SHIP	Sprayers, Harvesters, Implements and Planters
SOPs	Standard Operating Procedures
SOS	Save our souls
Sox	Sulfur oxide emissions
SPOCs	Single Point Of Contact
SR	Sustainability Report
STP	Sewage Treatment Plant
TEI	TADANO ESCORTS INDIA PVT. LTD
TJ	Terajoule
TPM	Total Productive Maintenance
UIC	International Union of Railways
UN	United Nations
US	United States
USA	United States of America
VFD	Variable Frequency Drive
WFH	Work from Home
WIP	Work-in-progress
YoY	Year on Year

Corporate Information

Mr. Nikhil Nanda

Chairman and Managing Director

Mr. Hardeep Singh

Non-Executive Director

Dr. Sutanu Behuria

Independent Director

Ms. Nitasha Nanda

Whole-time Director

Mr. Sunil Kant Munjal

Independent Director

Ms. Tanya Dubash

Independent Director

Mr. Harish N. Salve

Independent Director

Mr. Dai Watanabe

Non-Executive Director

Mr. Yuji Tomiyama

Non-Executive Director

Mr. Seiji Fukuoka

Whole Time Director
(Deputy Managing Director)

Mr. Shiro Watanabe

Non-Executive Director

Mr. Ravindra Chandra Bhargava

Independent Director

Mr. Kenichiro Toyofuku

Independent Director

Mr. Vimal Bhandari

Independent Director

**Ms. Reema Rameshchandra
Nanavaty**

Independent Director

Mr. Yasukazu Kamada

Non-Executive Director

Mr. Manish Sharma

Independent Director

Mr. Bharat Madan

Whole-time Director and
Chief Financial Officer

Company Secretary

Mr. Satyendra Chauhan

Secretarial Auditors

M/s. Jayant Gupta & Associates

Internal Auditors

M/s. Ernst & Young LLP

Statutory Auditors

M/s. Walker Chandiok & Co LLP

Cost Auditors

M/s. Ramanath Iyer & Co.

Corporate Centre & Registered Office

15/5, Mathura Road,
Faridabad - 121003, Haryana, India

Bankers

IDBI Bank

Axis Bank

HDFC bank

State Bank of India

ICICI Bank

IndusInd Bank

The Hongkong and Shanghai Banking Corporation Ltd.

Standard Chartered Bank



Escorts Kubota Limited
(Formerly Escorts Limited)



Escorts Kubota Limited

Corporate Centre & Registered Office
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