



ESCORTS LIMITED

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30TH SEPTEMBER 2006

(Rs. in crores)

S. No.	Particulars	Nine months period ended 30th June 2006 Unaudited	Current Quarter ended 30th Sept. 2006 Unaudited	Corresponding Quarter ended 30th Sept. 2005 Unaudited	Current Year ended 30th Sept. 2006 Audited	Previous period (15 months) ended 30th Sept. 2005 Audited	Consolidated Results	
							Current Year ended 30th Sept. 2006 Audited	Previous period (15 months) ended 30th Sept. 2005 Audited
1.	Net Sales & Income from Operations	1218.69	532.08	175.83	1,750.77	1,294.94	2,366.05	2,234.14
2.	Income from Investments / Other Income	30.68	94.57	505.43	125.25	505.73	171.78	503.01
	Total	1249.37	626.65	681.26	1,876.02	1,800.67	2537.84	2737.15
3.	Total Expenditure:							
a)	(Increase)/ Decrease in stock-in-trade	(38.83)	14.27	5.55	(24.56)	2.74	(29.68)	(0.24)
b)	Consumption of raw materials	916.11	378.81	102.85	1294.92	894.76	1723.61	1275.19
c)	Manufacturing Expenses	45.21	22.40	10.80	67.61	58.39	98.14	211.69
d)	Staff cost	120.52	38.18	35.86	158.70	185.79	200.20	315.03
e)	Other expenditure	116.81	60.31	22.92	177.12	163.35	389.55	426.49
	Total	1159.82	513.97	177.98	1673.79	1,305.03	2381.82	2,228.16
4.	Profit before Interest, Dep. & Amortisation and Tax	89.55	112.68	503.28	202.23	495.64	156.02	508.99
5.	Interest, Bank and Finance charges	65.26	19.69	39.44	84.95	159.65	111.33	181.74
6.	Cash Profit/ (Loss) Before Depreciation & Amortisation	24.29	92.99	463.84	117.28	335.99	44.69	327.25
7.	Depreciation	30.08	9.47	11.56	39.55	52.86	48.93	102.49
8.	Amortisation	5.74	1.76	1.71	7.50	9.09	12.76	10.08
		(11.53)	81.76	450.57	70.23	274.04	(16.99)	214.68
9.	Exceptional Items (Net)	2.08	33.71	232.50	35.79	243.02	2.45	107.89
10.	Profit/ (Loss) Before Tax	(13.61)	48.05	218.07	34.44	31.02	(19.44)	106.79
11.	Provision for taxation :							
a)	Current Taxation	—	10.63	73.60	10.63	73.60	14.86	42.22
b)	Deferred Taxation	(3.37)	5.60	(21.47)	2.23	(82.86)	9.43	(56.04)
c)	Fringe Benefit Tax	1.45	1.13	0.64	2.58	1.19	2.84	—
12.	Profit/(Loss) After Tax	(11.69)	30.69	165.30	19.00	39.09	(46.58)	120.61
13.	Paid-up equity share capital (Face Value Rs. 10/- each)	72.23	72.23	72.23	72.23	72.23	62.04	62.04
14.	Reserves excluding Revaluation Reserve	—	—	—	467.76	448.76	286.64	276.79
15.	Basic and Diluted EPS (Rs.) (Not annualised)	(1.62)	4.25	22.89	2.63	5.41	(7.64)	19.48
16.	Aggregate of Non-Promoter Shareholding							
	- Nos		50,672,156	50,726,142	50,672,156	50,726,142		
	- % age		70.15	70.23	70.15	70.23		

Notes:

- Previous period figures have been re-regrouped/re-arranged wherever necessary. Figures for the previous Accounting period are for 15 months and hence not comparable with Current Year figures.
- During the quarter ended 30th September 2006, the Company sold its entire shareholding in Carraro India Limited for a total consideration of Rs. 114.52 Crores. The sale proceeds have been received and net profit of Rs. 94.92 Crores from divestment is shown above as 'Income from Investments/Other Income'.
- The Company has proposed a scheme of Compromise & Arrangement with the Fixed Deposit holders and Secured Creditors of Escorts Finance Ltd. (EFL), an Escorts Group Company under the provisions of Section 391 of the Companies Act, 1956. The shareholders, Secured Creditors and Unsecured Creditors of EL & Fixed Deposit holders & Secured Creditors of EFL have already approved the Scheme with requisite majority at the Court Convened Meetings held for this purpose on 05th May 2006 & 10th May 2006 respectively. The petition made by the Company for the approval is pending before the Hon'ble High Court of Delhi. The impact on Accounts of the company, will be considered in the year in which the scheme is approved by the Hon'ble Delhi High Court.
- Pursuant to Settlement Agreement dated 14th September, 2006 between HNS and Escorts Limited, the Company agreed to pay a settlement amount of Rs. 10.60 crores. During the year Company has paid Rs. 2.40 crores in cash and the balance of Rs. 8.20 crores by transfer of 16,90,500 Equity Shares of HECL (now Hughes Communications India Limited) of face value Rs. 10/- each amounting to Rs. 1.69 crores (estimated Market Value of Rs. 8.20 crores). The amount of Rs. 4.09 crores, has been included above in 'Exceptional Items'.
- The Company has reached a settlement with its Employees Union leading to revision in the employees' wages and wage structure effective from 1st August 2006. As a result of the settlement, the Company has provided for additional liability on account of Gratuity & Leave Pay based on actuarial valuation amounting to Rs. 22.33 crores for past period of service. The same has been shown above under 'exceptional item'.
- At the beginning of the quarter no investor complaint was pending for disposal. During the quarter, the Company received 8 complaints from investors, which were disposed off within the quarter itself. Hence, at the end of the quarter, no complaint was pending unresolved.
- The above results have been taken on record by the Board of Directors at their meeting held on 21st December 2006.

SEGMENT WISE REVENUE AND CAPITAL EMPLOYED, UNDER CLAUSE 41 OF THE LISTING AGREEMENT FOR THE YEAR ENDED 30th SEPTEMBER, 2006

(Rs. in crores)

S. No.	Particulars	9 months period ended 30th June 2006 Unaudited	Current Quarter ended 30th Sept. 2006 Unaudited	Corresponding Quarter ended 30th Sept. 2005 Unaudited	Current Year (12 months) ended 30th Sept. 2006 Audited	Previous period (15 months) ended 30th Sept. 2005 Audited
1.	Segment Revenue:					
a)	Agri Machinery Products	1,093.19	507.05	378.12	1,600.24	1,051.97
b)	Auto Ancillary Products	73.39	38.47	42.35	111.86	109.81
c)	Railway Equipments	75.16	39.90	49.11	115.06	130.90
d)	Others	0.15	15.99	0.61	16.14	1.45
	Total	1,241.89	601.41	470.19	1,843.30	1,294.13
	Less: Inter Segment Revenue	4.76	15.65	6.66	20.41	10.43
	Net Sale & Income from Operations	1,237.13	585.76	463.53	1,822.89	1,283.70
2.	Segment Results:					
a)	Agri Machinery Products	71.53	19.53	(93.30)	91.06	(111.88)
b)	Auto Ancillary Products	(7.86)	(3.02)	(2.70)	(10.88)	(10.77)
c)	Railway Equipments	13.84	3.31	4.24	17.15	18.77
d)	Others	(0.14)	(46.96)	(0.99)	(47.10)	(0.50)
	Total	77.37	(27.14)	(92.75)	50.23	(104.38)
	Less:					
	— Interest, Bank and Finance charges	65.26	19.69	67.19	84.95	159.65
	— Exceptional Items	2.08	18.05	165.63	33.71	176.15
	— (Profit) on Sale of Investments-Net	—	(86.06)	(505.51)	(86.06)	(505.51)
	— Other unallocable expenditure (Net of unallocable income)	23.64	(23.64)	(6.21)	-	34.31
	Profit/(Loss) Before Tax	(13.61)	44.82	186.15	17.63	31.02
3.	Capital Employed:					
	(Segment Assets— Segment Liabilities)					
a)	Agri Machinery Products	370.55	642.52	379.11	642.52	379.11
b)	Auto Ancillary Products	35.05	42.11	39.60	42.11	39.60
c)	Railway Equipments	59.19	61.66	55.01	61.66	55.01
d)	Others	(0.25)	(0.28)	(0.21)	(0.28)	(0.21)
e)	Unallocable		862.93	813.07	862.93	813.07
	Total	464.54	1608.94	1286.58	1608.94	1286.58

Notes:

- Business segments have been defined as below:
 - Agri Machinery Products: Agricultural Tractors, Industrial Engines, Spare parts and Components of Axles & Transmissions.
 - Auto Ancillary Products: Shock Absorbers, Telescopic Front Forks and McPherson Struts.
 - Railway Equipments: Shock Absorbers, Couplers, Braking systems and Composite Brake Blocks.
- The segment wise revenue, results and capital employed figures relate to the respective amounts directly identifiable to each of the segments. Unallocable expenditure includes expenses incurred on common services at the Corporate Office and relate to the Company as a whole. Unallocable income of Corporate Office comprise dividend income and other incomes. Unallocable Capital Employed figure represents common assets at the Corporate Office and relate to the company as a whole.
- Previous period figures have been re-regrouped /re-arranged wherever necessary. Figures for the previous Accounting period are for 15 months and hence not comparable with Current Year figures.

