Escorts Kubota Limited

June 20, 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 051

BSE – 500495

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051

NSE – ESCORTS

Sub: Annual General Meeting – Integrated Annual Report of Financial Year 2024-25

Dear Sir/ Ma'am,

This is to inform you that the **79th Annual General Meeting** ('**AGM**') of Escorts Kubota Limited ('**Company**') will be held on **Wednesday, July 16, 2025**, at **12:00 Noon** (IST) through Video Conferencing/ Other Audio Visual Means in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations'**), the Notice of AGM along with Integrated Annual Report of the Company of financial year ('**FY**') 2024-25, being sent through electronic mode to the Members whose email addresses are registered with the Company/ Depository Participant(s) and letters containing the Company's weblink to access the Annual Report of FY 2024-25 being sent through ordinary post to the Members whose email addresses are not registered with the Company/ Depository Participant(s). The Notice of AGM along with Integrated Annual Report of the Company of FY 2024-25 are enclosed herewith and are also uploaded on the website of the Company i.e. www.escortskubota.com.

Pursuant to Regulation 44 of SEBI Listing Regulations, Company is providing facility for remote e-voting to its members whose names are recorded in the Register of Members or Register of Beneficial Owner maintained by the Depositories as on the **Cut-off Date** i.e. **Wednesday, July 09, 2025**. The remote e-voting shall commence at **09:00 A.M.** on **Sunday**, **July 13, 2025**, and shall end at **05:00 P.M.** on **Tuesday, July 15, 2025**.

You are requested to disseminate the above intimation on your website.

Thanking You,
Yours Faithfully,
for **Escorts Kubota Limited**

ARVIND KUMAR
Digitally signed by ARVIND KUMAR
Date: 2025.06.20 12:39:24 +05'30'

Arvind Kumar
Company Secretary

Encl.: Notice of AGM & Integrated Annual Report of FY 2024-25

Escorts Kubota Limited
CIN: L74899HR1944PLC039088
Registered Office: 15/5, Mathura Road, Faridabad – 121003, Haryana, India
Tel.: 0129 - 2250222; E-mail: corp.secretarial@escortskubota.com
Website: www.escortskubota.com

NOTICE

Notice is hereby given that 79th Annual General Meeting (‘**AGM**’) of the members of ESCORTS KUBOTA LIMITED (‘Company’) will be held through Video Conferencing (‘**VC**’)/ Other Audio Visual Means (‘**OAVM**’) on **Wednesday, July 16, 2025**, at **12:00 Noon** (Indian Standard Time) to transact the following business:-

ORDINARY BUSINESS:

1. **To receive, consider and adopt:**

    (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2025, the reports of the Board of Directors and Auditors thereon; and

    (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2025, and the report of Auditors thereon.

    and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as an **Ordinary Resolution(s):**

    i. “**Resolved That** the audited standalone financial statement of the Company for the financial year ended March 31, 2025, and the reports of Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.

    ii. **Resolved Further That** the audited consolidated financial statement of the Company for the financial year ended March 31, 2025, and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

2. To confirm payment of interim dividend and declare a final dividend on equity shares for the financial year ended March 31, 2025, and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

    “Resolved That a final dividend at the rate of ₹ 18/- (Rupees Eighteen Only) per equity share i.e. 180% on face value of ₹ 10/- (Rupees Ten Only) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2025, and the same be paid out of the profits of the Company.

    Resolved Further That the interim dividend of ₹ 10/- per equity share i.e. 100% on the face value of ₹ 10/- each fully paid up, duly approved by the Board of Directors of the Company, already paid, be and is hereby confirmed.”

3. To appoint Mr. Bharat Madan (DIN: 00944660), who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

    “Resolved That in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Bharat Madan (DIN: 00944660), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

4. To appoint Ms. Nitasha Nanda (DIN: 00032660), who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

    “Resolved That in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Ms. Nitasha Nanda (DIN: 00032660), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS:

5. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2026 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved That in accordance with the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Ramanath Iyer & Co., Cost Auditors (Firm Registration No. 000019), appointed by the Board of Directors as Cost Auditors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2026, being ₹ 9,00,000/- plus applicable tax and reimbursement of out of pocket expenses that may be incurred by them in connection with the aforesaid audit, be and is hereby ratified."

6. To approve the re-appointment of Mr. Harish Narinder Salve (DIN: 01399172) as a Non-Executive Independent Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "Resolved That pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Harish Narinder Salve (DIN: 01399172), who being eligible for re-appointment of second term and submitted a declaration that he meets the criteria for independence as provided under the Act and the SEBI Listing Regulations, and in respect of whom the Company has received a notice in writing, under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director, to hold office for a term of 5 (five) consecutive years with effect from July 16, 2025 up to July 15, 2030 or up to the conclusion of the AGM to be held in the calendar year 2030, whichever is earlier.

   Resolved Further That the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To appoint and fix the remuneration of Secretarial Auditors and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "Resolved That in accordance with the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the provisions of Regulation 24A and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Neelam Gupta & Associates, Company Secretaries (Firm Registration No. S2006DE086800), who is a Peer Reviewed Company Secretary in Practice and submit her consent to act as Secretarial Auditors of the Company, if appointed, be and is hereby appointed as Secretarial Auditors of the Company, for a term of 5 (five) consecutive years, to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the AGM to be held in the calendar year 2030, with the power to the Board ('Board' which term shall be deemed to include any committee thereof) to determine their remuneration.

   Resolved Further That the Board of Directors of the Company ('Board' which term shall be deemed to include any committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

8. To approve 'Material Related Party Transaction' proposed to be entered into during the financial year 2025-26 with Kubota Corporation, and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "Resolved That pursuant to Regulation 23(4) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI

Listing Regulations') read with SEBI Master Circular dated November 11, 2024 and other relevant circulars issued by the SEBI from time to time, and Section 188 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder ('the Act'), Company's Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and further pursuant to the recommendation/ approval of the Audit Committee and the Board of Directors, consent of Members be and is hereby accorded to enter into and/ or continue to enter into contract(s)/ transaction(s) with Kubota Corporation, Holding company of the Company and a related party in terms of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, in the nature of a) sale, purchase, or supply of goods; b) availing or rendering of services including the use of Trademark, etc.; c) payment of royalty; d) transfer of any resources, services or obligations to meet business objectives/ requirements, etc. ('Related Party Transactions') whether undertaken directly by the Company or along with its subsidiary(ies), which taken together with previous transactions during a financial year may exceed ₹ 1,000/- crores or 10% of the Annual Consolidated Turnover of the Company as per the last audited financial statement of the Company subject to an amount not exceeding of ₹ 1,250/- crores, on such terms and conditions as the Audit Committee and/ or Board of Directors may deem fit.

Resolved Further That the Board of Directors and the Audit Committee be and are hereby authorised to delegate all or any of its powers in terms of the foregoing resolution, to any Committee of Directors and/ or Director(s) and/ or official(s) of the Company, and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, including but not limited to finalising the terms and conditions of the contract(s)/ transaction(s), executing necessary documents and settling issues that may arise for the Related Party Transaction(s) with Kubota Corporation, without being required to seek further consent or approval of Members, to the end and intent that they shall be deemed to have accorded their approval thereto expressly by the authority of aforesaid resolution."

By Order of the Board of Directors
For **Escorts Kubota Limited**

Sd/-
Arvind Kumar
Company Secretary
Membership No.: A14874

Place: Faridabad
Date: June 20, 2025

NOTES:

1. The Ministry of Corporate Affairs ('**MCA**') has vide its circular no. 14/2020 dated April 08, 2020, 20/2020 dated May 05, 2020, 2/2021 dated January 13, 2021, 19/2021 dated December 08, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023, and 09/2024 dated September 19, 2024 (collectively referred to as '**MCA Circulars**') permitted convening the Annual General Meeting ('**AGM**' or '**e-AGM**') through video conferencing ('**VC**') or other Audio Visual Means ('**OAVM**') without the physical presence of the Members of the Company at a common venue. In accordance with MCA Circulars, provisions of the Companies Act 2013 ('**Act**') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**'), the AGM of the Company is being held through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. The Explanatory Statement pursuant to Section 102(1) of the Act, setting out material facts concerning the Special Businesses to be transacted at the AGM, is annexed hereto and forms part of this Notice.

3. Pursuant to requirements of SEBI Listing Regulations in relation to corporate governance and the applicable Secretarial Standards, the information required to be provided in case of director(s) retiring by rotation/ seeking appointment/ re-appointment, is set out at the **Annexure I** to this Notice.

4. The Company has engaged the services of National Securities Depository Limited ('**NSDL**'), as the Authorised Agency for providing remote e-voting facility/ e-voting/ voting during the meeting facility for casting the votes by the members using an electronic voting system.

5. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed thereto.

6. Since the AGM will be held through VC/ OAVM, the Route Map of the venue of the meeting is not annexed hereto.

7. In terms of the provisions of Section 152 of the Act, Mr. Bharat Madan, and Ms. Nitasha Nanda, Directors, retire by rotation at this Meeting, offered themselves for re-appointment. The Board of Directors of the Company recommend their respective re-appointments. Mr. Bharat Madan, and Ms Nitasha Nanda, Directors, are interested in the Ordinary Resolutions set out at Item Nos. 3 and 4 respectively, of the Notice with regard to their re-appointment. The relatives of Mr. Bharat Madan and Ms. Nitasha Nanda, Directors may be deemed to be interested in the resolutions set out at Item Nos. 3 and 4 respectively of the Notice to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 4 of the Notice.

8. Members attending the AGM through VC/ OAVM shall be counted for the purpose of quorum under Section 103 of the Companies Act, 2013.

9. In compliance with the aforesaid MCA Circulars and SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024, Notice of the AGM along with the Integrated Annual Report 2024-25 ('**IAR**' or '**Annual Report**') is being sent only through electronic mode to those members whose email addresses are registered with the RTA/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.escortskubota.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at www.evoting.nsdl.com. Further, the letters are being sent to the shareholders, whose email addresses are not registered, containing the link of Annual Report of FY 2024-25 along with completion of KYC requirements.

10. In order to enable the Company to comply with MCA Circulars and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) ('DPs') and in respect of shares held in physical form by sending duly filled and signed form ISR-1 available

on Company's Website at https://www.escortskubota.com/investors/policies-and-documents to the Registrar and Share Transfer Agent ('RTA') of the Company – KFin Technologies Limited at Selenium Building, Tower- B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telengana, India - 500032 or through electronic mode with e-sign by the following link: https://ris.kfintech.com/clientservices/isc/isrforms.aspx.

11. For receiving all communication (including Annual Report) from the Company electronically:

    a) Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register/ update the same in accordance with the procedure mentioned in point no. 10 above.

    b) Members holding shares in dematerialised mode are requested to register/ update their email address with their respective DPs.

12. The Institutional/ Corporate members intending to attend the AGM through authorised representatives are requested to send to NSDL/ Scrutiniser a certified true copy of the Board Resolution (PDF/ JPG format) authorising their representative to attend the AGM through VC/ OAVM and vote on their behalf, by an email through its registered email address to neelamrna@gmail.com with a copy to evoting@nsdl.com alternatively, you can also upload the Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on 'Upload Board Resolution/ Authority Letter' tab displayed under 'E- Voting' tab in your login.

13. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

14. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 05, 2025 to Wednesday, July 16, 2025 (both days inclusive) for the purpose of payment of dividend.

    The Board recommended the Final Dividend @ 180 % per share i.e. ₹ 18/- per equity share payable on all outstanding shares, subject to the approval of shareholders at the ensuing AGM.

    The dividend proposed shall be paid within 30 days from the date of declaration. The dividend after deduction of tax at source, if declared at the AGM, would be paid/ dispatched to those persons or their mandates:

    a) whose names appear as beneficial owners as at the end of the business hours on July 04, 2025 in the list of beneficial owners to be furnished by National Securities Depository Limited ('**NSDL**') and Central Depository Services (India) Limited ('**CDSL**') in respect of the shares held in electronic mode; and

    b) whose names appear as members in the Register of Members of the Company/ RTA on or before July 04, 2025.

    Effective from April 1, 2020, dividend income is taxable in the hands of shareholders. Hence the Company is required to deduct tax at source ('**TDS**') from the amount of dividend paid to shareholders at the prescribed rates. The communication on TDS on dividend distribution at is set out at **Annexure II** to this Notice.

15. The Securities and Exchange Board of India ('SEBI') has made it mandatory for all companies to use the bank account details of investors furnished by the Depositories/ available with the RTA for payment of dividend through National Electronic Clearing Services ('**NECS**') to the investors, wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for the distribution of dividend. The Company will not entertain any direct request from members holding shares in electronic mode for deletion/ change in such bank account details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Members who wish to change such bank account details are therefore requested to advise their DP(s) about such change, with complete details of bank account. In case the shares are held in physical form, please submit Form ISR-1 available on our website https://www.escortskubota.com/investors/policies-and-documents to KFin Technologies Limited, Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Telengana; Phone: 040-67162222; Toll-Free Number: 1800 309 4001 Email – einward.ris@kfintech.com.

16. a) SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.

b) In compliance of SEBI Circular dated June 10, 2024, read with SEBI Master Circular for RTA dated May 07, 2024, the security holders holding securities in physical form are hereby advised to update/ register their PAN, Contact Details (i.e. postal address with PIN and mobile no.), Bank Account Details and Specimen Signatures.

Further, any grievances/ services request shall be entertained by RTA/ Company only after furnishing PAN and KYC Details. Further, any payment including dividends, interest (if any) in respect of folios, where PAN or KYC details are not updated, shall be made only through electronic mode.

c) Online Dispute Resolution (ODR) Portal is introduced by SEBI vide its Master Circular SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated August 11, 2023, which is in addition to the existing SCORES 2.0 portal which can be utilised by the investors and the Company for dispute resolution. Please note that the investors are advised to initiate dispute resolution through the ODR portal only if the Company does not resolve the issue itself or it is not resolved through SCORES 2.0 portal.

17. To enable compliance with TDS requirement on Dividend, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the Income Tax Act, 1961 with their DP(s) or in case shares are held in physical form, with the RTA by submitting form ISR-1 as mentioned in point no. 10 above.

18. (a) Due dates of transferring unclaimed and/ or unpaid dividend declared by the Company for the financial year ended March 31, 2018, and thereafter to Investor Education and Protection Fund (‘**IEPF**’) Authority:

Financial Year ended	Type of Dividend	Date of declaration of Dividend	Last date for claiming unpaid/ unclaimed dividend
March 31, 2018	Final	September 12, 2018	October 11, 2025
March 31, 2019	Final	July 27, 2019	August 26, 2026
March 31, 2020	Final	August 24, 2020	September 23, 2027
March 31, 2021	Final	July 27, 2021	August 26, 2028
March 31, 2022	Final	July 14, 2022	August 13, 2029
March 31, 2023	Final	July 14, 2023	August 13, 2030
March 31, 2024	Final	July 18, 2024	August 17, 2031
March 31, 2025	Interim	February 10, 2025	March 11, 2032

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim well in advance of the above due dates. Members are requested to check the details of unclaimed dividend amount, if any, on the Company’s website www.escortskubota.com under Investor Information.

Members may please note that the unclaimed dividend in respect of the financial year ended March 31, 2018 must be claimed by the concerned members on or before October 11, 2025, failing which it will be transferred to the Investor Education & Protection Fund Authority, in accordance with the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘**IEPF Rules**’). Members are requested to write to Company/ RTA, for claiming unclaimed dividend.

The objectives of the IEPF Rules is to help the shareholders ascertain the status of their unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information since the financial year 2009-10 on the website of IEPF i.e. www.iepf.gov.in as well as on the Company’s website www.escortskubota.com under Investor Information Section.

(b) The Company has transferred the unpaid or unclaimed dividends declared up to March 31, 2017, from time to time, to the IEPF established by the Central Government.

(c) Pursuant to IEPF Rules, the Company has, during the financial year 2024-25, transferred to the IEPF, all dividend which had remained unpaid or unclaimed for 7 (seven) consecutive years or more on the due date of transfer. Details of shares transferred to the IEPF are available on the website of IEPF i.e. www.iepf.gov.in as well as on the Company’s website www.escortskubota.com under Investor Information Section.

(d) Members may note that shares as well as unclaimed dividends transferred to IEPF can be claimed back. Concerned members/ investors are advised to visit the website of www.iepf.gov.in or contact RTA for lodging claim for refund of shares and/ or dividend from the IEPF.

19. Section 72 of the Act and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended the nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed Nomination Form SH-13 to the Company/ RTA. This form is also available on the Company's website at https://www.escortskubota.com/investors/policies-and-documents.

20. Member(s) of the Company who are holding shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s).

21. SEBI has decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

22. Members holding shares in electronic form are requested to intimate all changes pertaining to their details, ECS mandates, email addresses, nominations, power of attorney, change of address/ name etc. to their DPs. Any changes effected by the DPs will be automatically reflected in the record maintained by the Depositories.

23. Please send all correspondence including requests for transfer/ transmission of shares, change of address & dividend etc. to KFin Technologies Limited, Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032; Phone: 040-67162222; Toll Free Number : 1800 309 4001; E-mail – einward.ris@kfintech.com.

24. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or RTA or the concerned DP(s), as the case may be, immediately of: -

    a. The change in the residential status on return to India for permanent settlement.

    b. The particulars of the NRE Account with a bank in India, if not furnished earlier.

25. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

26. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice and Annual Report will be available for inspection electronically by the members of the Company during the AGM. All other documents referred to in the Notice and Annual Report will also be available for electronic inspection without payment of any fee by the members from the date of circulation of this notice up to the date of AGM i.e. July 16, 2025. Members seeking to inspect such documents can send an email to corp.secretarial@escortskubota.com.

27. A certificate from the Secretarial Auditors of the Company certifying that the Company's Employee Stock Option Plans are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time and in accordance with the resolutions passed at the general meeting(s) will be available electronically for inspection by the members during the AGM.

28. Voting through electronic means

    I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI Listing Regulations, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 79th AGM by electronic means and the business may be transacted through e-Voting Services ('**Remote e-Voting**').

    The members who have cast their votes by Remote e-Voting prior to the AGM may also participate in the AGM through VC/ OAVM via link provided in their login ids but shall not be entitled to cast their vote again.

    II. The process and manner for Remote e-Voting are as under:

Step 1: Access to the NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding shares in demat mode

In terms of SEBI Circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8 digit DP ID, 8 digit Client Id, PAN No., verification code and generate OTP. Enter the OTP received on registered email id/ mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the '**Beneficial Owner**' icon under '**Login**' which is available under '**IDeAS**' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on '**Access to e-Voting**' under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select '**Register Online for IDeAS Portal**' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/ Members can also download NSDL Mobile App '**NSDL Speede**' facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for **CDSL Easi/ Easiest facility**, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/ Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk Details
Individual Shareholders holding shares in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022-4886 7000
Individual Shareholders holding shares in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding shares in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website ?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL https://www.evoting.nsdl.com either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a verification code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.

   c) How to retrieve your 'initial password' ?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and then open the pdf attachment. The password to open the pdf file is your 8-digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

   a) Click on '**Forgot User Details/ Password**' (if you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by the aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password/ OTP, tick on Agree to 'Terms and Conditions' by selecting on the check box.

8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, home page of e-Voting will open.

Step 2: Cast your vote electronically

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is currently active status.
2. Select **E-Voting Event Numbers ('EVENs') i.e. 134042** for Escorts Kubota Limited to cast your vote during the e-Voting period and casting your vote during the meeting. For joining virtual meeting, you need to click on 'VC/ OAVM' link placed under 'Join Meeting'.
3. Now you are ready for e-Voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Step 3: Join the General Meeting through VC/ OAVM on NSDL system

All the members will be provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of 'VC/ OAVM link' placed under 'Join Meeting' menu against company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/ OAVM will be available in Shareholder/ Member login where the EVENs of Company will be displayed. Please note that the members, who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password, may retrieve the same in advance by following the remote e-Voting instructions mentioned in the notice, to avoid last minute rush.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those members/ shareholders, who will be present in the AGM through VC/ OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

III. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/ Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

IV. In case of any query and/ or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and e-Voting user manual available at the download section of www.evoting.nsdl.com or call on 022-4886 7000 or send an e-mail to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com.

V. The Remote e-Voting period commences on **Sunday, July 13, 2025 (09:00 am IST)** and ends on **Tuesday, July 15, 2025 (05:00 pm IST).** During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date i.e. July 09, 2025** may cast their vote by Remote e-Voting. The Remote e-Voting Module shall be disabled by NSDL for voting thereafter from their e-Voting module.

VI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of Remote e-Voting as well as voting during the AGM. A person who is not the member on cut-off date should treat this Notice for information purpose only.

VII. The voting rights of members shall be in proportion to their shareholding in the Paid-up Equity Share Capital of the Company as on the **cut-off date i.e. July 09, 2025.**

VIII. **Process for procuring user ID and password for e-voting for those shareholders whose email IDs are not registered with the depositories/ Company**

A. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to corp.secretarial@escortskubota.com.

B. In case shares are held in demat mode, please provide DPID Client ID (16 digit DPID + Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN Card), AADHAAR (self attested scanned copy of Aadhaar Card) to corp.secretarial@escortskubota.com. If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at Step 1(A) i.e. 'Login method for e-Voting and joining virtual meeting for Individual shareholders holding shares in demat mode'.

C. Alternatively, shareholder/ members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

IX. **Miscellaneous Process/ Notes**

A. Members are encouraged to join the Meeting through Laptops for better experience.

B. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

C. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

D. Facility to join the e-AGM shall be opened 30 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM.

E. Members who would like to express their views or ask questions during the AGM may get registered themselves by sending an e-mail from their registered e-mail id at corp.secretarial@escortskubota.com by mentioning their name, folio no./ DP ID & Client ID, shareholding and mobile no. The speaker registration will be open during, Sunday, 09.00 A.M. July 13, 2025 to Monday, 05.00 P.M. July 14, 2025. Only those members who are registered as speakers will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers depending upon availability of time as appropriate for smooth conduct of the AGM.

F. Members can also ask questions from the Auditors of the Company. The questions can be emailed at investor.relation@escortskubota.com with special mention of 'question for auditors'. The query(ies) will be forwarded to the respective Auditors for their response.

G. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company so as to reach them at least 7 (seven) days before the date of the AGM, through e-mail on investor.relation@escortskubota.com. The same will be replied by the Company suitably.

H. Facility of joining the AGM through VC/ OAVM shall be available for 1000 members on first come first serve basis. However, participation of members holding 2% or more shares, Promoters and Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

X. M/s. Neelam Gupta & Associates, a Firm of Company Secretaries in Practice (Firm Registration Number S2006DE086800) has been appointed as **Scrutiniser** to scrutinise the Remote e-Voting and voting during the meeting process in a fair and transparent manner.

XI. The Scrutiniser shall, after the conclusion of voting at the AGM, unblock the votes cast through Remote e-Voting and voting during the meeting and shall make, not later than 2 working days of the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XII. The results declared alongwith the Scrutiniser's Report shall be placed on Company's website www.escortskubota.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

By Order of the Board of Directors
For **Escorts Kubota Limited**

Sd/-
Arvind Kumar
Company Secretary
Membership No.: A14874

Place: Faridabad
Date: June 20, 2025

No gift(s), gift coupon(s) or cash in lieu of gift(s) shall be distributed to members in connection with the Meeting.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

Item No. 5

The Board of Directors of the Company, based on recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Ramanath Iyer & Co., as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026.

In terms of the provisions of the Section 148 of the Companies Act, 2013, ('Act') read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2026 as set out in item no. 5 of the notice.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 5 of the Notice.

Basis the rationale and justification provided above the Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval of Members.

Item No. 6

Mr. Harish Narinder Salve was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years up to July 15, 2025.

Nomination, Remuneration and Compensation Committee ('NRC'), on the basis of the report of performance evaluation, has recommended the re-appointment of Mr. Salve with effect from the conclusion of this AGM as an Independent Director, for a second term of 5 (five) years.

NRC has considered his diverse skills, leadership capabilities, vast experience, his contribution towards the growth of the Company and other requisite parameters. In view of the above, NRC and Board are of the view that the continued association of Mr. Salve as an Independent Director, on the Board of the Company, would be of immense benefits to the Company.

Based on the recommendation of NRC, the Board pursuant to the provisions of Sections 149, 150, 152 of the Act, and the Articles of Association of the Company, has recommended the re-appointment of Mr. Salve as an Independent Director, not liable to retire by rotation, on the Board of the Company, to hold office for a second term of 5 (Five) consecutive years, with effect from conclusion of this AGM up to July 15, 2030 or up to the conclusion of the AGM to be held in the calendar year 2030, whichever is earlier.

Mr. Salve is not disqualified from being appointed as director in terms of Section 164 of the Act and have given his consent to act as director. The Company has also received declarations from him that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

In the opinion of the Board, Mr. Salve fulfill the conditions for re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and he is independent of the management.

Details of Mr. Salve, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings ('**SS-2**') issued by the Institute of Company Secretaries of India, are provided in '**Annexure I**' to the Notice.

The Company has received requisite notice in writing from a member proposing his re- appointment.

Copy of draft re-appointment letter setting out the terms and conditions of the re-appointment is available electronically for inspection by the Members.

Mr. Salve along with his relative(s) is interested in the resolution set out at Item No. 6 of the notice with regard to his re-appointment.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 6 of this Notice.

This statement may also be regarded as an appropriate disclosure under the Act and the SEBI Listing Regulations.

Basis the rationale and justification provided above the Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval of Members.

Item No. 7

In terms of the provisions of Section 204 and other applicable provisions, if any, of the Act, read with Rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the provisions of Regulation 24A and other applicable provisions, if any, of the SEBI Listing Regulations, every listed entity is required to undertake Secretarial Audit by a Peer Reviewed Secretarial Auditors who shall be appointed by the Members of the Company, on the recommendation of the Board of Directors, for a period of five (5) consecutive years.

Accordingly, based on the recommendations of the Audit Committee, the Board of Directors, at its meeting held on May 08, 2025, subject to the approval of member of the Company, approved the appointment of M/s Neelam Gupta & Associates, Practicing Company Secretaries (Firm Registration No. S2006DE086800), as the Secretarial Auditors of the Company, for a term of five (5) consecutive years, to hold the office of the Secretarial Auditors, effective from the conclusion of this meeting until the conclusion of the AGM to be held in the calendar year 2030. Members may kindly note that M/s Neelam Gupta & Associates, was also appointed as Secretarial Auditors for the FY 2024-25 in order to fill the causal vacancy in the office of Secretarial Auditors.

M/s Neelam Gupta & Associates, had consented to their appointment as the Secretarial Auditors of the Company and have confirmed that they fulfil the criteria as specified in clause (a) of Regulation 24A(1A) of SEBI Listing Regulations including the test of independence and have further confirmed that they have not incurred any of disqualifications as specified by the Securities and Exchange Board of India.

M/s Neelam Gupta & Associates, was founded in the year 2005 and is registered with the Institute of Company Secretaries of India (Firm Registration No. S2006DE086800). They are primarily engaged in providing professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations, including carrying out Secretarial Audit, Due Diligence Audit and Compliance Audit for various reputed companies. M/s Neelam Gupta & Associates, Practicing Company Secretaries is peer reviewed and quality reviewed by the Institute of Companies Secretaries of India.

The Proposed remuneration to be paid to M/s Neelam Gupta & Associates, for the financial year 2025-26 is ₹ 2,50,000/- (Rupees Two Lacs and Fifty Thousand only) plus out of pocket expenses and applicable taxes. For the subsequent years, the Board of Directors will decide the remuneration based on recommendation of the Audit Committee. There is no material change in the fees payable to M/s Neelam Gupta & Associates, from that paid to the previous Secretarial Auditors.

Accordingly, consent of the members is sought for approval of the aforesaid appointment of the Secretarial Auditors.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

Basis the rationale and justification provided above the Board recommends Ordinary Resolution as set out at Item No. 7 of the Notice for approval of Members.

Item No. 8

Pursuant to the provisions of Regulation 23(4) of SEBI Listing Regulations, material related party transactions require approval of the shareholders through Ordinary Resolution. Further, pursuant to the Section 188 of the Act, any transaction(s) exceeding the threshold specified under the Section 188 read with rules thereunder also require approval of shareholders through Ordinary Resolution. Further, the interested or related parties are not allowed to cast the vote to approve the said resolution.

'Material Related Party Transactions' for this purpose means, transaction(s) entered/ to be entered in to individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000/- crores (Rupees One Thousand Crores only) or 10% of the annual consolidated turnover of the listed entity as per its last audited financial statements, whichever is lower and such approval is valid from the date of AGM until the date of AGM to be held in the next year.

The threshold, pursuant to Section 188 of the Act read with rules thereunder, means sale, purchase or supply of any goods or material or availing or rendering of any services, directly or through appointment of agent, amounting to 10% or more of the turnover of the Company.

Members may kindly note that Kubota Corporation, holding company of the Company is a related party of the Company in terms of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations. Further, Regulation 2(1)(zc) of the SEBI Listing Regulations defines 'Related Party Transactions' to mean, transfer of resources, services or obligations between related entities. The Company as part of its ordinary course of business has entered into/ propose to enter into agreements/ arrangements/ transactions with Kubota Corporation. The transactions to be entered into are majorly in the nature of a) sale, purchase, or supply of goods; b) availing or rendering of services including the use of Trademark, c) payment of royalty, and d) transfer of any resources, services or obligations to meet business objectives/ requirements, etc. ('Related Party Transactions'). Further, the proposed transactions(s) are unparalleled in the market, they provide us with a competitive edge that is vital for Company's success. Also, Kubota's extensive global expertise will play a crucial role in refining the production systems and enhancing technical capabilities. The certificates, from Chairman & Managing Director and promoter's directors (since one of the promoter is body corporate, the certificates in this regard has been received from the directors nominated by the said body corporate), specifying that the proposed material related party transactions is not prejudicial to the interest of public shareholders and are going to be carried out on the same terms and conditions as would be applicable to any other unrelated party have been obtained.

As the 10% of the annual consolidated turnover as on March 31, 2025, exceeds ₹ 1,000/- crores (Rupees One Thousand Crores only) , the material threshold for seeking shareholders' approval is ₹ 1,000/- crores (Rupees One Thousand Crores only).

Since the aggregate amount of foreseen contract(s)/ transaction(s) to be entered into with Kubota Corporation during the Financial Year 2025-26 shall exceed ₹ 1,000/- crores (Rupees One Thousand Crores only) , it is proposed to seek approval of Members upto an amount of ₹ 1,250/- crores (Rupees One Thousand Two Hundred and Fifty Crores only).

Members are kindly informed that, the Audit Committee and Board of Directors at their respective meetings both held on May 08, 2025 had approved & recommended the aforementioned proposal for approval of members by way of Ordinary Resolution.

The validity of the aforesaid proposal, if approved, shall be from the date of this AGM till the AGM to be held in the calendar year 2026 subject to maximum period of fifteen months from the date of this AGM.

The details required to be furnished as per the Act, SEBI Listing Regulations and Industry Standards Note ('ISN') on 'minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction' issued by SEBI vide its circular dated February 14, 2025 are mentioned below:

S. No.	Particulars	Details
1.	Name of the Related Party (RP), nature of the Relationship (including nature of its concern/ Interest (financial or otherwise) and the nature, type, material terms, monetary value and particulars of the contract or arrangements	Kindly refer to Annexure III
2.	Name of the director or key managerial personnel who is related, if any	Directors forming part of Promoter and Promoter Group are related parties (the details of which given in Corporate Governance Report of Annual Report) of FY 2024-25.
3.	Information provided to the Audit Committee and Shareholders under Para 4 & 6 of Section III-B of SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024	Kindly refer to Annexure III
4.	Information as placed before the Audit Committee in the format specified in Para 4 of the aforesaid ISN, to the extent applicable	Kindly refer to Annexure III
5.	The Audit Committee can approve redaction of commercial secrets and such other information that would affect competitive position of listed entity from disclosures to shareholders. Further, the Audit Committee shall certify that, in its assessment, the redacted disclosures still provide all the necessary information to the public shareholders for informed decision-making	Not applicable
6.	Justification as to why the proposed transaction is in the interest of the listed entity.	Kindly refer to Annexure III

<table>
<tr><th>S. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>7.</td><td>Statement of assessment by the Audit Committee that relevant disclosures for decision-making were placed before them, and they have determined that the promoter(s) will not benefit from the RPT at the expense of public shareholders.</td><td rowspan="2">The Audit Committee has noted the relevant disclosures including the certificates from Chairman & Managing Director and promoter's directors (since one of the promoter is body corporate, the certificates in this regard has been received from the directors nominated by the said body corporate) and after duly reviewing the same, determined that the promoter will not benefit from the said material RPTs at the expense of public shareholders.</td></tr>
<tr><td>8.</td><td>Disclose the fact that the Audit Committee had reviewed the certificate provided by the CEO or CFO or any other KMP as well as the certificate provided by the promoter directors of the Listed Entity as required under Para 3(2)(b) of these ISN.</td></tr>
<tr><td>9.</td><td>Copy of the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.</td><td rowspan="3">Kindly refer to Annexure III</td></tr>
<tr><td>10.</td><td>In case of sale, purchase, or supply of goods or services [as provided in B(2) in the format as specified in Para 4 of these ISN], or the sale, lease, or disposal of assets of a subsidiary, unit, division, or undertaking of the listed entity [as provided in B(7) in the format as specified in Para 4 of these ISN], if the Audit Committee has reviewed the terms and conditions of bids from unrelated parties then such fact shall be stated. In case bids have not been invited, the fact shall be disclosed along with the justification thereof, and in case comparable bids are not available, state the basis for recommending that the terms of the RPT are beneficial to the shareholders.</td></tr>
<tr><td>11.</td><td>Comments of the Board/ Audit Committee of the listed entity, if any.</td></tr>
</table>

None of the Directors (except the directors nominated by Kubota Corporation), and Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 8 of the Notice.

Basis the rationale and justification provided above, the Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval of Members.

By Order of the Board of Directors
For **Escorts Kubota Limited**

Sd/-
Arvind Kumar
Company Secretary
Membership No. 14874

Place: Faridabad
Date: June 20, 2025

Annexure – I
to the Notice

INFORMATION PROVIDED PURSUANT TO REQUIREMENTS GIVEN UNDER REGULATION 36(3) OF SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD ON THE GENERAL MEETINGS IN RESPECT OF INDIVIDUALS PROPOSED TO BE APPOINTED/ RE-APPOINTED AS DIRECTOR(S):

A	Particulars	Mr. Bharat Madan	Ms. Nitasha Nanda
	Director Identification Number	00944660	00032660
	Date of Birth (Age)	August 16, 1967 (57 years)	November 09, 1969 (55 years)
	Date of Appointment on the Board	February 8, 2023	January 16, 2015
	Qualifications	Graduation in Commerce from Sri Ram College of Commerce, Delhi University and Fellow Member of Institute of Chartered Accountants of India ('ICAI')	Commerce Graduate from the University of Delhi
	Brief Resume, experience and Expertise in specific functional areas	Mr. Bharat Madan, a fellow Chartered Accountant by qualification of 1988 batch, has over 37 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 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.	Ms. Nitasha Nanda, Director, is a multi-faceted professional, entrepreneur and business leader with a wide spread of experience across global and Indian companies. After Graduation with Honors in Commerce from University of Delhi, she has worked with Price Waterhouse, ANZ Grindlays Bank, Hewlett Packard, Escorts Finance Limited and other reputed organisations in the area of Business Strategies, Financial Management, Operational Research and Managerial Techniques, among others. She heads the CSR Committee of the Board of EKL, which also monitors ESG Development goals, and is a member of the Investment Committee.
	Directorships held in other listed companies* (excluding Private Limited Companies, Section 8 Companies, Foreign Companies & LLP's)	Nil	Nil
	Committee Memberships of other Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Escorts Kubota Finance Limited - Audit Committee - Member	Nil

A	Particulars	Mr. Bharat Madan	Ms. Nitasha Nanda
	Names of listed entities from which the person has resigned in the past three years	Nil	Nil
	Number of shares held in the Company	7,500 equity shares	1,93,422 equity shares
	Number of meetings of the Board attended during the year	6 out of 6	6 out of 6
	Relationship between directors inter-se and key managerial personnel (KMP) of the Company	There is no inter-se relationship between Mr. Bharat Madan and other directors or Key Managerial Personnel (KMP) of the Company. However, Mr. Bharat Madan is also the Chief Financial Officer (KMP) of the Company.	There is no inter-se relationship between Ms. Nitasha Nanda and other directors or Key Managerial Personnel of the Company except with Mr. Nikhil Nanda, being her brother.
	Terms and Conditions of appointment/ re-appointment	Mr. Bharat Madan and Ms. Nitasha Nanda have been appointed in terms of the provisions of Act and are responsible to undertake the roles and responsibilities prescribed under the provisions of the Act and other laws for the time being in force. In addition, they are also responsible to undertake the roles and responsibilities assigned by the Board from time to time.	
	Details of proposed remuneration and the remuneration last drawn, if any	Remuneration details of Mr. Bharat Madan (as recommended by NRC and approved by Board of Directors) were provided in Item No. 2 of the postal ballot notice dated March 15, 2023. Details of the last remuneration are mentioned in the Integrated Annual Report for the financial year 2024-25.	Remuneration details of Ms. Nitasha Nanda (as recommended by NRC and approved by Board of Directors) were provided in Item No. 11 to the Notice of 78th AGM. Details of last remuneration are mentioned in the Integrated Annual Report for the financial year 2024-25.
	Date of first appointment on the Board	February 8, 2023	January 16, 2015

B	Particulars	Mr. Harish Narinder Salve
	Director Identification Number	01399172
	Date of Birth (Age)	June 22, 1956 (68 years)
	Date of Appointment on the Board	July 16, 2020
	Qualifications	Bachelor of Commerce – Nagpur University. Bachelor of Legislative Laws (LLB) – Nagpur University. Chartered Accountant – [Associate Member of the Institute of Chartered Accountants of India] Honorary Doctorate – Utkal University.

B	Particulars	Mr. Harish Narinder Salve
	Brief Resume, experience and Expertise in specific functional areas	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. Mr. Salve 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 has been appointed as King's Counsel (KC) for the courts of England and Wales. Mr. Salve has appeared as counsel, as well as appointed as an arbitrator in a number of international arbitrations.
	Skill and capabilities required and the manner to meet such requirements	Being an Independent Director of the Company, ethical and high standards of conduct is of utmost importance which enables directors to provide the challenge and rigor required to help the Board achieve a comprehensive understanding of information and options, as well as high standards of decision-making. Keeping in view the above requirement, Board is in the view that Mr. Salve will contribute to the Company which will ultimately benefit the Company at a large.
	Directorships held in other listed companies* (excluding Private Limited Companies, Section 8 Companies, Foreign Companies & LLP's)	Nil
	Committee Memberships of other Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
	Names of listed entities from which the person has resigned in the past three years	Nil
	Number of shares held in the Company	Nil
	Number of meetings of the Board attended during the year	1 out of 6

B	Particulars	Mr. Harish Narinder Salve
	Relationship between directors inter-se and key managerial personnel of the Company	There is no inter-se relationship between Mr. Salve and other directors or Key Managerial Personnel (KMP) of the Company.
	Terms and Conditions of appointment/ re-appointment	Ms. Salve has been re-appointed in terms of the provisions of the Act and is responsible to undertake his roles and responsibilities prescribed under the provisions of the Act and other laws for the time being in force. In addition, he is also responsible to undertake the roles and responsibilities assigned by the Board from time to time.
	Details of proposed remuneration and the remuneration last drawn, if any	The non- executive director(s) will be entitled to receive sitting fee and commission, if any, approved by the Board/ shareholders from time to time. Details of last remuneration is mentioned in the Integrated Annual Report for the Financial Year 2024-25.
	Date of first appointment on the Board	July 16, 2020

*Considered only Indian Listed Company.

Annexure – II

to the Notice

COMMUNICATION ON TAX DEDUCTION AT SOURCE ('TDS') ON DIVIDEND DISTRIBUTION

Please take note of the below TDS provisions and information/ document(s) requirement for each shareholder:

Section 1: For all Members – Details that should be completed and /or updated, as applicable: -

All Members are requested to ensure that the below details are completed and/ or updated, as applicable, in their respective Demat Account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with the Registrar & Transfer Agent ('RTA') of the Company. Please note that these details as available on Book Closure Date in the Register of Members/ Register of Beneficial Ownership will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

I. Valid Permanent Account Number ('PAN').

II. Residential status as per the Income Tax Act, 1961 ('IT Act') i.e. Resident or Non-Resident for FY 2025-26

III. Category of the Member:

   i. Mutual Fund

   ii. Insurance Company

   iii. Alternate Investment Fund ('AIF') Category I and II

   iv. AIF Category III

   v. Government (Central/ State Government)

   vi. Foreign Portfolio Investor ('FPI')/ Foreign Institutional Investor ('FII'): Foreign Company

   vii. FPI/ FII: Others (being Individual, Firm, Trust, Artificial Juridical Person ('AJP'), etc.)

   viii. Individual

   ix. Hindu Undivided Family ('HUF')

   x. Firm

   xi. Limited Liability Partnership ('LLP')

   xii. Association of Persons ('AOP'), Body of Individuals ('BOI') or Artificial Juridical Person ('AJP')

   xiii. Trust

   xiv. Domestic Company

   xv. Foreign Company.

IV. Email Address.

V. Address.

Section 2: TDS provisions and documents required, as applicable for relevant category of Members

I. For Resident Members:

i. **Mutual Funds:** No TDS is required to be deducted as per Section 196(iv) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

ii. **Insurance companies:** No TDS is required to be deducted as per Section 194 of the IT Act subject to specified conditions. Self- attested copy of valid IRDA registration certificate needs to be submitted.

iii. **Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per Section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

iv. **Recognised Provident funds:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self- attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.

v. **Approved Superannuation fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.

vi. **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self- attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.

vii. **National Pension Scheme:** No TDS is required to be deducted as per Section 197A (1E) of the IT Act.

viii. **Government (Central/ State):** No TDS is required to be deducted as per Section 196(i) of the IT Act.

ix. **Business Trust:** No TDS is required to be deducted as per Section 194 of the IT Act. Self-attested copy of valid SEBI registration certificate needs to be submitted.

x. **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

xi. **Other resident Members:**

a) TDS is required to be deducted at the rate of 10% under u/s 194 of the IT Act.

b) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholder does not exceed ₹ 10,000.

c) TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the shareholder is not available.

d) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

e) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income). (Format of Form 15G and Form 15H are available on website of Income Tax i.e. https://incometaxindia.gov.in/forms/income-tax%20rules/103120000000007845.pdf & https://incometaxindia.gov.in/forms/income-tax%20rules/103120000000007846.pdf respectively)

Please note that Declaration under Form No. 15G or 15H shall not be valid if it does not contain the PAN of the declarant. In such cases TDS shall be deducted at the rate of 20% u/s 206AA (2) of the IT Act.

II. For Non-resident Members:

i. **FPI and FII:**

a. TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess).

Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty ('DTAA') between India and the country of tax residence of the shareholder, on furnishing the below specified documents: -

1. Self-attested copy of valid PAN;
2. Self-attested copy of valid Tax Residency Certificate ('TRC') obtained from the tax authorities of the country of which the shareholder is a resident;
3. Form 10F filed electronically on income tax e-portal.
4. Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per **Appendix-1** to this Communication).

b. In case the dividend is payable to 'Specified Fund' (Category – III Alternate Investment Fund) referred to in [Clause(c) of Explanation to Section 10(4D)], TDS rate would be 10% (plus applicable surcharge and cess). The reduced rate of TDS would be subject to the availability of requisite documents demonstrating that the person is covered under the aforesaid category of 'Specified Fund'.

ii. **Any entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS needs to be submitted.

iii. Other non-resident Members:

a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess).

b) Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents: -

1) Self-attested copy of PAN;

2) Self-attested copy of valid Tax Residency Certificate ('TRC') obtained from the tax authorities of the country of which the shareholder is a resident;

3) Form 10F filed electronically on income tax e-portal.

4) Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per **Appendix-1** to this communication).

c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.

Details and/ or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach einward.ris@kfintech.com by July 04, 2025. Please note that no communication in this regard, shall be accepted post July 04, 2025. Members can also upload the soft copy of the documents duly completed and signed using the following url: https://ris.kfintech.com/form15/.

Section 3: Other general information for the Members: -

I. For all self-attested documents, Members must mention on the document **'certified true copy of the original'.** For all documents being sent/ accepted by email, the Member undertakes to send the original document(s) on the request by the Company.

II. In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, and PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person by July 04, 2025.

III. TDS deduction certificate will be sent to the Members' registered email address in due course.

Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of Members on the Book Closure Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/ documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.

IV. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/ to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any appellate proceedings.

Note:

Above communication on TDS sets out the provisions of law in a summarized manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

(Appendix-1)

(Refer Section 2(II)(i)(a)(4)/ 2(II)(iii)(b)(4) of Communication on TDS on Dividend Distribution)

FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Escorts Kubota Limited
15/5, Mathura Road
Faridabad, Haryana - 121003
Email: corp.secretarial@escortskubota.com

Subject: Declaration for eligibility to claim benefit under Double Taxation Agreement between Government of India and Government of .... (mention country of tax residency) ('DTAA'), as modified by Multilateral Instrument ('MLI'), if applicable.

With reference to above, I/We wish to declare as below:

1. I / We, ... (Full name of the shareholder), having permanent account number (PAN) under the Indian Income Tax Act, ... (mention PAN), and holding .... (mention number of shares held) number of shares of the Company under Demat Account Number/ Folio Number.........................as on the Book Closure Date from ……….. 2025 to ……… 2025 (both days inclusive), am / are a tax resident of .... (country name) in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under Section 6 of the Indian Income Tax Act, 1961 ('the IT Act'). A copy of the valid tax residency certificate for…………………………………. (period), which is valid as on the Book Closure Date, is attached herewith.
2. I/ We am/ are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate including, but not limited to, satisfaction of the 'Principal Purpose Test' provided in such MLI.
3. I/ We am/ are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/ We do/ will not have a Permanent Establishment ('PE') in India, during April 01, 2025 to March 31, 2026, in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/ payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
5. I/ We do not have a Business Connection in India according to the provision of Section 9(1)(i) of the IT Act and the amounts paid/ payable to us, in any case, are not attributable to business operations, if any, carried out in India.
6. I/ We hereby confirm that we do/ will not have a place of effective management, during the period April 01, 2025 to March 31, 2026, in India and none of the key management and commercial decisions for the conduct of business in substance are/ will be made in India.

I/ We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I/ We will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/ documents that may be necessary and co-operate in any proceedings before any income tax/ appellate authority.

For .... Mention the name of the payee

(Authorised Signatory)

Name of the person signing:-

Designation of the person signing:-

Contact Number:-

Contact Address:-

Email:-

Date:-

Place:-

Annexure – III
to the Notice

Part - A1 to A5 of ISN

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
1	Name of the related party	Kubota Corporation	Factual
2	Country of incorporation of the related party	Japan	Factual
3	Nature of business of the related party	Manufacturing and selling machinery, particularly in the fields of agriculture, construction, and water/ environment	Factual
4	Relationship between the listed entity and the related party	Holding Company of Escorts Kubota Limited	Factual
5	Shareholding or contribution % or profit & loss sharing % of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	Not Applicable	Factual
6	Shareholding of the related party	54.07%	Factual
7	Standalone turnover of the related party for each of the last three financial years	The holding company follows the different Financial year i.e. January to December. However, the figures are recaliberated to align with financial year i.e. from April to March. (₹ in crores)	Noted
	FY 2022-2023	62,766.44	Factual
	FY 2023-2024	70,020.89	
	FY 2024-2025	63,123.72	
8	Standalone net worth of the related party for each of the last three financial years	The holding company follows a different Financial year i.e. January to December. However, the figures are recaliberated to align with financial year i.e. from April to March. (₹ in crores)	Noted
	FY 2022-2023	33,519.86	Factual
	FY 2023-2024	38,488.07	
	FY 2024-2025	41,399.88	
9	Standalone net profits of the related party for each of the last three financial years	The Holding company follows the different financial year i.e. January to December. However, the figures are recaliberated to align with financial year i.e. from April to March. (₹ in crores)	Noted
	FY 2022-2023	2,459.60	Factual
	FY 2023-2024	8,816.89	
	FY 2024-2025	9,570.22	

<table>
<tr><th>S. No.</th><th>Particulars of the information</th><th>Information provided by the management</th><th>Comments of the Audit Committee</th></tr>
<tr><td>10</td><td>Total amount of all the transactions undertaken by the listed entity with the related party during each of the last three financial years: (In crores)</td><td><table>
<tr><th>S. No</th><th>Description</th><th>FY22-23</th><th>FY23-24</th><th>FY 24-25</th></tr>
<tr><td>1</td><td>Sale of goods</td><td>40.55</td><td>2.46</td><td>23.58</td></tr>
<tr><td>2</td><td>Rendering of services</td><td>25.26</td><td>20.81</td><td>18.79</td></tr>
<tr><td>3</td><td>Receiving of services</td><td>12.07</td><td>26.26</td><td>23.83</td></tr>
<tr><td>4</td><td>Purchases of goods</td><td>870.82</td><td>669.74</td><td>711.25</td></tr>
<tr><td>5</td><td>Royalty paid</td><td>4.10</td><td>5.07</td><td>4.21</td></tr>
<tr><td></td><td>Total</td><td>952.79</td><td>724.33</td><td>781.66</td></tr>
</table>The numbers of F.Y. 2022-23 have been restated to include Escorts Kubota India Private Limited and Kubota Agriculture Machinery India Private Limited (which were merged into Escorts Kubota Limited) for comparison purpose.</td><td rowspan="2">Noted</td></tr>
<tr><td>11</td><td>Total amount of all the transactions undertaken by the listed entity with the related party during the current financial year (till the date of approval of the Audit Committee/ shareholders).</td><td>Rs. 79.93 crores</td></tr>
<tr><td>12</td><td>Whether prior approval of Audit Committee has been taken for the above mentioned transactions?</td><td>Yes, through omnibus approval on March 11, 2025 for FY 2025-26, for the transactions undertaken/ to be undertaken with Kubota Corporation, subject to non breach of materiality threshold as prescribed under Regulation 23 of SEBI Listing Regulations</td><td>Noted</td></tr>
<tr><td>13</td><td>Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last three financial years.</td><td>No</td><td>Noted</td></tr>
<tr><td>14</td><td>Total amount of all the proposed transactions being placed for approval in the current meeting.</td><td>₹ 1,250 crores</td><td>Agreed</td></tr>
<tr><td>15</td><td>Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year is material RPT in terms of Para 1(1) of these Standards?</td><td>Yes</td><td>Agreed</td></tr>
<tr><td>16</td><td>Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year</td><td>11.22%</td><td>Noted</td></tr>
<tr><td>17</td><td>Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year</td><td>Not Applicable</td><td>Noted</td></tr>
<tr><td>18</td><td>Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year</td><td>1.98%</td><td>Noted</td></tr>
</table>

Part B1 to B2 of ISN

S. No.	Particulars of the information	Information provided by the management				Comments of the Audit Committee
1	Specific type of the proposed transaction	**Purchase of goods**	**Sale of goods**	**Receiving of Services**	**Rendering of Services**	Noted
2	Details of the proposed transaction	As below	As below	As below	As below	Noted
3	Tenure of the proposed transaction	FY 2025-26	FY 2025-26	FY 2025-26	FY 2025-26	Noted
4	Indicative date / timeline for undertaking the transaction	Through-out the year	Through-out the year	Through-out the year	Through-out the year	Noted
5	Whether omnibus approval is being sought?	Yes, the proposal is being placed before the Audit Committee and onwards recommendation to the Board and Shareholders meeting for their consideration and approval, as the transactions are expected to increase material threshold.				Noted
6	Value of the proposed transaction during a financial year. If omnibus approval is being sought, the maximum value of a single transaction during a financial year.	₹ 1000 Crores	₹ 130 Crores	₹ 50 Crores	₹ 60 Crores	Noted. The proposal for overall combined limits is upto ₹ 1,250 crores (including payment of royalty of ₹ 10 crore mentioned in the Part B8) being recommended to Board and Shareholder for their consideration and approval
7	Whether the RPTs proposed to be entered into are: (i) not prejudicial to the interest of public shareholders, and (ii) going to be carried out on the same terms and conditions as would be applicable to any party who is not a related party	The proposed transactions are to be entered into with Kubota Corporation, Japan that holds 54.07% shares of the Company and has a large global network that will potentially facilitate enhancing our geographical reach, sales capacity and expanding our market share. The products that are intended to be procured from and/ or supplied to Kubota Corporation mainly include Tractors, Engines, Construction Equipment, Combine Harvesters, Rice Transplanters and other Agri-solutions Products and Parts thereof as well as services procured and/ or rendered in relation to such products which are proprietary in nature. As these offerings are unparalleled in the market, they provide us with a competitive edge that is vital for our success. Also, Kubota's extensive global expertise will play a crucial role in refining our production systems and enhancing our technical capabilities. The proportion of the proposed transactions of purchase and sale will more or less be similar to those of previous years as further detailed in Annexure III of the notice. The certificates, from Chairman & Managing Director and promoter's directors (since one of the promoter is body corporate, the certificates in this regard has been received from the directors nominated by the said body corporate), specifying that the proposed material related party transactions is not prejudicial to the interest of public shareholders and are going to be carried out on the same terms and conditions as would be applicable to any other unrelated party have been obtained.				Noted the justification in line with the proposed transactions

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
8	Provide a clear justification for entering into the RPT, demonstrating how the proposed RPT serves the best interests of the listed entity and its public shareholders.	As mentioned in Point 7 above	As mentioned in Point 7 above
9	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. The details shall be provided, where the shareholding or contribution or % sharing ratio of the promoter(s) or director(s) or KMP in the related party is more than 2%.	Nil	Noted
	a. Name of the director / KMP		
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party		
10	Details of shareholding (more than 2%) of the director(s)/ key managerial personnel/ partner(s) of the related party, directly or indirectly, in the listed entity.	Nil	Noted
	a. Name of the director / KMP/ partner		
	b. Shareholding of the director / KMP/ partner, whether direct or indirect, in the listed entity		
11	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not applicable	Noted

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
12	Other information relevant for decision making	None	-
13	Number of bidders / suppliers / vendors / traders / distributors / service providers from whom bids / quotations were received with respect to the proposed transaction along with details of process followed to obtain bids.	Nil	Not applicable as per point 7 above
14	Best bid / quotation received. If comparable bids are available, disclose the price and terms offered.	Not applicable	Not applicable as per point 7 above
15	Additional cost / potential loss to the listed entity or the subsidiary in transacting with the related party compared to the best bid / quotation received.	Not applicable	Not applicable as per point 7 above
16	Where bids were not invited, the fact shall be disclosed along with the justification for the same.	Bids were not invited in furtherance to explanation provided under point no. 7 above. The management is of view that there is no comparative party available to provide for on the similar terms and the transactions proposed herewith would be most benefecial to the Company.	Noted
17	Wherever comparable bids are not available, state what is basis to recommend to the Audit Committee that the terms of proposed RPT are beneficial to the shareholders.	Please refer explanation provided in point no. 16 above	Noted

Disclosures under Clauses B3 to B7 of Para 4 of ISN for 'Minimum information to be provided for review of the Audit Committee and Shareholders for approval of Related Party Transactions' are not applicable

Part B8 of ISN

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
1	Specific type of the proposed transaction	**Payment of Royalty**	Noted
2	Details of the proposed transaction	As below	Noted
3	Tenure of the proposed transaction	FY 2025-26	Noted
4	Indicative date / timeline for undertaking the transaction	Through-out the year	Noted
5	Whether omnibus approval is being sought?	Yes, the proposal is being placed before the Audit Committee and onwards recommendation to the Board and Shareholders Meeting for their consideration and approval.	Noted
6	Value of the proposed transaction during a financial year. If omnibus approval is being sought, the maximum value of a single transaction during a financial year.	Royalty - ₹ 10 crores	Noted. The proposal for overall combined limits is upto ₹ 1,250 crores (including amount given under point 6 of Part B1 and B2) being recommended to Board and Shareholders for consideration and approval

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
7	Whether the RPTs proposed to be entered into are: (i) not prejudicial to the interest of public shareholders, and (ii) going to be carried out on the same terms and conditions as would be applicable to any party who is not a related party	The proposed transactions are to be entered into with Kubota Corporation, Japan that holds 54.07% shares of the Company and has a large global network, that will potentially facilitate enhancing our geographical reach, sales capacity and expanding our market share. The products that are intended to be procured from and/ or supplied to Kubota Corporation mainly include Tractors, Engines, Construction Equipment, Combine Harvesters, Rice Transplanters and other Agri-solutions Products and Parts thereof as well as services procured and/ or rendered in relation to such products which are proprietary in nature. As these offerings are unparalleled in the market, they provide us with a competitive edge that is vital for our success. Also, Kubota's extensive global expertise will play a crucial role in refining our production systems and enhancing our technical capabilities. The proportion of the proposed transactions of purchase and sale will more or less be similar to those of previous years as further detailed in Annexure III of the notice. The certificates, from Chairman & Managing Director and promoter's directors (since one of the promoter is body corporate, the certificates in this regard has been received from the directors nominated by the said body corporate), specifying that the proposed material related party transaction(s) is not prejudicial to the interest of public shareholders and are going to be carried out on the same terms and conditions as would be applicable to any other unrelated party, have been have been obtained.	Noted the justification in line with the proposed transactions
8	Provide a clear justification for entering into the RPT, demonstrating how the proposed RPT serves the best interests of the listed entity and its public shareholders.	As mentioned in Point 7 above	As mentioned in Point 7 above
9	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. The details shall be provided, where the shareholding or contribution or % sharing ratio of the promoter(s) or director(s) or KMP in the related party is more than 2%. a. Name of the director / KMP b. Shareholding of the director / KMP, whether direct or indirect, in the related party	Nil	Noted

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
10	Details of shareholding (more than 2%) of the director(s)/ key managerial personnel/ partner(s) of the related party, directly or indirectly, in the listed entity.	Nil	Noted
	a. Name of the director / KMP/ partner		
	b. Shareholding of the director / KMP/ partner, whether direct or indirect, in the listed entity		
11	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not applicable	Noted
12	Other information relevant for decision making	None	
13	Gross amount of royalty paid by the listed entity or subsidiary to the related party during each of the last three financial years	(₹ in crores)	Factual
	FY 2022-2023	4.10	
	FY 2023-2024	5.07	
	FY 2024-2025	4.21	
14	Purpose for which royalty was paid to the related party during the last three financial years.		The royalty is based on the sales which includes Brand name, however to justify the same, Kubota has provided minimum parameters/process i.e. Kubota Production System to ensure the quality of the product is in accordance with the technology strength and will not affect the Brand image of Kubota. Therefore, the Brand royalty is not bifurcated.
	a. For use of brand name / trademark	100%	
	b. For transfer of technology knowhow		
	c. For professional fee, corporate management fee or any other fee		
	d. Any other use (specify)		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
15	Purpose for which royalty is proposed to be paid to the related party in the current financial year		
	a. For use of brand name / trademark	100%	As mentioned in point 14 Above
	b. For transfer of technology knowhow		
	c. For professional fee, corporate management fee or any other fee		
	d. Any other use (specify)		
16	Royalty paid in last 3 FYs as % of Net Profits of previous FYs		Noted
	FY 2022-2023	0.64%	
	FY 2023-2024	0.47%	
	FY 2024-2025	0.34%	
17	Dividend paid in last 3 FYs as % of Net Profits of previous FYs		Dividend payment is more than the payment of Royalty
	FY 2022-2023	6.50%	
	FY 2023-2024	3.84%	
	FY 2024-2025	13.29%	
18	Royalty and dividend paid or proposed to be paid during the current FY	Proposed royalty upto ₹ 10 crores to be paid and proposed final dividend to be paid @ ₹ 18 per equity share of face value of ₹ 10 each for the FY 2024-25, in addition to the interim dividend declared and paid @ ₹ 10 per equity share of face value of ₹ 10 for FY 2024-25. Further, for the FY 2025-26 dividend, if declared, that will be paid as per the Company's Dividend Distribution Policy.	Noted
19	Rate at which royalty has increased in the past 5 years, if any, vis-à-vis rate at which the turnover, profits after tax and dividends have increased during the same period.	Not Applicable as the royalty rate remains 0.5% of the turnover	Noted
20	In case of new technology i.e. first year of technology transfer (to be provided separately for each new technology):	Not Applicable	Noted
	a. Expected duration of technology transfer		
	b. Benefits derived from the technology transfer		

S. No.	Particulars of the information	Information provided by the management	Comments of the Audit Committee
21	In case of existing technology i.e. technology being imported (to be provided separately for each existing technology):	Nil	Noted
	a. Years since technology transfer initiated		
	b. Expected duration of technology transfer		
	c. Benefits derived from the technology transfer		
22	Details of in-house research & development, if any:		
	a. Total expenses incurred during the preceding financial year	₹ 115.15 Crores	Noted
	b. Benefits derived	Product improvement and innovation with existing business products	Noted
	c. If any in-house R&D undertaken by the listed entity or its subsidiary that will reduce or eliminate the royalty currently paid for any technology or technical know-how. Additionally, the absolute value of R&D expenditure incurred by the listed entity or its subsidiary on such in-house R&D, along with the period required for completing the research to achieve the reduction or elimination of royalty, shall be disclosed to the Audit Committee.	Not applicable	NA
23	If royalty is paid to the parent company, disclose royalty received by the parent company from foreign entities: • Minimum rate of royalty charged along with corresponding absolute amount • Maximum rate of royalty charged along with corresponding absolute amount	Minimum rate- 0.5%, Absolute amt.= ₹ 7.48 crores Maximum rate- 17%, Absolute amt.= ₹ 189.64 crores	Noted
24	Sunset Clause for Royalty payment	As agreed Mutually	Noted

<table>
<tr><th>S. No.</th><th>Particulars of the information</th><th>Information provided by the management</th><th>Comments of the Audit Committee</th></tr>
<tr><td>25</td><td>Peer Comparison:
Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any Industry Peer pays royalties for the same purpose, which is disclosed in its audited annual financial statements for the relevant period:</td><td>
<table>
<tr><th>Royalty payment over last 3 years</th><th>Escorts Kubota Limited</th><th>Maruti Suzuki India Limited</th><th>Honda India Power Limited</th><th>Hero Motocorp Limited</th></tr>
<tr><th></th><th colspan="4">Aggregate amount in Crores</th></tr>
<tr><td>FY 21-22</td><td>3.28</td><td>3,005</td><td>39.90</td><td>3.50</td></tr>
<tr><td>FY 22-23</td><td>4.10</td><td>4,222</td><td>44.80</td><td>5.87</td></tr>
<tr><td>FY 23-24</td><td>5.07</td><td>4,908</td><td>37.47</td><td>7.99</td></tr>
<tr><td>FY 24-25</td><td>4.21</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Royalty paid as a % of net profits</td><td>%</td><td>%</td><td>%</td><td>%</td></tr>
<tr><td>FY 21-22</td><td>0.38%</td><td>77.47%</td><td>53.54%</td><td>0.15%</td></tr>
<tr><td>FY 22-23</td><td>0.64%</td><td>51.09%</td><td>52.65%</td><td>0.21%</td></tr>
<tr><td>FY 23-24</td><td>0.47%</td><td>36.39%</td><td>40.64%</td><td>0.21%</td></tr>
<tr><td>FY 24-25</td><td>0.34%</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Annual growth rate of Turnover over last 3 years</td><td>%</td><td>%</td><td>%</td><td>%</td></tr>
<tr><td>FY 21-22</td><td>3.19%</td><td>25.52%</td><td>23.15%</td><td>-4.55%</td></tr>
<tr><td>FY 22-23</td><td>16.44%</td><td>34.05%</td><td>7.78%</td><td>15.59%</td></tr>
<tr><td>FY 23-24</td><td>27.59%</td><td>19.80%</td><td>(20.64%)</td><td>10.63%</td></tr>
<tr><td>FY 24-25</td><td>3.63%</td><td>-</td><td>-</td><td>-</td></tr>
</table>
</td><td>Noted</td></tr>
<tr><td>26</td><td>Royalty paid or payable for imported technology, along with the turnover attributable to such technology.</td><td rowspan="2">The royalty is based on the sales which includes Brand name, however to justify the same Kubota has provided minimum parameters/process i.e. Kubota Production System to ensure the quality of the product in accordance with the technology strength and will not affect the Brand image of Kubota. Therefore, the Brand/technology/trademark/ royalty is not bifurcated.</td><td rowspan="2">Noted</td></tr>
<tr><td>27</td><td>Royalty paid or payable for brands or other intangible assets, along with the turnover attributable to their use.</td></tr>
</table>

Great Place To Work® Certified
DEC 2024-DEC 2025
INDIA

80 Years of Prosperity and Trust...

Kubota
Escorts Kubota Limited

On Your Side

Spreading Prosperity, Impacting Lives

ESCORTS KUBOTA LIMITED
Integrated Annual Report 2024-25

About Our Integrated Report

Our Approach to Embracing Integrated Reporting

Integrated Reporting <IR>, following the framework established by the International Integrated Reporting Council (now known as the Value Reporting Foundation), has become a recognised global standard for corporate reporting. We have aligned this approach, marking FY 2024-25 as our fourth year of integrated reporting. Through <IR>, we aim to offer stakeholders a comprehensive view of our value creation process, incorporating both qualitative and quantitative insights across financial and non-financial resources. Our report shares perspectives on our strategy, material priorities, and the challenges and risks associated with achieving our long-term goals in the context of the external operating environment. Some of the <IR> data included may be based on management estimates.

Our Approach to Materiality

This report offers an overview of our business and related activities that facilitate long-term value creation. The Report also highlights key constraints that could significantly impact our ability to generate value and outlines the measures undertaken to address these constraints.

Reporting Principle

The financial and statutory data in this report is pursuant to the provisions of the Companies Act, 2013 (and its applicable Rules), Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards. The Report has been shaped according to the IIRC framework.

Reporting Period, Scope, and Boundary

This report encompasses the reporting period between April 1, 2024, to March 31, 2025, and primarily reflects our standalone operations, unless specified otherwise. It provides an overview of the core activities, as well as those of our subsidiaries, joint ventures, and other investments where we exercise financial control or significant influence. The Management Discussion and Analysis, along with the Consolidated Financial Statement in the non-statutory section, present consolidated figures unless specified otherwise. The Business Responsibility and Sustainability Report and ESG-related sections focus exclusively on standalone data for Escorts Kubota Limited.

Responsibility Statement

The content of this report has been thoroughly reviewed by the senior management of Escorts Kubota Limited and has received approval from the Board of Directors to ensure the information presented is accurate, comprehensive, and relevant.

Please note

1. The National Company Law Tribunal, Chandigarh Bench (NCLT) has approved the Scheme of Amalgamation of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited (Amalgamating Companies) with Escorts Kubota Limited (Amalgamated Company). The certified copy of the Order was received by the company on August 29, 2024, and filed with the Registrar of Companies, NCT (Delhi & Haryana) on September 1, 2024. In order to reflect the Scheme's impact from the appointed date of April 1, 2023, the Company has restated previously reported numbers. Accordingly, numbers reported here for the Fiscal Year 2025 as well as Previous Fiscal Year 2024 include numbers of the amalgamating companies also, while for fiscal year 2023 numbers remain unchanged as per previously reported unless otherwise specified.

2. On October 23, 2024, the Company's Board of Directors approved the sale/transfer of its division specializing in manufacturing, assembly, sales, servicing, research, and development of railway equipment products, including parts (RED Business) on a 'slump sale' basis, as defined by Section 2(42C) of the Income-tax Act, 1961. In the financial disclosures, the RED Business has been categorized under discontinued operations.

Our 6 Capitals

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Natural Capital
- Social and Relationship Capital

Strategic Objectives

S1: To be a pioneer in farm mechanisation in India

S2: To contribute significantly towards infrastructure development in India

S3: To conduct business responsibly and consciously

S4: To maintain a healthy, thriving workplace culture

S5: To sustain our position as a trusted brand in India and a business that is respected by the community

Our Stakeholders

- Shareholders
- Customers
- Employees
- Suppliers
- Business Partners
- Government and Regulatory Bodies Communities

What's Inside

Corporate Overview

For more investor related information, please visit:

https://www.escortskubota.com/investors/overview.html

Or Simply Scan the QR Code

INVESTOR INFORMATION

Market Cap (as of March 31, 2025)	:	₹ 36,300 crores (approx.)
CIN	:	L74899HR1944PLC039088
BSE Code	:	500495
NSE Symbol	:	ESCORTS
AGM Date	:	Wednesday, July 16, 2025 at 12:00 (Indian Standard Time)
AGM Mode	:	Video Conferencing (VC)/Other Audio Visual Means (OAVMs)

Statutory Reports

Financial Statements

FORWARD-LOOKING STATEMENTS

This report contains statements about expected future events and financials of Escorts Kubota Limited ('The Company' or 'EKL'), 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 a 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 that reflect events or circumstances after the publication of this document.

On Your Side

Spreading Prosperity, Impacting Lives

What does it mean to truly stand with someone?

To share not just their path, but their purpose.

To see the world through their eyes, the grit of a farmer, the drive of an entrepreneur, the quiet hopes of a community ready to rise.

At Escorts Kubota, On Your Side is not a slogan. It is how we see the world.

It means we do not work around people; we work with them.

In fields where hope is planted. In factories where ambition takes shape.

In every place where effort meets aspiration, we are right there, enabling, empowering, and evolving together.

We believe prosperity is not handed down, it is built in collaboration.

Measured not just in output, but in outcomes: trust earned, livelihoods strengthened, futures unlocked.

With empathy, innovation, and a deep sense of purpose, we stand on the side of progress that includes everyone.

Because to be on your side is to believe in something bigger than ourselves, a future that is more equitable, more resilient, and truly transformative.

CUSTOMER STORY

Empowering Customers.
Uniting Strengths. Driving Progress.

At EKL, our impact in the agriculture and construction equipment space is defined not just by the machines we create, but by the lives we help move forward. Every product we develop is a response to the evolving needs of those who build India's future.

We have unified the engineering legacy, market wisdom, and customer trust of three established companies into a single, cohesive force, post merger (i.e. one EKL).

Our commitment to innovation is exemplified by flagship products built for durability, performance, and intelligence. Designed with deep insight into India's agricultural and infrastructure needs, they go beyond utility to become enablers of productivity and progress.

What differentiates us is the ecosystem of care we have built around every customer. From doorstep service and rapid-response centres to field advisory programmes and a strong nationwide support network, we ensure timely, expert assistance. Whether it's a farmer facing a tough season or a contractor on a deadline, we are there with solutions that make a difference.

Because we believe that when our customers grow, India moves forward and so do we. And no matter the terrain, we will always be by their side.

EMPLOYEE STORY

Nurturing People.
Enabling Growth. Sustaining Impact.

The true strength of an organisation lies in its people, in their drive, their commitment, and their capacity to grow. At EKL, we believe progress begins when individuals are empowered to reach their potential. Their growth is what fuels ours.

This year, we deepened our focus on development. Programmes like UDAAN, EKCAP, and our leadership initiative with IIM Lucknow are not just building capability, they are shaping leaders across every level of the organisation.

New talent is being trusted with real responsibility from day one. Campus recruits are driving key initiatives across operations, dealer strategy, and profitability, gaining experience and creating impact at the same time.

We have also strengthened our commitment to safety and care. Through structured reviews, tracking mechanisms, and swift interventions, we are building a culture of Zero Health Hazard, where every individual feels supported and protected.

A more inclusive EKL is taking shape, too, with rising gender diversity in our new hires, reflecting our effort to build a workforce that represents the future.

At EKL, growth is not an idea. It is lived every day, in the journeys our people take, and the trust we place in them.

Because when they thrive, we all move forward.

INVESTOR STORY

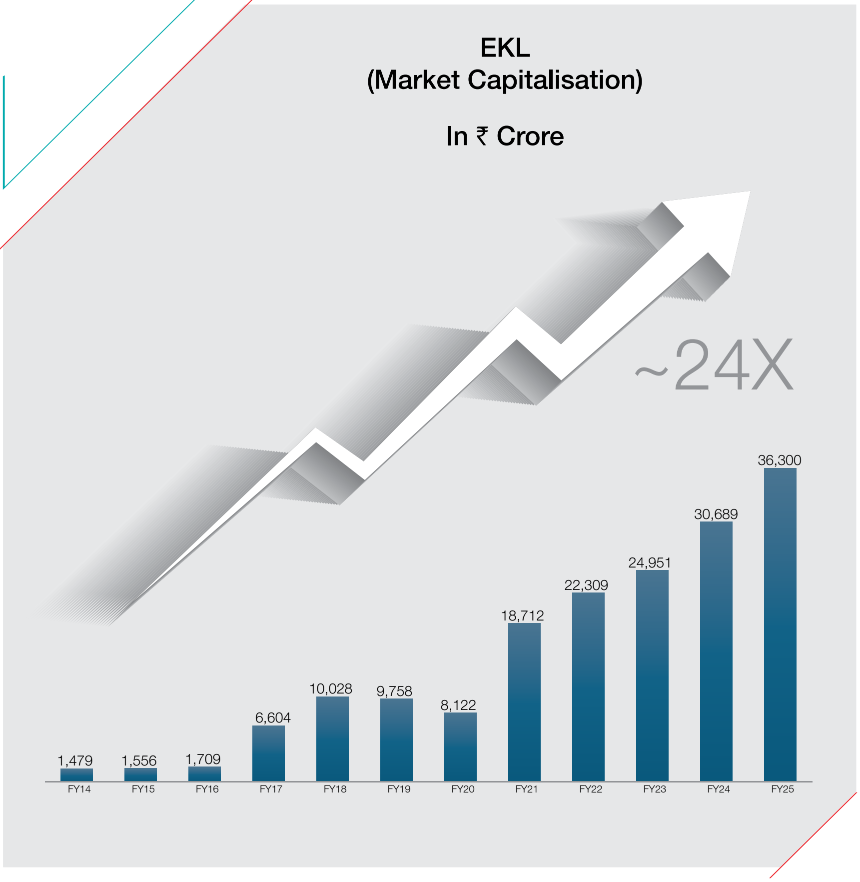
Creating Value.
Earning Trust. Growing Long-term.

At EKL, value creation is as much an outcome as a commitment we live by. With a clear focus on strategic growth, operational excellence, and disciplined capital allocation, we have steadily built market confidence and shareholder wealth.

The consistent rise in our market capitalisation reflects more than financial performance. It signals the trust placed in our long-term vision and our ability to deliver resilient, profitable outcomes.

In line with our commitment to delivering enhanced value to our shareholders, the Board has declared an interim dividend of ₹ 10 per equity share (100% of face value) for FY 2024–25. Additionally, a final dividend of 180% has been recommended, for approval of shareholders, amounting to ₹ 18 per equity share. With the interim dividend already paid, the total dividend payout for FY 2024-25 will amount to ₹ 28 per equity share (on a face value of ₹ 10/- each),representing a 56% increase over the previous year. This reflects our appreciation for the continued trust and support of our shareholders.

As we look ahead, our priorities remain clear to strengthen returns, deepen investor confidence, and unlock long-term value, responsibly and consistently



Note: Market Capitalisation for each fiscal year (FY) is calculated as of March 31 and rounded to the nearest whole number.

Because at EKL, your trust fuels our ambition and shapes the future we are building together.

DEALER STORY

Strengthening Bonds.
Trusting Partners. Sharing Growth.

At EKL, our dealers are more than distribution partners. They are the bridge between our vision and the people we serve. They carry our purpose into the real world, driving change-one customer, one conversation, one outcome at a time.

This year, we advanced our multi-brand strategy, bringing Powertrac, Farmtrac, and Kubota under one roof. This helped dealers serve varied customer needs, grow volumes, and improve profitability.

We focussed on dealer viability by streamlining inventory, easing access to working capital through NBFC tie-ups, and launching targeted support for new and existing partners.

Engagement was strengthened through structured training, transparent incentive and direct communication platforms like our first online town hall. Regular state visits by senior leadership further reinforced trust and speed in execution.

With the commencement of operations by our wholly owned subsidiary company i.e. Escorts Kubota Finance Limited, we are enabling faster and more efficient financing for both dealers and customers.

At EKL, we believe that when our dealers succeed, we all move forward. Because real growth is always shared.

COMMUNITY STORY

For Communities.
With Care. Always Together.

At EKL, community is not a responsibility. It is a relationship. One built over time, through trust, presence, and action that speaks.

This year, our focus was clear: meet real needs, in real places, with solutions that last. Through the Escorts Kubota Advanced Farming Institute, ('EKAFI'), farmers across Kurukshetra and Bengaluru gained hands-on exposure to modern agricultural practices. Many walked away not just with knowledge, but with new confidence in their fields.

In Haryana, clean energy found its way into 150 homes through backyard biogas units for women farmers, helping improve both hygiene and daily life. Elsewhere, a pond has come back to life in Sadpura Village, Faridabad,sanitation infrastructure has been strengthened and safe drinking water has been made accessible to thousands of visitors at the Rail Museum in Gorakhpur.

We also laid the groundwork for future. Swachh Akash is helping promote green livelihoods among marginalised women while Project Nimaya is helping young girls find their voice and shape their future with essential life skills.

These are not just initiatives. They are quiet shifts with lasting impact. And we will keep showing up, wherever care, equity, and progress need a steady hand.

Sowing Innovation in Agriculture and Construction

Escorts Kubota Limited is steering the course of a revolution in agriculture and construction through innovation, reliability, and a commitment to growth. Rooted in a legacy of progress and impact, our Company blends global expertise with local insight to deliver consistent excellence.

This report traces our journey, marks our milestones, and outlines our aspirations. It also reflects how we shape possibilities and build a sustainable future.


POWERTRAC
DIESEL SAVER PLUS
EURO

CORPORATE INTRODUCTION

Building the Future with a Legacy of Excellence

At EKL, we have long powered India's progress on the global stage. As India's leading engineering conglomerate with eight decades of experience, we have helped accelerate India's socio-economic development by providing engineering solutions for smart agriculture and construction. By investing in futuristic technologies, R&D and infrastructure, we have become a premier solution provider seeking to raise India's stature worldwide.

In a strategic move to streamline our focus, we have exited the railway equipment business. This shift allows us to redirect resources towards scaling our core divisions, fuelling efficiency and innovation. Aligned with the vision of Kubota Corporation, we are shaping a future defined by sustainable growth and a commitment to maximising stakeholder value. With renewed clarity, we continue to reinforce our leadership in the Agri and Construction Equipment Industry, paving the way for a prosperous tomorrow.

FY 2024-25 KEY HIGHLIGHTS

17,205
Employees (including all categories)

₹ 194.60 crores
R&D Spend

8
Plants (including R&D and Corporate Office)

1,70,000
Total Tractor Production Capacity per Annum

10,000
Total Construction Equipment Capacity per Annum

VISION

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

MISSION

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

CORE AND STRATEGIC VALUES

While our core values define who we want to be and what should always be upheld by us, our strategic values define how we will work toward achieving 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 make 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 according to the customers' needs.

Agility

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

PRODUCT SUITE

Boosting Efficiency with Advanced Farming Solutions

At EKL, we combine a rich legacy with innovation to deliver world-class solutions across the agriculture and construction sectors.

Our diverse product range, spanning advanced tractors and robust construction equipment, enables industries to improve efficiency and performance. Driven by a commitment to quality and sustainability, we continue to shape the future of mobility and mechanisation.

Tractors

Powertrac

Euro G28

Garden Specialist tractor with its dimensions and features suited for Orchard Farming and Inter-cultivation Applications.

434 DS Plus

Multi-Purpose tractor series which comes with Diesel Saving AVL Technology.

Euro 42 Plus

Feature rich mix of international style, comfort and mileage.

Euro 47 Plus

Feature rich mix of international style, comfort and mileage.

Euro 50 Plus

Feature rich mix of international style, comfort and mileage.

PP46i Digitrac

This series comes with unique black colour and advanced features.

Farmtrac

Offers premium range products focussing on advanced technology and versatility, catering to medium and large-scale farmers.

Atom 26

With compact size and impactful features Atom series is truly an orchard specialist.

Champion 39

Farmtrac Champion Series is blend of power and fuel efficiancy for all-round utility.

FT 45 Classic

The traditional Classic series - Made for the Farmtrac loyalist farmers.

Promaxx 47

Newly launched Promaxx Series - A symbol of style, comfort and features for new-age farmers.

Powermaxx 60

With bigger and powerful engine, Powermaxx series is perfect for agri applications.

Worldmaxx 6055

The most premium tractor under Farmtrac, Worldmaxx series is apt for Progressive farmers.

Kubota Tractors

These are built with Japanese technology for precision farming and durability.

MU4501

Premium Japanese technology offering exceptional durability and efficiency.

NeoStar B2441

Sub-compact tractor for orchards and speciality farming.

L4508

High-capacity utility tractor suitable for large-scale farming tasks.

Construction Equipment

Cranes

Comprise pick-and-carry cranes with high lifting capacities, known for maneuverability and safety features.

High End Series (F23)

A triple-lens rear camera system with a 50MP main sensor, an ultrawide sensor, and a depth sensor for portrait mode.

Hydra Series: (Hydra 15 & 12)

High-mobility cranes ideal for construction sites.

Compactors

Soil compactors with superior vibration technology for road construction and groundwork.

Soil Compactor EC5250 Plus

A robust 110 HP engine, a drum width of 2130 mm, and different drum diameter options (STD/DD, PD) for versatility.

Tandem Roller HD85 Plus

A vibratory machine designed for compacting paving materials, particularly asphalt.

Mini Excavators

Compact and versatile for urban construction, landscaping, and utility work.

KX033

Compact, versatile machine for landscaping and urban projects.

U Series (U17)

Designed for tight access construction work.

Backhoe Loaders

Multipurpose machines used for digging, trenching and material handling, ideal for construction sites.

BLX 75

Adheres to the new emission norms and comes with a more robust structure and a new chassis.

KEY HIGHLIGHTS OF THE YEAR

Steering Forward with Steady Progress

1

Total Income

₹ 11,558.5 crores

PBT before Exceptional Items

₹ 1,555.3 crores

Earnings per Share – Basic

₹ 113.77

Net Profit

₹ 1,250.9 crores

Note: The numbers including discontinued operation.

To gain deeper insights into the financial performance, please refer to the Financial Capital section on **Page 98**.

Tractors Produced

1,08,848 Units

Construction Equipment Produced

6,166 Units

Capacity utilisation of the Tractor Segment

~65%

Capacity utilisation of the Construction Equipment Segment

~60%

2

For a thorough understanding of the operational performance, kindly refer to the Manufactured Capital section on **Page 102**.

3

Water Consumption

308.70 ML

Energy Consumption

419.18 TJ

Scope 1 and 2 Emissions Intensity

4.92×10^{-7} tCO_2e/₹ Revenue

Scope 3 Emissions*

24,610.56 tCO_2e

CSR Spend

₹ 11.72 crores

For a comprehensive overview of the ESG highlights, please refer to the sections on Natural Capital and Social and Relationship Capital on **Pages 114 and 136**.

**from Category 3 (Fuel & Energy not included in Scope 1 & 2), Category 5 (Waste Generated in operations), Category 6 (Business Travel) & Category 7 (Employee Commute)*

OUR GROWTH STORY

Advancing with Eight Decades of Excellence

2020

- Strengthened the 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
- Launched the Rajan Nanda Innovation Lab (RNIL) to nurture new, promising, and disruptive business ideas
- Developed India's first hybrid tractor concept, hybrid backhoe loader concept and multi-utility rural transport vehicle concept

2021

- Established the advanced facility for Axle Mounted Disc Brake System
- Emerged as India's first Company to receive Budni Certification for its electric tractors
- Started the production of Kubota tractors
- Achieved Silver Level in IRIS certification for the Railway Equipment Business Division
- Introduced Bharat Stage (BS) IV-compliant tractors

2019

- Established India's first autonomous tractor concept
- Partnered with Kubota Corporation to develop value-oriented tractors that cater to farming requirements in India and global markets

2018

Declared the Vision 2022 roadmap to synchronise the transformational growth strategy for all businesses segments

2017

- Conceptualised India's first electric tractor, Farmtrac 26E, as part of the New Escorts Tractor Series (NETS) at Agritechnica, Germany
- Achieved IRIS certification to design, develop and manufacture railway components

1944

Mr. Yudi Nanda and Mr. H. P. Nanda laid the foundation of Escorts

1961

- Commenced with the production of Rajdoot motorcycles
- Listed successfully on the Bombay Stock Exchange (BSE)
- Initiated our journey with Indian Railways

1962

- Started manufacturing shock absorbers for passenger coaches in collaboration with Boge, Germany
- Kicked off producing tractors under our brand in collaboration with URSUS Poland

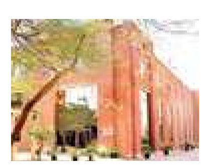
YYYY accounting year ended

1969
- Established a Training and Development Centre in Bengaluru, India
- Entered a joint venture (JV) with Ford Motors to manufacture tractors

1971
- Initiated the production of our construction equipment products
- Launched the concept of PnC cranes

1974
Debuted in export markets

1977
Established an independent R&D centre focussed on developing new technologies



1991
Listed successfully on the National Stock Exchange

1995
- Started the Farmtrac brand of tractors
- Discontinued the JV with Ford

1998
Introduced Powertrac brand of tractors

POWERTRAC
देश का # 1 किफ़ायती ट्रैक्टर

2004 -2011
Restructured Escorts for better efficiency and growth

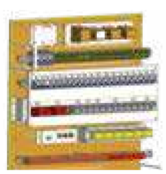
2012
Manufactured indigenous bogie-mounted brake systems for the Indian Railways

2015
Entered a JV with the Amul Group to produce speciality tractors (Steeltrac)

2016
Launched Escorts Skill Development Centre in Faridabad, Haryana

2022
Strengthened by the continued collaboration between Escorts Limited and Kubota Corporation, Escorts Limited became Escorts Kubota Limited

2023
Manufactured a microprocessor-based controlled locomotive brake system (EMCBS)



2024
Launched a captive finance company, Escorts Kubota Finance Limited (EKFL), to finance our Company's products and support the financial needs of our customers

2025
Merged Kubota Agricultural Machinery India Private Limited (KAI) and Escorts Kubota India Private Limited (EKI) with Escorts Kubota Limited (EKL)

INVESTMENT CASE

Harnessing Strengths for Sustained Leadership

EKL proudly possesses unmatched expertise in tractor and construction equipment manufacturing, enabling us to maintain a strong position in a competitive market. Our leadership stems from an unyielding commitment to quality and a clear, progressive approach to sustainability. This focus positions us as a global provider of bold, innovative solutions.

From a capability standpoint, we always seek to exceed our own benchmarks, consistently setting new standards of industry excellence.

Robust Market Standing

We are focussing on growing our share in the domestic tractor market, while broadening our reach by expanding dealer networks and enhancing financing options in emerging markets. The strategic partnership between Escorts and Kubota marks a significant milestone, reinforcing our position in the premium utility tractor segment and strengthening business endurance. This collaboration is set to drive revenue growth, diversify our market presence, and further strengthen our competitive advantage.

11.8%

Market Share in the Domestic Tractor Market

Diverse Revenue Portfolio

The construction equipment segment, alongside non-tractor sales, has significantly diversified and improved our revenue base, helping us navigate market fluctuations more effectively. Yet, our core tractor business continues to generate the bulk of our revenue.

Strong Financial Profile

Over the years, we have consistently kept our capital structure well balanced, positioning ourselves to seize new opportunities. As we continue to diversify our revenue streams and improve operational efficiency, we anticipate stronger cash accruals and reduction in leverage over the medium term. Additionally, our Company upholds a robust liquidity position, ensuring financial flexibility.

Reaffirmed Rating from CRISIL

CRISIL AA+/stable
Long-term

CRISIL A1+
Short-term

Long-term Growth Targets

Our Mid-Term Business Plan (MTBP) for 2028 defines our long-term growth ambitions with clarity. It charts a strategic course for the next five years. This plan highlights our commitment to innovation, operational efficiency, and diversification, all key areas that will drive revenue expansion and enhance profitability over the medium to long term.

Become a Global Hub for Kubota Corporation

Higher Operational Efficiency

Our operating margin has strengthened significantly over the years, fuelled by strategic cost reductions, improved operational efficiencies and the exit from non-profitable ventures. By maintaining a strong focus on cost management, value engineering, and optimising employee costs, we are well-positioned to further enhance our profitability.

11.6%
EBITDA Margin from Continuing Operations in FY 2024-25

4.93 x
Inventory Turnover Ratio in FY 2024-25

Driving Excellence across Diverse Frontiers

Our business segments are the driving forces that shape EKL's direction and propel its growth. Each plays a crucial role in powering our momentum.

The Agri Machinery division leads with innovative solutions, transforming India's agricultural sector with advanced equipment. Meanwhile, the Construction Equipment Business division supports the nation's infrastructure development with high-performance machinery for large-scale projects. Additionally, the non-tractor business divisions like Agri Solutions, Service & Spare Parts and Engine Business are on course to evolve into individual profit centres, bringing proper synergy with the core businesses.

Together, these segments act as catalysts for national progress, combining technology with a strong focus on advancement.

Construction Equipment

Revenue

₹ 1,730.1 crores

Contribution to EKL's Revenue

15.6%

Railway Equipment Business

Revenue

₹ 912.8 crores

Contribution to EKL's Revenue

8.2%

Agri Machinery

Revenue

₹ 8,447.2 crores

Contribution to EKL's Revenue

76.1%

BUSINESS

Agri Machinery

As a leading manufacturer of agricultural equipment, including Tractors, Engines and Agri Solutions, we have been at the forefront of transforming India's agriculture sector through our Agri Machinery products.

With an ideal blend of exceptional design, power, efficiency and low total cost of ownership, our equipment offers unmatched versatility, making it a popular choice across diverse customer segments.

The Big Picture

The tractor industry experienced a substantial 7.3% growth in FY 2024-25, reaching close to 9.4 Lakhs units, the second highest on record. Encouraging monsoon forecasts set the stage for a new milestone, with the sector likely to exceed 1 Million units in FY 2025-26. This growth highlights the sector's resilience and its pivotal role in driving agricultural progress. Considering these factors, our outlook remains confident, with ample scope for sustained expansion and success ahead.

Our Manufacturing Competencies

6
Plants for Tractor and Components

1,70,000
units per annum Total Tractor Production Capacity

~65%
Total Capacity Utilisation in FY 2024-25

1
Plant at Poland
(100% Subsidiary)

Our Product Portfolio

Tractors

Engines

Spare Parts

Agri Solutions

Segment Revenue Scorecard

₹ 8,447.2 crores
Revenue in FY 2024-25

₹ 7,897.4 crores
Revenue in FY 2023-24

7.0%
Y-o-Y Revenue Growth in FY 2024-25

Our Brand Portfolio

- Farmtrac
- Powertrac
- Steeltrac
- Farmpower
- Kubota

Way Forward

Our strategy focusses on two main priorities: product innovation and expanding our coverage. In Farmtrac, we have introduced the Promaxx series to boost growth and extend our presence in the western regions. The Promaxx series is expected to expand our product coverage and give delta volume. For Powertrac, we are strengthening our dealer network and providing financial support to enhance dealer capabilities. Furthermore, we aim to leverage digital platforms for brand building and lead generation and expand our dealer workforce to generate more enquiries and feet on street, driving long-term growth for both brands.

Unlocking New Opportunities for Sustained Growth

The merger of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited into Escorts Kubota Limited has been successfully completed. Following Kubota's proven global model, the division operates as distinct profit centres, including Engines, Agri Solutions, and Service & Spare Parts.

Agri Solutions Division

We have introduced the implements business as a new division, distinct from our core agri machinery division, which focusses on delivering essential products to ensure outstanding performance. Our agri solutions reach customers through our established tractor dealer network, further strengthening our market presence.

Our Product Portfolio

Rotavators

Straw Reaper

Super Seeder

MB Plough

Orchard Sprayer

Paddy Harvester

Rice Transplanter

New Launches

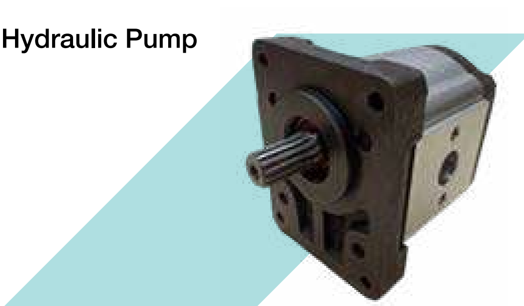
Kubota introduced its combined harvester with half-feed technology for the first time in India, enabling efficient harvesting of long-grain rice, along with improved straw and crop residue management, reducing up to two additional operations. Additionally, we launched the Kubota harvesting plough and new, safer balers in East and South India as part of our post-harvest solutions.

Service and Spare Parts Division

We have created the Service & Spare Parts vertical to provide customer service for the core business segments. This division is also responsible for spare part sales and warehousing, ensuring efficient operations and comprehensive support. The segment's role remains vital to our commitment to delivering superior customer satisfaction across all areas of our business.

Our Product Portfolio

Hydraulic Pump



Diesel Filter

Gear

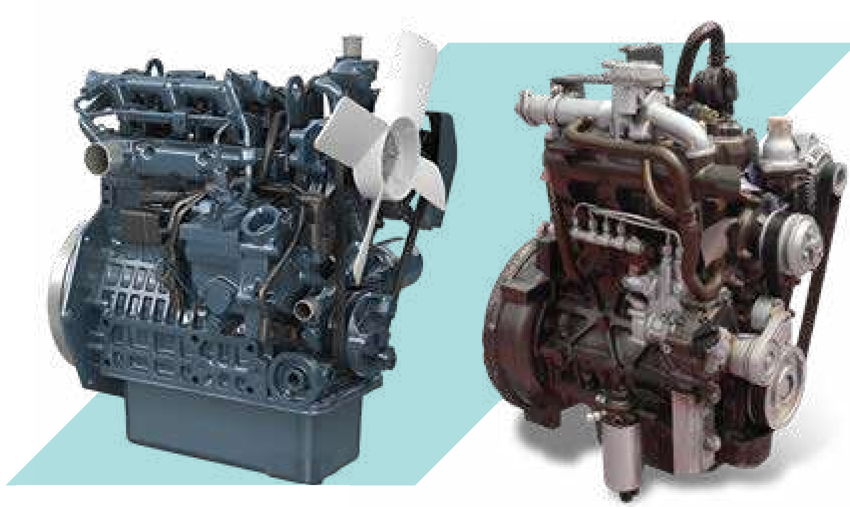
Parts and Lubricants

Engine Business Division

Since 2009, EKL has built a strong presence in the engine business, expanding its capacity to serve the agriculture and construction sectors. This growth has led us to actively pursue the power backup market. Our engines supplied to OEMs, co-branded under both the Escorts Kubota name and their own respected brands. As we continue to explore new opportunities, we are focusing on building a solid service network, particularly in markets like the Middle East and Africa, to further drive the global reach of the EKL engine brand.

Our Product Portfolio

Diesel Engines



BUSINESS

Construction Equipment

We are shaping the future of India's construction and infrastructure space with our world-class material handling, road-building, and earthmoving equipment.

Crafted to meet the dynamic needs of fast-growing sectors like mining, and real estate among others, our solutions empower progress and drive development to service the country's growing infrastructure requirements.

The Big Picture

With government capex at 3.5% of GDP and growing focus on roads, railways, housing, and ports, infrastructure investments are set to remain strong. These developments will drive sustained demand for construction equipment, especially in material handling, road building, and earthmoving, segments where we hold a 54% industry share. As one of the top three players by volume, we are well-placed to power India's infrastructure journey ahead.

Our Manufacturing Competencies

1 Plant
at Ballabhgarh, Haryana, India

~60%
Total Capacity Utilization in FY 2024-25

Facilities:
State-of-the-art manufacturing infrastructure comprising fabrication shop, shot blast and paint facilities and stores

Assembly line:
Dedicated assembly lines with a total capacity of
10,000 units per annum

Our Product Portfolio

Cranes

Vibratory Soil Compactors

Backhoe Loaders

Tandem Rollers

Mini Excavator

Segment Revenue Scorecard

₹ **1,730.1** crores

Revenue in FY 2024-25

₹ **1,818.2** crores

Revenue in FY 2023-24

(4.8)%

Y-o-Y Revenue Growth in FY 2024-25

BLX 75: A New Benchmark in Backhoe Loaders

BLX 75 is a ground-up innovation in construction equipment, built on an all-new modular platform, not just an upgrade of existing models. The model is designed to cater to both domestic and global markets, offering unmatched flexibility, efficiency and durability.

Key Highlights

- Modular Design
- Enhanced Cabin
- Optimised Performance
- Job-Site-Ready Metrics
- High Durability
- Customer-Centric

Way Forward

The construction equipment sector is poised for continued growth, driven by sustained infrastructure investments and evolving regulatory norms. We expect momentum to remain strong as we continue to outpace industry growth, supported by record volumes and early adoption of BS V technology. Moreover, our foray into the mini excavators segment is enabling us to serve new customer base. Alongside all these factors, our focus on agility and innovation positions us to lead in a rapidly shifting market environment.

MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR AND DEPUTY MANAGING DIRECTOR

Powering sustainable growth through deeper integration and shared excellence

We are proud to share that during the year, we successfully completed the merger of Kubota Agricultural Machinery India Pvt. Ltd. (KAI) and Escorts Kubota India Pvt. Ltd. (EKI) into Escorts Kubota Limited (EKL).

Dear Shareholders,

At Escorts Kubota Limited, we have always believed that true progress stems from strong foundations, purposeful collaboration, and a commitment to creating lasting value. Nearly three years ago, our integration with the Kubota Group marked a pivotal moment in our journey, bringing together Escorts' legacy of trust and engineering prowess with Kubota's global capabilities and future-facing innovation. The result: a unified, future-ready enterprise with a clear vision and a powerful sense of purpose.

Today, this powerful synergy continues to unlock new pathways for growth, transformation, and long-term societal value. Anchored in the spirit of 'On Your Side,' we remain persistent in our commitment to standing alongside our customers, employees, shareholders, partners, and communities. By understanding their aspirations, addressing their evolving needs, and delivering solutions that drive sustainable progress, we are shaping an organisation that is ready for tomorrow.

We are pleased to present our 79th Annual Report, an enduring testament to our commitment to delivering consistent value and our ongoing transformation into a Company that is trusted by society, admired by employees and positioned to serve both India and the world. The year 2024 marks a momentous milestone as we celebrate 80 years of Escorts Kubota, a journey shaped by resilience, innovation, and a deep commitment to nation-building. This anniversary is not merely a reflection of our past; it is a reaffirmation of our purpose and promise for the future.

It is a time to express gratitude to generations of customers, partners, and employees who have placed their trust in us, and to renew our resolve to drive prosperity and create lasting value in the decades ahead.

We are also proud to share that during the year, we successfully completed the merger of Kubota Agricultural Machinery India Pvt. Ltd. (KAI) and Escorts Kubota India Pvt. Ltd. (EKI) into Escorts Kubota Limited (EKL). This strategic consolidation, approved by the EKL Board and requisite regulatory authorities, marks a pivotal milestone in our evolution. By bringing our joint ventures under a single umbrella, we have embraced the spirit of 'One EKL', a unified entity geared towards greater agility, efficiency, and resilience.

This integration unlocks powerful operational synergies, streamlines our corporate structure, fortifies our business fundamentals, and strengthens our overall risk posture. Under the unified identity of One EKL, we are better positioned to accelerate innovation, broaden market access, and drive sustainable long-term growth across both the agriculture and construction equipment sectors. Our focus is persistent on delivering customer-centric solutions and building future-ready capabilities that generate enduring value for all stakeholders.

Strategic Synergy for a Global Edge

Our partnership with Kubota signifies a compelling convergence of complementary strengths bringing together Japan's hallmark precision, technological excellence, and process rigour with India's entrepreneurial agility, executional speed, and cost competitiveness. More than a cultural amalgamation, this collaboration reflects a deliberate and deeply strategic alignment that positions us at the intersection of innovation and efficiency.

In a world where Indian companies are increasingly competing on a global stage both domestically and internationally the need to deliver world-class quality at competitive costs has become a strategic imperative. This duality forms the bedrock of our approach, empowering us to design advanced, scalable solutions without compromising on the responsiveness and agility that define market leadership in today's dynamic environment.

At the heart of this Indo-Japanese alliance lies a shared commitment to co-creating value through close collaboration. Converging Japan's engineering depth with India's dynamic execution is a complex yet high-impact

> We remain focussed on expanding our shared service portfolio and reinforcing EKL's role as a centre of excellence.

endeavour that demands seamless integration across geographies and functions. From process design to real-world deployment, our cross-border teams of Indian and Japanese engineers are jointly developing technologies that are both future-ready and market-aligned. This spirit of partnership rooted in continuous learning and purposeful innovation fortifies our stakeholder relationships and enhances our ability to lead with resilience and intent in an increasingly competitive global landscape.

This year marked a significant milestone in strengthening the strategic integration between EKL and the Kubota Group. As Kubota advances toward becoming a world-leading brand, India and EKL in particular is poised to play a pivotal role in driving this global transformation. A key development in this journey was the establishment of shared service capabilities within EKL, especially in IT and R&D. Though these capabilities began at a modest scale, they lay the groundwork for a centralised support system designed to serve multiple Kubota entities worldwide. This evolution not only enhances operational efficiency and cost-effectiveness but also creates a scalable platform for innovation, collaboration, and accelerated speed-to-market. These shared services are designed to unlock group-wide synergies, accelerate product development, and improve our responsiveness to rapidly shifting global market needs. EKL's growing competence in this space positions us as a strategic enabler of Kubota's operational excellence and long-term competitiveness.

Looking ahead, we remain focussed on expanding our shared service portfolio and reinforcing EKL's role as a centre of excellence. Our ambition is to support Kubota's growth aspirations across geographies and firmly establish India as a strategic cornerstone in the Group's global vision.

The India Story

At Escorts Kubota, building for India is not merely a commitment, it is the purpose that propels every action we take. We are proud to be a key contributor to India's growth story, capitalising on the immense opportunities within the agriculture and construction sectors. In agriculture, the nation's focus on enhancing farm productivity and ensuring food security resonates strongly with our commitment to mechanisation. The Indian agricultural machinery market is poised for significant expansion, with projections indicating growth from USD 18.15 billion in 2025 to USD 27.29 billion by 2030, at a compound annual growth rate (CAGR) of 8.5% (Source: Mordor Intelligence). This strong growth trajectory is underpinned by the increasing adoption of advanced farming technologies. We are privileged to be at the forefront of this transformation, delivering solutions that enhance the productivity, profitability, and prosperity of Indian farmers.

Looking ahead to 2025, the Indian construction equipment industry is poised to play a pivotal role in driving the nation's economic progress. A strong alignment between government policies and industry needs, along with the rising adoption of sustainable and digital solutions, is expected to propel the sector forward. While challenges such as high capital costs and evolving environmental compliance frameworks persist, the immense opportunities created by infrastructure development, rapid urbanisation, and technological innovation far outweigh these obstacles. The sector is entering a transformative phase, with a strong growth trajectory that will define the next era of India's economic advancement. A supportive policy environment, together with the growing focus on sustainability and digitisation, is set to propel this transformation and unlock new frontiers for the construction equipment industry.

Realising this potential will require shared commitment from both the government and industry stakeholders. By working together with manufacturers, suppliers, contractors, and regulators, we can transform India's infrastructure landscape in a way that balances growth with responsibility.

At Escorts Kubota, we are fully aligned with the aspirations of India's future. By combining our technological expertise with a deep understanding of local market needs, we are empowering stakeholders across agriculture and construction to achieve new levels of innovation, productivity, and resilience. Our focus on mechanisation and excellence enables us to play a meaningful role in building a stronger, more resilient India for today and the future.

Creating Value for our Stakeholders

At Escorts Kubota, the spirit of 'On Your Side' remains the driving force behind every initiative we undertake. Through strategic collaborations, innovative solutions, and a relentless focus on excellence, we continue to create lasting value for all our stakeholders, today and for generations to come.

Customers: Delivering Sustainable Solutions for a Better Future

Our customers remain at the heart of everything we do. As we continue to build a future-ready organisation, we are committed to delivering innovative products and solutions that exceed expectations. Through initiatives like the launch of Escorts Kubota Finance Limited (EKFL), we have expanded access to tailored financing solutions, ensuring customers have the right support when they need it most.

Guided by the 'On Your Side' philosophy, we listen actively to our customers, understand their evolving needs, and offer solutions that empower them to succeed. We also continue to build knowledge and capability through programmes delivered by Escorts Kubota Advanced Farming Institute (EKAFI) and structured training for dealer sales teams. These initiatives help customers adopt modern practices, increase productivity, and navigate challenges with greater resilience.

Investors: Creating Long-term Value

We remain deeply committed to driving sustainable shareholder growth by strategically investing in high-potential sectors, fostering innovation, and maintaining a consistent dividend policy. Over the years, our market capitalisation has witnessed remarkable growth, rising from ₹ 600 crores as on March 31, 2013, to more than ₹ 36,300 crores as on March 31, 2025, reflecting a growth of approximately 60 times over the past 12 years. This strong performance reflects the strength of our strategic decisions, operational excellence, and commitment to delivering long-term value.

In line with our commitment to delivering enhanced value to our shareholders, the Board has declared an interim dividend of ₹10 per equity share (100% of face value) for the fiscal year 2024–25. Additionally, a final dividend of 180% has been recommended, amounting to ₹18 per equity share. With the interim dividend already paid, the total dividend payout for FY 2024-25 will amount to ₹ 28 per equity share (on a face value of ₹10 each), representing a 56% increase over the previous year. This significant increase reflects our appreciation for the continued trust and support of our shareholders. As we continue to drive innovation, maintain transparency, and invest strategically in future growth opportunities, we are confident in our ability to deliver sustainable and superior returns in the years to come.

Dealers: Empowering Growth and Profitability

We view our dealer partners as vital extensions of our brand and business. Their success is central to our own. By offering a wide portfolio under Kubota, Farmtrac, Powertrac, and other Escorts brands, we equip dealers to better address a diverse range of customer needs.

To strengthen their profitability and efficiency, we have introduced enhanced financing solutions,

> Our customers remain at the heart of everything we do. As we continue to build a future-ready organisation, we are committed to delivering innovative products and solutions that exceed expectations.

optimised inventory management, and streamlined working capital cycles. We continue to nurture both longstanding partners and new entrants—whether by providing structured growth opportunities to high performers or hands-on support to those just starting out. Recognising that profitability is the strongest motivator, we remain committed to ensuring that every dealer, regardless of scale or tenure, has the tools to grow sustainably.

Employees: Investing in Talent and Building a Stronger Future

Our people are our greatest strength, and we are committed to nurturing a high-performing and inclusive workforce, one that thrives in a culture of trust, respect, and continuous growth. This commitment has earned us recognition as a certified Great Place to Work by GPTW Institute, reflecting the strong people practices and positive environment we've built together.

The formation of One EKL marked a significant milestone in our journey. We ensured that the integration process of bringing two legacy organisations together was guided by empathy and a strong focus on people. Every team member was engaged throughout this seamless transition, underscoring our commitment to stability, trust, and shared growth.

Building on this foundation, our talent strategy in FY 2024–25 remained centered on developing internal talent, fostering inclusion, and preparing our workforce for global opportunities. Over 85% of key leadership roles were filled internally, reinforcing our belief in nurturing talent from within.

> We continue to prioritise employee well-being through comprehensive health coverage, maternity and parental benefits and flexible work options.

Simultaneously, targeted campus and lateral hiring brought fresh perspectives into critical areas such as R&D and IT shared services.

To strengthen engagement and work-life balance, we implemented a 5-day work week for all managers across organisation and structured onboarding and mentorship programme for campus hires. Our internal engagement score consistently remained above 80, reflecting a culture where people feel valued and empowered.

We continued to scale impactful learning platforms like Escorts Kubota Capability Advancement Program (EKCAP) for capability building and UDAAN for women's leadership development—both of which delivered measurable business outcomes. The Management Development Program with premium management institutes for senior management, along with cross-border learning opportunities with Kubota Japan, U.S.A., Europe and Thailand have further equipped our teams with global exposure and cultural intelligence. Our focus on diversity and inclusion has yielded tangible results, including 40%+ women among campus hires and improvement in overall gender diversity from 7.1% to 8%. Women-centric initiatives now span career development, wellness, and flexibility, providing holistic support.

We continue to prioritize employee well-being through comprehensive health coverage, maternity and parental benefits and flexible work options. Our strong safety framework, infrastructure accessibility, and regular POSH training reinforce a culture rooted in respect and care.

As one EKL, we move ahead with gratitude for the resilience of our people, the strength of our shared culture, and the opportunity to build a future where everyone thrives together. With our people always On Your Side, we remain committed to a workplace where trust, inclusivity and continuous growth empower every individual to rise.

Revisiting the Year Gone By

As we reflect on the year gone by, we are pleased to share the significant strides we have made towards strengthening our leadership position across the agri machinery and construction equipment sectors. Our commitment to innovation, operational excellence, and customer-centricity has been instrumental in achieving these milestones.

During FY 2024-25, EKL achieved a new milestone in financial performance from continued operations. Our highest ever standalone operating revenue reached ₹ 10,187.0 Crores, reflecting a 4.7% year-over-year increase. Our EBITDA grew by 4.0%. Net profit stood at ₹ 1,110.0 Crores with a PAT margin of 10.9%. We are thankful to all our customers, dealers, suppliers, employees and other stakeholders who contributed to helping us achieve current level.

Agri Machinery Business

The domestic tractor industry witnessed a strong recovery in FY 2024–25, recording 7.3% growth with total sales reaching ~9.40 Lakhs units. This performance brought the industry close to its all-time peak, reflecting a healthy rebound following the previous year's moderation. The growth was driven by favourable rabi and kharif seasons alongside improved terms of trade. Exports remained relatively stable, with a modest 1% increase.

Escorts Kubota's total tractor sales grew by 1 % year-on-year, reaching 115,554 units in FY 2024-25 compared to 114,396 units in the previous year. With the formation of One EKL, we have 3 powerful brands, Farmtrac, Powertrac and Kubota which have distinct and differentiated positioning in the market catering to 3 customer segments. Our Company is accelerating investments for strategically expanding product portfolio to cover all segments ranging from 'Value for money' to 'Premium'. A step in this direction is the launch of the Promaxx Series under the Farmtrac brand, offering advanced technology and versatility in the 31 to 50 HP range. This series targets key markets such as Gujarat, Maharashtra, Chhattisgarh, Odisha, and parts of Madhya Pradesh, addressing product gaps in this HP segment. The Promaxx Series is expected to contribute meaningfully to market share gains over the coming years. Our product development is closely aligned with the changing customer needs, such as, 4-wheel drive, higher comfort and ease in operation. Our plan for strengthening R&D for developing superior products for India and value innovative products for the world is progressing well. We have restructured our New Product Introduction Process by taking the best of Kubota and Escorts, Japan and India.

Non-Tractor Businesses

Non-tractor revenue streams continued to strengthen. Revenue from agri solutions, engines, service, and spare parts accounted for 20% of Agri Machinery revenue, up from 17% a year ago.

The strong performance in the Agri Solutions division was primarily driven by the success of our paddy-focused products, particularly harvesters and planters, along with sustained momentum in land preparation and mass implement segments. Encouraged by this robust growth, we are reinforcing our commitment to this sector through targeted investments in manufacturing capacity, product innovation, and solution development. In a pioneering move, Kubota introduced half-feed technology combined harvesters in India. This innovation enhances efficiency in harvesting long-grain rice while significantly improving straw and crop residue management, reducing at least two additional field operations for farmers. We also launched the Kubota harvesting plough commercially in East and South India, along with safer, next-generation balers in the southern region as part of our post-harvest solutions. Building on this momentum, we are set to roll out advanced precision planting solutions for paddy in the upcoming quarter.

The Services and Spare Parts business delivered a strong performance during the year, underscoring our commitment to enhancing the lifecycle value proposition for our customers and supporting the long-term sustainability of our core offerings. While the performance of the spare parts segment remains closely tied to the tractor business, we continued to drive operational efficiencies and improve service delivery across the board. A key step in this direction was our transition to a larger, more advanced central warehouse, a move designed to enhance productivity, streamline operations, and support future growth.

In the Engine Business, we strengthened our market presence through grassroots marketing efforts, active participation in local exhibitions, and strategic expansion of our dealer network. While brand visibility continues to grow, our consistent on-ground engagement and focused channel development have established a solid foundation for long-term growth.

Construction Equipment (CE) Business

In FY 2024–25, Escorts Kubota sold 6,484 construction equipment units, compared to 7,141 units in the previous year, reflecting a 9.2% decline in volumes amid market challenges.

Despite a mixed volume performance across products, we continued to invest in building a well-rounded and future-ready construction equipment portfolio. While Backhoe Loader (BHL) volumes declined by 17.5%, and Compactor volumes declined by ~29%, these movements reflect broader market conditions and transitional dynamics around regulatory compliance and product readiness. In line with evolving regulatory norms and sustainability priorities, we introduced Stage V emission-compliant products during the year, including an entry-level Hydra crane and the BLX 75 backhoe loader under the E-Kubota brand. While the adoption of Stage V products may create some near-term pricing adjustments and volume impacts in FY 2025-26, we are confident that government-led infrastructure investments will continue to unlock long-term growth opportunities in the construction equipment sector.

Railway Equipment Business (Discontinued Operations)

During the year, the Board approved the sale of the Railway Equipment Division as a going concern on a slump sale basis. This strategic decision followed a thorough review of our long-term priorities. With limited global presence, the division was identified as non-core. Its divestment allows the business to grow under more focused ownership while enabling us to sharpen our focus on core sectors, agriculture and construction equipment, where we see strong potential for leadership, innovation, and sustained growth.

Export Business Strategy

Our export strategy is a key pillar in reinforcing our global presence and capitalising on emerging opportunities in high-growth international markets. By leveraging Kubota's expansive distribution network, we are positioned to cater to the diverse needs of over 120 markets worldwide. Our strategic focus includes deepening penetration in high-potential regions while expanding further into Kubota's well-established markets like Mexico and Turkiye.

> By leveraging Kubota's expansive distribution network, we are positioned to cater to the diverse needs of over 120 markets worldwide.

Beyond scaling supply, our approach is centered on aligning product offerings with the distinct requirements of each region, with a strong emphasis on enhancing retail penetration.
In parallel, our compact tractor segment continues to demonstrate strong and consistent performance, reinforcing our ability to cater to diverse market needs. In FY 2024–25, we exported a total of 4,991 compact tractors, of which 70% units were in the sub-30 HP category. France remained a leading destination followed by Poland.

When compared to FY 2023–24, where compact tractor exports totaled 5,619 units, the performance in FY 2024-25 reflects a marginal decline in overall volumes but continued strength in key European markets especially France and Poland. This steady demand across France and Poland highlights our sustained relevance in mature European markets, particularly in the compact segment, and reaffirms our strategic focus on product-market alignment. As we scale our export operations, we remain deeply committed to refining our product portfolio, including compact and high-horsepower tractors to meet specific regional needs. This strategic direction reinforces our goal of positioning Escorts Kubota as a trusted global brand, grounded in innovation, quality, and customer-centricity.

Strategic Developments

In line with our long-term growth strategy, we took decisive steps during the year to strengthen our capabilities, expand our global footprint, and build a future-ready organisation.

We are pleased to share that Escorts Kubota Finance Limited (EKFL), a captive NBFC received its Certificate of Registration from the Reserve Bank of India (RBI). With operations set to scale fully in next 12-18 months, EKFL will significantly enhance our ability to offer customised financial solutions, empowering customers and strengthening our overall value proposition.

A key contributor to our philosophy of shared excellence has been the establishment of our dedicated components export hub. This strategic initiative enhances our integration with Kubota Group's global supply chain, enabling us to supply high-quality components more efficiently to international markets. By supporting global operations with Indian manufacturing strength, we are not only expanding our international footprint but also fostering greater collaboration, value creation, and mutual growth across borders.

Powering Manufacturing Excellence

We continued to drive manufacturing excellence across our tractor and crane portfolios during the year.

In our tractor manufacturing operations, we focussed on enhancing production efficiency through automation and the modernisation of assembly lines. This has enabled us to deliver high-end, compact, and safe models with enhanced performance, durability, and overall product quality. By integrating design-for-manufacture principles, we are optimising material usage, reducing costs, and elevating manufacturing standards.

In the construction equipment segment, we are making significant strides towards the development of safer, higher-reach models equipped with advanced performance features and elevated safety standards. Our strategic focus is on optimising material costs, refining production techniques, and leveraging precision manufacturing to enhance operational efficiency. This approach enables us to achieve superior throughput while maintaining consistent, high-quality standards across all our construction equipment. By continuously improving these aspects, we are positioning ourselves to meet the evolving demands of the market and deliver reliable, high-performance machinery that aligns with industry needs.

To support our expanding portfolio, we are reinforcing our service and spare parts logistics network, minimising equipment downtime and ensuring swift, reliable access to critical components. In parallel, we are investing in operator training programmes aimed at enhancing the effective use of our machinery, enabling customers to maximise performance and extract greater value from their investments. Together, these initiatives underscore our continued focus on manufacturing excellence, service reliability, and superior customer satisfaction.

Transforming Customer Experience through Digital Innovation

We are enhancing customer engagement and operational efficiency through strategic digital innovations. Several digital platforms have been introduced to support our ecosystem: the HumDum Plus App for customers, the Seva Chakra App for dealers, and the HumDum App for distributors, retailers, and local mechanics. These tools provide features like real-time tractor tracking, service reminders, ticket management, and instant feedback, enabling quicker and more effective service resolution.

To meet the growing demand for skilled technicians, we have built a comprehensive digital training ecosystem. This includes interactive e-learning modules and instructor-led sessions designed to improve knowledge retention. Our network of training centers across India, anchored by our flagship facility in Bengaluru, operates in partnership with government agencies to deliver advanced skill development, ensuring high-quality, responsive service that meets our customers' evolving needs.

Reinforcing Our Capital Allocation Strategy

Our capital allocation philosophy remains clear and compelling: deploying resources strategically where they create maximum value, innovate with intent and ambition, and deliver consistent returns to our stakeholders. With this approach, we are not just expanding capacity, we are shaping the next chapter of Escorts Kubota's journey, built on strength, resilience, and shared progress.

We have earmarked ₹ 400 crores in capital expenditure for the year ahead. Majority of this investment is dedicated to new product development, strengthening our innovation pipeline

We are reinforcing our service and spare parts logistics network, minimising equipment downtime and ensuring swift, reliable access to critical components.

across agriculture and construction equipment. The remaining is allocated towards enhancing and modernising our manufacturing capabilities to ensure we remain at the forefront of quality, safety, and efficiency.

We are embarking on one of the most transformative initiatives in our journey, a significant greenfield expansion that will unfold over the coming years in carefully planned phases. The upcoming greenfield facility marks a major step forward in expanding our production capabilities, especially for high-horsepower tractors that are seeing rising demand across Europe. More than a capacity enhancement, this strategic investment reflects our ambition to transform operations and reinforce our industry leadership. With early groundwork already underway and strong institutional support backing the vision, this initiative is poised to play a pivotal role in strengthening our leadership, driving breakthrough innovation, and unlocking long-term value. As we move into FY 2025-26, we are ready to embrace a new era defined by purposeful investment, innovation-led growth, and a renewed commitment to excellence.

Environmental Stewardship and Community Empowerment

At Escorts Kubota, we believe that growth finds its true purpose only when it uplifts communities and contributes meaningfully to a sustainable future. Over the past year, we have further strengthened our commitment to environmental stewardship through focused initiatives that reflect our deep sense of responsibility towards the planet.

We have made substantial investments in the upgradation of effluent treatment plants and rainwater harvesting systems across our operations, critical steps towards responsible resource management are aligned with our long-term environmental objectives. While many of these initiatives were launched last year, several are currently underway and are expected to reach completion in the current financial year. For us, these are not merely compliance requirements, but deliberate investments in a greener, cleaner tomorrow.

Our broader CSR philosophy is rooted in the belief that businesses must act as catalysts for positive societal transformation. At Escorts Kubota, we are committed to fostering inclusive and sustainable development through initiatives that drive agricultural transformation, environmental stewardship, and community empowerment—especially for women and marginalised groups.

A key pillar of our commitment is the Escorts Kubota Advanced Farming Institute, aimed at building a resilient agricultural ecosystem. This institute focuses on enhancing farmers' capabilities by promoting

scientific and sustainable farming practices and facilitating access to advanced technologies. It stands as a testament to our long-term vision of uplifting farming communities through knowledge and innovation.

In response to the urgent challenge of climate change, our Swachh Akaash (Clean Skies) Initiative is a pioneering program designed to empower grassroots women farmers in Gujarat. Through targeted skill development and entrepreneurship training, the initiative equips vulnerable women to mitigate, adapt, and build resilience against climate-induced risks—helping transform adversity into opportunity.

Our commitment to community development extends further through educational and environmental initiatives. We have worked to strengthen the infrastructure of government primary schools and provide soft skills training for young women from underserved communities in Haryana, initiatives that aim to equip the next generation with tools for a better future. Additionally, as part of our environmental stewardship, we have rejuvenated a wastewater pond in Sadpura village, Faridabad, and carried out tree plantation drives to restore the local micro-climate, benefiting both the ecosystem and the wider community.

As we look ahead, we are committed to deepening our ESG journey - embedding sustainability, inclusion, and responsibility into every layer of our operations. Our focus remains on scaling our initiatives, evolving with the needs of society, and contributing meaningfully to a resilient and better future for all.

Closing Note

As we look ahead, our strategic priorities will focus on accelerating growth and expanding margins by introducing new products built on efficient and smart design principles. Strengthening our channel ecosystem and expanding our product portfolio remain key to deepening market presence. A significant thrust will be on identifying and entering white space opportunities across our businesses, unlocking new avenues for innovation and future-ready offerings.

Guided by this agenda, we are committed to harmonising global best practices with deep local insights, scaling innovation, and driving excellence across every facet of our operations. Our overarching strategy is anchored in sustainable growth, powered by advancements in technology, expanded manufacturing capacity, a stronger farmer connect, and a deep integration of environmental, social, and governance (ESG) principles into the fabric of our business.

Stronger integration with customers, partners, and teams will further enable us to deliver smarter solutions faster, enhance competitiveness, and build a more agile, resilient organisation.

As India transforms, Escorts Kubota is proud to be a catalyst for rural prosperity, infrastructure development, and a greener, more inclusive future.

As we turn the page to a new chapter, we express our heartfelt gratitude to all our stakeholders. Together, we are not only strengthening Escorts Kubota, but also shaping a future built on impact, resilience and shared success.

Best Regards,

Nikhil Nanda
Chairman & Managing Director

Seiji Fukuoka
Deputy Managing Director

MESSAGE FROM WHOLE-TIME DIRECTOR & CHIEF FINANCIAL OFFICER

Creating Value through Strategic Focus

We also completed the merger of Kubota Agricultural Machinery India Pvt Ltd. (KAI) and Escorts Kubota India Pvt Ltd. (EKI) into a unified entity.

Dear Shareholders,

I feel honoured to present an update on the performance of our Company for the financial year 2024-25, alongside key initiatives that will shape our future.

We advanced steadily across both financial and operational metrics. Standalone revenue from continuing operations reached ₹ 10,187.0 crores, marking a 4.7% increase from last year. EBITDA from continuing operations stood at ₹ 1,177.8 crores, delivering an EBITDA margin of 11.6%. Net profit from continuing operations grew 17.1% year-on-year, to ₹ 1,110.0 crores. Including discontinued operations, net profit rose by 15.7% to ₹ 1,250.9 crores. These results reaffirm the resilience of our core businesses and the effectiveness of our strategy amid a constantly evolving landscape. Our capital efficiency metrics further validate our disciplined financial approach. Return on Capital Employed (ROCE) at 15.0%, driven by targeted investments in high-growth areas and better asset utilisation. Return on Equity (ROE) stood at a strong 12.6%, reflecting our focus on sustainable value creation for shareholders while preserving a prudent capital structure.

India’s Total tractor industry grew 6.7%, touching near-record volumes of over 10.3 lakhs units. Amid this progress, EKL recorded stable performance with tractor volumes increasing by 1% to 115,554 units, as the market rebounded from earlier softness. A notable highlight was the launch of the Promaxx Series, comprising advanced 30-50 HP tractors designed for growth markets such as Gujarat, Maharashtra, and Odisha. This range strengthens our presence in the 37–47 HP category and aligns with evolving customer needs.

Our non-tractor divisions gained further traction. Revenue from services, spare parts, agri solutions, and engines contributed 20% of Agri Machinery Segment Revenue an increase of 3% as that of last fiscal within the Agri Machinery segment, underscoring our focus on lifecycle value creation.

In the Construction Equipment business, EKL sold 6,484 units in FY 2024-25 against 7,141 last year. The division's revenue came to ₹ 1,730.1 crores, and EBIT margins improved to 9.9%.

The launch of Stage V emission-compliant products, including the new Hydra crane and BLX 75 backhoe loader under the E-Kubota brand, marks our commitment to ensuring regulatory alignment and sustainable engineering. While a short-term market correction is anticipated, we remain optimistic, supported by the government's initiatives around infrastructure development.

The Railway Equipment Division total revenue came at ₹ 912.8 crores as against ₹ 950.4 Crore in last fiscal. Despite a strong order book approx ₹ 900 crores (excluding BMBS). However, we identified this business as non-core. The Board has approved its divestment via a slump sale to focus resources and capital on agriculture and construction equipment business, our key growth areas.

We continued to lay important groundwork for future growth this year. The RBI approved NBFC registration of Escorts Kubota Finance Limited (EKFL), a captive finance company, expected to launch full-scale operations over next 12-18 months. EKFL will offer customer-centric financing solutions to further support our product ecosystem. We also completed the merger of Kubota Agricultural Machinery India Pvt Ltd. (KAI) and Escorts Kubota India Pvt Ltd. (EKI) into a unified entity, EKL, streamlining structure and enabling operational synergies for improved agility.

In line with our ongoing commitment to enhancing shareholder value, we are pleased to share that our Board has declared an interim dividend of ₹10 per equity share, representing 100% of the face value, for FY 2024-25. This declaration highlights our strong financial performance and reinforces our dedication to rewarding our investors. The Board has recommended a final dividend of 180% for FY 2024-25, equivalent to ₹ 18 per equity share. With the interim dividend already paid, the total payout for FY 2024-25 will amount to ₹ 28 per equity share (face value of ₹ 10/- each), representing an increase of 56% compared to the previous year.

To accelerate our growth agenda, we have earmarked ₹ 350-400 crores in capex for FY 2025-26, of which a major portion will fund new product development and the remainder will support manufacturing modernisation. In parallel, we have initiated exploring site for greenfield manufacturing facility near Jewar Airport in Uttar Pradesh. This multi-phase facility will significantly expand our capacity and global competitiveness. Through these focussed investments, our capital deployment remains firmly aligned with strategic priorities, innovation-led growth, and disciplined value creation.

At EKL, ‘On Your Side’ reflects our core ethos. It defines how we build, serve, and connect. It is how we stay true to our customers, dealers, suppliers, communities, employees and shareholders. Every interaction reflects our promise to be a reliable partner.

Our culture of continuous learning, innovation, and care enables us to stay relevant and future ready. Deeper collaboration with suppliers, channel partners, and ecosystem players has reinforced our growth architecture. At the same time, we remain firmly anchored in our sustainability journey by reducing water consumption, improving waste recycling, and scaling up renewable energy usage across operations.

Looking ahead, we remain focused on disciplined execution, digital and engineering excellence, and building a sharper, more scalable EKL. I thank all our stakeholders for their continued trust and support. Together, we are building a strong and future-ready enterprise poised for long-term success.

Best Regards,

Bharat Madan
Whole-Time Director
& Chief Financial Officer

GOVERNANCE

Championing Transparency in Practices

At EKL, good governance is a fundamental organisational imperative. Guided by our values, we honour the trust placed in us by upholding ethics, transparency, and accountability in every decision we take.

In a dynamic regulatory space, our governance practices are designed to go beyond compliance and create lasting value for our shareholders, customers, employees and communities.

Building on a Robust Governance Framework

EKL's governance system is shaped by global benchmarks and aligned with best-in-class practices. It rests on four foundational pillars that ensure responsiveness, oversight, and resilience:

Shareholder Empowerment

We maintain transparent, timely, and consistent communication to foster informed shareholder engagement.

Board Synergy

Our Management and Board works in tandem, combining strategic foresight with operational oversight.

Performance-Linked Remuneration

We reward employee contributions through a meritocratic system, while driving alignment with Company goals.

Transparent Disclosures

We reinforce accountability through proactive reporting of key metrics and material developments.

A Philosophy Rooted in Responsibility

Our governance philosophy goes beyond mere compliance. It embodies our larger purpose: to act in the best interests of our stakeholders, support national priorities, and contribute meaningfully to economic and societal progress. The foundation of our governance charter rests on:

- A comprehensive policy ecosystem that safeguards ethical behaviour, ensures regulatory compliance, and fosters inclusive practices.
- A commitment to continuous benchmarking, helping us evolve with regulatory shifts and stakeholder expectations.

The Key Policies of the Company, mentioned in the Corporate Governance Report ensure transparency, integrity, and adherence to the highest governance standards, thereby facilitating continuous evaluation and benchmarking to drive excellence in governance practices.

Ethical Conduct at EKL

Integrity is a core aspect of our operations. We embed high ethical standards across all levels through our Code of Conduct, ensuring employees, management, and partners align with these values. Through this commitment, we create a culture defined by fairness, transparency, and accountability. To this end, we focus on:

- Compliance and Integrity: We prioritise compliance as a pledge to uphold what is right, empowering employees to make ethical decisions at every level.
- Whistleblower Protection: Our Whistleblower Policy ensures employees can confidentially report misconduct without fear of retaliation, reinforcing a culture of transparency.
- Regulatory Stewardship: Beyond legal obligations, we actively pursue international standards and best practices, ensuring our business activities contribute positively to society and the environment.

Our ethical framework underpins everything we do, promoting long-term success and building trust with stakeholders.

Board Oversight and Strategic Execution

Our Board of Directors plays a vital role in providing both strategic guidance and robust oversight, ensuring the alignment of corporate actions with our Company's long-term vision and ethical principles. The Board's role transcends approving financial plans; it ensures that our actions are consistent with the highest standards of governance, risk management, and accountability.

Key Responsibilities of the Board include:

Approving the annual operating and capital budgets, ensuring alignment with business goals and market conditions.	Reviewing our Company's performance against approved budgets, addressing deviations, and recommending corrective actions.
Scheduling Board and Committee meetings with options for both in-person and video conference attendance.	Distributing meeting minutes within the statutory time limit seeking their comments thereof.
Ensuring compliance with regulatory requirements, the Board oversees EKL's overall risk management.	Providing regular updates on performance, risks, and challenges to the Board for informed decision-making.

In essence, the Board's oversight ensures that we operate with integrity, accountability, and strategic clarity, ensuring our Company's long-term development and sustainable growth.

Tax Transparency at EKL

At EKL, we embed tax fairness, responsibility, and transparency into everything we do. Our Tax Transparency Policy reflects our commitment to complying with local and global regulations, ensuring our contributions are made responsibly, while maintaining our competitive edge in the market. Moreover, by aligning with globally recognised frameworks such as the OECD guidelines, particularly around transfer pricing and the arm's length principle, we prioritise openness and accountability in our tax practices.

Our Tax Transparency Approach

Our Tax Transparency Policy forms the foundation of how we manage our tax obligations. It guides us in conducting tax-related activities in a compliant and competitive manner. Through clear and honest communication, we aim to build trust with stakeholders, enhance ethical standards, and create value for everyone involved.

Our Core Tax Principles

Our Company follows a set of guiding tax principles to ensure that we operate with integrity:

Compliance	We consistently adhere to the tax laws of each jurisdiction in which we operate, ensuring timely and accurate payments.
Transparency	We prioritise open communication regarding our tax strategies and total contributions, ensuring stakeholders have access to clear, detailed information.
Responsibility	We acknowledge our responsibility to integrate environmental and social factors into our tax practices, creating long-term value for our stakeholders.
Transfer Pricing	We follow the 'arm's length' principle in our transfer pricing practices, ensuring taxes are paid where value is created in our business.
Relationship with Tax Authorities	EKL strives to maintain constructive, transparent relationships with tax authorities, ensuring smooth cooperation and transparency during audits.
Accountability and Governance	We uphold a robust governance framework, providing employees with the training and channels to report concerns. Updates on tax compliance are regularly shared with the Whole-Time Director & CFO.

Strong Governance in Tax Management

We take pride in a governance framework that places transparency at the core of our tax affairs. Our commitment to ethical tax conduct runs deep, upheld by the highest standards. A dedicated Tax Team works hand in hand with our business units to develop and implement tax strategies, which are reviewed by our senior management to ensure alignment with our business objectives.

We strictly prohibit tax evasion, in full alignment with our Code of Conduct. Our Tax Transparency Policy defines the roles and responsibilities for tax compliance across the organisation and is subject to regular reviews and approvals by the Board of Directors. Additionally, any matters related to tax litigation are disclosed to the Board on a quarterly basis for their review and input.

Related Party Transactions and Transfer Pricing

EKL ensures that all related party transactions are conducted in line with the arm's length principle, adhering to prevailing transfer pricing regulations. Also, we are committed to maintaining fairness and transparency in all our business dealings, promoting accountability across the organisation.

Managing and Mitigating Tax Risks

Our tax risk management is rooted in strong internal controls and proactive oversight. We actively identify and mitigate risks arising from regulatory shifts or changes in business direction. The practices below shape our risk management approach:

Risk Assessment: We continuously evaluate the impact of potential changes in tax laws, business activities, and compliance requirements.

Self-Assessment: Our tax function regularly assesses internal tax compliance, identifying potential issues and areas for improvement.

Resource Management: We allocate appropriate resources to manage tax risks effectively and ensure compliance across all jurisdictions.

Industry Benchmarking: We track industry practices closely to stay ahead of evolving tax regulations and compliance requirements and adopt best practices to uphold our high standards.

Our tax experts vigilantly monitor risks and advise on effective control measures. In addition, we structure our business activities to mitigate risks, seek necessary approvals from tax authorities, and enforce robust data and governance controls.

Tax Transparency Report

Our Tax Transparency Report for the period from April 1, 2024, to March 31, 2025, provides a detailed breakdown of EKL's tax contributions. All financial data is presented in Indian Rupees (₹).

Reporting Methodology

We report tax contributions on an accrual basis unless otherwise specified. The methodology used to prepare our report is detailed below:

Direct Contributions

Direct Tax: Includes Corporate Income Tax, charged directly to 'Other Equity.'

Other Taxes and Charges: Covers municipal taxes, stamp duties, and water charges/cess/taxes.

Indirect Taxes: Represents the gross indirect tax liability payable to the government, excluding taxes paid to vendors. These figures are derived from various statutory forms and returns submitted to the relevant authorities.

Indirect Contributions

Our indirect contributions include withholding taxes collected from vendors, dealers, customers, and employees, as well as payroll taxes. These are documented through statutory forms, returns, and challans filed with the relevant government bodies.

Other Contributions

In addition to taxes, our Company makes contributions to social security programmes, including the provident fund, employee pension scheme, and employee state insurance. These contributions are reported according to the prescribed forms and returns required by relevant statutory bodies.

Contributions to Government and Tax Classifications

EKL's government contributions encompass both direct and indirect taxes. Direct taxes cover our goods and services. Indirect taxes involve amounts collected on behalf of stakeholders, including withholding and payroll taxes. Additionally, we make other contributions related to employee welfare schemes, such as the provident fund and pension fund.

We classify taxes under Direct Contributions and Indirect Contributions, based on their nature and payment mechanisms, ensuring clarity and transparency in how we manage our tax obligations. This categorisation allows us to maintain ethical practices and align with global standards in tax reporting.

Tax Contributions

Tax Category	Tax Contribution (in ₹ crores)
Direct Contribution	
Corporate Income Tax (including Surcharge and Cess)	321.92
Other Taxes and Charges	
Stamp Duty	0.03
Property/Municipal Taxes	0.47
Water Charges, Including Water Cess and Water Tax, as Applicable	0.52
Indirect Taxes	
Goods and Services Tax	2,012.65
Customs Duties	32.55
Indirect Contribution	
Withholding and Payroll Taxes	
Withholding Taxes from Vendors, Customers, Dealers and Shareholders	74.81
Tax Collected at Source for Sales to Customers	13.11
Withholding Taxes from Employees/Payroll Taxes	98.33
Professional Taxes	0.15
Other Contribution	
Provident Fund (PF)	21.22
Employee Pension Scheme	7.61
Employee State Insurance	0.51
National Pension Scheme	2.11
Deposit-Linked Insurance	0.56
Contribution to Welfare Commissioner	0.09

BOARD OF DIRECTORS

Shaping Oversight with Expertise

We place utmost importance on ensuring effective governance to build an enduring and responsible organisation. Our 18-member Board of Directors plays a pivotal role in steering EKL towards its strategic objectives while safeguarding the interests of all stakeholders.

Operating within a robust governance framework, the Board oversees regulatory compliance, upholds ethical standards, and maintains oversight of critical matters like risk, sustainability, and organisational integrity.

We appoint Directors based on defined criteria that emphasise domain expertise, diversity, and alignment with our governance principles. The Board's composition reflects mandated gender diversity and continues to evolve through regular evaluation and refinement.

Mr. Nikhil Nanda
Chairman & Managing Director
C M

Mr. Hardeep Singh
Non-Executive Director
C M M M

Ms. Nitasha Nanda
Whole-Time Director
C

Mr. Sunil Kant Munjal
Independent Director
M M

Ms. Tanya Dubash
Independent Director
M M

Mr. Harish N. Salve
Independent Director

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

C Chairman M Member

Mr. Dai Watanabe
Non-Executive Director

M

Mr. Seiji Fukuoka
Deputy Managing Director

M M

Mr. Ravindra Chandra Bhargava
Independent Director

M

Mr. Vimal Bhandari
Independent Director

C C M

Ms. Reema Rameshchandra Nanavaty
Independent Director

M

Mr. Yasukazu Kamada
Non-Executive Director

Mr. Manish Sharma
Independent Director

M

Mr. Bharat Madan
Whole-Time Director & Chief Financial Officer

M

Dr. Rupinder Singh Sodhi
Independent Director

M M M

Mr. Shingo Hanada
Non-Executive Director

Mr. Nobushige Ichikawa
Non-Executive Director

Mr. Kinji Saito
Independent Director

Mr. Nikhil Nanda
Chairman & Managing Director

Mr. Nanda has led the transformative journey of our Company to profitable growth and global reach through innovation, strategic planning, and technological collaborations. He has played a central role in leveraging EKL's inherent capabilities to strengthen our position as a company dedicated to frugal engineering.

Under his leadership, Escorts Limited has strengthened its partnership with Kubota Corporation by institutionalizing Escorts Kubota Limited. Kubota Corporation Japan, as part of their recent acquisition of an equity stake in the Company, resulting in them becoming a joint promoter in the Company. They have agreed with Mr. Nanda to avail his experience and expertise for expanding their agri-based business in India and globally for the manufacture of tractors and to provide him with the honorary positions of Senior Managing Executive Officer and General Manager of Value-Innovative Farm and Industrial Machinery Strategy and Operations at 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; the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Young Presidents Organisation (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 the prestigious recognition of 'Best CEO Auto & Auto Ancillaries' by Business Today for October 2019-September 2020 period. He holds a Baccalaureate Degree in Bachelor of Business Administration from The Wharton Business School, University of Pennsylvania, class of 1995.

Mr. Hardeep Singh
Non-Executive Director

Mr. Singh has rich experience of holding top managerial positions in leading Indian and foreign companies. Mr. Singh has formerly served as - Executive Chairman of Cargill South Asia / Amalgamated Plantations (a Tata Enterprise)/ Non-Executive Chairman of HSBC Invest Direct India Limited. He has served as Chairman of the Monitoring Committee on Minimum Support Price constituted by the Planning Commission, Govt. of India. He has been a member of the National Council of CII and the National Committee for Agriculture of FICCI. He has also been an invited speaker at the World Bank, US Department of Agriculture Global Summit, International Food Policy Research Institute (IFPRI) in Washington DC, Imperial College in the UK and the Indian Institute of Management (IIM), Ahmedabad. Mr. Singh is a graduate in economics from Pune University and an alumnus of the 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 Honors 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 heads the CSR Committee of the Board at EKL, which also monitors ESG development goals, and is a member of the Investment Committee.

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 bicyclemaker 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 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 in digital learning, community transportation, healthcare, women's 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 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, was a member of the Prime Minister's Council on Trade & Industry and was on the 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 SanskritikSamagam, 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: Rockman Industries Limited, Hero Steels Limited.

Ms. Tanya Dubash
Independent Director

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

She 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 a member of the Brown India Advisory Council and on the Watson Institute Board of Overseers. She was recognized by the World Economic Forum as a Young Global Leader in 2007. She is an 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. Mr. Salve 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 has been appointed as King's Counsel (KC) for the courts of England and Wales.

Mr. Salve has appeared as counsel, as well as appointed as an arbitrator in a number of international arbitrations.

Mr. Dai Watanabe
Non-Executive Director

Mr. Dai Watanabe is the Director and Senior Managing Executive Officer and General Manager of the 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. He graduated in 1984 from the Department of Economics at Kyoto University. He did his MBA from Kobe University in 1995.

Mr. Seiji Fukuoka
Deputy Managing Director

Mr. Seiji Fukuoka entered the Kubota Corporation in 1993 and has been working for Kubota for almost 30 years in various business divisions in Japan. In the period 2018- 2021, he was a General Manager of the Tractor Business Administration and Control Department and was transferred to Escorts Kubota Limited in 2022.

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 reinducted to the Board in 2003 when our 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 Boards of other educational institutions. Mr. Bhargava was awarded the Padma Bhushan in 2016. In November 2011, the Emperor of Japan conferred Mr. Bhargava with the 'Order of the Rising Sun Gold and Silver Star'. He has been accorded a Lifetime Award for Management by the Economic Times and the All India Management Association. Mr. Bhargava is the recipient of the Forbes India Leadership Award for Lifetime Achievement.

Mr. Vimal Bhandari
Independent Director

Mr. Vimal Bhandari is an accomplished, dedicated, and focused professional with over 38 years of experience 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 a Chartered Accountant from the Institute of Chartered Accountants of India.

Ms. Reema Nanavaty
Independent Director

Ms. Nanavaty has been working with the SEWA for over 38 years expanding its membership to over 2.1 Million members, making it the single largest union of informal sector women workers.

Ms. Reema oversees 4,813 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 43 years in various management positions in Japan and the United States. He currently resides in Europe.

In the period 2017- 2021, he was the Managing Executive Officer and General Manager of the Engine Division and since January 2022, he has held the positions of President of Kubota Holdings Europe B.V. and Chairman of implement manufacturer Kverneland AS in Europe. He is based in Amsterdam, the Netherlands.

Mr. Manish Sharma
Independent Director

Mr. Manish Sharma has extensive professional experience of over 28 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. Mr. Sharma was appointed as the youngest Executive Officer of Panasonic Corporation and has played an active role in group-wide strategic affairs. He currently chairs the board for Panasonic India.

Mr. Bharat Madan
Whole-time Director and Chief Financial Officer

Mr. Bharat Madan, a fellow Chartered Accountant by qualification of the 1988 batch, has over 37 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 Investor Relations functions. Mr. Madan has been a core member of various Management Committees. He has also played a key role in various strategic initiatives involving multiple M&A and business restructuring transactions, including a partnership with Kubota Corporation, Japan. His previous assignments include his 14-year stint as Financial Controller, designated as Associate Vice President – Finance with Electrolux Kelvinator Limited, Jt Finance Controller with Spectrum Paints, and Vishwanath Singh & Associates.

Dr. Rupinder Singh Sodhi
Independent Director

Dr. Rupinder Singh Sodhi is the President of the Indian Dairy Association (IDA) and has 41 years of rich experience in leading & developing the cooperative sector within Indian Dairy Industry, having served dairy farmers in several capacities. He was the Managing Director of Gujarat Cooperative Milk Marketing Federation Ltd. (AMUL), from 2010-2023. Dr. Sodhi is the Board Member of the International Dairy Federation (IDF). He is also the Chairperson of National Institute of Food Technology Entrepreneurship and Management (NIFTEM).

Mr. Shingo Hanada
Non-Executive Director

Mr. Shingo Hanada, aged about 61 years, is a Bachelor of department of law, Tohoku University. He entered Kubota Corporation, Japan in 1989 and has been working for Kubota for almost 35 years in various management positions in Japan. In the year 2019, he has become the Senior Executive Officer of Kubota Corporation and General Manager of Outdoor Power Equipment Division. At present, he is Director and Senior Managing Executive Officer of Kubota Corporation, General Manager of Farm and Industrial Machinery Strategy and Operations Headquarters, Deputy General Manager of Planning and Control Headquarters and Deputy General Manager of Innovation Center.

Mr. Nobushige Ichikawa
Non-Executive Director

Mr. Nobushige Ichikawa aged about 59 years, Post Graduate in Master of Science and Engineering, Tokyo Institute of Technology. He entered Kubota Corporation in 1990, and has been working for Kubota for almost 35 years in various management positions in Japan. In the year 2018 he has entered in Farm Machinery Engineering Europe Dept and at present, he is Managing Executive Officer of Kubota Corporation, General Manager of Tractor Division, General Manager of Tractor Engineering Management Unit and Deputy General Manager of Research and Development Headquarters.