CONSOLIDATED SEGMENT WISE REVENUE AND CAPITAL EMPLOYED, UNDER CLAUSE 41 OF THE LISTING AGREEMENT FOR THE YEAR ENDED 30th SEPTEMBER, 2006

(Rs. in crores)

Sl. No.	Particulars	Current Year (12 months) ended 30th Sept. 2006 Audited	Previous period (15 months) ended 30th Sept. 2005 Audited
1.	Segment Revenue:		
a)	Agri Machinery Products	1,974.24	1,340.09
b)	Auto Ancillary Products	111.86	109.81
c)	Railway Equipments	115.06	130.90
d)	Construction equipment	345.52	250.25
e)	Healthcare	-	353.17
f)	Telecom	-	31.73
g)	Others	269.10	35.20
	Total	2,815.78	2,251.15
	Less: Inter Segment Revenue	191.65	27.98
	Net Sales & Income from Operations	2,624.13	2,223.17
2.	Segment Results:		
a)	Agri Machinery Products	83.33	(158.65)
b)	Auto Ancillary Products	(11.35)	(15.01)
c)	Railway Equipments	17.05	12.79
d)	Construction Equipment	29.67	15.70
e)	Healthcare	-	14.23
f)	Telecom	-	1.20
g)	Others	(75.89)	(5.36)
	Total	42.81	(135.10)
	Less:		
	• Interest	90.79	162.37
	• Exceptional Items	2.45	-
	• (Profit) on sale of investment-Net	(96.70)	(502.59)
	• Other unallocable expenditure (Net of unallocable income)	65.70	98.33
	Profit/ (Loss) Before Tax	(19.43)	106.79
3.	Capital Employed:		
	(Segment Assets—Segment Liabilities)		
a)	Agri Machinery Products	621.73	550.41
b)	Auto Ancillary Products	42.11	39.60
c)	Railway Equipments	61.66	55.01
d)	Construction Equipment	77.00	56.37
e)	Telecom	-	18.84
f)	Others	64.58	126.85
g)	Unallocable	621.08	489.00
	Total	1,488.16	1,336.08

NOTES TO CONSOLIDATED SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

- The company is organised into seven main business segments namely
 - Agri-machinery Products: Comprising of Tractors, Industrial Engines, Spare parts and components of axles and transmissions.
 - Auto Ancillary Products: Comprising of Shock Absorbers, Telescopic Front Forks and McPherson Struts.
 - Railway Equipments: Comprising of Shock Absorbers, Couplers and Braking systems and Composite brakeblocks.
 - Construction Equipments: Comprising of Earthmoving equipment, Material handling equipment, Road construction equipment etc.
 - Healthcare Services: comprising of Super-special heart care and various other multi speciality medical facilities. Healthcare business has been divested during the current period.
 - Telecom Services: Comprising of Cellular and V-Set Telecommunication Services. Cellular business was divested during the previous period.
 - Other Operations: Comprising of Software Development, Internet Service Provider and other E-Commerce services, Financial and Investment services.

The segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable with each of the segment and are determined before Intra-enterprise balances and Intra-enterprise transactions are part of the process of preparation of enterprise financial statements, except to the extent that such Intra-enterprise balances and transactions are within a single segment. Segment Revenue and Results does not include interest income, dividend income, interest expenses, profit/(loss) on sale of investments/ assets, other exceptional provisions or losses, income tax provisions and corporate expenses/ incomes. Segment Assets and Liabilities does not include any interest or dividend generating assets, interest bearing liabilities, income tax assets/liabilities and corporate assets/liabilities. Such exclusion from Segments as mentioned above have been grouped under the head 'Unallocables'.
- Previous period figures have been re-regrouped/rearranged wherever necessary. Figures for the previous accounting period are for 15 months and hence not comparable with current year figures.

For ESCORTS LIMITED

Sd/-
(RAJAN NANDA)
CHAIRMAN

Sohrajyoti/04/5/2006