Mr. Kinji Saito
Independent Director

Mr. Kinji Saito aged about 66 years is Bachelor of Economics from Hiroshima University School of Economics. He joined Suzuki Motor Corporation in 1981 and has been working for Suzuki for almost 43 years in various management positions. He has versatile experience in his field and in the year 2022, he became the Director & Senior Managing Officer, responsible for Global Automobile Marketing, Officer in charge of Global Automobile Marketing, Marine Operations and Motorcycle Operations in Suzuki Motor Corporation.

He is currently holding the position of Councilor, Chief Global Marketing at Suzuki Motor Corporation. He is based in Japan.

LEADERSHIP TEAM

Steering Strategic Growth with Insightful Perspective

Our leadership team has played an instrumental role in shaping EKL's journey of growth and transformation. Drawing on deep industry insight and sharp execution, they have channelled our core strengths to meet shifting market needs, advance our technological edge, and deliver steady value across agriculture, infrastructure, and railways. Their strategic direction continues to position our Company as a reliable and future-ready partner in every sector we serve.

Mr. Neeraj Mehra
Chief Officer, Tractor Business Division (Farmtrac and Powertrac)

Mr. G. S. Grewal
Chief Officer, Tractor Business Division (Kubota)

Mr. Yuki Amano
Chief Officer, Tractor Business Division (Export)

Mr. Rajan Chugh
Chief Officer, Agri Solutions Business Division

Mr. Dhiraj Tiwary
Chief Officer, Service & Spare Parts Business Division

Mr. Kohei Kawabe
Chief Officer, Engine Business Division

Mr. Sanjeev Bajaj
Chief Officer, Construction Equipment Business Division

Mr. Hisashi Tsukatani
Chief Officer, R&D Division

Mr. Kenji Ennyu
Chief Officer, Operation Division

Mr. Bundo Ryo
Chief Officer, Quality Assurance Division

Mr. Akira Kato
Chief Officer, Corporate Planning Division
(W.e.f. June 01, 2025)

Mr. Amit Singhal
Chief Officer, Human Resources and General Affairs Division

Awards and Recognitions

ITOTY Award

Best Tractor between 21-30 H

Best 4WD Tractor of the year

Great Place to Work Certified

10th CIA WORLD Construction & Infra Awards 2024

- Best Company in Material Handling Equipment (Large Category)
- Best Company in Indian Construction Equipment Brand

Driving Impact through Innovation and Partnership

EKL has created exceptional value by seamlessly blending innovation with reliability, delivering top-tier products that empower industries such as agriculture, construction, and infrastructure. Our relentless pursuit of excellence has enhanced performance and efficiency, driving progress across these sectors.

By forging strong partnerships and embracing sustainability, we have fuelled long-term growth and made a positive impact. Furthermore, our commitment to customer satisfaction has helped build lasting relationships and trust. Through continuous innovation and operational mastery, we are redefining industry standards and creating enduring value at every turn.

Page 64 External Environment

Page 68 Value Creation Model

Page 70 Strategic Planning

Page 74 Stakeholder Engagement

Page 80 Materiality Assessment

Page 88 Risk Management

Page 92 Contribution to SDGs

EXTERNAL ENVIRONMENT

Capitalising on Sectorial Uptrends

EKL stands ready to tap into emerging trends across core sectors, powered by deep operational insight and a robust innovation pipeline. With technology at the centre of our strategy, we are primed to meet shifting market demands and drive impactful, sustainable growth. This proactive stance enables us to stay ahead, maximising value creation and enhancing our competitive edge in the industry.

The Evolving Indian Tractor Industry

The Indian tractor industry is one of the largest in the world, with India being the largest producer and consumer. The industry is a significant component of the country's agricultural and manufacturing sectors, playing a vital role in the mechanisation of farming.

Key Trends

Technology Integration

Advanced systems such as GPS, autonomous driving, and precision farming tools are gaining traction. This trend is leading to increased efficiency and productivity in agricultural activities.

Hybrid and Electric Tractors

Manufacturers are exploring electric and hybrid tractor models in response to environmental concerns and the need for lower operational costs.

Rural Credit and Financing

Financial institutions are increasingly offering loans for purchasing tractors, improving accessibility for farmers, especially in rural regions.

Precision Agriculture

Demand for precision farming is rising. In response, we see a new wave of tractors equipped with advanced sensors and intelligent control systems. These innovations enable more accurate and efficient farming, aligning with the needs of modern, data-driven agriculture.

EKL's Responses

Meeting Demand for Technology-Driven Solutions: The growing adoption of precision farming technologies, such as GPS systems, is driving the demand for advanced tractors that offer higher operational efficiency and data analytics capabilities.

Expanding Global Reach: We have been focussing on expanding our global footprint, particularly in markets like Africa, Latin America, and Southeast Asia. Our advanced technology, strong distribution network, and product diversification allow us to cater to international markets where mechanisation is on the rise.

Leading the Smart Farming Frontier: As smart farming technologies gain momentum, we can become a leader in providing tractors equipped with precision tools that not only raise farming productivity but also improve profitability for farmers.

India’s Infrastructure Growth Catalysing Construction Equipment Demand

India's infrastructure boom is fuelling rapid expansion in the construction equipment market. Massive investments in roads, railways, urban development, and smart cities are driving demand for advanced, efficient machinery.

Recent policy pushes have set the stage for the industry to touch USD 25 billion by FY 2029-30, with a projected CAGR of 12%. Additionally, the industry’s value chain is expected to attract investments worth USD 4 billion, including nearly USD 1 billion in OEM-led manufacturing over the next five years.

(Source: https://www.thehindubusinessline.com/economy/indias-construction-equipment-industry-to-reach-25-b-by-2030/article68473843.ece)

Key Trends

Infrastructure Investment

Government-led projects in highways, railways, and urban infrastructure are driving demand for advanced construction machinery, creating growth opportunities across the sector.

Shift towards Automation and Precision

The industry is embracing automation, with manufacturers introducing machinery equipped with GPS, IoT sensors, and AI for improved efficiency, precision, and reduced human intervention.

Sustainable and Energy-Efficient Equipment

Rising awareness of environmental impact is pushing demand for eco-friendly, fuel-efficient, and electric construction equipment, aligning with global sustainability goals.

Growth in Rental Equipment Market

The rental equipment market is expanding rapidly, allowing smaller contractors to access high-quality machinery without high upfront costs, supporting widespread adoption of advanced technology.

Aftermarket Services and Digital Integration

Companies are enhancing their aftermarket services and integrating digital tools for predictive maintenance, real-time monitoring, and remote diagnostics, which helps minimise downtime and extend equipment life.

EKL's Responses

Increasing Focus on Infrastructure Projects: We are aligning our product portfolio with the surge in infrastructure development. By offering a range of specialised, heavy-duty equipment tailored for large-scale projects, we ensure that our solutions meet the high standards required for India's expanding infrastructure sector.

Adopting Automation and Precision Technology: In step with the automation wave, we have embedded advanced technologies such as GPS, IoT-enabled systems and AI capabilities into our machinery. These innovations enhance productivity, accuracy, and ease of operation, catering to the growing demand for precision agriculture and construction applications.

Committing to Sustainability: Recognising the importance of eco-friendly solutions, we have increased investment in developing energy-efficient, low-emission machinery, including electric and hybrid models. This commitment aligns with industry-wide sustainability goals, helping reduce the carbon footprint of construction operations.

Supporting Rental Equipment Market Growth: We have expanded our presence in the rental market, enabling contractors of various sizes to access high-quality machinery without significant upfront investments. This strategic move supports broader market access and helps smaller players participate in the construction sector's growth.

Strengthening Aftermarket Services and Digital Offerings: We have enhanced aftermarket services by incorporating digital solutions for predictive maintenance, remote monitoring, and diagnostics. These advancements help customers optimise equipment usage, reduce downtime, and improve operational efficiency, reaffirming our dedication to customer satisfaction and value creation.

VALUE CREATION MODEL

Aligning Capabilities for Meaningful Output

Our business model focuses on creating enduring value for all stakeholders. It emphasises efficient resource utilisation, strategic growth, and a commitment to innovation and responsibility. By continuously refining our operations and focussing on sustainable practices, we strive to build an organisation that evolves with changing demands, while positively influencing the world around us.

INPUTS

Key SDGs Involved — Risks

FINANCIAL CAPITAL

- Networth: ₹ 10,147.3 crores

Key SDGs: 8 Decent Work and Economic Growth

MANUFACTURED CAPITAL

- Agri Machinery: 1,70,000 Tractor
- Construction Equipment: 10,000 Machines
- EKL Plants: 7
- R&D and Corporate Centre: 1

Key SDGs: 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure

INTELLECTUAL CAPITAL

- No. of Collaborations/Memberships: 5
- No. of Patents Filed: 1
- R&D Spend: ₹ 194.6 crores

Key SDGs: 9 Industry, Innovation and Infrastructure

HUMAN CAPITAL

- Total Employees: 17,205
- Employee Training: 3.36 Lacs+ Training Hours
- Paid Leaves Provided: 39 (Manager Grade), 35 (Workers)

Key SDGs: 3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

SOCIAL AND RELATIONSHIP CAPITAL

- Contribution towards CSR Activities: ₹ 11.7 crores
- Pan-India Tractor Dealers: 1,600+
- Investor Meetings: 700+ Individual Meetings (Excluding Ad Hoc Calls)

Key SDGs: 1 No Poverty; 3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 16 Peace, Justice and Strong Institutions; 17 Partnerships for the Goals

NATURAL CAPITAL

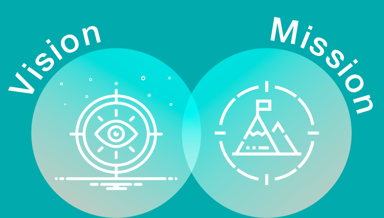
- Energy Consumed*: 413.81 TJ
- Water Consumption: 3,08,696.88 KL
- Waste Generation: 17,185.90 MT
- RE Produced/Procured: 5.37 TJ

*From non renwable sources

Key SDGs: 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production

Technology Risk | Liquidity and Funding Risk | Credit Risk | Operational Risk | Compliance Risk | Climate Change Risk

VALUE CREATION MODEL → OUTPUTS → OUTCOMES



Strategic Objectives

- S1 To be a pioneer in farm mechanisation in India
- S2 To contribute significantly towards infrastructure development in India
- S3 To conduct business responsibly and consciously
- S4 To maintain a healthy, thriving workplace culture
- S5 To sustain our position as a trusted brand in India and a business that is respected by the community

OUTPUTS

1,08,848
Tractors Produced

6,166
Construction Equipment Produced

WASTE AND EMISSIONS

GHG Emissions (Scope 1 and 2):

- Scope 1: **11,639.29 tCO_2e**
- Scope 2: **42,962.51 tCO_2e**
- PM: **25,517 kg/year**
- SOx: **1,446 kg/year**
- NOx: **13,574 kg/year**

OUTCOMES

- Revenues: ₹ 11,558.5 crores
- Net Profit after Tax: ₹ 1,250.9 crores
- Earnings per Share (EPS): ₹ 113.7 (Basic)
- ROCE (Return on Capital Employed): 15.0%
- Return on Equity: 12.6%
- Interim Dividend: ₹ 10 per Equity Share (already paid)
- Proposed Dividend: ₹ 18 per Equity Share

- Capacity Utilisation of Plants
  Agri Machinery ~65%
  Construction Equipment ~60%

- Patents Obtained: 3
- New Products Launched: 7

- Number of Employees Added: 740

- Number of Beneficiaries under CSR Focus Areas: ~ 72,580

- Water Recycled: 30,446.55 KL
- Waste Recycled: 15,987.26 MT
- Waste Intensity: 1.55 MT/₹ Crores
- Water Intensity: 27.81 KL/₹ Crores

STRATEGIC PLANNING

Moving Ahead with Preparedness

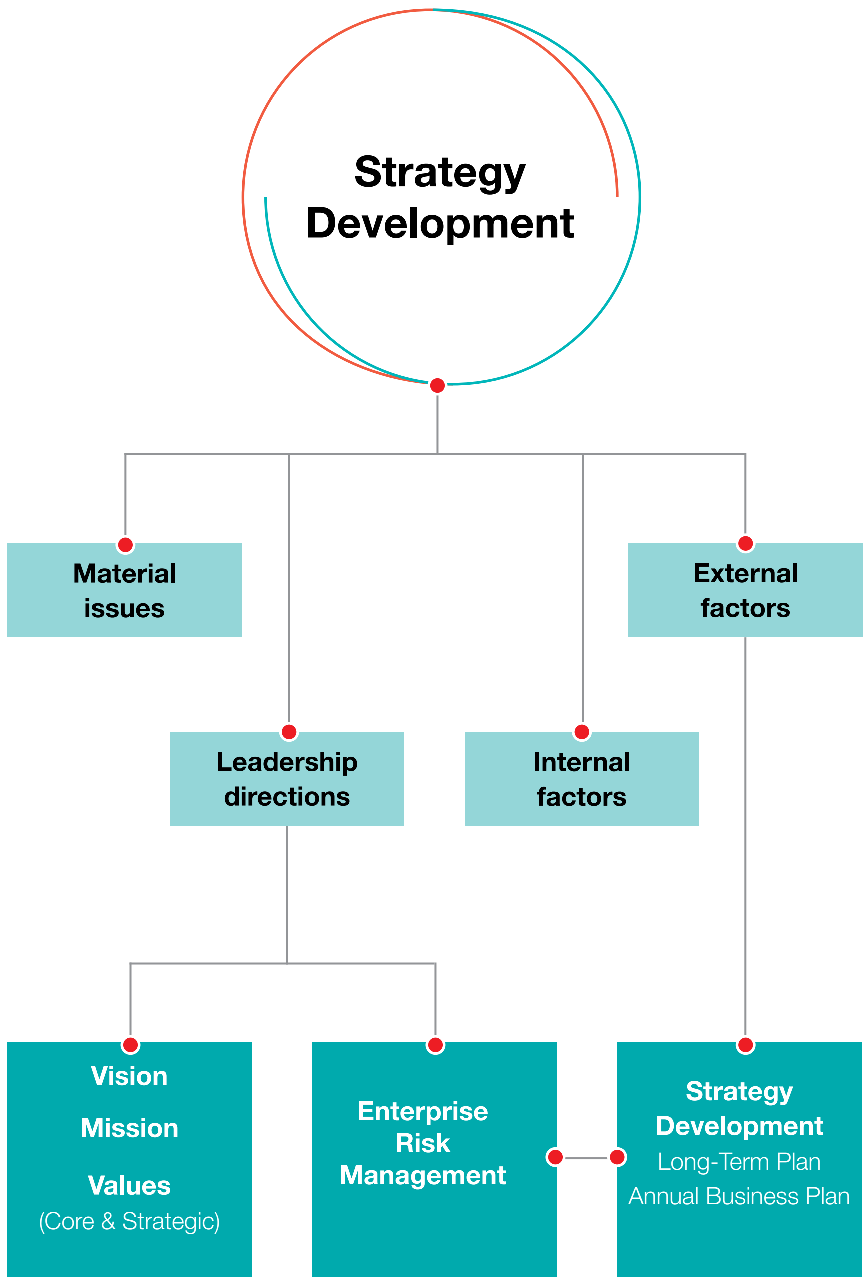
Anchored in EKL's thoughtful strategic blueprint, we consistently deliver excellence through superior products and meaningful value for our stakeholders.

Driven by experienced leadership, our well-defined strategies help us navigate a dynamic environment, manage risks, expand capacities, optimise daily operations, and foster a culture rooted in innovation, agility, and collaboration.

We are dedicated to building a robust organisational structure, financial endurance, and an empowering work culture to emerge as India's premier engineering Company. This vision centres on six priorities aligned with the UN Sustainable Development Goals, fusing engineering innovation with responsible, profitable growth.

We draw on key strengths, including strategic alliances, strong brand presence, a versatile product portfolio, and a talented workforce. By seizing opportunities from growing demand for mechanisation, favourable policies, and digital and automation trends, we are well-equipped to meet future needs. At the same time, we remain vigilant to manage risks such as raw material price fluctuations, competitive pressures, and environmental concerns.

With a focus on customer-centric solutions, operational agility, investment in research and development, and strategic market expansion, we navigate market shifts with a commitment to enhance stakeholder value. Such practices enable us to deliver lasting impact and meaningful value to our customers, shareholders, employees, and communities, strengthening our reputation as a reliable and forward-thinking industry leader.



Our Roadmap

Strategic Objectives	**SO1** **To be a pioneer in farm mechanisation in India**
Core Areas	Support the development of new standards in farm mechanisation Establish market leadership in the farm mechanisation Introduce farm mechanisation solutions powered by clean, alternative energy sources
Capitals Impacted	Financial Capital Manufactured Capital Intellectual Capital Natural Capital
SDGs Mapped	1 NO POVERTY 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS
GRI Mapping	GRI 201, 204, 417

Strategic Objectives	**SO2** **To significantly contribute to India's infrastructure development**
Core Areas	Strengthen our presence in the Indian crane industry by upholding the highest Occupational Health and Safety (OHS) standards and prioritising customer health and safety
Capitals Impacted	Financial Capital Manufactured Capital
SDGs Mapped	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
GRI Mapping	GRI 204, 403, 416

Strategic Objectives	SO3 **To conduct business responsibly and consciously**
Core Areas	Reduce environmental impact across all our operations
Capitals Impacted	Natural Capital; Social and Relationship Capital
SDGs Mapped	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
GRI Mapping	GRI 301, 302, 303, 305, 306

Strategic Objectives	SO4 **To maintain a healthy, thriving workplace culture**
Core Areas	Become the employer of choice for skilled and qualified professionals
Capitals Impacted	Human Capital; Social and Relationship Capital
SDGs Mapped	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH
GRI Mapping	GRI 401, 403, 404, 405, 406, 407, 408, 409, 410

Strategic Objectives	**SO5** **To sustain our position as a trusted brand in India and a business that is respected by the community**
Core Areas	Launch impactful and responsible CSR programmes Uphold the highest standards for customer health and safety
Capitals Impacted	Financial Capital Manufactured Capital Social and Relationship Capital
SDGs Mapped	10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
GRI Mapping	GRI 413, 416, 417, 418

STAKEHOLDER ENGAGEMENT

Building Stronger Connections for Mutual Growth

Stakeholder engagement is integral to EKL's growth strategy. By actively listening and responding to their needs, we align our business decisions with their expectations, fuelling shared success.

We recognise that such collaboration builds trust and transparency, driving innovation and sustainable growth. This strong stakeholder support remains vital to achieving our long-term business objectives and creating a positive societal impact.

To effectively nurture these relationships, we engage closely with a diverse ecosystem of stakeholders across multiple sectors.

Stakeholder Ecosystem

- Customers and Dealers
- Employees and Workers
- Investors and Financial Institutions
- Government and Regulatory Authorities
- Suppliers and Vendors
- Industry Associations
- Communities

Stakeholder Engagement Approach

- Maintaining continuous communication with stakeholders to gather valuable feedback and perspectives.
- Sharing key information about EKL's strategy, vision, mission, values, and performance.
- Distributing responsibility for engagement across various lines of business to ensure comprehensive stakeholder interaction.
- Utilising diverse channels for engagement, including surveys, feedback forms, meetings, workshops, conferences, webinars, newsletters, reports, websites, social media platforms, and grievance mechanisms.
- Employing tools and frameworks to identify, prioritise and address the concerns of our key stakeholders.
- Incorporating stakeholder feedback into our decision-making processes to enhance business practices, performance, and overall outcomes.

Stakeholder Engagement Framework

Customers and Dealers

We design every product and service with our customers and dealers in mind, ensuring their needs guide our delivery and their expectations define our benchmark. Swift and efficient grievance redressal is central to how we sustain trust. Additionally, we stay attuned to shifting market demands, differentiating our offerings to create clear value for both groups. By focussing on these areas, we aim to build strong, lasting relationships and foster a customer and dealer-centric culture that drives sustainable growth.

Value Proposition

- Establishing a strong brand presence
- Offering innovative products and services
- Providing extensive engineering support
- Acting as reliable partners for mutual growth

Engagement Initiatives

- Conducting customer satisfaction surveys
- Introducing 'CARE' devices in tractors to enhance customer service for farmers
- Using web portals to facilitate seamless communication and information sharing
- Operating a toll-free number to provide accessible customer support

Engagement Frequency

- Throughout the year

Capitals Impacted

Employees and Workers

Employee and worker engagement fuels productivity, sparks innovation, and drives growth. To sustain this momentum, we foster a culture rooted in inclusion, fairness, and continuous learning, where individuals feel valued, empowered, and motivated to give their best. We also focus on attracting and retaining diverse talent while shaping a workplace that fosters respect and belonging. To build on this, we drive initiatives that enhance job satisfaction and deepen engagement. Additionally, we maintain a transparent and fair performance management system, recognising every contribution with integrity. Furthermore, we prioritise competency enhancement and skill-building by offering a range of development programs, empowering our workforce to grow.

Value Proposition

- Ensuring learning and growth opportunities
- Promoting a collaborative and inclusive workplace culture
- Recognising and rewarding employee performances
- Focussing on employee well-being and engagement

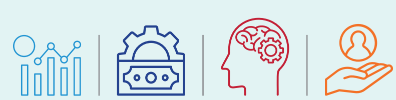
Engagement Initiatives

- Hosting Employee Connect sessions and leadership town halls
- Conducting employee life-cycle surveys and sentiment assessments
- Offering role-based training and development programmes
- Ensuring reward and recognition initiatives

Engagement Frequency

- Throughout the year

Capitals Impacted



Investors and Financial Institutions

We prioritise both financial and non-financial metrics for performance evaluation to ensure a comprehensive approach to our business growth. By consistently monitoring and enhancing the market value of our shares, we aim to maximise shareholder returns through strategic initiatives that drive sustainable success. We are also committed to maintaining effective and robust corporate governance practices to foster transparency and trust.

Value Proposition

- Aiming for consistent returns on investments
- Focussing on achieving profitable growth in the Indian market
- Improving disclosures to offer clearer insights
- Ensuring transparency and credibility in financial reporting

Engagement Initiatives

- Conducting general meetings to share key updates and decisions
- Engaging with investors through regular interactions
- Communicating performance and progress via the Annual Report
- Sharing business developments through media updates
- Hosting earnings calls to report on the Company's performance
- Providing easy access to information through the Company's website

Engagement Frequency

- Annual General Meetings (AGMs)
- Monthly investor meetings

Capitals Impacted

Government and Regulatory Authorities

We focus on full legal and regulatory compliance, anchoring our commitment to sustainability leadership and long-term development. We harness technology and innovation to propel forward-thinking initiatives. In parallel, we pursue strategic demand creation to strengthen our market reach. We also work to diversify our product portfolio, making it broader and more compelling. These efforts shape our engagement with government and regulatory authorities, aligning our direction with national development goals and enabling responsible growth.

Value Proposition

- Encouraging business collaboration to drive growth in a healthy, competitive environment.

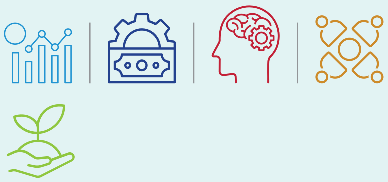
Engagement Initiatives

- Proposing new policies or amendments to regulations at national and regional levels
- Advocating development of product quality standards for tractors and cranes with ministries
- Maintaining compliance with socio-economic and environmental regulations, along with CSR activities, while ensuring oversight by government agencies

Engagement Frequency

- Throughout the year

Capitals Impacted



Suppliers and Vendors

We place great importance on supplier and vendor engagement, ensuring transparency, fairness, and accountability in every aspect of our supply chain. We prioritise partnerships based on rigorous evaluation of suppliers' financial health, reputation, and service quality. We are committed to providing stakeholders with information and resources on sustainable supply chain practices, and we embrace innovation and technology to enhance both efficiency and sustainability across our network.

Value Proposition

- Pursuing growth opportunities and exploring new pathways for development
- Prioritising safety in all operations to ensure a secure working environment
- Fostering a culture of innovation that encourages fresh ideas and advances new technologies

Engagement Initiatives

- Hosting annual supplier conventions and conducting regular supplier audits
- Facilitating informal interactions between managers, suppliers, vendors, and contractors

Engagement Frequency

- Formal interactions during supplier conventions and audits
- Informal interactions throughout the year

Capitals Impacted

Industry Associations

We actively engage with industry bodies and associations, upholding high standards for products and services across all operations, ensuring consistent quality and reliability. We foster a culture of continuous innovation among our member businesses, encouraging progressive solutions and advancements. Additionally, our Company promotes collaboration between businesses to drive overall industry development within a healthy, competitive environment, working together to strengthen our collective impact and growth.

Value Proposition

- Encouraging collaboration among businesses to support overall growth within a healthy and competitive environment

Engagement Initiatives

- Engaging in conferences and seminars organised by industry bodies
- Participating in national and regional committees and sub-committees to address key industry issues

Engagement Frequency

- Throughout the year

Capitals Impacted

Communities

We are committed to active CSR engagement, focussing on initiatives in special education,healthcare, environment, women's empowerment, and skill development. Our goal is to create positive economic, environmental, and social impacts through our business operations. By employing a skilled pool of local candidates, we aim to create job opportunities and livelihood avenues. We also prioritise fostering and maintaining strong, cordial relationships with communities and stakeholders to ensure sustainable and mutually beneficial growth.

Value Proposition

- Fostering sustainable improvements in community well-being within operational regions
- Addressing fundamental development gaps nationwide through replicable development models

Engagement Initiatives

- Driving sustainable improvements in community well-being within operational regions
- Bridging key development gaps nationally through scalable, replicable models

Engagement Frequency

- Throughout the year

Capitals Impacted

Financial Capital

Manufactured Capital

Intellectual Capital

Human Capital

Social and Relationship Capital

Natural Capital

MATERIALITY ASSESSMENT

Focussing on High-Impact Areas

During FY 2024-25, we conducted a double materiality assessment to better understand sustainability issues that influence our financial outcomes, and represent the impact of our operations on society and the environment. This helped us to evaluate whether our sustainability focus areas, material topics, and metrics remain appropriate and relevant. We have obtained limited assurance of our double materiality assessment, which validates our comprehensive approach to identifying the material topics and involving all stakeholders.

The Task Force on Climate-related Financial Disclosures (TCFD) first introduced the concept of double materiality to clarify materiality in non-financial reporting. It has since been operationalised by the Corporate Sustainability Reporting Directive (CSRD) of the European Union, which offers practical guidance to companies to identify and report material ESG topics through both financial and impact-based lenses.

This approach helps us prioritise areas that could significantly affect our long-term performance, while also addressing the broader impacts of our operations. In doing so, we not only comply with emerging standards but also strengthen our ability to respond to stakeholder expectations, manage risks proactively, and embed sustainability deeper into our business strategy.

Materiality Assessment Methodology

We structured our DMA to ensure a holistic view of ESG priorities, considering both stakeholder expectations and financial implications. Furthermore, the process was designed to be inclusive, analytical, and in step with global best practices.

We followed a four-step approach as outlined below:

Identification of Relevant ESG Topics: We started by compiling a comprehensive list of material topics likely to influence our operations, stakeholders, and long-term value creation. These topics spanned environmental, social, and governance aspects, and aligned with emerging sustainability standards and frameworks.

Evaluation Criteria for Materiality: To ensure consistency and objectivity, we applied a standardised set of evaluation criteria:

- For inside-out impacts, we assessed:
  - Scope of impact
  - Severity of consequences
  - Irremediability
  - Likelihood of occurrence
- For outside-in financial implications, we evaluated:
  - Likelihood of the risk or opportunity
  - Magnitude of financial effect

Stakeholder Engagement: We engaged with six key stakeholder groups connected to or impacted by our business: Employees, Customers/Clients, Shareholders/Investors, Service Providers, and others.

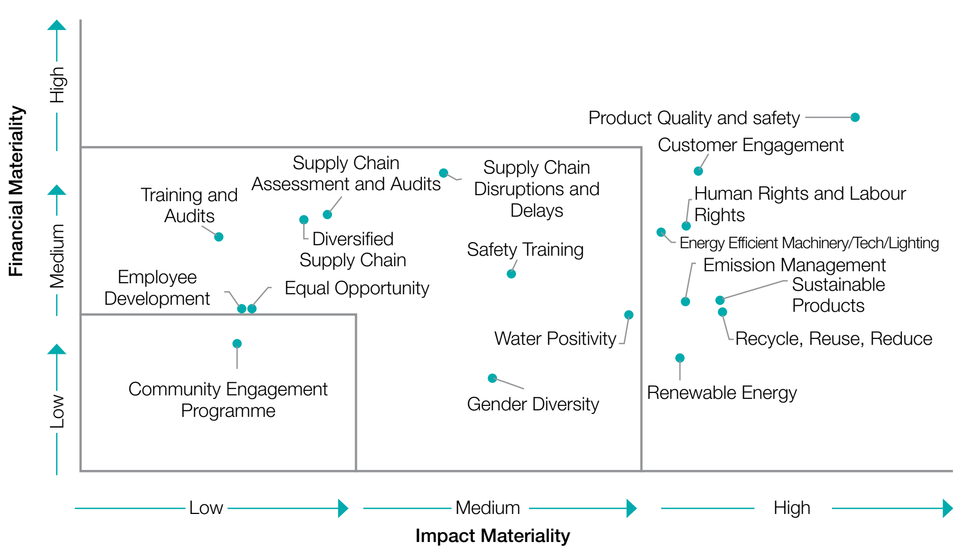
They received a structured questionnaire, tailored specifically to EKL's operational context. Each stakeholder was asked to assess the relevance of sustainability topics from two perspectives:

- Inside-out: How EKL's activities impact people, the environment, and society.
- Outside-in: How external ESG issues might impact EKL's financial performance.

Risk, Impact, and Opportunity Mapping: Alongside stakeholder engagement, we analysed each sustainability topic to gauge its strategic significance for EKL. This included evaluating:

- Impacts: Potential positive or negative effects of our activities on people, the environment, and society
- Risks: Possible ESG-related challenges that could affect our operations, reputation, or compliance
- Opportunities: Areas where sustainability initiatives could drive efficiency, innovation, or stakeholder value

Materiality Matrix



M1 Product Quality and Safety

Rationale for Materiality

EKL's brand reputation and customer loyalty rest on consistently delivering reliable, safe, high-performance products. Any compromise invites operational, reputational, and regulatory risk.

Key Performance Indicators towards the Issue

- Product quality compliance rate
- Number of product recalls or safety incidents reported
- Product defect rate

Stakeholders Impacted

Customers and Dealers, Regulatory Authorities, Investors

Strategic Topic Impacted

S5

To sustain our position as a trusted brand in India and a business that is respected by the community

Capital(s) Impacted

GRI Standards Impacted

GRI 416: Customer Health and Safety; GRI 102-43

M2 Customer Engagement

Rationale for Materiality

Robust customer engagement ensures responsiveness to market needs, improves product design, strengthens relationships, and supports innovation driven by user insights.

Key Performance Indicators towards the Issue

- Customer satisfaction score
- Customer retention rate
- Average response time to service requests

Stakeholders Impacted

Customers and Dealers, Business Partners

Strategic Topic Impacted

S5

To sustain our position as a trusted brand in India and a business that is respected by the community

Capital(s) Impacted

GRI Standards Impacted

GRI 102-43: Stakeholder Engagement

M3 Human and Labour Rights

Rationale for Materiality

Respect for human and labour rights throughout operations and supply chain forms a fundamental pillar of responsible business. It also fulfils regulatory requirements and aligns with investor expectations.

Key Performance Indicators towards the Issue

- Percentage of Tier 1 suppliers audited for human rights compliance
- Grievance redressal rate
- All workforce covered under labour policies

Stakeholders Impacted

Employees, Suppliers, Investors

Strategic Topic Impacted

S3

To conduct business responsibly and consciously

Capital(s) Impacted

GRI Standards Impacted

GRI 408: Child Labour; GRI 409: Forced Labour

M4 Emissions Management

13 CLIMATE ACTION

Rationale for Materiality

Emissions management is essential for mitigating climate risks, ensuring regulatory compliance, and accessing low-carbon markets under frameworks such as TCFD and CSRD.

Key Performance Indicators towards the Issue

- Reduction of Scope 1 and 2 carbon emissions (tCO_2e)
- Percentage of operations equipped with emissions tracking systems

Stakeholders Impacted

Government Authorities, Investors, Communities

Strategic Topic Impacted

S3

To conduct business responsibly and consciously

Capital(s) Impacted

GRI Standards Impacted GRI 305: Emissions

M5 Energy-Efficient Tech and Lighting

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION

Rationale for Materiality

Energy-efficient technologies advance climate strategies by reducing costs and demonstrating leadership in energy stewardship, in line with sustainability standards like CSRD.

Key Performance Indicators towards the Issue

- Energy intensity measured in gigajoules per unit produced (GJ/unit)
- Percentage of facilities upgraded with efficient lighting
- Annual energy savings

Stakeholders Impacted

Employees, Regulators, Financial Institutions

Strategic Topic Impacted

S3

To conduct business responsibly and consciously

Capital(s) Impacted

GRI Standards Impacted GRI 302: Energy; GRI 305: Emissions

M6 Sustainable Products

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Rationale for Materiality

Eco-conscious product designs meet stakeholder and market expectations for resource-efficient, eco-friendly solutions, contributing to business continuity and resilience in a transitioning economy.

Key Performance Indicators towards the Issue

- Percentage of products with eco-design features
- R&D investment in sustainable solutions
- Customer adoption rate of sustainable products

Stakeholders Impacted

Customers, R&D teams, Investors

Strategic Topic Impacted

S1

To be a pioneer in farm mechanisation in India

Capital(s) Impacted

GRI Standards Impacted GRI 301, GRI 306

M7 The 3 Rs: Reduce, Reuse, Recycle

Rationale for Materiality

Circular economy principles signify EKL's commitment to resource conservation and waste reduction. These efforts also minimise virgin input use and improve operational efficiency.

Key Performance Indicators towards the Issue

- Percentage of materials recycled and reused
- Waste diverted from landfill
- Efficiency improvements in resource usage

Stakeholders Impacted

Employees, Customers, Communities

Strategic Topic Impacted

S3

To conduct business responsibly and consciously

Capital(s) Impacted

GRI Standards Impacted GRI 301, GRI 306

M8 Renewable Energy

Rationale for Materiality

Use of renewable energy sources aligns with long-term decarbonisation goals and global energy transition trends. It also ensures regulatory compliance and energy security.

Key Performance Indicators towards the Issue

- Percentage of energy sourced from renewables
- Capacity of renewable energy installed in MW
- Emission reduction from renewables (tCO2e)

Stakeholders Impacted

Investors, Regulators, Operations

Strategic Topic Impacted

S3

To conduct business responsibly and consciously

Capital(s) Impacted

GRI Standards Impacted GRI 302, GRI 305

M9 Water Positivity

Rationale for Materiality

Water stewardship efforts are crucial in water-stressed geographies where EKL operates. These reinforce the Company's environmental responsibility and sustainability credentials.

Key Performance Indicators towards the Issue

- Percentage of water recycled
- Rainwater harvesting capacity
- Net water balance improvement

Stakeholders Impacted

Communities, Employees, Regulators

Strategic Topic Impacted

S3

To conduct business responsibly and consciously

Capital(s) Impacted

GRI Standards Impacted GRI 303

M10 Gender Diversity

Rationale for Materiality

Diverse leadership supports inclusive workforce practices and responds to rising stakeholders' focus on equity and representation.

Key Performance Indicators towards the Issue

- Gender diversity ratio across functions
- Percentage of women in leadership roles
- Gender sensitivity training coverage

Stakeholders Impacted

Employees, Shareholders

Strategic Topic Impacted

S4

To maintain a healthy, thriving workplace culture

Capital(s) Impacted

GRI Standards Impacted GRI 405

M11 Supply Chain Disruptions and Delays

Rationale for Materiality

Operational vulnerabilities amplified by global uncertainties are highlighted. In this regard, business continuity depends on proactive risk management.

Key Performance Indicators towards the Issue

- Percentage of critical suppliers with risk mitigation plans
- Inventory-lead time tracking
- Supply chain disruption index

Stakeholders Impacted

Vendors, Logistics Partners

Strategic Topic Impacted

S2

To contribute significantly towards infrastructure development in India

Capital(s) Impacted

GRI Standards Impacted GRI 102-9, GRI 204

M12 Supply Chain Assessment and Audits

Rationale for Materiality

Supplier assessments ensure ESG compliance and ethical conduct across value chains. They also enable responsible sourcing and traceability.

Key Performance Indicators towards the Issue

- Percentage of suppliers assessed annually
- Corrective actions implemented for ESG non-compliance
- Supplier sustainability ratings

Stakeholders Impacted

Suppliers, Compliance Teams

Strategic Topic Impacted

S2

To contribute significantly towards infrastructure development in India

Capital(s) Impacted

GRI Standards Impacted GRI 308, GRI 414

M13 Diversified Supply Chain

Rationale for Materiality

Supply chain diversification reduces concentration risk and improves access to localised and sustainable sourcing alternatives, increasing flexibility.

Key Performance Indicators towards the Issue

- Percentage spent on local suppliers
- Supplier base diversity index
- Strategic sourcing initiatives undertaken

Stakeholders Impacted

Suppliers, Procurement Teams

Strategic Topic Impacted

S2

To contribute significantly towards infrastructure development in India

Capital(s) Impacted

GRI Standards Impacted

GRI 102-9, GRI 204

M14 Safety Training

Rationale for Materiality

Foundational for maintaining workplace safety, preventing injuries, and reducing operational downtime. It is also closely linked to effective risk control.

Key Performance Indicators towards the Issue

- Percentage of workforce trained annually
- Incident rate improvement
- Number of safety drills and mock sessions

Stakeholders Impacted

Employees, Operations

Strategic Topic Impacted

S4

To maintain a healthy, thriving workplace culture

Capital(s) Impacted

GRI Standards Impacted

GRI 403

M15 Training and Audits

Rationale for Materiality

Capacity-building through training and oversight supports policy implementation and ESG maturity advancement. Additionally, they strengthen internal systems.

Key Performance Indicators towards the Issue

- Number of ESG trainings conducted
- Percentage of employees trained on compliance
- Internal audit completion rate

Stakeholders Impacted

Employees, Management

Strategic Topic Impacted

S3

To conduct business responsibly and consciously

Capital(s) Impacted

GRI Standards Impacted

GRI 404, GRI 102-17

M16 Employee Development and Equal Opportunity

Rationale for Materiality

Employee growth and workplace equality drive performance, morale, and talent retention, aligning with global standards on workplace equity and culture.

Key Performance Indicators towards the Issue

- Percentage of employees with IDPs
- Internal promotion rate
- Resolution rate of equal opportunity grievances

Stakeholders Impacted

Employees, HR Teams

Strategic Topic Impacted

S4

To maintain a healthy, thriving workplace culture

Capital(s) Impacted

GRI Standards Impacted GRI 404, GRI 405

M17 Community Engagement Programme

Rationale for Materiality

Though lower in direct business impact, community engagement fosters goodwill and long-term social value creation.

Key Performance Indicators towards the Issue

- Beneficiaries impacted by CSR programmes
- Count of community development projects
- Annual CSR expenditure as a percentage of profit

Stakeholders Impacted

Communities, NGOs

Strategic Topic Impacted

S5

To sustain our position as a trusted brand in India and a business that is respected by the community

Capital(s) Impacted

GRI Standards Impacted GRI 413

Financial Capital

Human Capital

Manufactured Capital

Social and Relationship Capital

Intellectual Capital

Natural Capital

RISK MANAGEMENT

Safeguarding Operations with Vigilance

In a global business like EKL, effective risk management underpins endurance and sustainable growth. It helps us identify, assess and address potential threats, safeguarding our assets, people and reputation in a volatile market. In essence, risk management shapes our daily decisions, limits disruptions and enables swift adaptation to changes.

This forward-looking approach sharpens our competitive edge, while reinforcing stakeholder trust through a visible commitment to stability and long-term success.

Type of risks impacting EKL

- Operational Risks
- Compliance Risks
- Strategic Risks
- Financial Risks

Our Risk Management Initiative

Loss of Assets or Profit Owing to Natural Disasters

Equipment failure, infrastructure damage, or unexpected geological shifts may disrupt our business activities. Additionally, technical setbacks, extreme weather, or natural disasters could also lower production and raise costs.

- Establishing robust crisis management and business continuity plans, regularly tested for readiness
- Conducting mock drills for natural calamities like earthquakes and installing strong fire fighting systems for fire breakouts
- Implementing a disaster management system to enforce effective accident prevention across all operating sites
- Ensuring continuous monitoring and periodic reviews of security functions
- Focussing on ongoing capability building across all levels

Risk Description   Mitigation Measures

Supply Chain Disruptions

Disruptions in the supply chain can stall our operations, posing risks to both profitability and long-term viability. Moreover, sourcing critical raw materials for manufacturing may face delays, impacting production timelines and costs.

- Maintaining continuous focus on cost optimisation initiatives to lower fixed costs and enhance variable cost efficiency
- Supporting suppliers in accessing favourable financing options to manage their working capital needs
- Exploring alternative suppliers and emphasising localisation efforts
- Implementing thorough financial due diligence for all new suppliers
- Improving power security and infrastructure consistently
- Deploying a management team that ensures sustainable low-cost production, operational excellence, and reliable access to essential raw materials

Violation of IT Security Protocols

As reliance on computers and networks grows, these systems face increased exposure to security breaches. Such breaches risk theft, leakage, or corruption of critical information. They may also cause financial misappropriation or disrupt business operations. Any cybersecurity incident could severely impact the continuity of our business.

- Developing and implementing robust frameworks, policies, and procedures aligned with best practices and international standards
- Adopting advanced information security tools and technologies, including a Security Operations Centre (SOC) to detect IT security incidents, Network Access Control (NAC) to manage access, Mobile Device Management (MDM) to prevent unauthorised usage, Endpoint Detection and Response (EDR) to protect against malware, and Data Loss Prevention (DLP) tools to safeguard vital information
- Conducting regular assessments of the entire IT infrastructure and governance framework, including vulnerability and penetration testing by respected auditors, with timely actions to address identified risks
- Hosting user awareness programmes to educate employees on phishing attacks and enhance overall security consciousness

Challenges Related to Intellectual Capital

Employee unrest or difficult labour relations could disrupt our operations.

- Upholding robust policies, governance structures, and technological measures to protect intellectual property
- Enforcing a strict process to secure Non-Disclosure Agreements (NDAs) from all vendors before onboarding, while R&D staff sign confidentiality agreements at joining, and existing employees provide annual compliance declarations. with our Company's IPR policy
- Conducting periodic audits through specialised auditors to detect gaps and suggest improvements
- Hosting regular training sessions to enhance employee awareness of intellectual property

Fostering and Managing Relationships with Employees

Disputes can emerge between employees and management over issues like health and safety or grievance resolution.

- Ensuring that the business leadership teams regularly engage with employees to foster relationships built on trust and mutual benefit, focussing on understanding and addressing their concerns
- Engaging proactively with employees and their families
- Improving the efficiency and effectiveness of the grievance redressal process
- Conducting regular training, development programmes, and driving welfare initiatives to support employees' growth and well-being

Talent Management

We may face difficulties in developing and implementing a succession plan for key roles and retaining top-performing employees.

- Identifying critical roles, mapping potential successors, and assessing their readiness
- Building a talent pool through learning and career development initiatives
- Monitoring retention rates of key roles and top performers, followed by analysing root causes to address issues and mitigate risks

Occupational Health and Safety Concerns in Operations

We may encounter accidents involving moving machinery, on-site transport, forklifts, explosions, and other hazards.

- Ensuring compliance with local and international health and safety laws, regulations, and standards
- Emphasising safety training and enforcing the use of protective gear such as safety shoes, helmets, gloves, and masks in shops and plants
- Conducting regular safety meetings to review protocols, discuss fatal or near-miss incidents, and resolve concerns
- Maintaining robust security through check-posts, entry passes or identity cards, and an access control system

Regulatory and Legal Challenges

Our operations could be affected by legal and regulatory changes in the regions where we operate, leading to increased operating costs, restrictions, and potential penalties.

- Monitoring regulatory developments continuously to stay updated on changes
- Tasking business teams to actively identify and fulfil regulatory obligations, while addressing emerging requirements
- Demonstrating commitment to sustainability through proactive environmental, safety, and CSR initiatives
- Equipping plants with state-of-the-art technology and equipment as recommended by the Pollution Control Board
- Providing employees with training and awareness programmes on environmental standards and regulations
- Conducting regular audits to ensure compliance with relevant EHS laws
- Implementing a robust disaster management system to prevent accidents across all operational sites
- Enforcing the use of personal protective equipment for all on-site workers to maintain safety

Absence of Innovation and Competition Drive

Inability to develop new products, business initiatives, and technologies to capitalise on market opportunities could impact our competitive edge.

- Allocating financial resources to develop new products, expand channels, deliver customer-centric offerings, enhance experiences, and strengthen our brand
- Investing in advanced digital technologies via the Rajan Nanda Innovation Lab (RNIL) to build next-level capabilities
- Forming strategic alliances to boost competitiveness
- Upgrading products and introducing advanced technologies
- Pursuing the development of EV products and related technologies

Volatility in Commodity Prices

Product prices and demand often face volatility and uncertainty, influenced by economic conditions, natural disasters, weather, pandemics, political instability, and other factors. Such fluctuations in commodity prices and demand can affect our earnings and cash flow.

- Mitigating inflation impact through Commodity Risk Management, cost re-engineering, and value engineering initiatives
- Capitalising on declines in commodity prices to secure significant cost reductions

CONTRIBUTION TO SDGs

Aligning Growth with Global Priorities

Advancing the UN SDGs is not just a strategic priority; it is central to EKL's identity. By focussing on resource optimisation and long-term value creation, we actively contribute to these goals. As responsible corporate citizens, we integrate the SDGs into our operations, ensuring we grow as a business while fostering sustainable development within our communities and beyond.

1 NO POVERTY

SO1

EKL's Efforts

We contribute to **poverty reduction by empowering local communities.** Through our CSR initative, we support sustainable livelihoods of farmers. We also offer soft skills training to underprivileged girls, equipping them with necessary job skills to improve employability and break the cycle of poverty. We back marginalized women farmers to generate green jobs & livelihoods.

Linked Material Topics

Community Engagement and Local Employment

Linked Capitals

Page 136

Stakeholders Impacted

4 QUALITY EDUCATION

SO4

EKL's Efforts

We prioritise quality education by offering **training and leadership programmes that enhance both safety and skills** among our employees. This commitment extends to the communities we serve, where we conduct skill development programmes for dealers and local residents, enhancing their employability and supporting broader economic progress.

Linked Material Topics

Employment

Linked Capitals

Page 120 and 136

Stakeholders Impacted

Stakeholders Impacted	Customers and Dealers	Employees and Workers	Investors and Financial Institutions

5 GENDER EQUALITY

SO4

EKL's Efforts

We are dedicated to promoting gender equality in the workplace through our **'UDAAN' leadership development programme**. This initiative aims to empower women by providing them with leadership opportunities and skills. We are also committed to achieving 7.5% female representation in our workforce and promoting a culture of gender diversity, ensuring that women have the resources to thrive and grow professionally.

Linked Material Topics

Diversity and Inclusion

Linked Capitals

Page 120 and 136

Stakeholders Impacted

6 CLEAN WATER AND SANITATION

SO3

EKL's Efforts

We are focussed on improving water resource management through initiatives like restoring the Sadpura pond, Faridabad and recharging groundwater in Faridabad. These ensure local communities have access to sustainable water sources and reinforcing our focus on improving water access and long-term sustainability. Our **aim of becoming water positive by 2030** further underscores this commitment

Linked Material Topics

Resource Efficiency

Linked Capitals

Page 114

Stakeholders Impacted

7 AFFORDABLE AND CLEAN ENERGY

SO3

EKL's Efforts

At EKL, we have recorded **5.37 TJ of energy consumption** from renewable sources. We have set a clear target to **increase the renewable energy share by threefold**, helping reduce our carbon footprint and supporting government and community efforts towards cleaner energy solutions.

Linked Material Topics

Energy and Climate Change

Linked Capitals

Page 114

Stakeholders Impacted

Government and Regulatory Authorities | Suppliers and Vendors | Industry Associations | Communities

8 DECENT WORK AND ECONOMIC GROWTH

SO1

EKL's Efforts

EKL actively fosters economic growth by creating decent work opportunities for employees, dealers, and supply chain partners. Our **CSR initiatives provide stable employment,** and contributing to the local and national economy. Through these efforts, we generate significant value for our stakeholders, helping sustain economic development across multiple sectors.

Linked Material Topics

Financial Performance

Linked Capitals

98, 102, 114 and 120

Stakeholders Impacted

10 REDUCED INEQUALITIES

SO4

EKL's Efforts

We are **committed to reducing inequality by ensuring an inclusive and accessible workplace for all**, regardless of gender, age, language, or background. Our policies promote equal opportunities for all employees, and we maintain a work environment free from discrimination, nurturing a diverse and inclusive culture.

Linked Material Topics

Resource Efficiency

Linked Capitals

Page 120 and 136

Stakeholders Impacted

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SO3

EKL's Efforts

We **prioritise responsible consumption and production by providing transparent information on environmental safety and proper usage** for all our products. We also ensure resource efficiency throughout our operations, uphold stringent product quality standards, and carry out regular inspections to ensure safety and sustainability. These measures support our customers and strengthen partnerships with suppliers and regulatory authorities.

Linked Material Topics

Operations Environment, Health and Safety, Supply Chain Sustainability, Product Responsibility and Innovation

Linked Capitals

Page 102, 114 and 120

Stakeholders Impacted

Stakeholders Impacted	Customers and Dealers	Employees and Workers	Investors and Financial Institutions

13 CLIMATE ACTION

SO3

EKL's Efforts

EKL actively addresses climate change through targeted initiatives aimed at long-term environmental impact reduction. Our ambition to achieve **carbon neutrality by 2050** underscores this approach. We also aim to triple the share of renewable energy in our operations. These efforts form a key part of our climate strategy, benefiting both the environment and the communities we serve.

Linked Material Topics

Energy and Climate Change

Linked Capitals

Page 114

Stakeholders Impacted

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SO1

EKL's Efforts

We uphold the highest standards of ethics and compliance through our **Business Responsibility and Sustainability Policy,** which aligns with the **National Guidelines on Responsible Business Conduct ('NGRBC').** This policy covers all nine principles of responsible business conduct, ensuring we operate with integrity and foster trust across all our relationships. Our adherence to these principles creates a strong foundation for long-term success and compliance with both local and global standards.

Linked Material Topics

Value Ethics and Compliance

Linked Capitals

Page 120

Stakeholders Impacted

17 PARTNERSHIPS FOR THE GOALS

SO1

EKL's Efforts

We pursue strategic partnerships to advance the SDGs, joining government forums, industry conferences, and five trade associations. Through these collaborations, we embed sustainability across our operations and support broader global goals. Our involvement strengthens ties with stakeholders, including customers, dealers, investors, and regulators, keeping us aligned with evolving sustainability practices.

Linked Material Topics

Operations EHS Impact, Supply Chain Sustainability

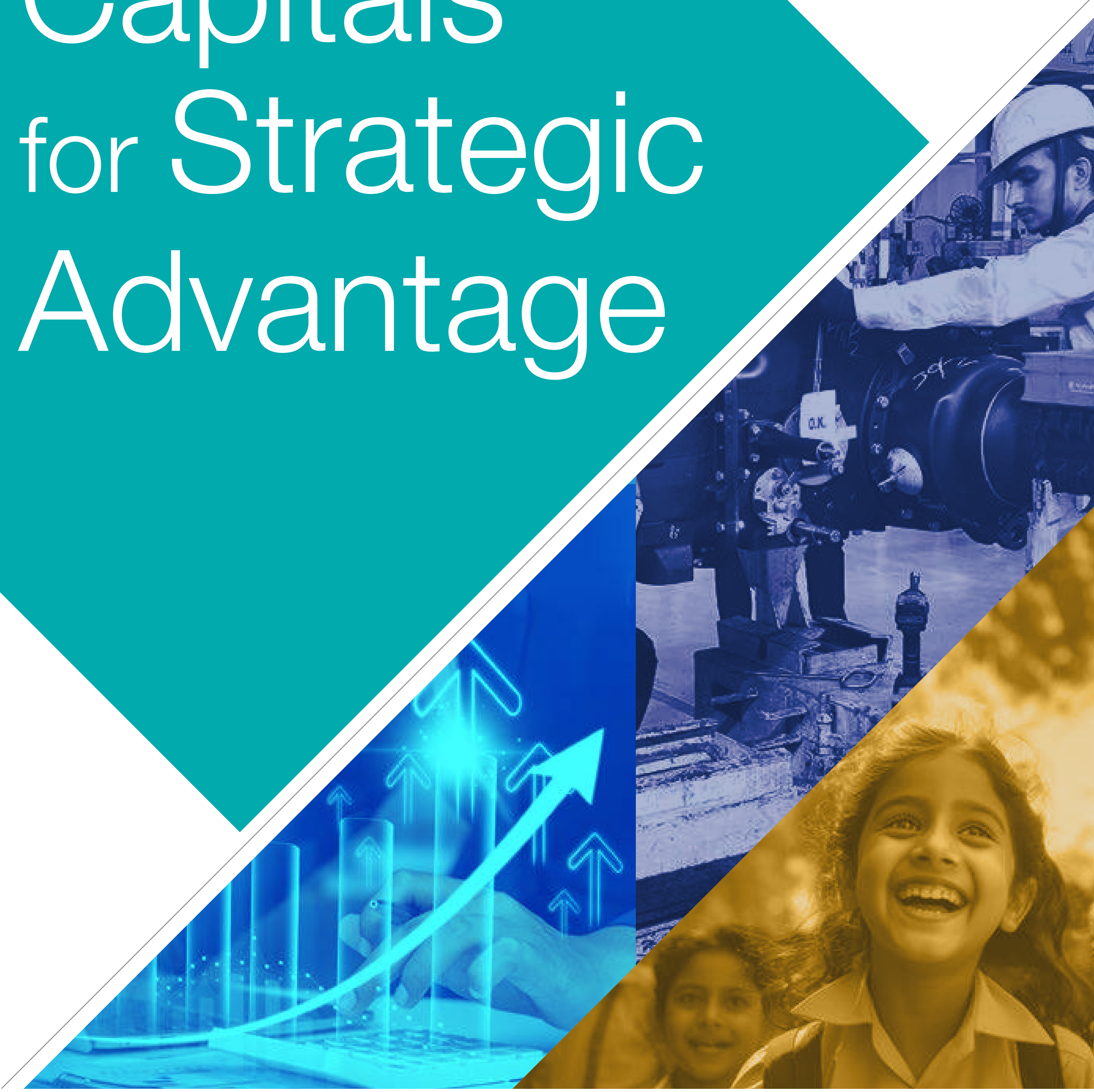
Linked Capitals

Page 114 and 120

Stakeholders Impacted

Government and Regulatory Authorities | Suppliers and Vendors | Industry Associations | Communities

Harnessing Capitals for Strategic Advantage



EKL drives long-term growth by strategically using its financial, human, and intellectual capital. Through investment in advanced manufacturing processes, innovation, and research, we enhance efficiency and quality.

Our Company also nurtures a skilled workforce by prioritising their development and well-being. Parallelly, we earn community trust and champion environmental responsibility, sustaining progress across every sector.

FINANCIAL CAPITAL

Building a Solid Capital Foundation

EKL prioritises sustained profitability, backed by a strong, net-debt-free balance sheet and strategic capital allocation. By optimising our capital allocation, we ensure long-term stability, growth, and improved operations. It also lets us invest in innovative technologies and seize new opportunities for expansion.

Strategic Objectives

SO1 SO2 SO5

Key Highlights of FY 2024-25*

₹ 11,099.75 crores
Revenue from Operations

11.3%
PAT Margin

15.03%
Return on Capital Employed

*including discontinued operations

SDGs Impacted

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Risks Addressed

- Financial
- Strategic
- Operational
- Compliance-related

Capitals Impacted

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

Material Topics Impacted

- Financial Performance

GRI Linkage

GRI 201

Stakeholders Impacted

- Employees and Workers
- Industry Associations
- Suppliers and Vendors
- Communities
- Government and Regulatory Authorities
- Investors and Financial Institutions

Financial Management Approach

Our financial management system ensures sustainable business operations and drives strategic investments, fuelling both growth and endurance. We focus on boosting productivity, delivering innovative solutions to meet customer needs, and excelling in ESG performance to inspire investor confidence. Additionally, we are dedicated to building valuable partnerships with businesses that bring deep expertise in sectors critical to our operations, further strengthening our foundation for sustainable growth.

Business Highlights

Revenue from continuing operations for the year ended March 31, 2025 stood at ₹ 10,187.0 crores, rising 4.7% from ₹ 9,730.7 crores in the previous year. EBITDA from continuing operations reached ₹ 1,177.8 crores, marking a 4.0% increase over ₹1,133.0 crores in the previous years.

Standalone Profit before Tax (PBT), excluding exceptional items and including discontinued operations, stood at ₹ 1,555.3 crores, up 7.9% from ₹ 1,440.9 crores a year ago. Net Profit after Tax (PAT), including discontinued operations, rose to ₹ 1,250.9 crores, reflecting a 15.7% rise over ₹ 1,081.6 crores in the previous year.

Earnings per share (EPS) for the year ended March 31, 2025 stood at ₹ 113.77, up 19.0% from ₹ 95.59 in the previous fiscal year.

Economic Value Creation in FY 2024-25 (in ₹ crores)

Particulars	FY 2024-25	FY 2023-24* (Restated)	FY 2022-23
Direct economic value generated:			
Revenue from Sales	**11,099.75**	10,681.13	8,172.6
Revenue from Financial Investments from Other Sources	**458.71**	392.61	452.9
Total (A)	**11,558.46**	**11073.74**	**8,625.51**
Economic value distributed:			
Operating Costs	8,884.37	8,590.16	6,948.65
Employee Wage and Benefits	820.11	744.02	594.97
Interest Payments Made to the Provider of Loans	27.13	39.31	10.26
Payments to Government	322.09	315.19	175.17
Community Investment	17.85	18.99	17.30
Total (B)	**10,071.55**	**9,707.66**	**7,746.35**
Economic Value Retained (A-B)	1,486.91	1,366.08	879.16

*FY 2023-24 numbers were restated

Employee Welfare Contribution

We contribute to provident and gratuity funds to support employee wages and benefits. Below is a table detailing our contributions for this year, alongside figures from the past two years for sustainable growth.

Details of Contribution to Defined Benefit Schemes	FY 2024-25	FY 2023-24 (Restated)	FY 2022-23
Contribution to Provident Fund (₹ crores)	28.83	27.07	22.2
Contribution to Superannuation Fund	-	-	-
Contribution to the National Pension Scheme (₹ crores)	12.93	10.85	8.6
Contribution to Gratuity Fund (₹ crores)	0.92	0.89	0.7

Dividend Announcement for FY 2024-25

In keeping with our focus on delivering long-term value, we are pleased to announce a total dividend of ₹ 28 per equity share for FY 2024-25, based on a face value of ₹ 10. This marks a 56% rise over the previous year. The payout includes an interim dividend of ₹ 10 per equity share already disbursed and a proposed final dividend of ₹ 18 per equity share. This increase reflects our robust financial performance and reaffirms our consistent commitment to rewarding our investors.

Capital Allocation Strategy

Our capital allocation strategy aims to drive growth and long-term value. For the year ahead, we have committed ₹ 350-400 crores to capital expenditure. Of this, 75% will fuel new product development in agriculture and construction, while 25% will upgrade our manufacturing capabilities. This focussed investment will sharpen our innovation pipeline and raise operational efficiency, reinforcing our position as an industry leader.

Additionally, the intent has been submitted to Government of Uttar Pradesh to set up the Green Field Facility, subject to requisite approval(s). The aforesaid intent estimated direct and indirect investment of approx. ₹ 4,500 crores plus to be done in phases. This transformative project, planned over three to four years, reflects our ambition to expand capacity and deepen innovation. At its core, our capital allocation approach favours strategic investments that raise standards and create sustainable value for all stakeholders.

MANUFACTURED CAPITAL

Strengthening Operations with Precision

EKL pursues manufacturing excellence by investing in advanced equipment to maximise efficiency and safety. Our approach centres on prudent capital use and swift alignment with changing consumer demands. At the same time, we address global challenges, including climate change. By optimising the efficiency, performance, and lifespan of our assets, we ensure our continued competitiveness on the global stage.

Strategic Objectives

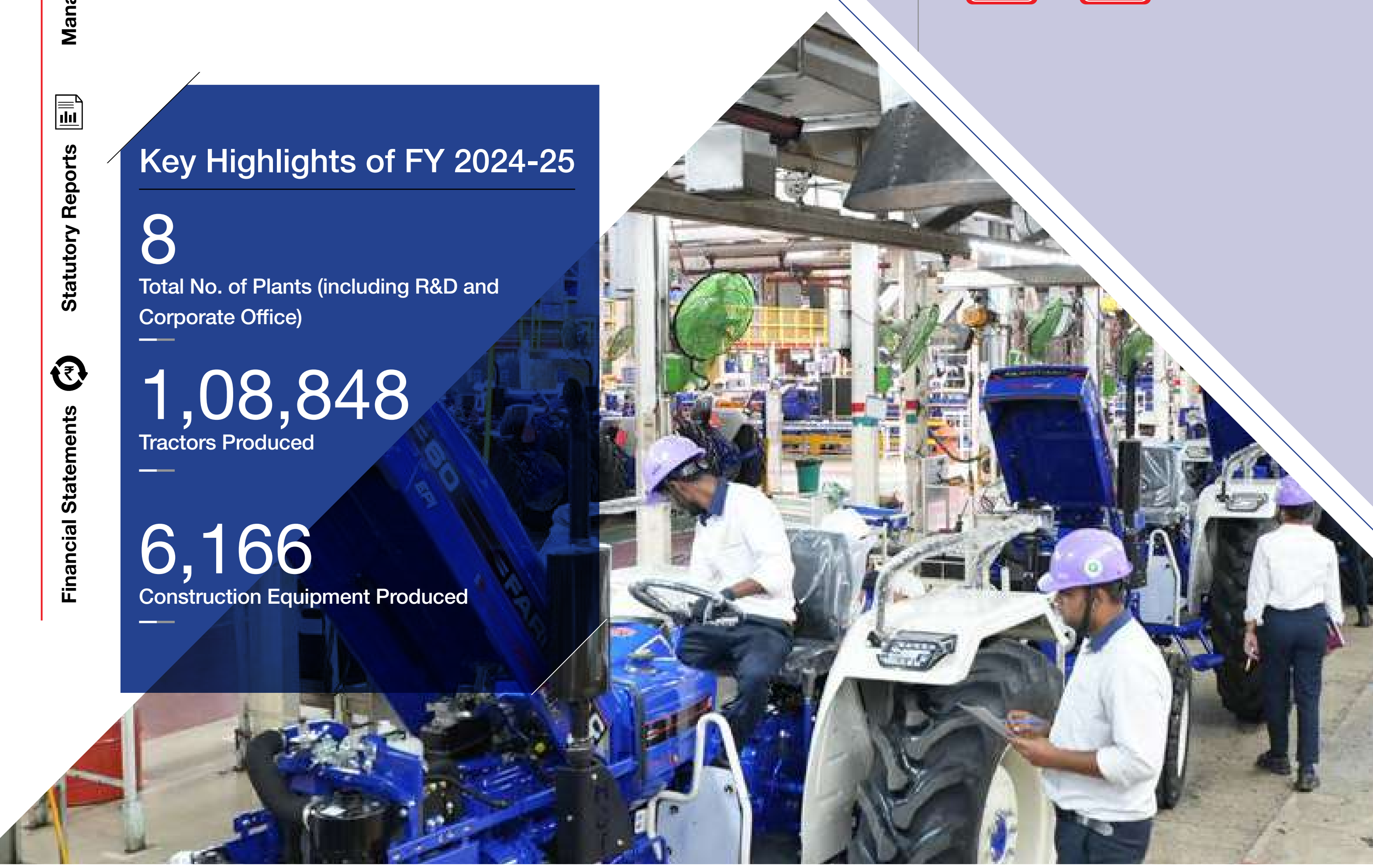
SO1 SO2

Key Highlights of FY 2024-25

8
Total No. of Plants (including R&D and Corporate Office)

1,08,848
Tractors Produced

6,166
Construction Equipment Produced



SDGs Impacted

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Risks Addressed

- Macro-Economic and Market-related
- Operational
- Safety Issues
- Community-related
- Supply Chain and Commodity-related
- Environmental and Climate Change
- Regulatory

Capitals Impacted

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

Material Topics Impacted

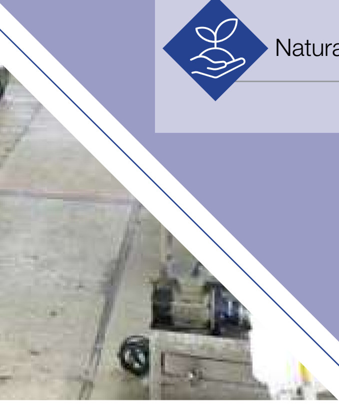
- Product Responsibility and Association
- Resource Efficiency

GRI Linkage

GRI 2,3,4,5,6

Stakeholders Impacted

- Employees and Workers
- Government and Regulatory Authorities
- Customers and Dealers
- Communities
- Suppliers and Vendors



Strengthening our Manufacturing Footprint

We operate across two primary business divisions: Agri Machinery and Construction Equipment. Our focus remains on delivering efficient, high-quality machines backed by strong manufacturing capabilities.

Agri Machinery

This division stands as the foundation of our operations, offering a wide portfolio of advanced tractors, agri-implements and components, all known for their superior performance and reliability. We currently operate four dedicated manufacturing facilities in Faridabad, India, with a combined annual capacity of 170,000 tractors, along with a wholly owned subsidiary in Poland, Europe, with an annual assembly capacity of 2,500 tractors.

Construction Equipment

Serving the infrastructure and construction sectors, this division produces premium cranes, tandem rollers, hydra cranes, and hydraulic excavators. It operates from a modern facility located in Ballabhgarh, Haryana, with an annual production capacity of 10,000 units.

Railway Equipment

Our Railway Equipment business, part of EKL since 1962 and among India's oldest manufacturing units, is under divestment. The EKL Board approved this move during the year under review. This strategic decision enables us to streamline operations and concentrate fully on core growth areas in Agri Machinery and Construction Equipment.

Strategic Shift in Expansion Plans

In alignment with our long-term priorities, we are in the process of developing a greenfield manufacturing facility in Uttar Pradesh, with a phased investment of over ₹ 4,500 crores to expand production capacity and drive future growth.

Spanning 300+ acres, the new facility will house advanced tractor and engine manufacturing units, with scope for future expansion. Once fully operational, it is expected to generate annual production revenue above ₹ 10,000 crores and create employment for over 14,000 people, significantly strengthening our footprint in both domestic and global markets.

Quality Management Driving Customer Delight

Our Company has implemented a comprehensive Quality Management System aligned with ISO 9001:2015. This system is guided by certified internal auditors and dedicated QMS coordinators across divisions. Through regular internal audits, we maintain rigorous quality checks and ensure prompt corrective actions whenever needed.

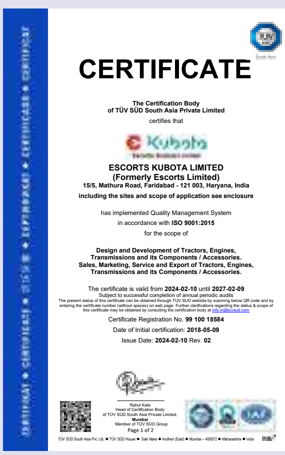
To nurture a strong quality culture, our Central QMS team leads physical and digital training programmes, awareness campaigns, and online quizzes. This approach encourages collaboration across functions, driving uniform standards and compliance. As part of Kubota Corporation, we also undergo annual quality audits by the Kubota Quality Headquarters, reaffirming our commitment to our motto: 'Achieve Quality That Delights Our Customers.'

We address internal quality concerns through the Quality Problem Resolution System, while external field issues are managed by the Empowered Action Group under our Customer Satisfaction Department. The Q Forum provides a management review platform to oversee timely issue resolution and strengthen accountability. Furthermore, a dedicated Product Compliance team and a cross-functional working group within the Quality Assurance Division ensure consistent adherence to all quality standards.

Certifications Added

We have implemented robust systems for quality, environmental management, and health & safety across all our manufacturing facilities. Certifications from leading accreditation bodies further validate our commitment to excellence, sustainability, and workplace safety:

ISO 9001:2015 for Agri Machinery



ISO 9001:2015 for Construction Equipment

ISO 14001:2015 for Agri Machinery

ISO 14001:2015 for Construction Equipment

ISO 45001:2018 for Agri Machinery

ISO 45001:2018 for Construction Equipment

ISO/IEC 27001:2022 for Information Security Management System

INTELLECTUAL CAPITAL

Enabling
Customer-Centric Innovation

We seek to drive high-quality, accessible technologies through an unyielding focus on innovation. We simplify designs and harness advanced R&D to make products more affordable and sustainable. Our aim is to shape a future where innovation meets inclusivity and responsibility.

We have developed the New Product Introduction Programme (NPIP) to drive the development of these products, ensuring enhanced durability, optimised manufacturing, and improved overall quality.

Strategic Objectives

SO1 SO5

Key Highlights of FY 2024-25

₹ 194.60 crores
R&D Investment

3
Patents Granted

13
Design Registrations

SDGs Impacted

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Risks Addressed

- Information Technology and Cybersecurity

Capitals Impacted

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

Material Topics Impacted

- Product Responsibility and Association

GRI Linkage

GRI 401, 413

Stakeholders Impacted

- Employees and Workers
- Customers and Dealers
- Suppliers and Vendors
- Government and Regulatory Authorities

Driving Digital Integration in Construction Equipment

We are reimagining how customers interact with their machines. Telematics has evolved, yet much of its potential remains untapped. Our Company intends to change that. By unifying machine control systems, safety sensors, and telematics into one digital platform, we aim to place real-time insights in our customers' hands. This empowers informed, on-the-go decisions, irrespective of where the machine operates.

Seamless connectivity is a key focus for our upcoming product launches. We also transitioned to BS5 emission standards, introducing significant upgrades in emission control, operator safety, noise and vibration management, and electronic safeguards.

The R&D Journey behind BLX 75

The BLX 75 is not an entirely new machine but a strategic evolution of the existing Dig Max 3 backhoe. Responding to market competition and rising efficiency demands, our R&D team undertook a full redesign to meet customer needs and regulatory standards.

The goal was to make the machine lighter without sacrificing strength or productivity. The base structure was re-engineered from the ground up, resulting in a more optimised design with reduced weight and improved fuel efficiency. Key components such as the boom, dipper, kingpost, and operator cabin were completely redesigned for better durability, comfort, and performance.

A major highlight of the project was the integration of the BS V engine, ensuring compliance with the latest emission norms, while improving operational efficiency. Field trials against competing models showed that BLX 75 performs better in terms of productivity and performances.

With lower weight, improved fuel consumption, and optimised costs, the BLX 75 offers significant value without compromising performance. This redesign enhances profitability, while meeting customer and market expectations. The BLX 75 exemplifies innovation through thoughtful engineering, built on the strengths of its predecessor but reimagined for today's demands.

Innovations in Agri Machinery and Solutions

Kubota introduced its half-feed combined harvester technology in India for the first time. This innovation greatly improved efficiency in harvesting long-grain rice and reduced the number of field operations. We also commercially launched Kubota harvesting probes and advanced balers in East and South India, expanding our post-harvest solutions portfolio.

We are also actively working with Kubota Japan to co-develop implements like rotavators for the MU series and newer harvesters for the North Indian market.

In FY 2025-26, we plan to introduce two new product lines under Farmtrac Promaxx and Powertrac series, aligned with our goal of launching at least two innovative mechanisation solutions annually. We are also strengthening partnerships with agricultural universities such as Chandrashekhar Azad Agricultural University, BALOC Institute, and others. Furthermore, we are expanding our model farms across India to promote best mechanisation practices and agronomic education.

Promaxx Series: Redefining Compact Power

The Promaxx series marks a major advance in the Farmtrac range, introducing advanced features in the sub-50 horsepower (HP) segment. Historically, the Farmtrac lineup lacked four-wheel drive (4WD) options below 50 HP, limiting versatility in demanding conditions.

Promaxx addresses this gap with a range spanning from 38 to 47 HP, and a 50 HP variant launching next year to complete the utility 4WD range. Built on a new EKL transmission platform, Promaxx offers a 12+3 speed transmission, ensuring greater control and efficiency. Designed for both dry and wetland applications, the series supports both 2WD and 4WD options, giving customers the flexibility to choose according to terrain and farming needs.

This next-generation tractor range incorporates over 50 upgrades from the existing Champion and Classic models. These include improvements in driveline, ergonomics, operator comfort, fuel efficiency, and modern styling, all tailored to evolving market trends and customer expectations in the utility tractor segment.

With Promaxx, Farmtrac delivers a future-ready platform that brings premium features to <50 horsepower tractors, making it a game-changer in its category.

Building Predictive Ecosystems in the Services and Spare Parts Segment

We have laid out a focussed three-year roadmap to shift from reactive to predictive service models. This involves deploying IoT-enabled devices across our harvesters to capture real-time engine and operational data. These inputs will power advanced analytics and enable early fault detection. In the meantime, we are using extensive historical data from warranty claims, job cards, and service records to build predictive models that improve parts stocking and service readiness, ensuring minimal downtime and enhanced customer satisfaction.

Advancing Emission-Compliant Technologies in Engines

Both EKL engine business division and Kubota Engines have made major advances to meet India's evolving emission standards. With the transition from BS IV to BS V in construction equipment, we introduced the Diesel particulate filter (DPF) system. Developed jointly with Kubota engineers, it meets new regulatory requirements.

Simultaneously, the EKL engine business division successfully launched CPCB4+ compliant engines for the genset market, transitioning from mechanical to electronic engine controls. This not only aligns with emission norms but also paves the way for future innovations in smart engine diagnostics and control.

Shaping a Sustainable, Future-Ready Portfolio

We have built a strong base in hybrid and EV technologies, as seen in our diesel-CNG hybrid crane and electric tractor pilots. We are now evaluating the right timing to introduce EV and other alternative fuel systems in India. Backed by Kubota's global advancements, we aim to pilot and commercialise these technologies in the Indian market over the next 2–5 years, in sync with evolving business and environmental readiness.

Building Global Design Capabilities

We have set up a Shared Services Centre in India to support and collaborate with KBT on global design development. This will focus exclusively on diverse global design projects from KBT, spanning multiple product segments.

ESG STRATEGY

Integrating Responsibility into Strategy

We have established a comprehensive ESG roadmap featuring specific targets across the environmental, social, and governance pillars. This roadmap not only directs our sustainability initiatives but also strengthens our capacity to manage emerging risks, promote long-term resilience, and deliver enduring value to all stakeholders.

By integrating ESG principles into our core strategy, we strive to achieve meaningful progress, promote responsible growth, and bolster stakeholder confidence through measurable outcomes and transparent practices.We have implemented a digital platform to monitor and analyse our environmental, social, and governance (ESG) data, resulting in more comprehensive and insightful ESG reporting.

Social Responsibility

Our social initiatives are designed to support inclusive development and employee well-being. We maintain fair labour practices, promote workplace diversity, and create an inclusive culture. Additionally, our CSR programmes advance agricultural progress and farmer welfare. We also provide sustainability training to align all employees with our ESG objectives.

Environmental Focus

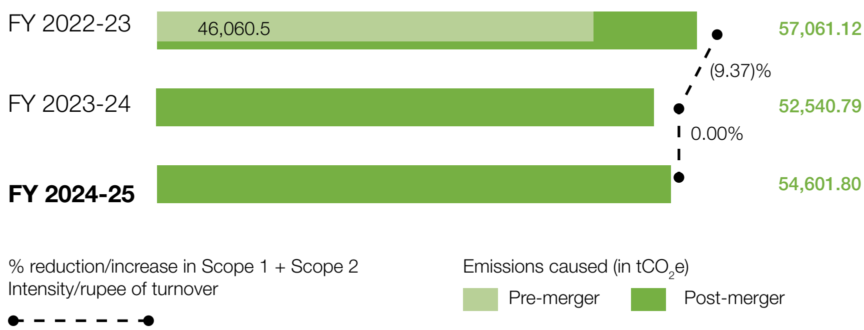
We prioritise lowering our carbon footprint, enhancing resource efficiency, and boosting clean energy adoption. Our targets also focus on reducing waste, controlling carbon emissions, and achieving water positivity. Furthermore, a major part of our efforts goes into expanding renewable energy, especially solar power, alongside advancing waste and emission management.

MITIGATING AND ADAPTING TO CLIMATE CHANGE

Escorts Kubota Limited (EKL) has committed to becoming carbon neutral by 2050. As part of this long-term goal, we aim to reduce Scope 1 and 2 GHG emissions by 25% by FY 2029-30, using FY 2022–23 as the base year. Our decarbonisation roadmap focuses on operational efficiency, renewable energy adoption, and process optimisation to reduce our emissions footprint from manufacturing and allied activities.

CO_2 Emissions (Progress to Environmental Conservation Targets 2030)

Scope 1+2 emissions



Note:- Emission baseline has been changed due Amalgamation of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited (Amalgamating Companies) with Escorts Kubota Limited (Amalgamated Company).

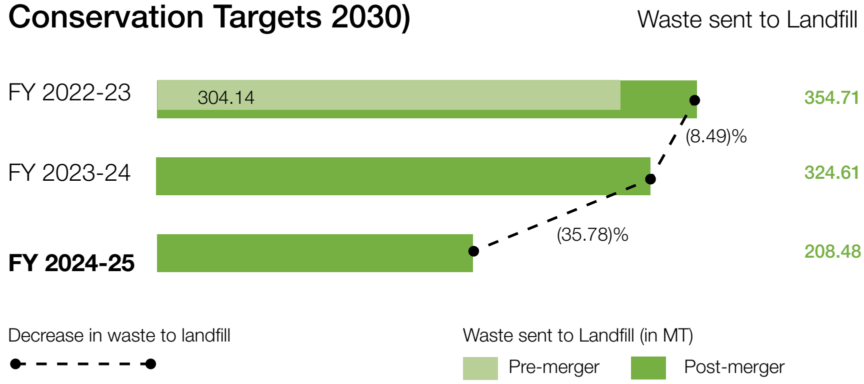
Governance Standards

We uphold robust governance systems that prioritise ethical conduct, compliance with regulations, and sustained value creation. By aligning with international reporting standards and frameworks, we ensure transparency, accountability, and consistent communication with stakeholders.

ZERO LANDFILL WASTE BY 2027

EKL is targeting zero landfill waste by FY 2026-27. We have initiated a structured waste management plan that includes improved waste segregation, recycling partnerships, and co-processing through cement kilns and waste-to-energy channels. The reduction in landfill-bound waste demonstrates tangible progress toward circularity.

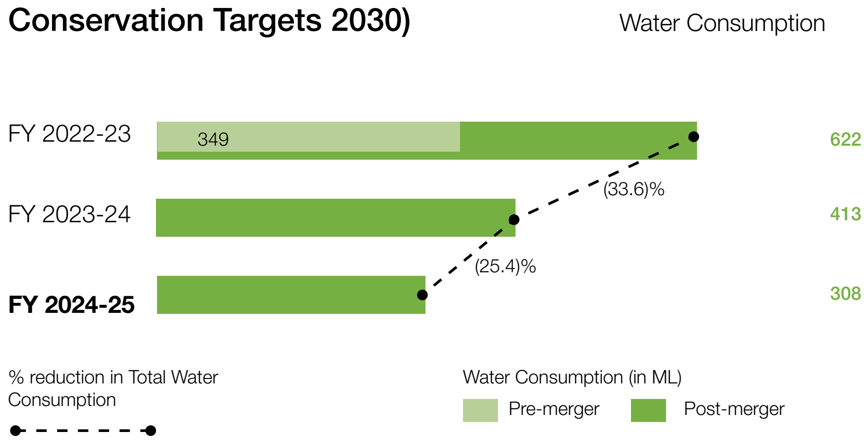
Waste to Landfill (Progress to Environmental Conservation Targets 2030)



WATER POSITIVE BY 2030

To become a water positive organisation by FY 2029-30, EKL upgrading STPs/ETPs, and expanding rainwater harvesting and water reuse. These measures are aimed at reducing freshwater consumption and enhancing groundwater recharge across our facilities.

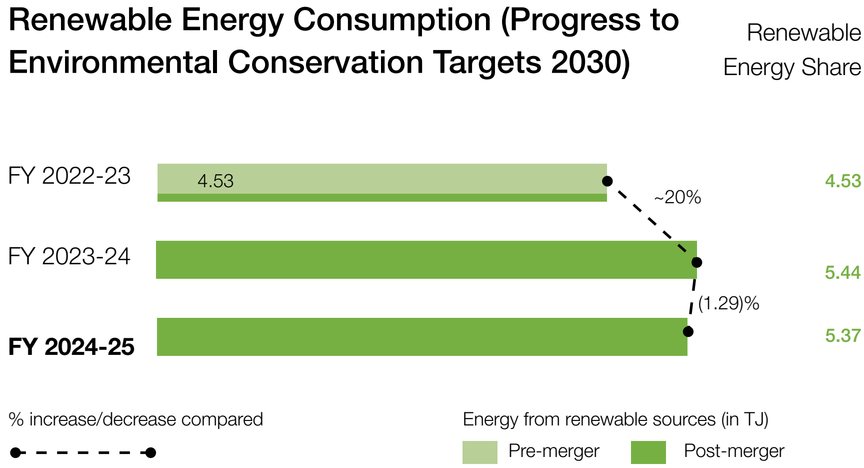
Water Consumption (Progress to Environmental Conservation Targets 2030)



RENEWABLE ENERGY TRANSITION

We are working towards tripling the share of renewable energy in our energy mix by FY 2029-30, compared to FY 2022–23 levels. This transition supports both cost efficiency and carbon reduction.

Renewable Energy Consumption (Progress to Environmental Conservation Targets 2030)

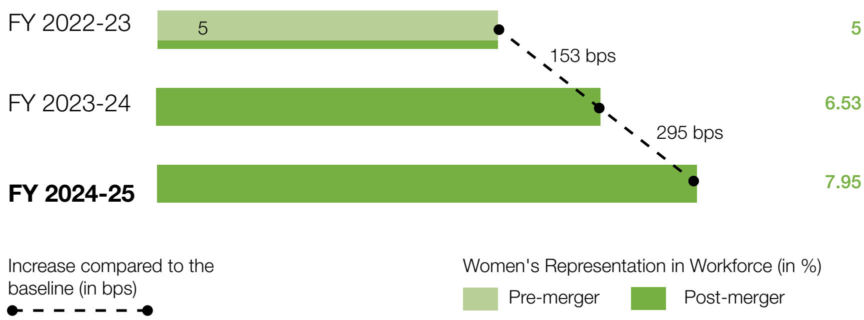


Note- There has been a decline in solar energy production due to ongoing upgrades to the physical infrastructure. Consequently, rooftop solar systems at certain locations were non-operational during the current reporting period.

ENHANCING GENDER DIVERSITY

EKL is targeting 7.5% women's representation by FY 2024-25, up from 5% in FY 2022–23. Focussed hiring, inclusive policies, and leadership development initiatives are being rolled out to improve gender balance across functional roles.

Women's Representation in Workforce* (Progress to Environmental Conservation Targets 2030)



We have successfully met our gender diversity target of 7.5% for this reporting period. For FY 2025-26 we are targeting 9% gender diversity.

**From Employees Category*

SOCIAL IMPACT THROUGH CSR

Our CSR programmes focus on healthcare, education, livelihoods, and environmental improvement. Through structured interventions and community partnerships, EKL aims to positively impact lives year-on-year. CSR projects are aligned with local needs and monitored for on-ground effectiveness.

~₹11.72 crore

CSR spend in FY 2024-25

GOVERNANCE STANDARDS

Our governance framework includes periodic policy reviews, Board-level oversight, and integration with our enterprise risk management system. These structures ensure ESG risks and opportunities are considered in all strategic and operational decisions.

ESG AWARENESS AND CAPACITY BUILDING

We aim to achieve 100% employee awareness on ESG practices by FY 2024-25. To this end, EKL has launched a company-wide engagement campaign comprising training sessions, interactive modules, and sustainability-themed events to drive internal alignment.

We have started the Sustainability Induction for new Joiners and e-module on sustainability for all our employees.

VALUE CHAIN ESG ASSESSMENT

EKL initiated a value chain ESG risk assessment in 2024. The framework covers environmental compliance, labour practices, and ethical sourcing. Supplier engagement is underway to build a more resilient and responsible supply network. We have engaged with over 300 Value Chain Partners and conducted two training sessions focused on BRSR core and ESG concepts. Additionally, we have completed ESG assessments for major suppliers on our ESG digital tool.

NATURAL CAPITAL

Championing Sustainable Stewardship for Lasting Value

We acknowledge the vital role natural resources play, both as enablers of sustainable growth and as shared assets essential to planetary health. Our approach is not limited to regulatory compliance. It reflects a profound culture of environmental responsibility and long-term value creation.

We focus our efforts on four core areas: carbon emissions reduction, clean energy usage, water and waste management, and natural resource conservation. Our initiatives are designed with multi-stakeholder impact in mind, including Customers and Dealers, Government Authorities, Suppliers, Communities, Investors, and Industry Associations.

Strategic Objectives

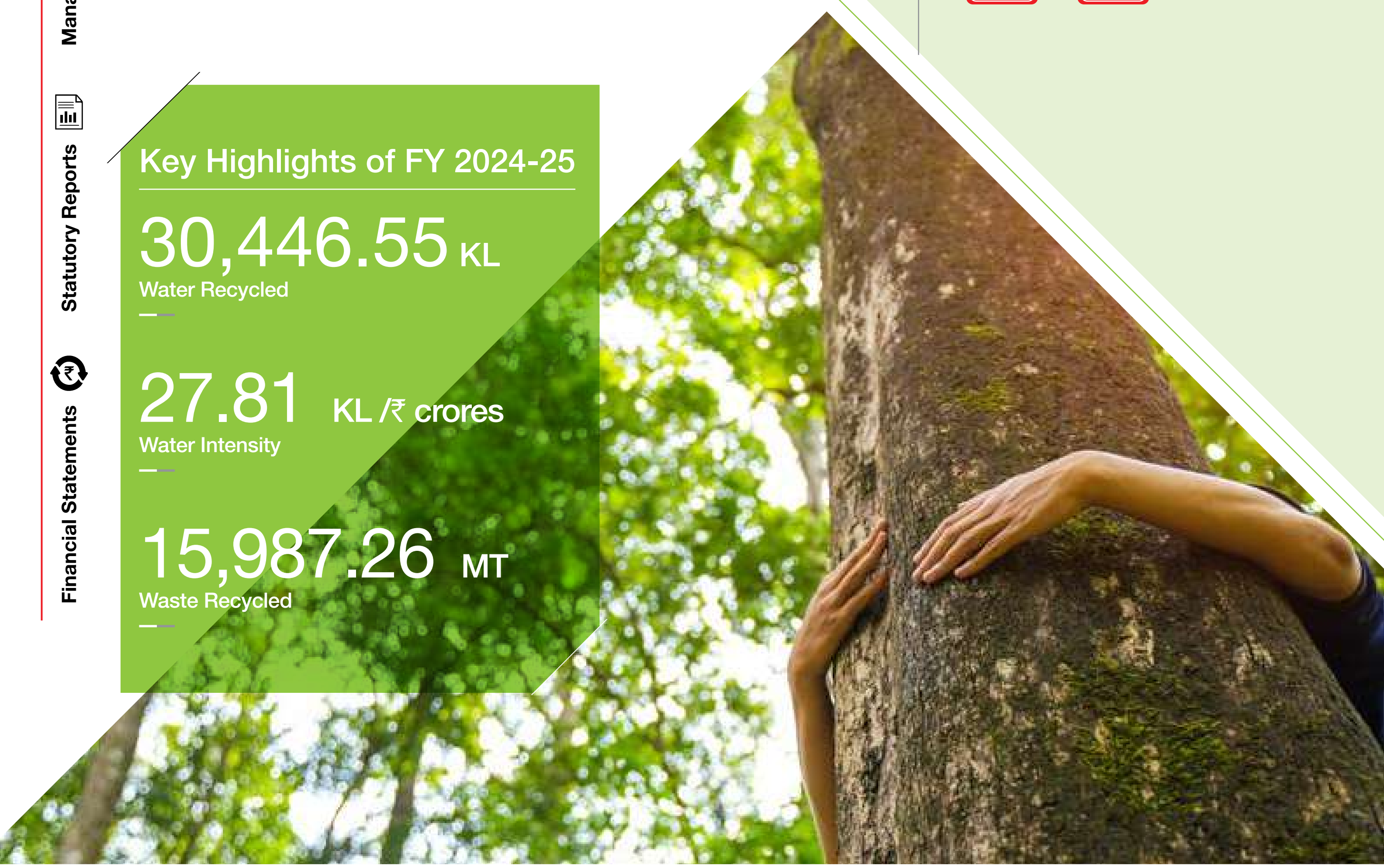
SO1 SO3

Key Highlights of FY 2024-25

30,446.55 KL
Water Recycled

27.81 KL /₹ crores
Water Intensity

15,987.26 MT
Waste Recycled



SDGs Impacted

- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER
- 15 LIFE ON LAND

Risks Addressed

- Financial Risk
- Strategic Risk
- Operational Risk
- Compliance Risk

Capitals Impacted

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

Material Topics Impacted

- Energy and Climate Change
- Resource Efficiency
- Operational Environment, Health and Safety

GRI Linkage

GRI 301, 302, 303, 304, 305, 306

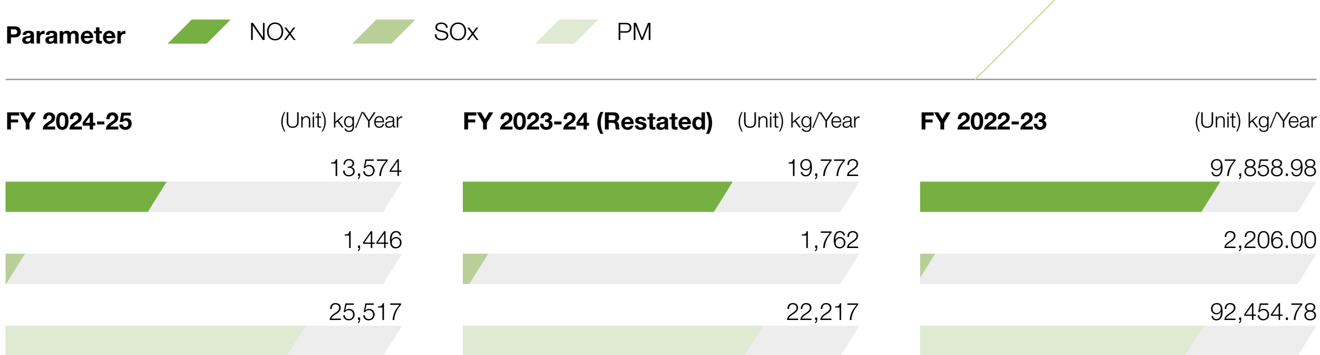
Stakeholders Impacted

- Customers and Dealers
- Government and Regulatory Authorities
- Suppliers and Vendors
- Communities
- Investors and Financial Institutions
- Industry Associations

Environmental Strategy and Commitments

Sustainability drives every aspect of our operations and decisions. We have established a stringent approach to environmental management, centred on our proprietary Plant Sustainability Index. This tool benchmarks and enhances performance across all manufacturing units.

Using advanced technologies like magnetic flow meters, we monitor water consumption in real time. Meanwhile, our in-house Environmental Lab ensures continuous oversight of water recycling processes. Beyond systems and tools, we are fostering a culture of environmental accountability. This accountability grows through regular training that empowers our teams to actively minimise waste, prevent pollution, and embed sustainable thinking into every operational decision.



Note: The values from the FY 2023-24 have been restated to reflect a revised understanding,merger and correction of previously reported figures

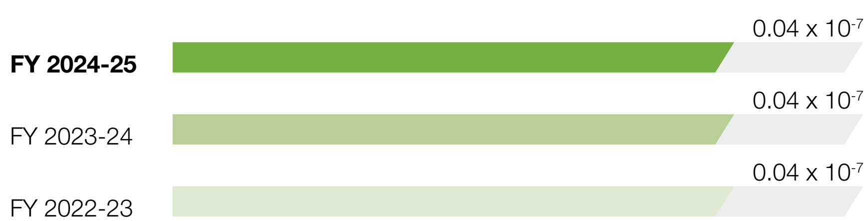
Commitment to Decarbonisation

With the climate crisis intensifying, every sector must act decisively to mitigate its effects. Acknowledging this, EKL remains firmly committed to environmental stewardship. Our approach is grounded in energy efficiency, renewable energy adoption, and green electricity procurement across our operations. Our ongoing investments in R&D focus on developing energy-efficient products that keep emissions in check throughout their lifecycle.

Energy Consumption (in TJ)	**FY 2024-25**	FY 2023-24 (Restated)	FY 2022-23
Fuel Consumption	201.06	193.54	153.06
Grid Electricity	212.74	205.98	187.13
Renewable Energy	5.37	5.44	4.53

Energy Intensity

(TJ/₹ of turnover)



Integrating Energy Efficiency into Every Operation

We are systematically embedding energy efficiency across our manufacturing footprint. Our shift from conventional diesel-based generation to cleaner gas-based systems has progressed through the commissioning of multiple high-capacity gas generators, with further additions underway. We have installed six gas gensets, each with a 1,950 kVA capacity, replacing outdated diesel gensets, significantly cutting CO_2 emissions. As part of our emission reduction initiatives, we also replaced diesel forklifts with electric ones. These efforts have significantly reduced our reliance on fossil fuels while boosting operational performance.

Additionally, we are deploying real-time energy monitoring and analytics tools across our facilities. These systems track energy consumption patterns, help identify inefficiencies, set benchmarks and enable corrective actions with speed and precision. Alongside this, we are upgrading to energy-efficient motors, lighting, and compressed air systems across our plants. Each step is aligned to reduce our overall energy intensity.

Managing and Offsetting Emissions Responsibly

We are driving down Scope 1 and Scope 2 emissions through a two-pronged strategy: optimising fuel usage and transitioning to low-emission processes and materials. Concurrently, we have introduced green design principles and process improvements that help cut emissions from painting, waste disposal, and auxiliary operations.

In FY 2024-25, Scope 1 emissions rose to 11,639.29 metric tonnes (MT) of CO_2 equivalent. Scope 2 emissions reached 42,962.51 MT CO_2 equivalent, driven by higher production. Yet, emissions intensity per production unit improved, signalling stronger operational efficiency. Furthermore, we are committed to reducing our Scope 3 emissions and are actively working to enhance the accuracy of our Scope 3 emissions tracking to ensure it encompasses all relevant categories.

To offset the remaining emissions, we are investing in nature-based solutions. A structured green belt development programme has been launched across our sites. These initiatives support our broader objective of achieving carbon neutrality in the medium term.

Scope 1 + Scope 2 Emissions (in tCO_2e)	**FY 2024-25**	FY 2023-24 (Restated)	FY 2022-23
Scope 1	11,639.29	11,573.6	9,153.03
Scope 2	42,962.51	40,967.19	36,907.51
Total	**54,601.80**	**52,540.79**	**46,060.54**

Emissions Intensity

(tCO_2e/₹ of Turnover in crores)

Scope 3 Emissions (in tCO_2e)	**FY 2024-25**	FY 2023-24 (Restated)	FY 2022-23
Category 3: Fuel and Energy Not Included in Scope 1 and 2	273.98	245.67	358.39
Category 5: Waste Generated in Operations	108.84	340.89	335.71
Category 6: Business Travel	3,292.14	27,755.16	21,122.51
Category 7: Employee Commute	20,935.60	4,250.47	3,412.6
Category 9: Downstream Transportation and Distribution	*	9,87,157.41	9,05,649.00
Total	**24,610.56**	**10,19,749.6**	**9,30,878.21**

** We are currently refining our methodology for calculating as a result of the amalgamation of companies and the creation of the merged entity.*

Powering a Renewable Future

The transition to renewable energy is a key pillar of our decarbonisation roadmap. We have installed solar power across locations, meeting regulatory targets for solar contribution to connected load. Building on this momentum, we are identifying new locations to triple our solar capacity in the coming phase.

To complement our captive generation efforts, we are exploring green power procurement strategies. These include open access arrangements and renewable energy service agreements, aimed at widening our clean energy presence across regions.

Water Consciousness

Water stewardship is embedded across our operations, guided by real-time monitoring and structured audits. Our water supply comes mainly from groundwater and third-party vendors, depending on the business unit. Key actions include:

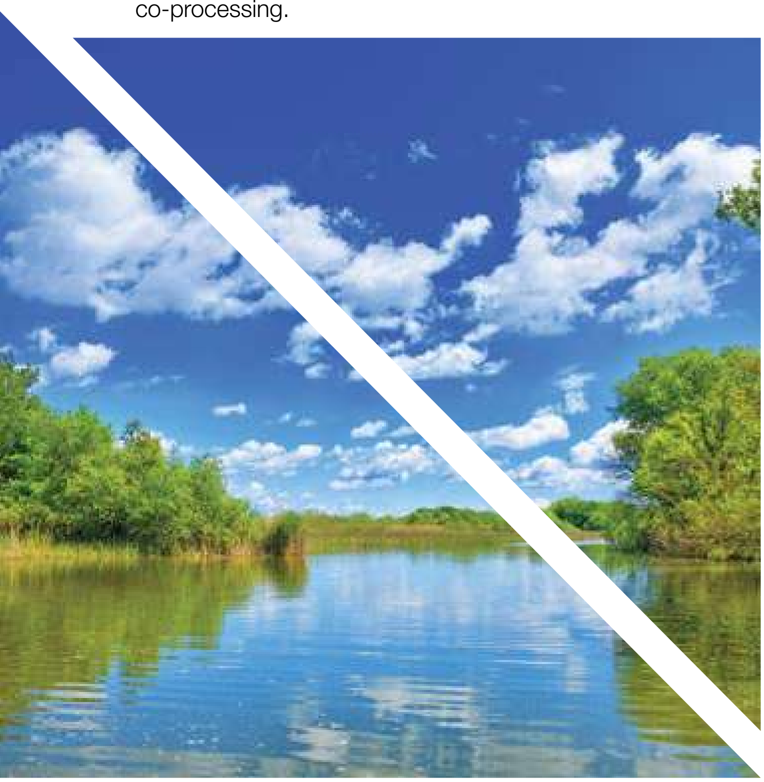
- Upgrading all plants with STP and ETP systems
- Shifting from underground pipelines to overhead systems, achieving 40% water savings
- Enhancing recycling and reuse efficiency through new infrastructure

Water Indicators (in KL)	**FY 2024-25**	FY 2023-24 (Restated)	FY 2022-23
Total Water Withdrawal	5,14,586.01	5,47,768.33	5,19,556.74
Total Water Consumption	3,08,696.88	4,13,232.82	3,48,539.74
Total Water Discharged	2,05,889.13	1,34,535.51	1,71,017.00

Advancing Circularity

Our circularity initiatives prioritise waste minimisation and resource recovery. We maintain comprehensive infrastructure for responsible management of hazardous and non-hazardous waste, partnering with organisations for safe disposal and recycling.

Hazardous waste includes used oil, industrial sludge, e-waste, and biomedical waste. Non-hazardous waste comprises metal scrap, rubber, plastic, and packaging. Disposal methods span recycling, incineration, landfill, and co-processing.



Additional waste management initiatives include:

- Replacing asbestos sheets with GI sheets in old buildings
- Deploying an Oil Filtration Unit to extend lubricant life
- Composting food waste for gardening
- Promoting digitalisation and paperless practices, supported by a structured recycling programme

Waste Disposal and Treatment Method	Unit	FY 2024-25	FY 2023-24
Incineration	MT	800.76	1,029.21
Recycling	MT	15,987.26	17,858.53
Landfill	MT	208.48	324.61
Other Disposal Operations	MT	23.32	0

Resource Management

Our diverse product range requires a variety of materials, all subject to stringent quality and environmental standards. Our in-house R&D team conducts rigorous checks to ensure every procurement meets our specifications. For our Railway Equipment business, materials are sourced in full compliance with the environmental and social criteria set by the Ministry of Railways. Similarly, our Poland facility enforces thorough compliance checks, reflecting our global commitment to responsible sourcing.

We closely track environmental compliance for all products and packaging, ensuring alignment with European Union and US regulations. Quarterly supplier reviews reinforce these expectations and strengthen alignment with our sustainability agenda. Furthermore, to enhance transparency and simplify oversight, we have adopted a digital data platform.

Sustainable sourcing has been strengthened, with around 37% of EKL's inputs procured under strict environmental compliance procedures. In line with our commitment to product life-cycle responsibility, we practice product reclamation, including recycling approximately 400 tonnes of post-consumer plastic waste under Extended Producer Responsibility (EPR) obligations. We also responsibly manage operational e-waste through certified recyclers.

To formalise these efforts, we are registered with the Central Pollution Control Board (CPCB) under Plastic and Battery Waste EPR regulations. We regularly submit detailed reports to the CPCB portal, reaffirming our dedication to compliance and sustainable waste management.

HUMAN CAPITAL

Nurturing Collective Progress with Our Human Capital

Our people are central to everything we achieve. Our approach to human capital management spans the entire employee journey from recruitment and induction to ongoing development and support. We focus on diversity, well-being, continuous learning, and performance to foster an inclusive and empowering culture. These efforts help us shape a capable, motivated, and future-ready workforce.

Strategic Objectives

SO4

Key Highlights of FY 2024-25

80%+
Internal Engagement Score

40%+
Female Campus Hires

85%+
Departmental Positions Filled Internally

SDGs Impacted

4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Risks Addressed

- Financial Risk
- Strategic Risk
- Operational Risk
- Compliance Risk

Capitals Impacted

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

Material Topics Impacted

- Employment
- Diversity and Inclusion
- Operations Environment, Health and Safety
- Resource Efficiency
- Value, Ethics and Compliance

GRI Linkage

GRI 401, 402, 403, 404, 405, 406, 407, 408, 409, 410

Stakeholders Impacted

- Employees and Workers
- Government and Regulatory Authorities

Nurturing Talent Through Strategic Initiatives

Our talent management strategy for FY 2024-25 builds firmly on the foundation set last year. We follow an integrated approach to attract, develop, engage, and retain talent, closely aligned with our organisational values and strategic priorities.

We continue to enhance our in-house development programmes and cross-border knowledge-sharing with Kubota teams in Japan and Thailand. These engagements foster continuous improvement and skill upgradation. Learning sessions on 'On Your Side' and 'Indo-Japanese Culture' are fostering a workplace defined by customer centricity, quality, responsiveness, and mutual respect.

Championing Diversity and Inclusion

Diversity is the key driver of innovation and operational excellence at EKL. We embrace a broad spectrum of perspectives across age, gender, ability, educational background, and professional experience. This commitment to inclusivity helps us maintain a dynamic workforce that reflects the communities we serve, while fostering equal opportunities and a strong sense of belonging throughout the organisation.

In FY 2024-25, we intensified our focus on building a diverse and inclusive workplace, with particular emphasis on women and young talent. The proportion of young professionals joining from campus recruitment nearly doubled, accompanied by a remarkable 40% diversity representation within this group. Overall gender diversity among permanent and contractual white-collar employees improved from 7.1% to 8% during the year.

Diversity Indicator	Percentage
Share of women in total workforce (as % of total workforce)	3.5%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	6.1%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	7.0%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	2.9%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	4.1%
Share of women in STEM-related positions (as % of total STEM positions)	5.5%

Nationality	
Indian	17,168
Japanese	37
Polish	55*

*FTES Poland is included under consolidated reporting.

Our approach to empowering women employees rests on three key pillars:

Building Confidence

Nearly half of the women who participated in capability-building workshops, leadership connects, and the UDAAN Women's Leadership Development Programme have progressed into higher roles or taken on new responsibilities.

Empowering Courage

Career acceleration platforms like EKCAP and UDAAN equip women with future-ready skills, preparing them for emerging opportunities.

Encouraging Care

Our wellness framework supports women through creche facilities, reserved parking for expecting mothers, health awareness sessions, and flexible work arrangements including remote options.

Alongside these targeted initiatives, we offer platforms for women and young talent to engage regularly with senior leaders, reinforcing an inclusive culture where career growth is accessible to all. Our policies and processes are continuously reviewed to align with best practices in Diversity and Inclusion. New hires receive relevant training to ensure smooth integration and effective role performance.

These combined efforts have gradually improved the representation of women in our workforce and strengthened their overall satisfaction, affirming our goal of creating an equitable, supportive environment where all talent can thrive.

Employee Diversity

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent Employees (D)	3,498	3,283	93.85	215	6.15
2.	Other than Permanent Employees (E)	992	850	85.69	142	14.31
3.	Total No. of Employees (D + E)	4,490	4,133	92.05	357	7.95
WORKERS						
4.	Permanent Workers (F)	1,124	1,119	99.56	5	0.44
5.	Other than Permanent Workers (G)	11,591	11,346	97.89	245	2.11
6.	Total No. of Workers (F + G)	12,715	12,465	98.03	250	1.97

Category	<30 Years		30-50 Years		>50 Years	
	Male	Female	Male	Female	Male	Female
Employees	1,047	195	2,836	150	250	12
Workers	7,839	226	3,865	20	761	4
Total	8,886	421	6,701	170	1,011	16

Board Diversity

<30 Years		30-50 Years		>50 Years	
Male	Female	Male	Female	Male	Female
0	0	0	0	15	3

Attracting and Retaining Talent for Long-Term Growth

At Escorts Kubota Limited, our talent strategy is built on the principle that sustainable growth depends on attracting fresh talent, nurturing existing employees, and fostering an inclusive, engaging environment where everyone can thrive.

We believe in growing our people from within. Over 85% of middle management and above roles were filled internally in FY 2024-25. This approach not only strengthens loyalty but also ensures continuity, as those promoted already understand our culture and operations deeply. Alongside this, we continue to bring in new perspectives through campus recruitment and targeted lateral hiring. Our mentorship programmes for campus hires has been instrumental in helping them transition smoothly.

To support new employees, we offer a structured onboarding experience combining digital modules with clear communication on business objectives, policies, and organisational culture. This foundation is complemented by ongoing feedback channels—such as pulse surveys and regular connect sessions—which help us stay closely attuned to employee sentiment and engagement. These efforts have helped us to reduce early attrition by 1.8% year on year and nurturing a sense of belongingness from day one.

Recognising the need for specialised skills to meet our global ambitions, we have sharpened our focus on hiring niche talent, especially for our KNA IT

and R&D shared services. These roles are critical to positioning EKL as a global engineering hub for Kubota. To broaden perspectives and drive innovation, we also encourage global mobility through overseas assignments, market visits, and cross-cultural learning opportunities, which enrich employee experiences and collaboration.

Our commitment to inclusivity and psychological safety is embedded throughout our workplace culture. We ensure accessibility through the right infrastructure like ramps for employees with disabilities and run regular Prevention of Sexual Harassment (POSH) awareness sessions to foster a respectful and bias-free environment. Tailored connect sessions address individual needs, reinforcing a culture of openness and trust.

These efforts contributed to a robust employee engagement score above 80, reflecting strong employee involvement and satisfaction.

New Joinee Details

Categories	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
By Employee Category									
Senior Management	4	0	4	13	0	13	5	0	5
Middle Management	68	0	68	81	5	86	55	0	55
Junior Management	585	81	666	665	44	709	735	61	796
Permanent Workers	2	0	2	1	0	1	3	0	3
Total	**659**	**81**	**740**	**760**	**49**	**809**	**798**	**61**	**859**

Age	Male	Female	Total
<30	241	58	299
30-50	415	23	438
>50	3	0	3
Total	**659**	**81**	**740**

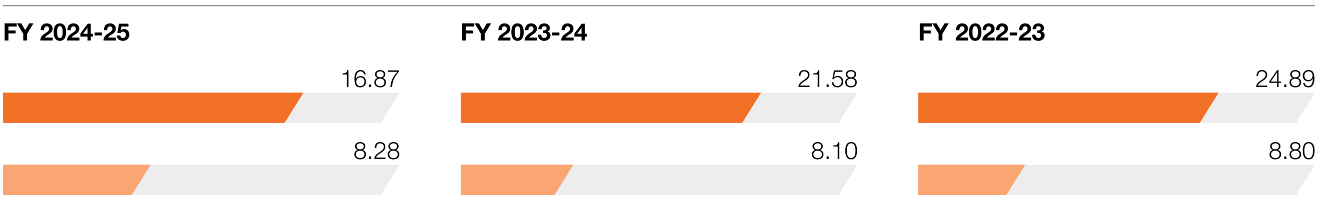
Workforce Turnover (including VRS, Retirement and Death)

	<30	<30	30-50	30-50	>50	>50
Employee Turnover	Male	Female	Male	Female	Male	Female
Senior Management	-	-	3	-	5	-
Middle Management	-	-	49	4	13	-
Junior Management	134	17	322	21	8	1
Workmen	-	-	2	-	93	2

Note: Includes all exits, including retirements and demise; excludes fixed term contracts.

Attrition Rate (%)

Permanent Employees Permanent Workers



Gender Pay Indicators (in ₹)		
Employee Level	Average Women Salary	Average Men Salary
Executive level (base salary only)	-	32,91,873
Executive level (base salary + other cash incentives)	-	1,18,33,607
Management level (base salary only)	3,75,549	4,65,913
Management level (base salary + other cash incentives)	11,09,546	15,05,715
Non-management level	11,96,214	10,45,512

Prioritising Well-being through Comprehensive Support

EKL views employee well-being as a critical aspect of effective talent management. Our aim is to enhance the overall quality of life for our people at every stage of their journey with us. From health and financial security to work-life balance and inclusive practices, our benefits framework is designed to support our employees holistically.

Introduction of a 5-Day Work Week for Managers:

In a progressive step towards improving work-life integration, we implemented a five-day work week for all managerial employees across business verticals including manufacturing operations. This initiative reinforces our commitment to building a more balanced, people-centric work culture.

Maternity Benefits:

We support women employees through their motherhood phase by providing maternity leave as outlined in the Maternity Benefit Act. We have wellness framework to support through reserved parking places for expecting mothers, health awareness session, medical insurance cover, creche facility and flexible work arrangements including remote options. These provision helps them manage both personal and professional responsibilities with greater ease.

Health and Life Insurance:

Employees are covered under health insurance, accident insurance as well as term life insurance plans, ensuring the access to quality medical care whenever required and psychological safety in times of need.

Collective Bargaining:

We uphold the right to freedom of association and collective bargaining. Monthly meetings between employee relations team and union representatives ensure transparent dialogue and continued engagement. Senior management remains actively involved in these interactions, resolving concerns swiftly and nurturing a workplace built on mutual respect and collaboration.

FY 2024-25	Maternity Leave
No. of Employees Entitled to Parental Leave	606*
No. of Employees that Took Parental Leave	13
No. of Employees Who Returned to Work after the Leave	5
No. of Employees Still Employed 12 Months After Returning	7
Return to Work Rate (%)	100.00
Retention Rate (%)	85.71
No. of Employees Who Took Parental Leave in FY 2023-24	7

** All employees including workmen and Excluding 1 expat who is covered under Kubota policy.*

Human Right Due Diligence

To uphold our commitment to human rights, we have started Human Rights Due Diligence (HRDD) process in FY24-25, following the UN Guiding Principles on Business and Human Rights and aligned with Kubota Corporation's support for the UN Global Compact. This process will identify and mitigate potential human rights risks in our operations and will be externally reviewed next year. Our goal is to align our practices with international human rights standards and positively impact the communities we serve, emphasizing transparency and accountability in our efforts.

Health and Safety at the Forefront

We place the highest priority on the Safety, Health, and well-being of our employees. For us, safety is an organisational mindset that guides our actions. Our proactive, adaptable safety framework combines structure with flexibility and promotes involvement across all levels. Backed by globally recognised certifications and driven by our employees' insights this approach integrates safety into every routine, decision, and improvement effort.

Cultural Integration
Safety is a foundational value, embedded in every decision, not just a regulatory compliance.

Certifications
ISO 45001 and ISO 14001 standards guide our safety and environmental practices.

Governance Structure
Oversight by Group and Plant Safety Committees for accountability and review.

System Framework
Escorts Kubota System (EKS) with 30+ safety Standard Operating Procedures (SOPs) applied consistently across sites.

Employee-Centric Design
Safety protocols evolve with continuous feedback and team involvement.

Structured, Preventive, and Participatory Approach

We follow a structured Plan-Do-Check-Act (PDCA) methodology to ensure our safety systems evolve in step with operational needs and realities:

- **Plan:** We set safety goals and strategic priorities by drawing on risk assessments and industry benchmarks.
- **Do:** We implement protocols, conduct safety training, and deploy the necessary tools and infrastructure.
- **Check:** We review outcomes through regular audits, incident analysis, and feedback from employees.
- **Act:** We take corrective measures, update SOPs, and institutionalise best practices across locations.

Our Environment, Health, and Safety (EHS) governance outlines roles and responsibilities clearly, fostering ownership and accountability across teams. SOPs are enforced rigorously, with regular internal audits maintaining consistent adherence. We also track safety-related performance through defined Key Result Areas (KRAs) and Key Performance Indicators (KPIs), linking safety behaviour directly with individual performance expectations.

Engagement through Active Participation

Recognising that a strong safety culture depends on meaningful employee involvement, we have created multiple touchpoints for employees to engage, share feedback, and help strengthen our safety systems:

- **Dedicated WhatsApp Groups:** Real-time channels that enable frontline teams to report safety concerns promptly.
- **Toolbox Talks (TBTs):** Brief, topic-focused sessions that encourage employee input and awareness on specific safety matters.
- **Daily Safety Briefings:** Briefings held at the start of each shift to reinforce protocols, highlight updates, and encourage dialogue.
- **On-the-Job Training (OJT):** Sessions that blend technical instruction with interactive discussions to enhance safety awareness in real-world scenarios.
- **Minutes of Meetings Documentation (MoMs):** Safety committee reviews and employee engagement sessions are documented to track follow-ups and shape future actions.

These mechanisms create a responsive feedback loop between management and employees, keeping safety measures relevant, adaptive, and aligned with everyday operations.

Proactive Risk Management and Readiness

All new employees and contract workers undergo mandatory safety training as part of our induction programme, in compliance with ISO 45001. We also conduct regular refresher sessions and use scenario-based learning to maintain high safety awareness across the organisation.

Our robust Occupational Health and Safety (OHS) review system helps us identify and mitigate risks before they escalate. We actively analyse inputs from internal audits, safety observation tours, and incident reviews to close gaps and reinforce preventive practices.

To encourage vigilance, we have introduced an incentive system that rewards reports of near misses and potential hazards. Weekly safety reviews and performance tracking are supported by our centralised Management Information System (MIS), which allows for fast, data-driven decision-making and continuous improvement.

In parallel, we promote psychological safety through a culture of openness and mutual respect. Regular Prevention of Sexual Harassment (POSH) awareness sessions including mandatory refresher courses are conducted to maintain a workplace free from discrimination and bias. We uphold strict confidentiality and non-retaliation practices, ensuring that employees feel secure in voicing concerns without fear.

Measures to Ensure Health and Safety

We take a structured, proactive stance on workforce safety, reflecting our culture of care, readiness, and shared responsibility. These core initiatives anchor our health and safety practices across locations:

Foundational Safety Training and Risk Management

Every new employee undergoes mandatory health and safety training during induction, aligned with ISO 45001 standards. These sessions equip them to maintain a safe environment from day one.

To manage incidents effectively, we follow well-defined SOPs. In the event of a workplace incident, a dedicated investigation team is mobilised within 24 hours. Their findings and recommendations are shared across teams to prevent recurrence and promote organisation-wide learning.

Accessible Healthcare and Medical Infrastructure

Each manufacturing site has a full-time Occupational Health Centre (OHC), staffed by trained professionals to provide timely medical support. Our employees are also covered under Mediclaim insurance policies that extend beyond the workplace.

Furthermore, we have stationed ambulances at major sites to ensure immediate emergency response when needed.

Health Promotion and Monitoring

We conduct regular health check-ups to track well-being and identify risks early. Qualified doctors lead these evaluations, and any necessary interventions are acted upon promptly.

To ensure inclusivity, all health communications are delivered in employees' regional languages. This improves accessibility and encourages active participation in wellness initiatives.

Confidentiality and Trust

We maintain strict confidentiality of all medical records and consultations. This commitment fosters trust and psychological safety across our workforce. In addition, regular awareness programmes and refresher sessions on the Prevention of Sexual Harassment (POSH) are conducted to ensure a respectful, inclusive, and discrimination-free workplace.

Prioritising Well-being and Work-Life Balance

We continue to enhance employee well-being through forward-looking policies. A significant step in this direction has been the introduction of a 5-day work week for managers across all business divisions, aimed at promoting a healthier work-life balance and overall mental well-being.

Employee Involvement and Policy Coverage

We actively involve employees in building a robust safety culture. Participation comes through departmental and plant-level safety committees, observation tours, Kaizen initiatives, and safety competitions. Union representatives also contribute to discussions, ensuring that a broad spectrum of voices informs our approach.

Our Environment, Occupational Health and Safety policy applies to all stakeholders, including employees, contract workers, suppliers, and customers. We make this policy available online to encourage transparency and awareness.

Trainings on OHS

OHS Training Related Data	FY 2024-25	FY 2023-24	FY 2022-23
Employees Trained for OHS (%)	20.98	20.02	100
Workers Trained for OHS (%)	32.38	97.21	100

Note: Safety awareness covers all employees however this data is based on classroom/online module sessions

82,958

Total Person Hours of OHS Training during FY 2024-25

At EKL, safeguarding the health and safety of our workforce is a core priority. Our robust training programmes, covering a wide range of safety-related topics, are conducted on a monthly basis to ensure continuous improvement and increased awareness across the organisation.

Induction Safety	Fire Safety	Job-Related Safety	First Aid
Machinery Safety	Electrical Safety	Emergency Preparedness	Hazard Identification and Risk Assessment (HIRA)
Chemical Safety	Safe Driving	Energy Management	Implementation of Integrated Management System (IMS)
Code of Conduct	Prevention of Sexual Harassment Against Women		

Tailored Training Approach

Our training sessions are carefully designed based on detailed Training Need Identification (TNI) reports, developed in collaboration with EHS teams, line managers, and factory heads. This ensures each module remains relevant and aligned with operational requirements.

- **Hands-On Learning:** We integrate classroom sessions with practical, real-world applications to deepen understanding and promote active participation. This method enhances retention and helps embed safety awareness into everyday work.
- **Continuous Evaluation and Improvement:** Regular assessments are conducted to evaluate health and safety practices. Plant-level EHS teams maintain detailed records, helping us identify gaps and strengthen our safety systems.
- **Safety Observation Tours:** Routine safety observation tours are carried out at our facilities to verify compliance and promote the consistent practice of safe behaviours at our facilities.
- **Management Visits:** Senior leaders regularly visit sites to reinforce safety norms and ensure secure, compliant workplaces.
- **Reward Systems:** Our incentive programme recognises those who report open cases and near-miss incidents. This encourages vigilance and proactive safety engagement.
- **Managerial Training:** Our managers receive focused training via the digital E-Star platform, covering key areas like Personal Protective Equipment (PPE) usage and compliance.
- **Road Safety Training:** We run dedicated programmes for two- and four-wheeler users. These extend to field staff, suppliers, and dealers, building safety across our wider network.
- **Holistic Well-Being:** In addition to safety, we also support our employees' wellness through sessions on hygiene, stress management, parenting, and general health awareness.

Ensuring Zero Health Hazard

We aim for 'Zero Health Hazard' through weekly reviews and OHS impact monitoring via Management Information System (MIS) updates. This enables swift corrective actions and drives continuous improvement. We also maintain operational transparency, giving employees advance notice of significant changes, in line with collective bargaining agreements and our standing orders.

Safety Data for Workers

Description	FY 2024-25	FY 2023-24 (Restated)	FY 2022-23
Number of Fatalities Resulting from Work-Related Injuries	0	0	0
LTIFR: Lost Time Injury Frequency Rate	0.05	0.09	0.67
Number of Recordable Work-Related Injuries	2	3	230
High-Consequence Work-Related Injuries or Ill-Health (Excluding Fatalities)	0	1	18

*The safety-related data for the previous year (FY2023-24) has been restated due to a revised understanding and correction of previously reported figures.

Training and Development

We regard employee development as a continuous, holistic journey. This journey aligns directly with our strategic business goals. EKL's approach integrates functional and behavioural training, digital learning, mentorship, and experiential projects. Together, these elements create an ecosystem that nurtures capability, commitment, and innovation at every level.

Major Training and education themes (Training Hours)	Male	Female
Health & Safety	81,545	1,413
Skill upgradation	2,25,118	13,042
Human rights POSH Prevention of harassment and discrimination Includes prevention of sexual harassment, abuse of authority (power harassment), mistreatment of employees with child-rearing or long-term family care responsibilities (maternity harassment, care harassment) and bullying	14,390	756

Integrated Learning Framework

Our training and development strategy rests on a structured framework combining:

- **Strategic Alignment:** We identify training needs through a three-level lens: business goals shared by leadership, individual aspirations and skill gaps, and insights from internal and external stakeholder interactions.
- **Diverse Learning Journeys:** We design personalised, role-specific learning paths rather than one-off workshops. These include instructor-led sessions, e-learning modules, assessments, coaching, and action learning projects.
- **Cross-Functional Collaboration:** Employees are encouraged to take on cross-functional projects, including those as part of leadership development initiatives, to apply learning, drive innovation, and enhance execution.
- **Multi-Modal Delivery:** We extend learning beyond classrooms through cross-functional collaboration, simulation workshops, and internal knowledge-sharing forums.

Leadership involvement enhances the relevance and rigour of the programmes, while our intranet and LMS platforms ensure accessible and continuous learning.

Sustainable Learning Culture

We harness a network of internal Subject Matter Experts (SMEs) to lead sessions, reducing reliance on external trainers and fostering a culture of knowledge sharing. This strengthens a self-sustaining learning cycle, reinforced by structured mentorship and talent mobility programmes.

New joiners undergo a thorough three-day induction covering policies, systems, and compliance, followed by domain-specific training. Our year long campus training plan includes leadership interactions, comprehensive technical and behavioral training plan and mentorship. This onboarding approach has markedly improved retention of campus hires, with first-year retention at 90%+.

Flagship Development Programmes

EKCAP – Escorts Kubota Capability Advancement Programme

EKCAP, EKL's flagship capability-building programme, develops role-specific functional expertise and strengthens key behavioural competencies. Structured as an outcome-based learning journey, it integrates multiple learning formats to ensure comprehensive and measurable development. Key components include:

- Instructor-led workshops, simulation-based learning, and group coaching sessions
- Pre and post-assessments, including Situational Judgement Tests (SJTs), to evaluate skill development
- Action learning projects reviewed by reporting managers to ensure application of learning in real business contexts
- 360-degree feedback mechanisms involving trainers and business stakeholders

EKCAP has evolved into a high-impact programme with clear linkages to business outcomes. Participants have demonstrated measurable performance improvements, validating the programme's effectiveness in advancing individual and organisational capabilities.

640+ employees

Participated in EKCAP's Journeys in FY 2024-25

UDAAN – Women's Leadership Development Programme

UDAAN underscores EKL's commitment to building a diverse and inclusive leadership pipeline. Now in its third edition (launched November 2023), the programme draws on the Stanford development framework and aims to equip high-potential women employees with the skills needed to take on leadership roles. The curriculum focusses on:

- Self-leadership, people leadership, and business acumen
- Strategic project reviews involving department heads to promote accountability and measurable impact
- Leadership exposure through guest sessions

Udaan's success is reflected in tangible career growth, with nearly 50% of participants having taken on expanded roles. Their contributions have led to enhanced business outcomes, affirming the programme's effectiveness.

Management Development Programme in Collaboration with IIM Lucknow

In collaboration with IIM Lucknow, EKL has curated a focussed 3-month Management Development Programme for mid-level leaders. Combining academic rigour with practical insights, it features:

- On-campus workshops and virtual sessions on strategic management and business leadership
- Cross-functional group projects to promote collaborative problem-solving
- Business impact presentations to senior leadership, demonstrating real-world application and value creation

This initiative plays a pivotal role in preparing future-ready leaders who can navigate complex challenges, set strategic priorities, and contribute meaningfully to EKL's long-term growth.

95%

Participation from Middle Management in FY 2024-25

Building Global Exposure and Cultural Intelligence

Our Global Talent Development Programme facilitates learning and collaboration across Kubota entities worldwide. Participation by our leadership team promotes cross-cultural understanding and drives knowledge exchange with Kubota Japan and other subsidiaries.

We also offer targeted courses such as On Your Side, Indo-Japanese Culture, and language programmes to foster a customer-centric mindset and bridge cultural differences across our India–Japan operations.

Learning Enabled by Technology

Our Learning Management System (LMS), accessible via a mobile app, provides flexible access to a rich library of webinars, interactive modules, and curated learning journeys. The LMS also offers real-time tracking, personalised recommendations, and self-paced content, empowering employees to steer their development, while aligning with evolving industry trends.

66,800 Training Hours with 10,100+ Course Completions

in FY 2024-25

Training Hours as per Employee Categories

Training (in Person Hours)	Male	Female	Total
Senior Management	3,356	46	3,402
Middle Management	11,744	194	11,938
Junior Management	64,150	8,971	73,121
Non-Management*	2,41,803	6,000	2,47,803
Total	**3,21,053**	**15,211**	**3,36,264**

* Includes permanent workmen, trainees, contractual, third party associates and retainers.

Training Hours per Year

(Total Training Hours)

FY 2024-25 **3,36,264**

FY 2023-24 5,62,245

Measurable Impact in FY 2024-25

Our structured learning interventions translated into tangible business and capability outcomes across the organisation:

- **Widespread Reach:**

  83% of employees (2,891 individuals) participated in learning initiatives, excluding mandatory compliance and induction programmes, where the coverage is 99%+.

- **Leadership Competency Development:**

  Significant improvements were observed in key leadership behaviours among identified cohort of employees in the Tractor and Construction Equipment verticals:

  - Formulating Strategy & Concepts improved from 49% to 88%.
  - Leading & Supervising improved from 53% to 87%.

- **Business KPI Enhancement:**

  Training programmes contributed directly to operational performance for programme attendees in the Service & Spare Parts Business:

  - Dealer manpower training effectiveness improved from 50% to 83%.
  - Dealer stocking norm adherence rose from 58% to 83%.

Employee Engagement

EKL strives to create a workplace where individuals feel valued, inspired, and empowered. Over the past two years, our satisfaction index has consistently exceeded 80%, with a response rate exceeding 95%, providing clear proof of our initiatives' effectiveness.

Regular forums like town halls, leadership connects, focussed group discussions, and HR one-on-one meetings facilitate open communication, feedback, and alignment with business objectives. In addition, our policies are continuously reviewed based on employee inputs and market benchmarks to foster an engaging, and high-performance environment.

The digital rewards platforms promotes instant peer recognition, building camaraderie and culture of appreciation. Excellence awards provides platform for team appreciation to recognize and reinforce positive behaviors among our employees. This platform has been running for last 4 years celebrating the cultural DNA of ' On Your Side'. Escorts Kubota Limited has been certified as a Great place to Work by Great Place To Work® India and we continuously strive to improve our people practices with ongoing employee feedback.

Performance Management and Rewards

Our performance management system is built on clarity, alignment, and accountability. It ensures individual efforts are linked to organisational goals and supports continuous growth through regular feedback.

Goal Setting and Reviews

We cascade business priorities from leadership into Key Responsibility Areas (KRAs). Mid-year and annual reviews help track progress and enable timely course corrections. Cross-functional feedback ensures objectivity in evaluations.

Rewards and Recognition

We have established a structured process that rewards both individual and team contributions. The compensation structure ties variable pay to individual and company performance, reinforcing the link between effort and outcomes.

Capability Building

We continue to enhance our performance culture through e-learning modules on PMS principles, evaluation metrics, and effective feedback.

Digital Engagement

We use a fully integrated digital platform to stay connected with our employees throughout their journey with us. For new joiners, we conduct sentiment checks at 30, 60, and 90 days to capture their early experiences and identify areas of improvement. The real-time feedback we gather through this platform helps us make informed decisions and take timely actions. Our enhanced HR BI dashboards, linked to employee sentiment, allow us to track engagement trends and implement focused, data-driven interventions to strengthen retention and overall employee experience.

SOCIAL AND RELATIONSHIP CAPITAL

Fostering Strong Partnerships with Stakeholders

We believe long-term value creation is deeply rooted in the strength of our stakeholder relationships. Our inclusive growth philosophy reflects a deliberate balance between financial performance and wider societal progress. We engage actively with a broad range of stakeholders, including shareholders, financial partners, suppliers, employees, regulators, and communities, fostering connections built on mutual trust and long-term collaboration.

These relationships form the foundation of our operational strength and empower us to adapt swiftly and purposefully to changing expectations.

Strategic Objectives

SO3 SO4 SO5

Key Highlights of FY 2024-25

300+
Direct Partners Evaluated Based on ESG Criteria

72,580
Number of Lives Touched

SDGs Impacted

1 NO POVERTY
2 ZERO HUNGER
4 QUALITY EDUCATION
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

Risks Addressed

- Financial Risk
- Strategic Risk
- Operational Risk
- Compliance Risk

Capitals Impacted

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

Material Topics Impacted

- Community Engagement and Local Employment
- Customer Satisfaction
- Supply Chain Sustainability

GRI Linkage

GRI 203, 308, 411, 413, 414, 416, 417, 418

Stakeholders Impacted

- Customers and Dealers
- Government and Regulatory Authorities
- Suppliers and Vendors
- Communities
- Industry Associations

Placing Customers at the Centre of Every Innovation

Our customer-first approach extends beyond product excellence. We co-create solutions that address real-world challenges and deliver meaningful experiences.

Customer needs and aspirations shape how we innovate, design products, and deliver services. In addition, we continuously engage with our diverse customer base through structured feedback mechanisms such as the Customer Empathy Index and Service Quality Index, ensuring every interaction adds value.

From doorstep delivery to transparent installation updates and swift post-sales support, we focus on making the customer journey seamless and fulfilling. Looking ahead, we aim to embed product health and safety assessments into our service lifecycle, deepening our commitment to responsible customer care.

Enabling Customer Success Across Business Verticals

We serve diverse sectors with tailored solutions that meet specific needs across industries:

Agri Machinery

Though farmers form our largest customer base, our tractors also find application across infrastructure, landscaping, and industrial use cases. This diversity drives our continuous product evolution.

Construction Equipment

We offer robust, reliable machinery that powers critical infrastructure development. Our customers include government agencies, mining companies, EPC firms, rental fleets, and contractors, each requiring customised, performance-driven solutions.

Railway Equipment

Our strong partnerships with Indian Railways, metro rail projects, and rolling stock manufacturers underscore our role in strengthening national transport infrastructure. Our precision-engineered components enable safer and more efficient railway operations.

Embedding Sustainability in Our Value Chain

With over 500 direct suppliers, EKL is committed to advancing a value chain that is ethical, inclusive, and environmentally responsible.

We give clear preference to local procurement, especially around our Faridabad base. This approach supports regional economies and helps lower our logistics footprint. To ensure our supply partnerships meet our sustainability expectations, we follow a structured assessment framework guided by our Supplier Code of Conduct (SCoC). This evaluation spans legal adherence, environmental practices, labour rights, health and safety, anti-corruption, and data protection.

Key Principles of Our Supplier Code of Conduct

- Ethical and compliant operations
- Commitment to human rights and labour dignity
- Safe and healthy workplaces
- Environmental responsibility
- Zero tolerance of corruption or unfair practices
- Data privacy and responsible business behaviour

Engaging Our Dealers

Recognising our dealers as key business partners, we invest in building their capabilities through structured training and high-impact engagement forums.

Annual Dealer Meet (Construction Equipment Division): More than a review, our Dealer Meet serves as a strategic touchpoint to shape shared priorities. Key themes included performance reflections, industry trend discussions, and a leadership dialogue on the 'On Your Side' philosophy. This reinforced our commitment to walking alongside our dealers in their growth journeys.

Training and Capability Building:

FinTax Training: Held in Faridabad and Goa for our construction equipment partners, this programme was designed to simplify financial regulations to help them make informed decisions.

Product and Service Immersion: Hosted at our Bengaluru training centre, this hands-on programme introduced Bangladeshi dealers to Farmtrac tractors, covering operational efficiency, service protocols, and diagnostic tools.

These initiatives equip our partners to deliver consistent, high-quality service to customers, helping them succeed in their markets while strengthening our shared standard.

Driving Community Progress with Purpose

EKL's CSR philosophy mirrors our identity as an enabler of agricultural progress and community well-being. Alongside business performance, we measure success by the impact we create in the lives of those we serve, especially India's farmers, women, and underserved communities.

In FY 2024-25, we continued to build on our long-term commitments with measured yet impactful interventions, focusing on scale, replicability, and deeper community engagement.

AGRICULTURAL TRANSFORMATION

Empowering Farmers Through Knowledge: EKAFI – Escorts Kubota Advanced Farming Institute

Through EKAFI, farmers across Kurukshetra and Bengaluru gained hands-on exposure to modern agriculture practices. The programme offers focussed training on farm mechanisation, soil health, water management, and crop diversification, bridging the gap between traditional wisdom and modern science. In FY 2024-25, we trained over 6,000 farmers on Scientific Agriculture Practices, 257 farmers on Advanced Agriculture Practices & rolled out refresher modules for 195 previously trained farmers, Champions of Change, preparing them as peer educators and change agents in their villages. Plans for FY 2025-26 include setting up a new EKAFI centre in Kanpur, UP, and introducing new short-format training models for Farmer Producer Organisations & rural youth in Kurukshetra and Bengaluru. These steps will help us grow across key agri-climatic zones. The objective is clear: create a national grid of knowledge hubs that make resilient, sustainable farming mainstream.

16,000+ Farmers
Trained since Inception

6,000+ Farmers
Trained in FY 2024-25 through Structured and Seasonal Modules

Clean Energy for Women Farmers: Biogas Initiative in Kurukshetra & Kaithal Districts

In rural India, women spend hours daily collecting firewood or rely on costly LPG cylinders, which affects their health, safety, and time for productive work. The environmental toll is high too, with deforestation and indoor air pollution common due to biomass use. To counter this, we initiated a clean energy transition for dairy women farmers in Kurukshetra & Kaithal Districts, Haryana, by installing compact, easy-to-maintain domestic biogas plants. These digesters convert organic waste into clean cooking fuel, reducing household dependence on polluting fuels. The initiative serves a dual purpose: empowering women through energy autonomy, and promoting decentralised, circular solutions for rural sustainability.

150 Biogas Plants

Installed Across Household with Women Managed Dairy Farming

DEVELOPMENT OF THE ENVIRONMENT AND LOCALITIES

Restoring Ecosystems, Recharging Lives: Pond Rejuvenation in Sadpura

Rural water bodies have long served as lifelines for irrigation, drinking water, livestock, and even micro-ecosystems. Yet across India, these ponds are drying up or degraded due to neglect, encroachments, and siltation. Even mild droughts now trigger water crises, crippling agriculture and daily life.

To address this, we rejuvenated a 4.5-acre pond in Sadpura, Faridabad. Using eco-engineering, we desilted the base, stabilised embankments, built natural filtration channels, and reintroduced biodiversity. The revived pond replenishes groundwater and fosters community ownership.

85 Million Litres
of Annual Recharge Potential

5,000+ Families
with Improved Water Access and Micro-Climate

Hygiene and Heritage: Public Infrastructure Development

Marginalised communities often lack access to safe sanitation, a key indicator of human dignity and health. At the same time, heritage sites across India struggle with poor infrastructure, which undermines visitor experience and tourism potential.

We addressed both issues through targeted public infrastructure interventions. In Sector 31, Faridabad, we constructed a modern, clean public toilet block for daily wage earners, women, and children from nearby informal settlements. In parallel, we upgraded water facilities at the Rail Museum, promoting sustainable tourism infrastructure.

Improved Hygiene
for Underserved Urban Communities

Sustainable Water Solutions
with Improved Water Access and Micro-Climate

EMPOWERMENT OF WOMEN AND SOCIALLY VULNERABLE GROUPS

Skilling Women for Economic Freedom: Project Nimaya

In india, young women lack exposure to digital tools, financial literacy, or career pathways. Their aspirations remain unfulfilled due to societal barriers and lack of skill-building platforms. We launched Project Nimaya to change this. Certified training in 16 Soft Skills, for job readiness helps women realise their potential. Delivered in local community colleges or vocational training centres and led by mentors, the programme fosters confidence, skills independence, and employability. We aim to scale this across Haryana north and central India, transforming young women into resilient, self-reliant changemakers in their communities.

700+ Women
Trained in FY 2024-25

Green Livelihoods for Climate Action: Project Swachh Akash

Climate change affects rural women farmers more deeply, yet they remain excluded from mainstream climate solutions. Project Swachh Akash changes that by enabling them to become Climate Educators (Master Trainers), climate entrepreneurs driving behaviour and livelihood shifts locally. Launched in Anand, Gujarat, the programme trains women in Climate Science, Green products and service, its installation & repair and clean energy. 28 trained Climate Educators (Master Trainers) will help train 308 Climate Entrepreneurs to set up micro-enterprises and community campaigns for broader impact in FY 2025-26.

28 Climate Educators (Master Trainers)
Nurtured in FY 2024-25, Targeting

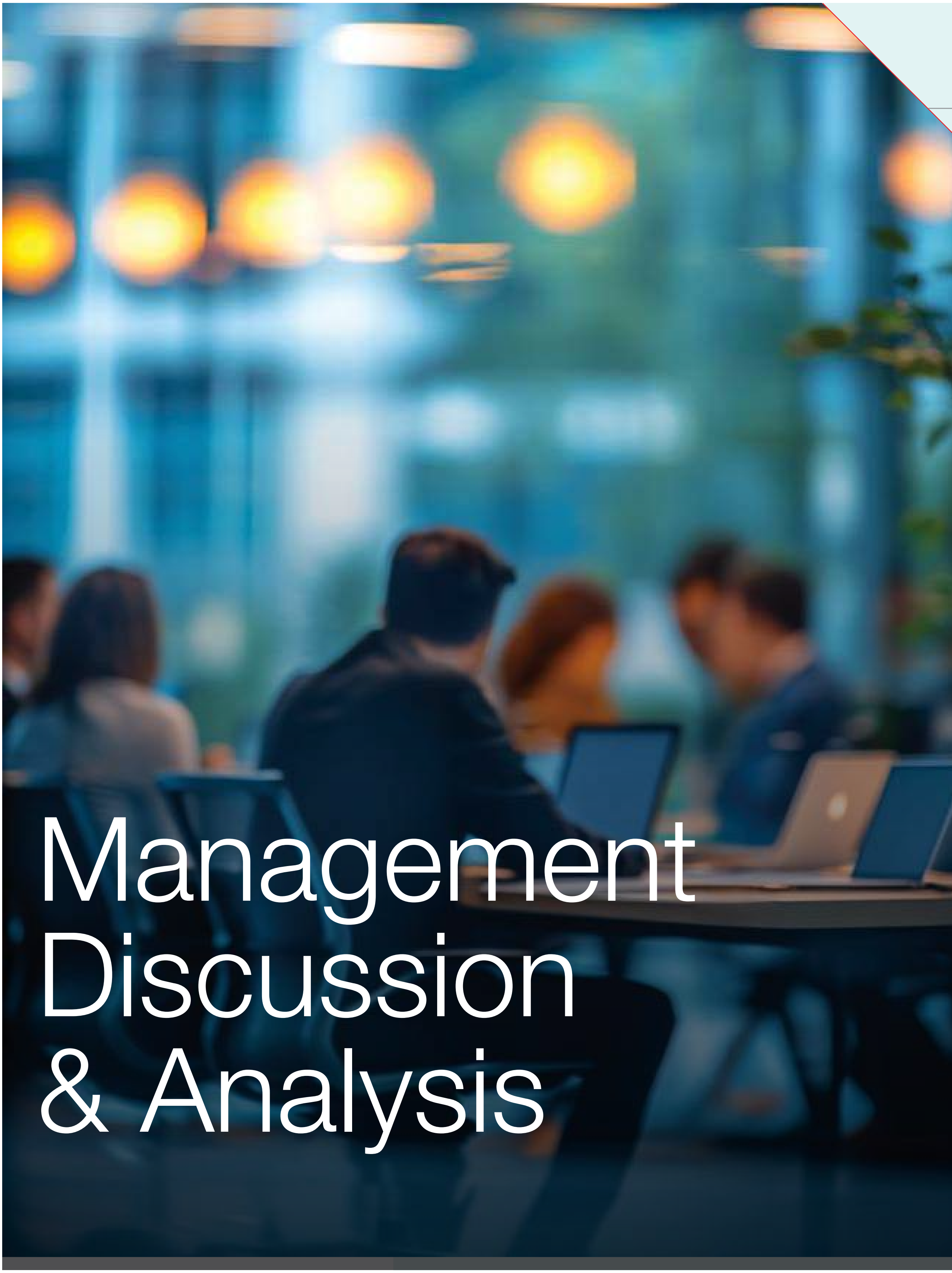
308 Climate Entrepreneurs
to be trained in FY 2025-26

Aiming to reach
25,000 Female Lives
across Gujarat in coming years

Looking Ahead: From Philanthropy to Purposeful Impact

Our CSR approach is shifting from philanthropic support to impact-led partnerships. In FY 2024-25, we see a shift towards scalability, deeper integration with core expertise, and third-party evaluations for key projects. Upcoming assessments will track changes in community behaviour, economic progress, and environmental outcomes with greater rigour.

We are also expanding employee volunteering programmes, enabling our teams to actively engage in fieldwork. This includes training at EKAFI, mentoring women, and contributing to village water drives.



Management Discussion & Analysis

Economic Review

Global Economic Overview

In 2024, the global economy grew by 3.2%, a sign of strength despite facing challenges such as elevated interest rates and ongoing geopolitical uncertainties. While this marked an improvement from recent years, it remained below the historical average of 3.7% observed between 2000 and 2019. The tempered growth was influenced by a combination of structural and cyclical headwinds, including tighter monetary policies in major economies, persistent geopolitical instability, and specific constraints in sectors that hindered activity across both advanced and emerging markets.

Economic activity took divergent paths across the globe. Advanced economies faced challenges, including sluggish manufacturing output, dampened consumer confidence, and ongoing inflationary pressures. Soaring energy prices disrupted global trade, and the delayed impact of earlier interest rate hikes further reduced demand, limiting growth.

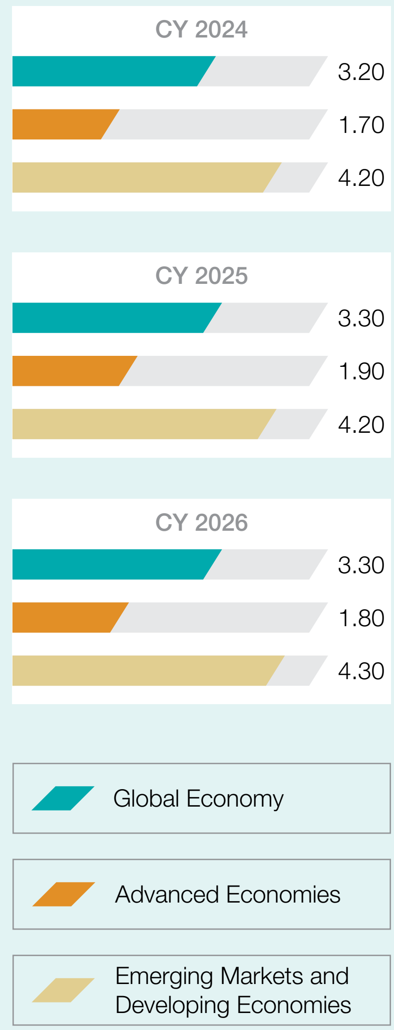
Emerging markets and developing economies, on the other hand, confronted a unique set of challenges. These included reduced external demand and capital outflows sparked by rising interest rates in developed nations, as well as uncertainties around local policies. Geopolitical tensions and trade disruptions hit export-dependent countries the hardest. Still, some economies showed significant resilience,

On the inflation front, global headline inflation moderated to 4.2% in 2024, down from 5.7% in the previous year. This easing was supported by stabilising energy prices and the gradual alleviation of supply chain constraints.

supported by strong domestic consumption and targeted policy measures, helping to cushion the impact of these headwinds.

On the inflation front, global headline inflation moderated to 4.2% in 2024, down from 5.7% in the previous year. This easing was supported by stabilising energy prices and the gradual alleviation of supply chain constraints. Central banks remained cautious in their approach, aiming to strike a delicate balance between fostering economic recovery and maintaining stable inflation expectations. Looking to the future, global inflation is projected to decline further to 3.5% by 2026, contingent on the containment of geopolitical risks and supply disruptions.

GDP Growth Projections (in %)



(Source: https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025)

Performance of Major Economies in CY 2024

United States

The U.S. economy proved its strength in 2024, driven by a strong labour market and healthy consumer spending. However, the impact of higher interest rates was felt in slower business investments and credit growth. With inflationary pressures easing, the Federal Reserve was able to keep its policies in balance.

Euro Area

The Euro Area found itself in a tougher economic situation, with weak industrial output, slow domestic demand, and the lingering effects of high borrowing costs. On top of this, persistent inflation and fluctuating energy prices added further pressure, slowing growth across the region.

China

China's economy grew by 5.0% in 2024, hitting the government's target. This growth was primarily driven by strong industrial output and export activity, though domestic consumption lagged, as uncertainty among workers held back.

The global trade landscape in 2024 was marked by fragility, with protectionism rising, geopolitical tensions escalating, and trade alliances shifting. The US-China trade tensions, along with tariffs and export restrictions, caused disruptions to supply chains. The growing trend of near shoring and friend-shoring also introduced new layers of complexity. Geopolitical unrest, including the war in Ukraine, added to the sense of economic instability and market volatility. Oil prices were expected to drop by 2.6% in 2025, due to softer demand from China and increased supply from non-OPEC+ countries, although geopolitical factors could change this trend. Commodity-exporting nations faced heightened challenges, as new trade patterns and ongoing supply chain disruptions affected their economic stability.

Financial markets in 2024 displayed a blend of outcomes. While equity markets in advanced economies saw a rise, emerging markets struggled with volatility as capital flowed out and the US dollar strengthened. Inflationary pressures and expectations around interest rates remained prominent concerns. Prolonged tightening of policies posed risks to both growth and investment. However, countries with strong, forward-thinking policies and solid global partnerships were better equipped to face the uncertainties and maintain economic progress.

The global economy in 2024 stood strong in the face of adversity, guided by adaptive trade practices and a more stable inflation climate. Though financial markets and geopolitical instability presented hurdles, targeted policy measures and diverse economic strategies helped mitigate the impact. This year highlighted the importance of staying flexible, making sound policy choices, and working together globally to sustain growth in a complex world.

Road Ahead

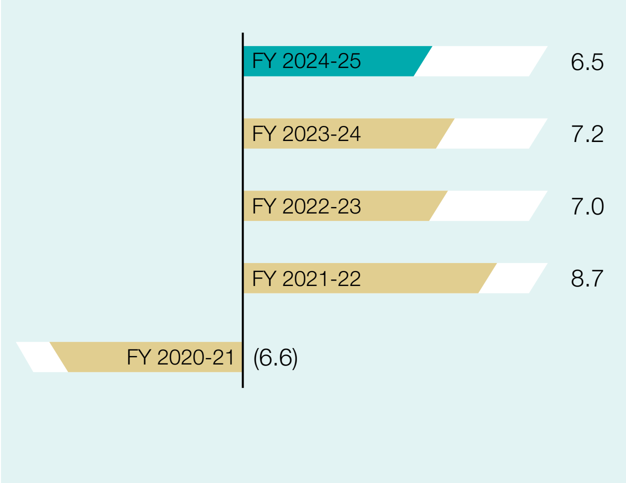
Looking ahead, the IMF sees global growth holding steady at 3.3% through 2025 and 2026. While that brings some optimism, challenges still linger—policy uncertainty, trade tensions, and weaknesses in major economies are risks we cannot ignore. The easing of inflation offers a bit of breathing room, but the real test for sustained growth lies in smart policies, meaningful reforms, and the strength of international cooperation. Moving forward, it will be crucial to build economic resilience and ensure growth benefits everyone to keep stability intact.

(Source: https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025, https://businesseconomics.in/imf-world-economic-outlook-january-2025-%E2%80%93-analysisreview. https://apnews.com/article/imf-tariff-trump-economic-growth-07f3afdcd1d9c0df5c02c9c47a13f264)

Indian Economic Overview

India's economic performance in FY 2024-25 has been solid, with an estimated GDP growth rate of 6.5%, maintaining its place as the fastest-growing major economy. The economy is benefiting from a combination of strong infrastructure spending by the government, a rebound in rural demand spurred by a successful Kharif crop, and the continued growth of the services sector, particularly in finance and real estate. The Reserve Bank of India's accommodative stance, including a rate cut, has provided a much-needed boost to investment and consumption. Furthermore, improved manufacturing performance and steady urban consumption have kept the economic momentum strong. Despite the ongoing risks posed by global trade uncertainties, India's strong domestic foundations, supportive policies, and a thriving private sector are expected to keep growth on track.

GDP Growth Projections (in %)



Sector-wise Performance in FY 2024-25

Agriculture and Allied Sectors

In FY 2024-25, the agricultural sector growth rate is estimated at 3.8%, recovering from a period of underperformance. The favourable monsoon season have resulted in a bountiful Kharif crop, which has significantly boosted rural incomes and spurred increased demand. Alongside this, strategic government initiatives focused on strengthening agricultural infrastructure and providing support to farmers have created a solid foundation for sustainable growth in the sector.

Industrial Sector

In FY 2024-25, the industrial sector is estimated to grow by 6.2%, driven by a boom in construction and key utilities like electricity, gas, and water supply. Manufacturing has also held its ground, with higher production levels in major industries fuelling the overall sector's growth and contributing to a positive outlook for the year.

Services Sector

The services sector continues to be a key pillar of India's economic strength, with financial, real estate, and professional services estimated to grow by 7.2% in FY 2024-25. At the same time, trade, transport, and communication services are estimated to grow by 6.4%, driven by an increase in economic activity and strong consumer demand.

Construction Sector

Estimated to grow by 8.6% in FY 2024-25, the construction sector is benefiting from heightened infrastructure investments and strong government support. Key spending initiatives are driving growth, generating employment, and creating positive ripple effects throughout related industries.

Between April and December 2024, India's retail inflation eased to a tempered 4.9%, driven by a spell of stability in food and fuel prices. This ebb in inflationary currents afforded the Reserve Bank of India a rare window for monetary easing—culminating in a 25-basis point rate cut in February 2025, the first such move in almost half a decade. This deliberate recalibration signals a renewed trust in the inflationary outlook and is set to invigorate both investment flows and household spending, thereby strengthening the nation's economic cadence.

From a fiscal standpoint, the government has reaffirmed its consolidation trajectory, setting a fiscal deficit benchmark of 4.9% of GDP for FY 2024–25, marking a significant improvement from the prior year's 5.6%. Simultaneously, the FY 2025–26 Union Budget has allocated ₹ 11.21 lakh crore, which is equivalent to approximately 3.1% of GDP, for capital expenditure. This substantial allocation underscores a strategic thrust toward infrastructure-led growth, aimed at strengthening structural capacities, expanding employment avenues, and generating multiplier effects across the broader economic spectrum.

India's trade story seems ready for a slow but steady comeback. Exports are expected to rise, helped by solid global demand for staples like engineering goods, medicines, and electronics. On the other hand, falling oil prices and a stronger domestic manufacturing push through the PLI schemes should help reduce the need for imports. All this points to a shrinking trade deficit and a more stable external scene. The government is also stepping in with new trade deals and policies that promote exports, both of which could help India stand taller on the global stage.

India's economy is expected to continue its strong growth in FY 2024–25, supported by growing domestic demand, more public investment, and smart policy changes.

India's economy is expected to continue its strong growth in FY 2024–25, supported by growing domestic demand, more public investment, and smart policy changes. Even with global challenges and trade uncertainties, India's shift toward digital innovation, a booming start-up culture, and a focus on manufacturing should boost its long-term resilience. With careful fiscal policies, rising productivity, and growth driven by innovation, India is set to keep its position as the world's fastest-growing major economy, setting the stage for inclusive and sustainable development.

Road Ahead

India's economy is set to grow between 6.3% and 6.8% in FY 2025-26, driven by strategic reforms, digital growth, and an expanding consumer market. Programs like Make in India and the Production-Linked Incentive (PLI) schemes are strengthening the manufacturing landscape, attracting investments in electronics, semiconductors, and renewable energy. At the same time, large-scale infrastructure development spanning highways, ports, and smart cities is driving economic activity and job creation. With strong policy backing and ongoing investments, India is well-positioned for long-term growth, reaffirming its role as a global economic powerhouse.

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2098447&utm_source, https://www.reuters.com/world/india/indias-central-bank-delivers-first-rate-cut-nearly-5-years-2025-02-07/, https://www.ft.com/content/ace560e2-794c-4621-a57c-cc828c6f91e4, https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2098353&utm, https://www.reuters.com/world/india/indias-economic-growth-picks-up-rising-government-consumer-spending-2025-02-28, https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook)

Industry and Business Review

Global Tractor Industry

The global agricultural tractor industry continues to demonstrate resilience and growth, underpinned by the rising trend of farm mechanisation, technological advancements, and supportive government policies. As agriculture evolves to meet the demands of a growing population and climate resilience, tractors remain central to enhancing productivity and efficiency across diverse geographies. The industry is witnessing a shift towards smarter, fuel-efficient, and application-specific machines, reflecting a broader transformation in global farming practices. Despite economic and infrastructural challenges in certain markets, the overall outlook remains positive, driven by innovation, increasing adoption in developing regions, and sustained investment in agricultural development.

In terms of product segmentation, tractors with lower horsepower continued to be widely adopted, especially in regions with small and medium-sized farms. Two-wheel drive tractors maintained a strong preference due to their cost-effectiveness and suitability for various agricultural operations. Among applications, irrigation emerged as a key driver of tractor use, while the adoption of automatic and self-driving tractor technologies gained momentum as farmers sought to enhance operational efficiency and reduce reliance on manual labour.

Government support in the form of subsidies, financial assistance and incentives for purchasing agricultural machinery has been instrumental in accelerating tractor adoption worldwide. This support helps to stabilise food production, protect farmer incomes, and promote agricultural modernisation. Additionally, the rising demand for fuel-efficient and technologically advanced tractors is contributing to the evolution of the industry. Despite challenges such as high equipment costs and limited awareness among small-scale farmers, the global agricultural tractor market remains on a growth trajectory, driven by the increasing mechanisation of farming practices and ongoing innovation in agricultural technologies.

(Source: https://www.precedenceresearch.com/agricultural-tractors-market)

Government Incentives and Subsidies

To support farmers, nations such as India, the United States, and China are providing financial aid for the purchase of agricultural machinery. These initiatives aim to increase farm productivity, ensure stable incomes for farmers, and keep food prices in check.

Growing Adoption of Precision Farming

As precision farming techniques gain popularity worldwide, farmers are embracing advanced tractors that enhance efficiency. These practices optimise the use of key resources like seeds, fertilisers, and water, resulting in greater yields and more sustainable farming.

Integration of IoT and Telematics in Tractors

The adoption of advanced technologies such as IoT (Internet of Things), telematics, and GPS is transforming tractors into smart farming equipment. These tools enable farmers to monitor their operations in real-time, anticipate maintenance needs, and optimise farming practices, leading to higher productivity and reduced costs.

Technological Advancements

From AI-powered harvesters to self-navigating tractors, cutting-edge tech is rapidly transforming the way farms operate. These advances are streamlining farmwork, reducing the need for intensive manual labour, and making resource use smarter. Altogether, they are helping farmers grow more with greater efficiency and less strain.

Labour Shortages and Rising Labour Costs

The dwindling availability of agricultural labour and the escalating cost of wages are compelling farmers to embrace mechanisation. Tractors, in particular, stand as pillars of this shift, significantly easing reliance on human hands and ensuring seamless and productive farm operations with unflinching consistency.

Indian Tractor Industry

India continues to stand tall as one of the world's largest tractor markets, underpinned by a strong manufacturing foundation and an extensive range of models designed to meet diverse farming needs. Home-grown manufacturers have consistently evolved in step with the changing expectations of farmers, offering machines that balance power, efficiency, and affordability. While mid-range horsepower tractors (30-50HP) continue to dominate, there is a noticeable shift towards 40 horsepower plus and four-wheel drive variants, as farmers seek versatile machines that can perform across both agricultural fields and commercial sites.

The Indian tractor market is poised for robust growth driven by increasing agricultural mechanisation, supportive government initiatives, and rising demand for higher horsepower and technologically advanced models. Regional disparities in mechanisation offer opportunities for tailored solutions, while collaborations with technology firms are expected to accelerate the adoption of precision farming. Although challenges such as financing, infrastructure, and skill development persist, expanding distribution networks and strong after-sales support are expected to bolster customer satisfaction and loyalty. Overall, the sector is set to benefit significantly from evolving farmer preferences and continued modernisation efforts.

(Source: https://www.businessworld.in/article/domestic-tractor-industrys-volumes-to-grow-at-3-6-in-fy25-report-543217)

Tractor Industry Performance in FY 2024-25

The Indian domestic tractor industry log a moderate growth in FY 2024-25, with sales grow by 7.3%, moving up from 8.8 Lac units in FY 2023-24 to 9.4 Lac units. This recovery is being fuelled by a favourable monsoon, improving rural cash flows, and stronger crop realisations. The government's sustained efforts in boosting rural infrastructure and promoting farm mechanisation are also anticipated to play a meaningful role in lifting demand.

Exports too, have gained traction. Tractor shipments increased by 1% to reach 98.8 K units in FY 2024-25, up from 97.8 K units in the previous year, highlighting India's growing footprint in overseas market.

(Source: https://www.businessworld.in/article/domestic-tractor-industrys-volumes-to-grow-at-3-6-in-fy25-report-543217, https://www.tractorjunction.com/tractor-news/retail-tractor-sales-report-financial-year-2024-25/, https://www.business-standard.com/industry/agriculture/monsoon-tailwinds-msp-hike-to-drive-tractor-sales-in-fy26-crisil-125042100834_1.html)

Tractor Industry Performance (in Lac units)*

	FY 2023-24	FY 2024-25	Y-o-Y
Domestic	8.75	9.40	7.3%
Exports	0.98	0.99	1.01%
Total	9.7	10.4	6.7%

*Rounded off to nearest decimal

Source: TMA

Agri Solutions Industry

FY 2024-25 marked another step forward for ndia's Agri Solutions industry. As tractors and tech found their way to more farms, and sustainable methods took deeper root, the sector saw stable gains. The push from the government through support for regenerative farming, better credit access, and improved infrastructure, continues to play a big role in this progress. From digital platforms to sustainable inputs, farmers are adapting fast, with an eye on productivity and long-term soil health. Add to that promising export prospects and thoughtful policy reforms, and India's position on the global agricultural map looks stronger than ever.

Service & Spare Parts Industry

The service & spare parts industry in India has been moving in the right direction, driven by strong demand and expanding networks for after-sales support. There has been a significant shift in focus towards delivering a better customer experience, which has helped keep the momentum going. As more people buy equipment in the automotive and agricultural machinery sectors, the demand for spare parts and service has gone significantly up due to the greater emphasis on customer care.

The 'Make in India' initiative and other government efforts have helped encourage local production of spare parts, reducing the need for imports. On top of that, as mechanisation picks up in rural India, service providers and spare parts dealers have more opportunities than ever, setting the stage for the long-term growth.

Outlook

The fiscal year 2025-26 is expected to mark a period of meaningful progress for India's tractor industry. The sector is poised for a strong rebound, driven by the prospects of an above-normal monsoon, increased minimum support prices (MSPs) for key crops, and rising demand from equipment replacement and construction activities. Domestic tractor sales are projected to reach an all-time high of approximately 1 million units.

FY26 will be further supported by rural development initiatives, favorable agricultural policies, and the increasing adoption of innovative technologies. With promising monsoon forecasts and stable crop prices on the horizon, farm incomes are anticipated to rise, boosting rural demand and accelerating growth in the sector. The shift toward modern farming practices is equally encouraging, as precision agriculture and autonomous tractors are moving from concepts to reality in India. Government initiatives, including subsidies for machinery, accessible farm credit, and enhanced irrigation infrastructure, are empowering small and marginal farmers to adopt mechanized agriculture. Together, these efforts are paving the way for a more robust and advanced agricultural landscape.

Key Growth Drivers

1

Government Policy Support

From direct income support to easy financing and subsidy programmes, government policies have opened doors to farm mechanisation for countless small and marginal farmers across the country.

2

Technological Advancements

From precision farming to telematics-integrated tractors and the growing presence of electric and autonomous models, farming is becoming more efficient and sustainable. These innovations are driving progress, making agriculture more productive and eco-friendlier.

3

Rising Farm Mechanisation

Rising labour costs and the growing demand for timely farm operations are speeding up the adoption of tractors. Additionally, Custom Hiring Centres (CHCs) are making mechanised farming solutions more accessible to small farmers, helping them stay competitive.

4

Favorable Monsoons and Crop Prices

Consistent monsoon seasons and improved crop outcomes are helping rural incomes grow, building stronger farmer confidence and driving the demand for agricultural machinery.

5

Improved Rural Infrastructure

With greater investments in irrigation, roads, and storage infrastructure, farm productivity is on the rise, creating better market access and further increasing the need for tractors and mechanised farming tools

Agri Machinery Product Segment Performance

The Agri Machinery Product Segment of Escorts Kubota Limited continues to stand tall as a trusted name in India's journey towards smarter, more efficient farming. Following the successful merger of Escorts Kubota India Private Limited (EKI) and Kubota Agricultural Machinery India Private Limited (KAI) into Escorts Kubota Limited (EKL), the Company has further expanded its portfolio with the inclusion of Kubota brand products, celebrated globally for their advanced technology, superior efficiency and reliability.

Today, Escorts Kubota's flagship brands: Farmtrac, Powertrac, Steeltrac, and the newly added Kubota range, cover the major horsepower spectrum, from compact, orchard-specialty tractors to heavy-duty machines built for the most demanding agricultural needs. Every model is engineered with the farmer in mind, placing strong emphasis on fuel efficiency, durability and ease of maintenance.

In FY 2024-25, non-tractor sales contributed ~20% to the total revenue of the Agri Machinery segment, reflecting growing diversification and increasing traction in specialised agri-equipment solutions.

The Company's vast distribution network of more than 1,600 dealers ensures that assistance is always within reach across India, while its expanding exports footprint serves over 2.5 million customers globally. As part of its growth strategy, the Agri Machinery Product Segment comprises distinct profit centres, sharpening operational focus and enhancing customer responsiveness.

EKL Tractor Business Division performance

The Company achieved a 1% growth in tractor sales during FY 2024-25, increasing from 1,14,396 units in the previous year to 1,15,554 units. Domestic sales witnessed a rise of 1.6%, reaching 1,10,563 units, compared to 1,08,777 units in FY 2023-24.

On the export front, the Company experienced a 11.2% de-growth in volume, with total tractor exports declining to 4,991 tractors in FY 2024-25, compared to 5,619 units in the prior year. Additionally, EBIT for the Agri Machinery segment witnessed moderate growth from ₹ 883.7 crores to ₹ 903.4 crores

Agri Machinery Business Division: Domestic Market Share Performance (in %)

	FY 2023-24	FY 2024-25
< 30 HP	13.06%	13.86%
31-40 HP	11.23%	10.15%
41-50 HP	13.25%	12.45%
> 50 HP	3.08%	2.58%

Agri Machinery Business Division Volumes

	FY 2023-24	FY 2024-25	Y-O-Y
Domestic	1,08,777	1,10,563	1.6%
Exports	5,619	4,991	(11.2%)
Total	1,14,396	1,15,554	1.0%

Note: The two-year data has been presented to highlight the impact of the merger of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited into Escorts Kubota Limited.

New Launch Farmtrac - Promaxx Series

With the Promaxx Series, Escorts Kubota adds another feather to its Farmtrac cap. Built for the 30–50 HP category, these tractors are designed to meet the real-worlds of farmers in western and central India. Whether it's ploughing, tilling, or hauling, the Promaxx range brings the mix of technology and toughness to the job.


Farmtrac 39 Promaxx


Farmtrac 42 Promaxx


Farmtrac 45 Promaxx


Farmtrac 47 Promaxx

4
Plants in India for Tractors and Components Manufactured in Faridabad, Haryana

~65%
Total Capacity Utilisation in FY 2024-25

1
Plant in Poland (100% Subsidiary)

1,70,000 units per annum
Total Tractor Production Capacity

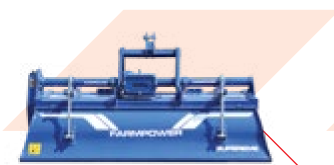
EKL Agri Solutions

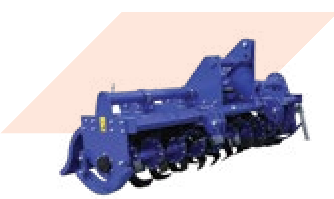
During the year, EKI and KAI have successfully merged into EKL, a single, stronger entity, combining their expertise to redefine agricultural solutions for India. This collaboration has led to the launch of an advanced and comprehensive range of machinery from combine harvesters to rice transplanters and rotavators, designed to meet the evolving needs of Indian agriculture. These machines deliver a perfect blend of precision, reliability, and innovation, empowering farmers to achieve higher productivity with greater ease.

In FY 2024-25, the combined revenue contribution from the Agri Solutions, Engine, and Service & Spare Parts businesses, excluding tractors, accounted for ~20% of the overall Agri Machinery segment revenue.

Escorts Kubota's Product Range

Rotavators

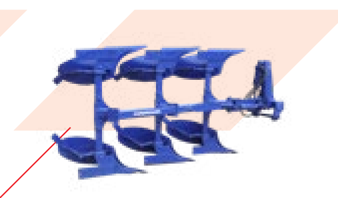




Straw Reaper

Super Seeder

MB Plough



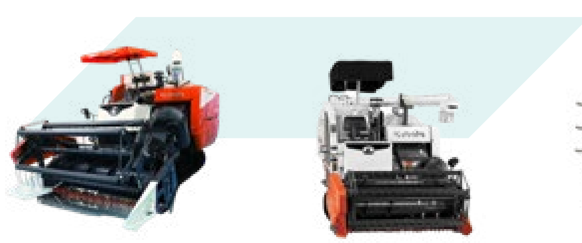
FARMPOWER
हर किसान की पॉवर, फार्मपॉवर

MistTrac 600 Tractor-Trailed Orchard Sprayer

Rice Transplanter & Harvester Product line

KNP-6W 6 row Walk Behind Model

Paddy Harvester



KA6 6 row Ride-on Model

New Launches

Ride-on Rice Transplanter

Half-Feed Track Combine

Supreme Rotavator

Outlook Agri Solutions

Escorts Kubota Limited (EKL) is strategically positioned to capitalise on the evolving opportunities within India's agri solutions industry. With the successful merger of Escorts Kubota India and Kubota Agricultural Machinery India into a unified entity, EKL has significantly strengthened its capabilities, bringing together advanced global technology and deep Indian market understanding under one umbrella.

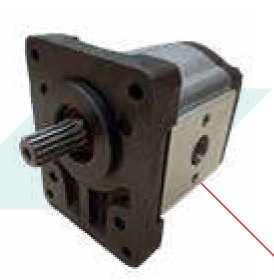
The Company's expanded portfolio places it at the forefront of the farm mechanisation wave sweeping the country. With a strong emphasis on precision, durability, and farmer-centric innovations, EKL is well-equipped to meet the rising demand for comprehensive agri solutions.

EKL Service & Spare Parts

Escorts Kubota's service & spare parts division continues to grow from strength to strength, by helping farmers protect what they sow. From smart, precision-built sprayers to reliable, easy-to-access spare parts, every solution is designed to keep farms productive and sustainable. With a solid distribution network and tech-enabled service touchpoints, the division ensures that support is never felt out of reach and is available closer to the field and the farmer. From the smart-precision built sprayers to reliable easy to access spare parts, every product is designed to keep the farms productive and sustainable.

Escorts Kubota's Spare Parts Product Range

Hydraulic Pump



Diesel Filter

Gear

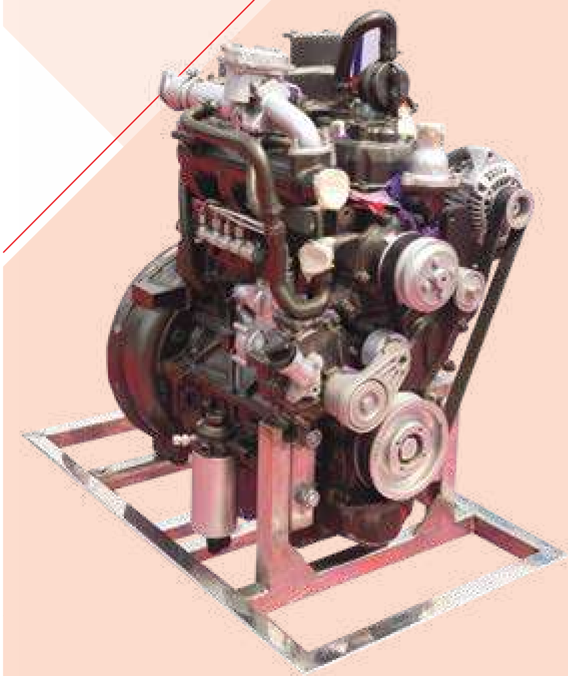
Parts and Lubricants

Outlook

The Service and spare parts industry is poised for strong growth, supported by the increasing farm mechanisation, a rising equipment base, and a greater farmer awareness around machine maintenance. As customers seek quicker service, genuine parts, and longer machine life, companies are increasingly adopting tech-enabled service models, predictive maintenance, and deeper rural reach to enhance customer satisfaction and build brand awareness.

Escorts Kubota Limited (EKL) is well-positioned to capitalise on these opportunities with its expanding dealer network, focus on technician upskilling, and deployment of digital tools for faster, more efficient delivery support. By offering genuine spare parts, preventive maintenance programmes, and world-class after-sales service, EKL aims to strengthen customer trust and make the services and spare parts business a key growth driver in the years ahead.

Diesel Engine Industry



The Indian diesel engine industry continues to play a vital role in keeping the lights on across various sectors. Diesel engines are the go-to backup solution for industrial, commercial, and infrastructure projects. With rapid urbanisation and the expansion of manufacturing industries like automotive, pharmaceuticals, and textiles, the need for a continuous power supply has only grown. Diesel engines stand out for their ability to provide consistent power, even in far-flung locations or when there are grid interruptions, ensuring operations run without disruption and minimising downtime.

The government's emphasis on infrastructure projects is directly driving the demand for diesel engines. From road construction to rail expansion and power plant development, reliable power is crucial for maintaining productivity and sticking to project timelines. While renewable energy is gaining ground, advancements in hybrid systems and smart diesel engines with digital monitoring are helping to improve fuel efficiency, cut down emissions, and boost overall performance. These innovations make sure that diesel engines remain an important player in India's energy future.

(Source: https://www.mordorintelligence.com/industry-reports/india-diesel-generator-market)

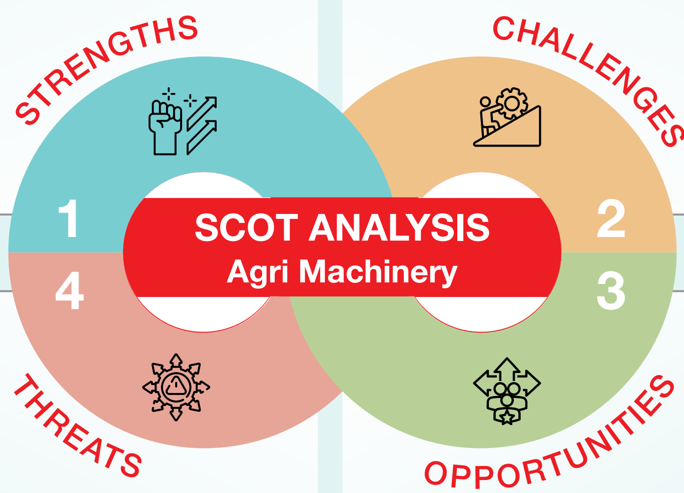
Outlook

The Indian diesel engine industry is set for steady growth, driven by rapid urbanisation, industrial expansion, and government focus on infrastructure projects. As sectors like automotive, pharmaceuticals, and textiles demand uninterrupted power, diesel engines remain critical for ensuring operational continuity. While renewable energy is rising, advancements in hybrid technologies and smart, fuel-efficient engines are reinforcing the role of diesel engines in India's evolving energy landscape.

EKL is well-positioned to capitalize on this momentum with its focus on delivering high-performance, digitally enabled, and eco-friendly diesel engines. With strong expertise across industrial and infrastructure segments, and a commitment to innovation and customer-centric solutions, EKL is poised to meet the growing need for reliable, efficient, and future-ready power backup across India.

- **Heritage and Brand Equity**: For more than eighty years, Escorts Kubota has been a symbol of consistent trust and excellence in the agricultural and construction machinery sectors. The Company's stellar reputation and significant market presence continue to make it one of the most influential players in India, delivering quality and reliability that farmers and industries rely on.
- **Cross-Border Strategic Alliances:** The collaboration with Kubota Corporation has been a game-changer for Escorts Kubota, enhancing its technological strengths and broadening its portfolio. This has opened up new markets and strengthened the Company's position in its existing ones, bringing more innovative solutions to farmers everywhere.
- **Broad Distribution Footprint:** A well-established and reliable distribution network allows the Company to penetrate markets effectively, providing easy access to customers at home and in new global markets.
- **Versatile, Market-Specific Product Suite:** By offering a comprehensive selection of agri machinery and construction equipment, Escorts Kubota ensures it can fulfil the unique needs of its customers in every market.
- **Consistent Production and Supply Chain Management:** The Company's ability to sustain production and navigate supply chain complexities has helped it meet demand without compromise.

- **Policy Uncertainties**: Unpredictable changes in policies can create short-term uncertainty, often influencing market dynamics and temporarily slowing business momentum.
- **Supply Chain Vulnerabilities**: The instability in global supply chain, coupled with dependence on certain regions for key raw materials, could put a strain on production efficiency and drive-up operational costs.
- **Intensifying Domestic Competition**: The entry of emerging players alongside long-standing market participants has heightened competitive intensity and exerted downward pressure on pricing within the Indian market.



- **Intensifying Price-based Competition**: The growing presence of competitors across domestic and export markets may necessitate price adjustments, thereby putting pressure on operating margins.
- **Climate and Weather Risks**: Erratic monsoons and extreme climate events can disrupt agricultural cycles, dampen farm incomes, and ultimately reduce the demand for agri-equipment.
- **Geopolitical Risks and Trade Disruptions**: International tensions may destabilise supply chains and raw material flows, affecting overall market dynamics.

- **Expanding Global Footprint:** With the support of Kubota's global network, Escorts Kubota is ready to further its reach into emerging markets, enhancing its worldwide presence.
- **Government Incentives for Agriculture and Infrastructure**: The Company stands to benefit from extensive government programmes that promote agricultural mechanisation and infrastructure development through financial incentives and strategic support.
- **Technological Innovation and R&D:** By stepping up its focus on research and development, the Company is now introducing smarter, greener, and more efficient machines that better reflect what today's customers are looking for.
- **Economic Growth and Urbanisation:** Rising education levels, deepening urban influence, and enhanced spending power across rural and semi-urban landscapes are likely to fuel the uptake of contemporary agricultural and infrastructure equipment.

Agri Machinery Division Outlook

The agricultural machinery market is on the rise, driven by the need for more mechanised farming, precision techniques, and a growing demand for food. We are seeing a shift towards automated systems, smart farming tools, and equipment built with sustainability in mind. Plus, leasing is gaining ground as a way to make farming equipment more affordable and accessible to farmers.

Escorts Kubota is perfectly placed to take advantage of the growth in the industry due to its strategic approach and commitment to technological advancements. The Company is planning to expand its manufacturing capacity with a new greenfield facility, which will help boost production and strengthen its position in both domestic and global markets. A major focus is on product innovation, with efforts aimed at developing fuel-efficient, high-performance tractors and equipment to meet the diverse needs of farmers. In addition, Escorts Kubota is broadening its portfolio beyond tractors, strengthening its offerings in agri-solutions, engines, and service and spare parts, all to support long-term growth. By collaborating closely with Kubota, the company is advancing its R&D, pushing the envelope in next-generation farming machinery. These moves will help solidify Escorts Kubota's leadership in the sector while improving farm productivity and efficiency.

Construction Equipment Industry

The Indian construction equipment industry is on a solid growth path, driven by government investments in infrastructure, advancements in technology, and the rising demand for modern machinery. In 2024, the market stood at USD 14.3 billion and is projected to expand at a compound annual growth rate of 7.6%, hitting nearly USD 29.5 billion by 2033. This growth is primarily supported by large-scale infrastructure projects, including roads, highways, urban infrastructure, and renewable energy.

Even with some sales fluctuations due to the usual seasonal factors, elections, and monsoon delays, the industry has stayed strong. Earthmoving equipment, road construction machinery, and concrete tools are still in high demand, though material handling and processing equipment have had mixed results. After the elections, infrastructure projects picked up, and many companies rushed to buy before the new emission regulations took effect, which helped drive growth in the second half of FY 2024-25. The sector is also being transformed by new technologies like telematics, automation, and AI, making construction work more efficient and cost-effective. And with stricter Stage V emission standards coming into play, companies are investing in greener, more sustainable machinery.

With solid backing from the government, rapid urban growth, and more private sector involvement, the Indian construction equipment industry is in a great position for sustained growth. The push toward smarter infrastructure, greener building practices, and embracing new technologies will keep improving efficiency and driving innovation across the sector. As demand for high-performance, eco-friendly equipment continues to rise, manufacturers are ready to grab new opportunities. With a strong growth outlook and an expanding market, this industry will play a crucial role in shaping India's infrastructure in the years ahead.

(Source: https://www.imarcgroup.com/india-construction-equipment-market, https://constrofacilitator.com/ce-industry-sees-28-q-o-q-5-y-o-y-growth-in-fy25-icema, https://www.nbmcw.com/news/indian-construction-equipment-industry-registers-28-q-o-q-growth-in-q3-fy25.htm)

(in `000 Units)	FY 2023-24	FY 2024-25	Y-O-Y
Backhoe Loaders	51.39	53.14	3.4%
Cranes	14.37	13.30	-7.4%
Compactors	5.75	6.00	4.3%
Mini Excavators	2.86	2.63	-7.7%

Source: ICEMA

Note: The two-year data has been presented to highlight the impact of the merger of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited into Escorts Kubota Limited.

Construction Equipment Segment Performance

Escorts Kubota's construction equipment division plays a key role in building India's infrastructure. From powerful backhoe loaders to versatile cranes and compactors, the division offers a wide range of machinery designed for excellence. Behind this success is the Company's world-class manufacturing facility in Faridabad, where advanced technologies come together to guarantee unmatched quality and efficiency. With a deep commitment to both innovation and reliability, the Company keeps pushing boundaries to offer durable and sustainable equipment that the construction industry can count on.

1
Construction and Material Handling Equipment Plant

10,000
Units Capacity in Multi-Shift Operations

~60%
Capacity Utilisation in FY 2024-25

Performance Updates

In FY 2024-25, Escorts Kubota's Construction Equipment volumes declined by 9.2% to 6,484 machines, as against 7,141 machines sold in FY 2023-24. The segment's revenue came at ₹ 1,730.1 crore as compared to ₹ 1,818.2 crore last year. Furthermore, the EBIT margin grew by 75 basis points to 9.9% as against 9.2% in previous year.

(in `000 Units)	FY 2023-24	FY 2024-25	Y-O-Y
Volume	7,141	6,484	(9.2%)

Note: The two-year data has been presented to highlight the impact of the merger of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited into Escorts Kubota Limited.

Recent Product Showcase

CEV Stage V Compliant Product Range

BLX 75

Xcellent

Performance | Safety | Operator Comfort | Durability

Hydra 12

Longer Steering Cylinder | Pneumatically actuated brakes |

Heavy duty straight axle with constant mesh transmission gear box (8F+2R) | Heavy duty Cerametallic Clutch | Negative Luffing angle

Construction Equipment Segment Outlook

The Construction Equipment (CE) industry is undergoing a significant transition, shaped by evolving emission regulations and rising input costs. While retail demand has been tempered by price adjustments linked to BS-V norms taking effect in January 2025, stabilisation is expected in the latter half of FY 2025-26 as older inventory clears.

Government-led infrastructure spending, ₹ 11.21 Trillion in capital expenditure is set to drive demand across roads, railways, ports, and urban development. This, coupled with the industry's pivot toward cleaner technologies, positions the sector for strong long-term growth.

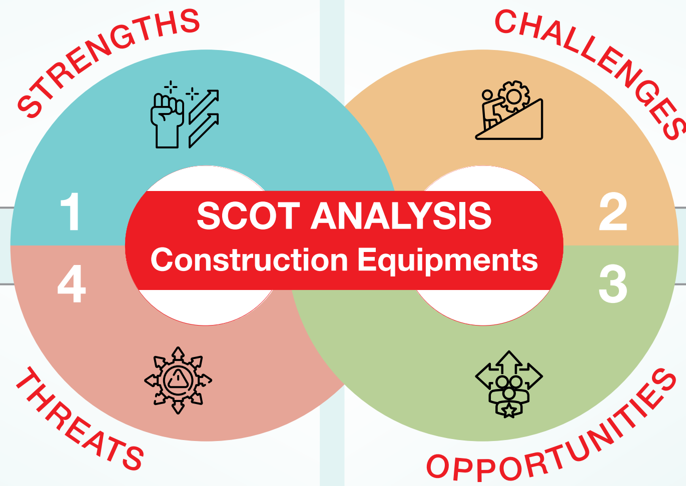
Escorts Kubota is responding with agility, introducing Stage V-compliant products and expanding its portfolio with the Hydra crane and BLX 75 backhoe loader, both under the E-Kubota brand. These machines combine modern design with functionality, reinforcing the Company's focus on sustainability and innovation.

The shift to electrified and hybrid systems, alongside emerging solutions like biofuels and hydrogen engines, reflects the sector's commitment to greener, cost-efficient operations.

Despite short-term adjustments, the industry outlook remains positive, with Escorts Kubota well-positioned to lead in this evolving landscape.

- **Affordable and Skilled Labour Availability**: The blend of affordable and skilled labour, paired with abundant training opportunities, is bridging workforce gaps and helping meet the growing demands of the industry.
- **Government Incentives & NIP Projects**: With the National Infrastructure Pipeline (NIP) driving forward infrastructure projects, the need for construction equipment is expected to grow significantly by 2025.
- **Abundant Natural Resources & Raw Materials**: Rich natural reserves are accelerating growth, ensuring the availability of raw materials essential for manufacturing construction equipment.
- **Robust R&D Investments**: By investing heavily in research and development, the company is improving product quality, fostering innovation, and expanding its range of equipment to remain competitive.

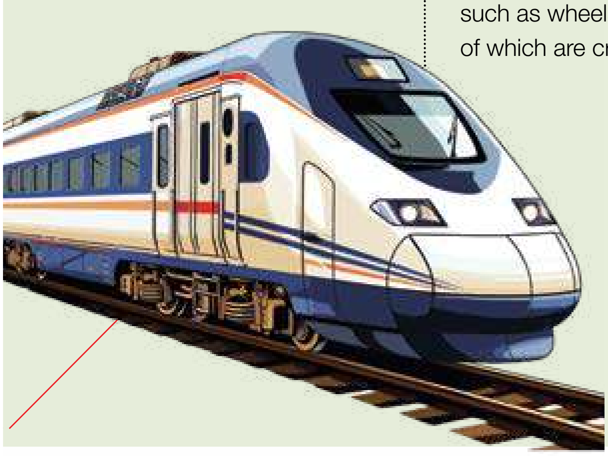
- **Rising Labour Costs**: Growing demand for skilled labour is pushing up costs, adding pressure to overall project budgets.
- **High Capital Investments**: Large-scale infrastructure projects need significant capital, making access to financing a key challenge.
- **Lack of Clear Frameworks & Processes**: The construction sector's lack of structured frameworks leads to inefficiencies, with operations often running without clear guidelines or procedures.



- **Political Instability**: Fluctuating government policies and political instability create challenges for the long-term planning and execution of infrastructure projects.
- **Workplace Safety Concerns**: With the high-risk nature of construction activities, maintaining employee safety is an ongoing challenge that requires constant attention.
- **Natural Disaster Vulnerability**: The construction industry must always account for the unpredictable nature of natural disasters, which can halt or delay projects significantly.

- **Improved Financial Assistance**: With government incentives making it easier to secure funding, construction companies are better positioned to manage financial challenges.
- **Renewable Energy Sector Growth**: Massive investments in renewable energy projects are driving an increased demand for specialised construction equipment, as the sector expands to meet green energy goals.
- **PLI Scheme Impact**: The PLI scheme is acting as a catalyst for infrastructure growth, generating more avenues for the manufacturing of construction equipment.
- **Rising Private & Public Investments**: Both domestic and international investments are on the rise, propelling the industry's expansion and unlocking fresh prospects for future growth.
- **Education Sector Expansion**: Government-driven infrastructure projects to expand schools, universities, and educational institutions are driving an increased demand for construction machinery.
- **Healthcare Infrastructure Development**: With an increasing focus on improving medical facilities and hospitals, the demand for construction equipment in the healthcare industry is experiencing significant growth.

Indian Railway Industry Overview



In FY 2024–25, the Indian Railway components sector remained robust driven by demand for rolling stock and the expansion of the national railway network. The growth has been fuelled by strategic investments in manufacturing capabilities, including the upgrading of facilities and the development of advanced technologies to meet the evolving needs of the Indian Railways.

The sector's expansion was further supported by the emphasis on modernising and scaling up the production of railway components such as wheels, axles, and brakes, all of which are crucial to enhancing the efficiency and safety of the railway network. As part of the broader vision for railway modernization, several initiatives focused on upgrading existing infrastructure and improving the operational capabilities of the Indian Railways. This includes a significant boost to the production of high-performance components and the introduction of more sustainable practices in manufacturing, which are crucial for achieving the Indian Railways' long-term goals of reducing carbon emissions and improving the overall operational efficiency of the rail system.

(Source: https://www.moneycontrol.com/news/business/indian-railways-saw-wagons-locomotives-production-rise-in-fy25-says-economic-survey-2025-12925719.html, https://www.moneycontrol.com/news/business/indian-railways-saw-wagons-locomotives-production-rise-in-fy25-says-economic-survey-2025-12925719.html)

Railway Equipment Segment performance

On October 23, 2024, the Board of Directors approved the sale/transfer of the Railway Equipment Division (RED Business)—engaged in manufacturing, assembly, sales, servicing, and R&D of railway equipment and related parts—as a going concern on a slump sale basis, in accordance with Section 2(42C) of the Income-tax Act, 1961.

In line with this decision, the RED Business has been classified under discontinued operations with comparative figures for previous periods reclassified as per Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. The decision aligns with Escorts Kubota's shift in focus core business areas, allowing the company to streamline its operations and allocate resources more effectively in line with its long-term growth objectives.

For the year ended March 2025, Revenue from Railway Equipments Segment came at ₹ 912.8 crore as against ₹ 950.4 crore in the previous year. PBT for the year ended March 2025 came at ₹ 188.7 crore up by 5.6% as against ₹ 178.7 crore in the previous year.

Rational Cost Structure

The Company's cost optimization program aims to mitigate inflationary pressures on various cost elements to maintain product prices and competitiveness. Throughout the year, the Company faced cost pressures due to inflation and new regulations. To counteract these challenges, the Company implemented initiatives such as localizing imports, value engineering, yield improvement, energy efficiency, and stricter overhead controls. Collaborating with suppliers, the Company continually seeks cost-saving and efficiency improvement opportunities.

Escorts Kubota's strategic cost structure emphasises operational mastery, innovation, and sustainable value creation. Leveraging economies of scale, optimising procurement, and adopting advanced manufacturing techniques, the Company has developed a lean and efficient business model. A robust supply chain, local sourcing, and strong vendor partnerships enable cost control without compromising quality. Investments in automation and digital technologies enhance operations, boost productivity, and reduce waste, ensuring long-term cost sustainability.

At Escorts Kubota, every resource is maximised for optimal performance and profitability. Strategic focus on infrastructure, production, and distribution optimisation ensures sustained growth while upholding performance standards. With a commitment to in-house R&D, backward integration, and strategic sourcing, the Company effectively manages costs without sacrificing quality. Smart marketing strategies and a strong dealer network enable efficient customer connections. This approach has facilitated the introduction of innovative products that meet market demands. Emphasising operational excellence and growth segments, Escorts Kubota maintains a competitive edge, driving sustainable growth and customer satisfaction.

Human Resources

As of March 31, 2025, Escorts Kubota had a team of 17,205 employees, spanning permanent, temporary, casual, and contractual roles. The successful completion of the merger has led to the seamless integration of talent from both legacy organizations, enhancing the Company's human capital and aligning the workforce with a unified strategic vision.

This transformation, anchored in the spirit of One EKL, is being driven by a strengthened Human Resources function that prioritizes talent development, employee engagement, and continuous learning. Strategic HR initiatives are focused on fostering a high-performance culture that supports innovation, operational efficiency, and leadership development.

Escorts Kubota places strong emphasis on employee well-being and is committed to nurturing a workplace culture that is inclusive, agile, and growth-oriented. Detailed insights into the Company's human capital strategy are available in the Human Capital section of the Integrated Annual Report.

Community Engagement

Making a difference in the communities it serves remains a key priority for Escorts Kubota. Through initiatives focused on health, education, and environmental care, the Company continues to align its business values with a strong sense of social responsibility. In FY 2024-25, several meaningful programs were introduced as part of its CSR strategy, each designed to create impact where it's needed most. A detailed account of these efforts is available in the CSR Report.

Investor Relations

Escorts Kubota is dedicated to fostering open dialogue and providing top-tier investor services that align with industry standards. With investor relations desks in both India and Japan, the company ensures that communication with its investor community is seamless and insightful. Under the guidance of the Chairman & Managing Director, Deputy Managing Director, Whole-time Director, Group Chief Financial Officer, and Investor Relations Team, global investors engage in a continuous exchange of trust with the company.

To maintain transparency and accessibility, Escorts Kubota makes critical company information easily accessible on stock exchanges and its official website, **www.escortskubota.com**. The 'Investor Information' section serves as a comprehensive hub, offering shareholders a wealth of details including director profiles, shareholding patterns, financial reports, press updates, and unclaimed dividend data. Interactive earnings calls, alongside transcripts and audio recordings, are available for investors to access conveniently.

The Company prioritises keeping investors informed by promptly communicating important developments to stock exchanges and updating its website with any information that could impact quarterly earnings or revenue. Investors have access to a wide range of information, from regulatory filings and quarterly reports to investor presentations and scheduled analyst interactions. A shareholder handbook with answers to frequently asked questions can be found in the 'Governance' section of the Investor Relations page, along with regular updates on unpaid dividends. For any queries or feedback, the company commits to responding within three working days through **investor.relation@escortskubota.com**

Information Technology

Over the past year, EKL IT transformation efforts have significantly enhanced the efficiency, scalability, and future-readiness of our organization. Following the merger of EKI, and KAI into EKL, we successfully integrated the network and security infrastructure, laying a solid foundation for seamless application functionality. A major milestone was consolidating all three companies under a unified ERP system, standardizing processes, improving transparency, and ensuring reliable audit trails.

Furthermore, we swiftly completed the IT setup for our new subsidiary, EKFL, well ahead of schedule. This encompassed implementing ERP, core applications, and a secure infrastructure to facilitate compliant and efficient business operations from day one.

The launch of our unified Dealer Management System, EKDMS, replacing legacy systems ESMS & KDMS, has streamlined dealer operations, enhanced user experience, and provided valuable data-driven insights across our network.

To enhance supply chain planning, we introduced a standardized PSI template in collaboration with the Sales team, supported by automation tools. This initiative has resulted in improved forecast accuracy, reduced manual effort, and optimized inventory management throughout the value chain.

We also upgraded our Product Lifecycle Management system to the latest version, improving user experience and accelerating innovation cycles. Our sales analytics now leverage AI/ML for personalized customer engagement.

To bolster cybersecurity and ensure reliable connectivity, we implemented SD-WAN across all plant and office locations. Our achievement of ISO/IEC 27001:2022 certification underscores our commitment to robust information security practices and data protection.

Looking forward, our technology roadmap continues to align closely with our business vision, focusing on driving innovation, operational excellence, and long-term value for all stakeholders. These strategic investments and initiatives reflect our dedication to building a digitally empowered organisation primed for sustainable growth.

Internal Controls Systems

The Company's robust internal control framework is designed to monitor operations, safeguard assets, prevent fraud, maintain accurate accounting controls, manage evolving risks, ensure compliance with laws, and promote productivity. Escorts Kubota upholds high standards of corporate governance, with internal audits conducted by both the internal team and Ernst & Young (EY). Regular reviews, overseen by the Audit Committee, ensure proper recording of transactions and operational efficiency. This diligent approach not only protects company assets and financial integrity, but also enhances overall risk management.

Risk Management

EKL has established a robust risk management framework to effectively identify, assess, monitor, and mitigate potential risks that could impact its operations. The Risk Management Committee, in collaboration with senior management, prioritizes key risks based on severity and likelihood, developing comprehensive mitigation strategies.

At EKL, risk management is a proactive and diligent approach rather than left to chance. The Company employs a hands-on framework that facilitates early identification and resolution of potential risks through regular assessments and a probability-based methodology to maintain stability in business operations. Strong governance and internal controls provide an additional layer of resilience, enabling the Company to navigate financial, operational, and strategic risks effectively. More information can be found in the Risk section of the Integrated Annual Report.

At the Board level, EKL has implemented a comprehensive risk management policy that proactively identifies and mitigates significant risks. By evaluating risks based on their likelihood, the Company can devise effective mitigation strategies in advance, ensuring readiness for unforeseen challenges. This structured approach empowers EKL to navigate uncertainties with confidence and agility. The internal control system is supported by internal audits and management reviews, reinforced by clear policies and procedures that uphold accountability and reliability in financial reporting.

Discussion on Financial Performance with Respect to Operational Performance

OVERVIEW

The financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act. Please note that during the year

The National Company Law Tribunal, Chandigarh Bench (NCLT) has approved the Scheme of Amalgamation of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited (Amalgamating Companies) with Escorts Kubota Limited (Amalgamated Company). The certified copy of the approval was received by the company on August 29, 2024, and filed with the Registrar of Companies on September 1, 2024. In order to reflect the Scheme's impact from the appointed date of April 1, 2023, the Company has restated previously reported numbers. Accordingly, numbers reported here for the current as well as previous period(s) include numbers of the amalgamating companies also.

The Board of the Directors of the Company on October 23, 2024 has approved the sale/ transfer of its division engaged in the business of manufacturing, assembly, sales, servicing, research and development of railway equipment products including parts thereto (“RED Business”) as a going concern, on a ‘slump sale’ basis, as defined under Section 2(42C) of the Income-tax Act, 1961. During the quarter, the RED business has been disclosed under discontinued operations and previous periods are also reclassified in terms of Ind AS 105 'Non-current assets held for sale and discontinued operations'.

Standalone Financial Performance Review

In FY 2024-25, Escorts Kubota recorded total income from continuing and discontinuing operations at ₹ 11,558.5 crores, up by 4.4% as against ₹ 11,073.7 crores in FY 2023-24. Profit before tax and exceptional items at ₹ 1,555.3 crores, up by 7.9% as against ₹ 1,440.9 crores in the previous fiscal year. Profit after Tax (PAT) rose to ₹ 1,250.9 crores in FY 2024-25, up by 15.7% as against ₹ 1,081.6 crores in FY 2023-24. Earnings per share (EPS) for the year ended March 2025 at ₹ 113.77 up by 19.0% as against ₹ 95.59 in the previous fiscal year.

Best ever Performance

Financial Performance from Continuing Operations

Revenue from continuing operations for the year ended March 2025 at ₹ 10,187.0 crore up by 4.7% as against ₹ 9,730.7 crore in the previous year. EBITDA from continuing operations came at ₹ 1,177.8 crore up by 4.0% as against ₹ 1,133.0 crore in the previous year.

PBT stood at ₹ 1,339.5 crore up by 6.1% as against ₹ 1,262.1 crore in previous year. Net Profit after tax from continuing operations came at ₹ 1,110.0 crore for the year ended March, 2025, up by 17.1% as against a profit of ₹ 948.0 crore in the previous fiscal year.

Segmental Performance

Agri Machinery Segment revenue stood at ₹ 8,447.2 crore as against ₹ 7,897.4 crore in the previous year. The EBIT margin for year ended March 2025 came at 10.7% as against 11.2% in the previous year.

Construction Equipment Segment revenue stood at ₹ 1,730.1 crore as against ₹ 1,818.2 crore in the previous year. EBIT margin for the year ended March 2025 were up at 9.9% as against 9.2% in the previous year.

Railway Equipment Segment (discontinued operations) revenue stood at ₹ 912.8 crore as against ₹ 950.4 crore in the previous year. PBT for the year ended March 2025 came at ₹ 188.7 crore up by 5.6% as against ₹ 178.7 crore in the previous year.

Consolidated Financial Performance Review

In FY 2024-25, Escorts Kubota Limited recorded total income at ₹ 11,618.3 crores, up by 4.2% as against ₹ 11,146.9 crores in FY 2023-24. Profit before tax and exceptional items at ₹ 1,541.4 crores, up by 7.4% as against ₹ 1,435.2 crores in the previous fiscal year. Profit after Tax (PAT) rose to ₹ 1,265.0 crores in FY 2024-25, up by 17.5% as against ₹ 1,076.6 crores in FY 2023-24. Earnings per share (EPS) reported for the year ended March 2025 at ₹ 115.04 up by 17.3% as against ₹ 98.10 in the previous fiscal year.

Dividend Payout

The Board has recommended a final dividend of 180% for FY 2024-25, equivalent to ₹18.0/- per share. With the interim dividend already paid, the total payout for FY 2024-25 will amount to ₹28.0/- per share (face value of ₹ 10 each), representing an increase of 56% compared to the previous year.

In line with the Securities and Exchange Board of India's 2018 amendment to the Listing Obligations and Disclosure Requirements, Escorts Kubota is required to report any material changes in sector-specific financial ratios. The following section provides an overview of these changes alongside key financial metrics.

Key Ratios

In ₹ Crore (Unless otherwise stated)	CONSOLIDATED FY 2023-24	CONSOLIDATED FY 2024-25	STANDALONE FY 2023-24	STANDALONE FY 2024-25
Revenue from Operations	10,754.00	11,156.67	10,681.13	11,099.75
Material Costs	7,578.88	7,807.87	7,528.78	7,768.97
RMC	6,552.28	5,850.02	6,499.23	5,814.80
Traded Goods	1,205.53	1,778.76	1,205.02	1,778.75
Change in Inventory	-178.93	179.09	-175.47	175.42
PAT	1,076.62	1,264.95	1,081.62	1,250.92
Revenue Growth	21.52%	3.74%	28.00%	3.92%
EBITDA	1,317.68	1,360.00	1,320.33	1,372.54
Operating Profit Margin	12.25%	12.19%	12.36%	12.37%
Net Profit Margin	10.01%	11.34%	10.13%	11.27%
Basic EPS (in ₹)	98.10	102.23	95.59	113.77
Trade Receivables	1,422.01	1,606.10	1,453.67	1,534.68
Trade Receivable Days	48	53	50	50
Trade Payables	1,775.27	1,687.25	1,752.14	1,671.21
Purchases	7,701.52	7,633.54	7,650.65	7,602.19
Trade Payable Days	84	81	84	80
Inventory	1,716.16	1,548.76	1,656.17	1,493.66
Inventory Turnover Days	83	72	80	70
EBIT	1,477.34	1,571.76	1,480.17	1,582.42
Interest Expense	42.19	29.27	39.31	27.13
Interest Coverage Ratio (x)	35.02	53.70	38	58
Debt	367.56	2.25	363.36	-
Equity	9,384.60	10,362.90	9,416.48	10,380.22
Debt Equity Ratio (x)	0.04	0.00	0.04	-
Networth	9,384.60	10,362.90	9,416.48	10,380.22
Return on net worth/Equity	11.47%	12.21%	11.49%	12.05%
No of Shares O/S	11,04,98,261	11,18,77,754	11,04,98,261	11,18,77,754
Share Price- NSE (in ₹)	2,780.30	3,271.00	2,780.30	3,271.00
Share Price- BSE (in ₹)	2,778.60	3,245.50	2,778.60	3,245.50
Market Cap (As per BSE)	30,703.05	36,309.93	30,703.05	36,309.93
Revenue Multiple	2.86	3.25	2.87	3.27
PE Multiple	28.32	28.21	29.07	28.53

DISCLAIMER Certain statements in the Management Discussion and Analysis regarding the Company's objectives, projections, estimates, expectations, or predictions may be classified as 'forward-looking statements.' Actual results may differ from those expressed or implied. Key factors that could impact the Company's operations include the availability and pricing of raw materials, cyclical demand and pricing in the Company's main markets, changes in government regulations and tax policies, and economic developments in India and other countries where the Company operates, along with other incidental factors.

These projections may also be influenced by external macroeconomic factors beyond the Company's control, including, but not limited to, raw material availability and pricing, fluctuations in cyclical demand, market pricing trends, regulatory changes, taxation policies, and broader economic developments

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 08, 2025

Directors' Report

Dear Members,

Your Directors have pleasure in presenting this Integrated Annual Report/ Annual Report ('IAR'/ 'AR') of the Escorts Kubota Limited ('Escorts' or 'EKL' or 'Company') along with the Company's audited financial statements (standalone and consolidated) for the financial year ended on March 31, 2025.

Financial Results

(₹ crores)

Particulars	Standalone		Consolidated	
	Year ended on March 31, 2025	Year ended on March 31, 2024 (Restated)*	Year ended on March 31, 2025	Year ended on March 31, 2024 (Restated)*
Revenue from operations	10,186.96	9,730.72	10,243.88	9,803.59
Other income	458.39	391.50	461.31	391.78
Total Income	**10,645.35**	**10,122.22**	**10,705.19**	**10,195.37**
Profit from operations before Interest, Depreciation, Exceptional Items & Tax	1,636.23	1,524.52	1,625.50	1,522.15
Finance Cost	27.03	38.78	29.17	41.66
Profit from operations before Depreciation, Exceptional Items & Tax	1,609.20	1,485.74	1,596.33	1,480.49
Depreciation & Amortisation	242.61	223.60	243.65	224.06
Profit from operations before Tax and exceptional items	**1,366.59**	**1,262.14**	**1,352.68**	**1,256.43**
Exceptional Items	(27.08)	-	(1.67)	-
Profit before Tax from Continuing Operations	1,339.51	1,262.14	1,351.01	1,256.43
Tax Expense from Continuing Operations	229.48	314.11	226.95	313.40
Net Profit for the period from Continuing Operations	1,110.03	948.03	1,124.06	943.03
Net Profit for the period from Discontinued Operations	140.89	133.59	140.89	133.59
Net Profit for the period	**1,250.92**	**1,081.62**	**1,264.95**	**1,076.62**

Financial Performance/ State of Company Affairs

The brief highlights of the Company's performance (Standalone) for the financial year ('FY') ended March 31, 2025 are:

₹ 10,645.35 crores

Total income of the Company for FY 2024-25 stood at ₹ 10,645.35 crores (₹ 10,122.22 crores in FY 2023-24)

₹ 1,636.23 crores

Profit from operations before Interest, Depreciation, Exceptional Items & Tax stood at ₹ 1,636.23 crores.

₹ 1,366.59 crores

Profit from operations before Tax (PBT) and exceptional items stood at ₹ 1,366.59 crores. Net profit for the period stood at ₹ 1,250.92 crores.

Our Company sold 1,15,554 tractors during the year under review as against 1,14,396 tractors sold during the last financial year.

The brief highlights of the Company's performance (Consolidated) for the financial year ended March 31, 2025 are:

- Total income of the Company for FY 2024-25 stood at ₹ 10,705.19 crores (₹ 10,195.37 crores in FY 2023-24)
- Profit from operations before Interest, Depreciation, Exceptional Items & Tax stood at ₹ 1,625.50 crores.
- Profit from operations before Tax (PBT) and exceptional items stood at ₹ 1,352.68 crores. Net profit for the period stood at ₹ 1,264.95 crores.

*The figures of last financial year ended on March 31, 2024 have been restated giving the impact of scheme of amalgamation among and between Escorts Kubota India Private Limited, Kubota Agricultural Machinery India Private Limited with the Company, as approved by the Hon'ble National Company Law Tribunal ('NCLT'), Chandigarh Bench, vide its order dated August 21, 2024.

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 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

During the FY 2024-25, the Board of Directors of the Company at its meeting held on February 10, 2025 has declared the interim dividend @ 100% per share of face value of ₹ 10/- each (i.e. ₹ 10/- per share) for the financial year ended March 31, 2025 and the record date for the purpose of interim dividend was February 14, 2025.

Further, based on the Company's performance, your Directors are pleased to recommend, for approval of the members, the final dividend @ 180% per share of face value of ₹ 10/- each (i.e. ₹ 18/- per share) for the financial year ended March 31, 2025, payable on all outstanding shares after deducting applicable tax thereon.

The dividend payout is subject to the approval of members at the ensuing Annual General Meeting ('AGM').

The record date for the purpose of dividend will be July 04, 2025.

The total dividend for the FY ended March 31, 2025 works out to 280% per share of face value of ₹ 10/- each (i.e. ₹ 28 per share).

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 dividend distribution policy is available on the following web link https://www.escortskubota.com/new/pdf/reg-46-sebi/24-02-2025/2024_05_09_Dividend-Distribution-Policy.pdf.

Transfer to Reserves

During the financial year ended March 31, 2025, no amount (previous year: nil) transferred to general reserves.

Further, the movement in Reserves and Surplus is provided in note 17 of standalone and note 18 of consolidated financial statements.

Employee Stock Option Scheme

The Escorts Employees Stock Option Scheme ('ESOS') is in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEB Regulations').

The other details pertaining to the ESOS are provided in note 38 of the Notes to Accounts of Standalone Financial Statement of the Company.

The Scheme is being implemented in accordance with the SEBI 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 Companies Act, 2013 (hereinafter referred as "the Act") and/ or SEBI SBEB Regulations would be available on weblink at https://static.escortskubota.com/images/other-documents/2025/EKL_2025_05_08_ESOP_Disclosure_Reg_14.pdf

Change in Share Capital

During the FY 2024-25, the Company allotted 13,79,493 Equity Shares of nominal value ₹ 10/- each, pursuant to the Scheme of Amalgamation ('Scheme')among and between Escorts Kubota India Private Limited, Kubota Agricultural Machinery India Private Limited with the Company as approved by Hon'ble NCLT, Chandigarh Bench vide its order dated August 21, 2024. Consequently, the paid-up equity share capital of the Company, after said allotment, stood at ₹ 1,11,87,77,540/- consisting of 11,18,77,754 equity shares of ₹ 10/- each.

Further, pursuant to the Scheme, the authorised share capital of the Company increased to ₹ 16,39,00,00,000/- (Rupees one thousand six hundred and thirty-nine crores only) consisting of 75,10,00,000 (Seventy five crore and ten lakh) Equity Shares having face value ₹ 10 (Rupees Ten only) each and 88,80,00,000 (Eighty eight crore and eighty lakh) unclassified shares of ₹ 10/- (Rupees Ten only) each.

Merger & Amalgamation

Your Directors have pleasure to inform you that the during the FY 2024-25, the Scheme of Amalgamation ("Scheme") among and between Escorts Kubota India Private Limited, Kubota Agricultural Machinery India Private Limited with the

Company, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, has been approved by the NCLT, Chandigarh Bench, vide its order dated August 21, 2024.

Accordingly, the Scheme became effective w.e.f. September 01, 2024 i.e. upon filing of said NCLT Order with Registrar of Companies, NCT of Delhi & Haryana.

Divestment

In line with Company's strategic focus on the agri and construction equipment sectors and aligning with the vision of the parent company i.e. Kubota Corporation, the Company has executed the Business Transfer Agreement with Sona BLW Precision Forgings Limited ('Sona Comstar') on October 23, 2024 for transferring the existing Railway Equipment Business Division ('RED') as going concern, on slump sale basis, for a lumpsum cash consideration of ₹ 1,600 crores (Indian Rupees One Thousand and Six Hundred crores Only), without values being assigned to the individual assets and liabilities.

Further, on February 10, 2025 the Company has entered into an amended and restated business transfer agreement with Sona Comstar to amend certain terms and conditions of the initial agreement including revision in expected date of completion of sale/ transfer of RED Business from September 30, 2025 to May 01, 2025.

Further, the Company has also entered into an agreement to sell with Sona Comstar on February 10, 2025 for the sale/ transfer of the Company's spare part division land and building measuring 33,423 (Thirty three thousand four hundred twenty three) square yards equivalent to 27,945.885 (Twenty seven thousand nine hundred forty five point eight eight five) square meters, forming part of the RED division industrial plot bearing no. 115 and half of plot no. 114 located in Sector 24, Faridabad, Haryana for a total sale consideration of ₹ 110 crores (Indian Rupees One Hundred and Ten crores only).

Further, pursuant to sale of land to Sona Comstar, the Company has shifted its operations pertaining to spare part division business from Sector 24, Faridabad, Haryana to Apeejay Global Industrial & Logistics Park, Building No. 09 (Shed No. 2.3), 23 / 5 Milestone, Delhi Mathura Road, Ballabhgarh, Haryana – 121004.

Utilisation of Funds

During the FY 2024-25, the fund of ₹ 1,041.903 crore raised on a preferential basis on July 16, 2020 has been fully utilised for the purpose for which it was raised i.e. inter-alia for the Agri Machinery Business of the Company and there has been no deviation or variation in utilisation of this fund.

Further, the details of utilisation of funds of ₹ 1,872.745 crore raised on February 18, 2022 on a preferential basis, as on March 31, 2025, 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 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	₹ 1,855.306 crore*	Nil	₹ 131.168 crore	Nil	-

*Net proceeds post deduction of expenditure of ₹ 17.440 crores 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, Mr. Bharat Madan (DIN: 00944660) and Ms. Nitasha Nanda (DIN: 00032660) Directors of the Company, retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment. The shareholders at the AGM held on July 18, 2024, had appointed Mr. Sunil Kant Munjal (DIN: 00003902) and Ms. Tanya Arvind Dubash (DIN: 00026028) as Independent Directors for second term for 5 years and Mr. Kinji Saito (DIN: 00049067) as an Independent Director for a term for 5 years in place of Mr. Kenichiro Toyofuku (DIN: 08619076), who had resigned due to his pre-occupation in other professional assignment. The resignation letter of Mr. Toyofuku states that there is no material reason other than the reason stated in the resignation letter. The shareholders at AGM held on July 18, 2024, had also re-appointed Ms. Nitasha Nanda as Whole-time Director for a further period of 3 year.

Further, the tenure of Mr. Harish Narinder Salve (DIN: 01399172), Independent Director is going to end on July 15, 2025 i.e. completing his first term. The Board of Directors, on recommendation of Nomination, Remuneration and Compensation Committee ('NRC'), in their meeting held on May 08, 2025 had recommended the re-appointment of Mr. Salve as an Independent Director for second term for 5 years for approval of members of the Company as a special resolution at the ensuing AGM.

Mr. Vicky Chauhan, Compliance Officer of the Company has resigned w.e.f. February 10, 2025 due to his pre-occupancy and in his place Mr. Arvind Kumar, Company Secretary and Key Managerial Personnel of the Company, has been appointed as a Compliance Officer of the Company w.e.f. February 10, 2025.

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.

In the opinion of the Board, the Independent Directors of the Company are the persons of integrity, expertise and fulfil the conditions as per the applicable laws and are independent of the management of the Company.

The Board at its meeting held on February 10, 2025 has reviewed and made requisite amendment(s) in the Policy on Appointment and Removal of Director's and Members of Senior Management. The Policy on Appointment and Removal of Director's and Members of Senior Management and Remuneration Policy for Director's, Key Managerial Personnel, Senior Management and other Employees are enclosed as **Annexure A** and **Annexure B** respectively and forms an integral part of this Report.

Annual performance evaluation of the Board, its committees, individual directors (including independent directors) and Chairman of the Company 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. The process, and result of performance evaluation given in Corporate Governance Report, was followed by the Board for evaluation of its own performance and its committees and individual directors including independent directors and Chairman of the Company.

The Company has devised a process whereby various presentations/ programmes are being conducted to familiarise the directors with various developments at industry level, new business initiatives and organisation strategies, policy on Business Responsibility & Sustainability 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 – https://www.escortskubota.com/investors/regulation-46-of-sebi.

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, rationales and justifications wherever applicable and other details relating to the director 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 79th 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 enclosed 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 alongwith 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. Further, other governance related disclosures are available on the website of the Company at https://www.escortskubota.com/investors/governance.

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 may be accessed on the Company's website at https://www.escortskubota.com/investors/governance. During the year, the Company has spent ₹ 11.72 crores out of total CSR obligation of ₹ 17.85 crore for FY 2024-25. Further, the remaining balance ₹ 6.13 crore has been deposited in a separate account in compliance of Section 135(6) of the Act, which is attributable to ongoing projects conceived during the financial year. Further, other details are provided in note 29 of the standalone financial statement.

For constitution and other details of the CSR Committee, please refer Report on Corporate Governance enclosed as **Annexure D** to this Report.

The Annual Report on CSR activities, which include the salient features of the CSR Policy and change therein, if any, is enclosed as **Annexure E** and forms an integral part of this Report.

Consolidated Financial Statement

The Consolidated Financial Statement have been prepared in accordance with the Act and Indian Accounting Standard (IND AS) - 110 applicable to the Consolidated Financial Statement 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 Statement along with the Auditors' Report thereon are annexed with Annual Report

Subsidiaries, Joint Ventures and Associate Companies

In accordance with Section 129(3) of the Act, a statement containing salient features of the financial statements of the subsidiary(ies), joint venture(s) and associate(s) companies in Form AOC - 1 is provided in this Report. The statement also provides details of performance and financial position of each of the subsidiaries, joint venture(s) and associates and their contribution to the overall performance of the Company during the period under report. 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.escortskubota.com/investors/regulation-46-of-sebi/subsidiary-financial-statements. The Consolidated Financial Statement presented by the Company include the financial results of its subsidiaries and associate companies.

In terms of the Company's Policy on determining 'material subsidiary', during the financial year ended March 31, 2025, there is no material subsidiary of the Company whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively of the Company and its subsidiary in the immediately preceding Accounting Year.

Further, during the FY 2024-25, there is no cessation of any subsidiary, joint ventures or associate except Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited, joint ventures companies, which have been merged with the Company pursuant to scheme of amalgamation as approved by the Hon'ble NCLT, Chandigarh Bench, vide its order dated August 21, 2024.

Further, during the FY 2024-25, Escorts Kubota Finance Limited, wholly-owned subsidiary company of the Company has commenced its business as a non-banking financial institution without accepting public deposits with effect from November 26, 2024.

The complete list of subsidiaries, joint ventures and associate companies as on March 31, 2025, in terms of the Act and/ or IND-AS is provided herein below:

S. No.	Name of the subsidiary/ associate companies/ joint ventures	Relationship	% of shares/ interest
1.	Escorts Crop Solutions Limited	Subsidiary	100%
2.	EKL CSR Foundation (Formerly Escorts Skill Development)	Subsidiary	100%
3.	Escorts Kubota Finance Limited	Subsidiary	100%
4.	Invigorated Business Consulting Limited (Formerly Escorts Finance Limited)	Subsidiary	67.87%
5.	Farmtrac Tractors Europe Spolka Z.o.o.	Subsidiary	100%
6.	Escorts Benefit and Welfare Trust	Subsidiary	100%*
7.	Escorts Benefit Trust	Subsidiary	100%*
8.	Adico Escorts Agri Equipments Private Limited	Joint Venture	40%
9.	Escorts Consumer Credit Limited	Associate	29.41%

*Beneficial interest.

The details of the above investments/ disinvestment are provided in note 7 of the Notes to Accounts of Standalone Financial Statement of the Company.

Downstream Investment

During the FY 2024-25, the Company has made total downstream investment of ₹ 40 crores to subscribe equity shares offered under right issue(s) by Escorts Kubota Finance Limited, wholly-owned subsidiary company of the Company, in compliance with the applicable provisions of the laws, rules and regulations. Further, the requisite filing/ intimation and auditor's certificate in this regard have been dully completed.

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 and dealing with 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 enclosed as **Annexure F** to this report and forms an integral part of 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.escortskubota.com/investors/regulation-46-of-sebi.

Your Directors draw attention of the members to note 46 in the notes to accounts in the standalone financial statement and to note 47 in the notes to accounts in the consolidated financial statement 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 Chandiok & 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 Chandiok & Co LLP, Chartered Accountants, Statutory Auditors, in their report read together with notes to Accounts for the FY ended March 31, 2025 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 Act 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 FY 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 2025-26.

The due date of filing the Cost Audit Report for the year ended on March 31, 2024 was September 30, 2024 and the same had been filed on August 29, 2024.

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 2024-25.

However, due to the casual vacancy in the office of Secretarial Auditors, upon sudden demise of Mr. Jayant Gupta, sole proprietor of M/s. Jayant Gupta and Associates on November 12, 2024, M/s. Neelam Gupta & Associates has been appointed as Secretarial Auditors of the Company for the FY 2024-25, to hold the office of the Secretarial Auditors up to the conclusion of AGM to be held in the year 2025. The Secretarial Audit Report of the Company as prescribed under Section 204 of the Act is enclosed 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.

Further, the Board at its meeting held on May 08, 2025, on the recommendation of Audit Committee, has recommended the appointment, of M/s. Neelam Gupta & Associates, (Firm Registration No. S2006DE086800), a peer reviewed firm of Practicing Company Secretaries as Secretarial Auditors of the Company for a term of 5 consecutive years from the conclusion of the ensuing AGM till the conclusion of the AGM to be held in the year 2030, to the shareholders of the Company for their approval. The Company has received a letter from M/s. Neelam Gupta & Associates, Practicing Company Secretaries confirming that their appointment, if made, would be within the limits prescribed under SEBI Listing Regulations and that they are not disqualified for such appointment under the Act and SEBI Listing Regulations.

Secretarial Audit of Material Unlisted Indian Subsidiary

There is no material unlisted Indian subsidiary of the Company as on March 31, 2025 and as such the requirement under Regulation 24A of the SEBI Listing Regulations regarding the Secretarial Audit of material unlisted Indian subsidiary is not applicable to the Company for FY 2024-25.

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, operational, sectoral, credit, market, liquidity, security, property, information technology, sustainability, cyber security, legal, regulatory, reputational and other risks have been identified and assessed and in the opinion of the Board there is an adequate risk management infrastructure in place capable of addressing and mitigating 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.escortskubota.com/investors/governance.

The details of constitution of Risk Management Committee of the Company is provided in Report on Corporate Governance at **Annexure D** of this 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 including with reference to financial statement and for ensuring the orderly & 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 enclosed as **Annexure D** to this Report.

Audit Committee

For constitution and other details of the Audit Committee, please refer Report on Corporate Governance enclosed 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 enclosed as **Annexure D** to this Report.

Annual Return

The Annual Return for FY 2024-25* is available on the weblink at https://static.escortskubota.com/images/other-documents/2025/EKL_2025_03_31_Form_MGT_7.pdf

*Ensuing AGM related information i.e. attendance etc. will be updated after AGM.

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.escortskubota.com/investors/governance.

The Board has also adopted the Anti-Bribery Policy and the same is available on Company's website at https://www.escortskubota.com/investors/governance.

Registrar and Share Transfer Agent

The share transfer and related activities are being carried out by M/s. KFin Technologies 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 made and Securities provided covered under the provisions of the Section 186 of the Act is made in the notes to the financial statements.

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 enclosed as **Annexure H** and forms an integral part of this Report.

Public Deposits

The Company has not accepted/ renewed any deposit (as covered under Chapter V of the Act) 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 ₹ 20.58 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 40,463 shares, during the period under review, to IEPF. The detailed information is available at our website https://www.escortskubota.com/investors/policies-and-documents.

As on March 31, 2025, 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 granted long term rating as "AA+ with stable outlook" and Short-Term rating as "A1+"

During the financial year 2024-25, there has been no change in the credit rating.

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 2024-25 till the date of this report.

Change in the Nature of Business

There has been no change in the nature of business of the Company, except as detailed out under the para of Divestment in 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. 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.

One case was filed and resolved during the year under review pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Human Resources Management

Our employees 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.

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 also touches upon aspects such as organisations strategy, governance framework, performance and prospects of value creation based on 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 ('the Committee') to finalise 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 organisations to holistically engage with stakeholders and go beyond regulatory compliances in terms of business measures and their reporting. Pursuant to Regulation 34 of SEBI Listing Regulations, the BRSR is mandatory for the top 1,000 listed companies (by market capitalisation). 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 and the Company did not file any application under ('IBC') during the FY 2024-25.

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 by SEBI vide its circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 read with updated circular dated April 13, 2022 and Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023, as such no disclosure is required in this regard.

Disclosure of Certain Type of Agreements Binding Listed Entity

Pursuant to Regulation 30A(2) of SEBI Listing Regulations, there is no agreement impacting the management or control of the Company or imposing any restrictions or create any liability upon the Company except as already disclosed in the Annual Report of financial year 2023-24.

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, 2025, 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, 2025 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, 2025 on a 'going concern' basis;

(v) the Directors have laid down internal financial controls to be followed by the Company and 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 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/ holding company except Mr. Seiji Fukuoka, Whole-time Director designated as Deputy Managing Director, who is taking a remuneration from holding company of the Company.
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 statement and to note 34 in the notes to accounts in the consolidated financial statement 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.
6. No political contribution made during the year under review.

Acknowledgement

Your Directors would like to express their sincere appreciation of the positive co-operation received from the Central Government, the Government of Haryana, Maharashtra, Tamil Nadu 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 FY.

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

	Sd/-	Sd/-
Place: Faridabad	**Nikhil Nanda**	**Seiji Fukuoka**
Date: May 08, 2025	Chairman and Managing Director	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 February 10, 2025.

(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 Organisation layer of N-1; 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 recognised specialist in disciplines or areas relevant to the Company and/ or its business;

(e) experience in the management of a diverse organisation, whether located in India and/or overseas, in the Sector where the Company is already doing business or intents 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 fulfil 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 finalise 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 the candidate(s) to fill such vacancy. The said appointment(s) shall be approved by the Board on the recommendation of NRC.

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-categorised 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 01, 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 and Remuneration 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. Disclosure to stock exchange(s)

Notwithstanding anything contained herein the Company shall report to stock exchange(s) the change in Senior Management in accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), as amended.

Whereas Senior Management (SM) means Senior Management as defined in SEBI Listing Regulations, as amended, which is reproduced below:

"Senior management shall mean the officers and personnel of the listed entity, who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity."

In order to comply with the above definition, the employee in the organization layer of N-1 {i.e. who are the members of the management one level below the Chief Executive Officer or Managing Director or Whole

Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) will be considered as functional heads} fulfill the above criteria.

12. Policy Review

i. The Board may modify, add, delete, or amend any of the provisions of this Policy.

ii. In the event of any conflict between the provisions of this Policy and of the Act or SEBI LODR or any other statutory enactments, rules, the provisions of such Act or SEBI LODR or statutory enactments, rules shall prevail over this Policy.

iii. Any subsequent amendment / modification in the SEBI LODR or the Act or any other governing Act/ Rules/ Regulations or re-enactment, impacting the provisions of this policy, shall automatically apply to this policy and the relevant provision(s) of this policy shall be deemed to be modified and/ or amended to that extent, even if not incorporated in this policy.

iv. 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.

v. 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/-	Sd/-
Place: Faridabad	**Nikhil Nanda**	**Seiji Fukuoka**
Date: May 08, 2025	Chairman and Managing Director	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 and Remuneration 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 08, 2025.

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 endeavour 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.

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 Organisation layer of N-1; 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 (including increments) payable to the Senior Management of the Company.

(v) Employees must conduct themselves to ensure that there is no breach of Kubota Charter of Action and Code of Conduct, EKL

(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) In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy;

(ii) Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/ Regulations or re-enactment, impacting the provisions of this policy, shall automatically apply to this policy and the relevant provision(s) of this policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this policy;

(iii) 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.

(iv) 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/-	Sd/-
Place: Faridabad	**Nikhil Nanda**	**Seiji Fukuoka**
Date: May 08, 2025	Chairman & Managing Director	Deputy Managing Director

Annexure – C

to the Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORBTION, FOREIGN EXCHANGE EARNING AND OUTGO

I) Conservation of Energy

1. The Steps taken or impact on conservation of energy

The following, energy conservation initiatives have been taken during the year under review :

- Installation of motion sensors in washrooms and meeting rooms for lighting.
- Installation of magnetic resonators in Piped Natural Gas ('PNG') circuit for equipment in paint shops for reduction in PNG consumption.
- Replacement of fixed speed Air Conditioners ('ACs') with variable speed ACs in the offices.
- Set the temperature of ACs at 25 degrees at various plants and saved electricity Consumption.

2. Steps taken by the Company for utilising alternate source of energy

For utilising alternate source of energy, the Company has installed additional solar panels of capacity of 135 KW in various plants.

3. Capital Investment on Energy Conservation Equipments

During the year under review, approximately ₹ 1.14 crores has been spent on various initiatives like Installation of motion sensors, solar panels, magnetic resonators, and replacement of fixed speed ACs.

II) Technology Absorption

1. The efforts made towards technology absorption

- Farmtrac 30 2WD & 4WD narrow tractor introduced in 30 HP segment for Orchard Applications.
- FT 12+3 Promaxx series introduced in Indian market with 39 to 47 HP range with new transmission and complete model change for Agri and Commercial applications.
- Euro G24 Compact Tractor with in-house Company's engine for vineyards and inter-cultivation in Powertrac Brand.
- Euro 42 with Bend-axle and paddy special features for Indian Southern market.
- EK1-261 HST introduction in Europe market.
- Compact 26 Pro in 9+9 speeds with shuttle/ HST introduced to enhance the operator compartment with wider platform and premium seat.
- CEV Stage V implementation in Construction Equipment range including Pick n Carry Cranes, Compactors, Backhoe Loaders and Rough Terrain Cranes.
- Introduction of new improved Backhoe Loader BLX-75 with new KBT branding.
- Introduction of Gensets ranging from 10 KVA to 62.5 KVA with latest CPCBIV+ Emission norms.

2. Benefits derived like product improvement, cost reduction, product development or import substitution

- EKL and KBT joint R&D projects for global markets, focusing on niche applications like wetland farming, super seeders, 4WD, and commercial loaders etc.
- Enhancing capabilities in engine, transmission, and hydraulic technologies using virtual simulation software and high-performance computing.
- To meet customer expectations and emerging future trends with new projects for the addition of new features, reliability enhancement and upgradation of existing products & creation of new platforms.
- Utilising in-house components to deliver cost-effective solutions to customers.
- Expanding the product portfolio to include tractors ranging from 15 HP to 110 HP, with modular transmissions for diverse agricultural and non-agricultural applications.

- Design & Development of emission control programmes like Stage-V norms for export tractors, BT-V norms for Indian tractors, and BS-V norms for Construction equipment respectively.
- Promoting digitisation and optimising product design through advanced software and tools.
- Incorporating future technologies such as autonomy, digital features, and advanced emission control systems.
- Developed 3 Electrical Control Panels variants for Electric Locomotive (WAG-9) Namely HB1, HB2 & FB Panel. These panels are used for reliable power/ control of auxiliary devices like air-conditioning, Cooling Motors, Compressors, Oil Pumps & Cooling Blowers.
- Developed RMPU's for Locomotives. It has a robust, lightweight housing design with an installed microcontroller which makes the driver cabin comfortable by maintaining optimum humidity and temperature levels.
- Developed EP assisted AMDBS brake system for Amrit Bharat Coaches. EP assisted brake system improves overall brake system performance as it provides additional integrated features for braking.
- Developed Freight Wagon hand brake systems for the export market. This brake system prevents the coach rolling at a standstill condition.

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	NA
3.	Has technology been fully absorbed ?	NA
4.	If not absorbed, areas, where this has not taken place, reasons therefore and future plans of action	NA

4. Expenditure incurred on Research & Development

₹ crores

	For the financial year ended on March 31, 2025	For the financial year ended on March 31, 2024
a) Capital Expenditure*	47.95	24.03
b) Recurring Expenditure (excluding depreciation)	146.65	131.68
Total R&D Expenditure	194.60	155.71
Total R&D Expenditure as a percentage of total turnover	1.91%	1.60%

**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

₹ crores

	For the financial year ended on March 31, 2025	For the financial year ended on March 31, 2024 (Restated)
a) Foreign exchange outgo:		
- Imports (including capital goods)	1,010.85	937.78
- Others	33.57	34.51
Total	**1,044.42**	**972.29**
b) Foreign Exchange earned	510.44	519.84

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 08, 2025

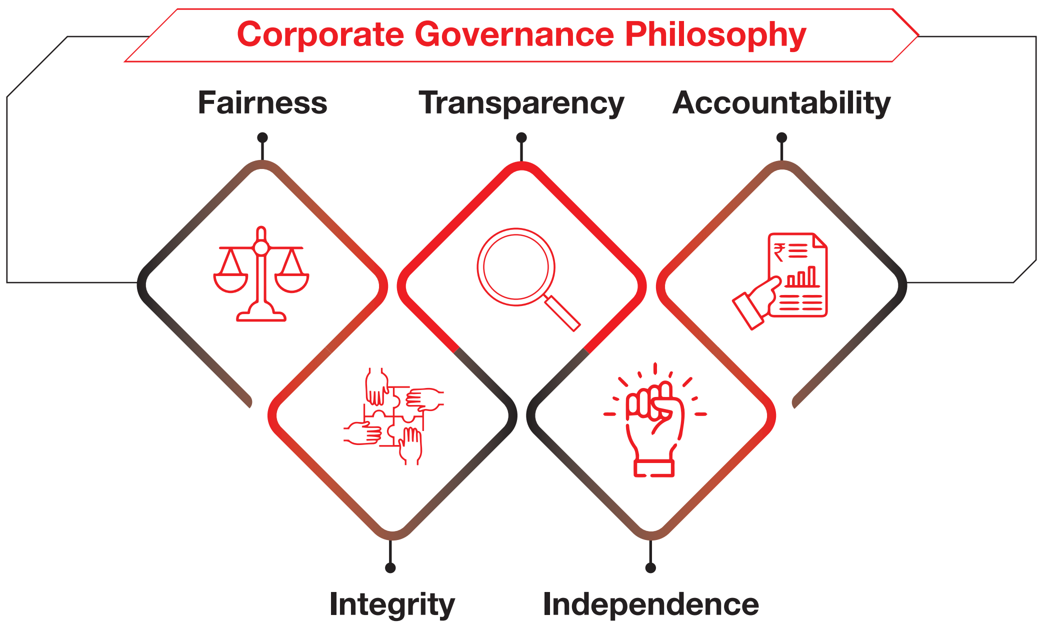
Annexure – D

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 a 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 the 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, Key Managerial Personnel, 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
23. Anti-Bribery Policy

II. Board of Directors

a) The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Company has diversified Board of 18 directors including 3 women directors constituting 17% of the Board strength. 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 director(s), as on March 31, 2025, are as follows: -

Category	Name of Director
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. Yasukazu Kamada Mr. Nobushige Ichikawa Mr. Shingo Hanada
Independent Non-Executive Directors	Mr. Sunil Kant Munjal Ms. Tanya Arvind Dubash Mr. Harish Narinder Salve Mr. Ravindra Chandra Bhargava Mr. Vimal Bhandari Ms. Reema Nanavaty Mr. Manish Sharma Dr. Rupinder Singh Sodhi Mr. Kinji Saito

There are no inter-se relationship amongst the directors except Mr. Nikhil Nanda is the brother of Ms. Nitasha Nanda. None of the other director(s) are related to any other director on the Board.

b) Familiarisation 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 on the business and performance, risk management, Business Responsibility and Sustainability Reporting (BRSR), 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.escortskubota.com/investors/regulation-46-of-sebi.

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 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 'SEBI 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 Director(s) is in the compliance with the Act.
- The Board is of the opinion that the Independent Director(s) fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management. Further, there is no Independent Director who resigned before the expiry of his/ her tenure except Mr. Kenichiro Toyofuku, Independent Director, who had resigned due to his pre-occupation in other professional assignment w.e.f. July 18, 2024 and also stated that there is no material reason other than stated in his resignation.
- 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 Director(s) take appropriate steps to present their views to the Chairman. Your Company conducts a dedicated Board Meeting which is held specifically to familiarise the directors with the Organisation's Structure and its vision and all Directors make their presence count in the Board Meeting. One meeting of the Independent Directors was held during the FY 2024-25.

d) Certification from Company Secretary in Practice

- A certificate from M/s Neelam Gupta & Associates, Practicing Company Secretaries, certifying that none of the director(s) of the Company has been debarred or disqualified from being appointed or continuing as director(s) of the Company by the 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 https://www.escortskubota.com/investors/regulation-46-of-sebi/subsidiary-financial-statements.

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 at https://www.escortskubota.com/investors/regulation-46-of-sebi.
- 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 recognises that sexual harassment violates the 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 the meeting of Board of Directors and the 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(s)	Director Identification number (DIN)	Category*	Directorship in other listed entity & Category**	No. of Board meetings during the period from April 01, 2024 to March 31, 2025		Whether attended the last AGM held on July 18, 2024	No. of directorships held in Public Limited Companies as on March 31, 2025 (#)		No. of committee Memberships / Chairpersonship held in Public Companies (^) as on March 31, 2025	No. of shares held $
				Held	Attended		Directorship	Chairpersonships		
Mr. Nikhil Nanda	00043432	EPCMD	-	6	6	Y	1	1	-	12,03,091
Ms. Nitasha Nanda	00032660	EPD	-	6	6	Y	1	-	-	1,93,422
Mr. Seiji Fukuoka%	08786470	DMD	-	6	5	Y	2	-	1/0	Nil
Mr. Bharat Madan	00944660	ED & CFO	-	6	6	Y	4	-	1/0	7,500
Mr. Hardeep Singh	00088096	NENID	UPL Limited, Director	6	6	Y	3	-	4/2	500
Mr. Dai Watanabe%	08736520	NEND	-	6	6	Y	1	-	-	Nil
Mr. Yasukazu Kamada%	09634701	NEND	-	6	5	Y	1	-	-	Nil
Mr. Nobushige Ichikawa%	09570234	NEND	-	6	5	Y	1	-	-	Nil
Mr. Shingo Hanada%	10484929	NEND	-	6	5	Y	1	-	-	Nil
Mr. Sunil Kant Munjal	00003902	NEID	-	6	6	Y	4	-	2/0	26,270
Ms. Tanya Arvind Dubash	00026028	NEID	Godrej Agrovet Limited, Director Godrej Industries Limited, Executive Director Godrej Consumer Products Limited, Director Britannia Industries Limited, Independent Director	6	5	Y	6	1	2/0	Nil
Mr. Harish Narinder Salve	01399172	NEID	-	6	1	Y	1	-	-	Nil
Mr. Ravindra Chandra Bhargava	00007620	NEID	Maruti Suzuki India Limited, Chairperson & Director	6	6	Y	2	1	1/1	Nil
Mr. Vimal Bhandari	00001318	NEID	KEC International Limited, Independent Director Poly Medicure Limited, Independent Director	6	6	Y	4	-	4/3	Nil

Name of Director(s)	Director Identification number (DIN)	Category*	Directorship in other listed entity & Category**	No. of Board meetings during the period from April 01, 2024 to March 31, 2025		Whether attended the last AGM held on July 18, 2024	No. of directorships held in Public Limited Companies as on March 31, 2025 (#)		No. of committee Memberships / Chairpersonship held in Public Companies (^) as on March 31, 2025	No. of shares held $
				Held	Attended		Directorship	Chairpersonships		
Ms. Reema Nanavaty	00690270	NEID	-	6	6	Y	2	-	-	Nil
Mr. Manish Sharma	06549914	NEID	-	6	5	Y	2	-	1/0	Nil
Dr. Rupinder Singh Sodhi	03179002	NEID	-	6	6	Y	1	-	2/0	Nil
Mr. Kinji Saito	00049067	NEID	Maruti Suzuki India Limited, Director	6	5	Y	2	-	-	Nil

Mr. Kinji Saito was eligible for 5 meetings and attended the same. Mr. Kenichiro Toyofuku was eligible for one meeting but could not attend it and he resigned from his office w.e.f. July 18, 2024.

*EPCMD - Executive Promoter Chairman and Managing Director, EPD - Executive Promoter Group Director, DMD – Deputy Managing Director, ED & CFO – Executive Director and Chief Financial Officer, NENID - Non Executive Non Independent Director (Promoter Group), NEND - Non Executive Nominee Director – Kubota Corporation (Joint Promoter of the Company), NEID – Non Executive Independent Director.

** 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.

(^) In accordance with Regulation 26, Membership/ 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).

The average tenure of the Board Members as on March 31, 2025 is 4.90 years.

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/ competence which are broadly taken into consideration while nominating candidates to serve on the Board:

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. Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.

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 Director(s)	Area of Expertise/ Skill/ Competence					
	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[4 & 5]	Y	Y
Ms. Nitasha Nanda, Whole-time Director	Y	Y	-	Y[4]	-	-
Mr. Seiji Fukuoka, Deputy Managing Director	Y	Y	Y	Y[4 & 5]	Y	Y
Mr. Bharat Madan, Whole-time Director & Chief Financial Office	Y	Y	Y	Y[5]	-	Y
Mr. Hardeep Singh, Director	Y[1]	Y[2]	Y	Y[3 & 4]	Y	-
Mr. Dai Watanabe, Nominee Director	Y	Y[2]	Y	Y	Y	Y
Mr. Yasukazu Kamada, Nominee Director	Y	Y	Y	Y	Y	Y
Mr. Nobushige Ichikawa, Nominee Director	Y	Y	Y	Y	Y	Y
Mr. Shingo Hanada, Nominee Director	Y	Y	Y	Y	Y	Y

Name of Director(s)	Area of Expertise/ Skill/ Competence					
	Financial	Leadership	Merger and Acquisitions	Board Service and Governance	Sales and Marketing	Digital/ Information Technology
Mr. Sunil Kant Munjal, Independent Director	Y[1]	Y[2]	Y	Y	Y	Y
Ms. Tanya Arvind Dubash, Independent Director	-	Y[2]	-	Y[4]	Y	-
Mr. Harish Narinder Salve, Independent Director	-	Y	-	Y	-	-
Mr. Ravindra Chandra Bhargava, Independent Director	Y	Y[2]	-	Y	Y	-
Mr. Vimal Bhandari, Independent Director	Y[1]	Y[2]	Y	Y[3]	-	-
Ms. Reema Nanavaty, Independent Director	-	Y	-	Y[4]	Y	-
Mr. Manish Sharma, Independent Director	Y[1]	Y	Y	Y	Y	Y
Dr. Rupinder Singh Sodhi, Independent Director	Y[1]	Y	-	Y[3 & 5]	Y	Y
Mr. Kinji Saito, Independent Director	-	Y	-	Y	Y	-

1. Being Member of the Audit Committee have financial literacy and Chairman of the Audit Committee has expertise in financial matters and responsible for overseeing matters related to Company's financial reporting and statutory audit(s).

2. Being Member of the Nomination, Remuneration and Compensation Committee have Leadership Competencies and responsibility for appointment of Directors and members of Senior Management to lead the Company towards achieving its goals and strategic objectives.

3. Being Member of the Stakeholders' Relationship Committee have good governance skills and responsible for overseeing and protection of interest of stakeholders of the Company.

4. Being Member of the Corporate Social Responsibility Committee possess vision and mission to contribute to society and environment and responsible for monitoring implementation of Company's CSR Policy and initiatives.

5. Being Member of the Risk Management Committee have ability to forecast and mitigate the risks associated with the Company and responsible for monitoring and overseeing implementation of Company's Risk Management policy.

h) Directors' Membership in Board/ Committees of Other Companies

In terms of the Regulation 26(1) and other applicable provisions of the SEBI Listing Regulations, none of the Directors on the Company's Board is a member of more than ten committees and chairperson 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 seven listed companies) in accordance with Section 165 of the Act and Regulation 17A of SEBI Listing Regulations.

i) Board Meetings

Six (6) Board Meetings were held during the FY ended March 31, 2025 i.e. on May 09, 2024, August 01, 2024, October 23, 2024, November 07, 2024, February 10, 2025 and March 11, 2025.

The gap between any two consecutive Board Meetings did not exceed 120 days. All the recommendation of Board's Committees 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, 2025 the Audit Committee comprises of the following Non-Executive Directors:

1.	Mr. Vimal Bhandari	–	Independent Director (Chairman)
2.	Mr. Hardeep Singh	–	Non-Executive Non-Independent Director (Member)
3.	Mr. Manish Sharma	–	Independent Director (Member)
4.	Mr. Sunil Kant Munjal	–	Independent Director (Member)
5.	Dr. Rupinder Singh Sodhi	-	Independent Director (Member)

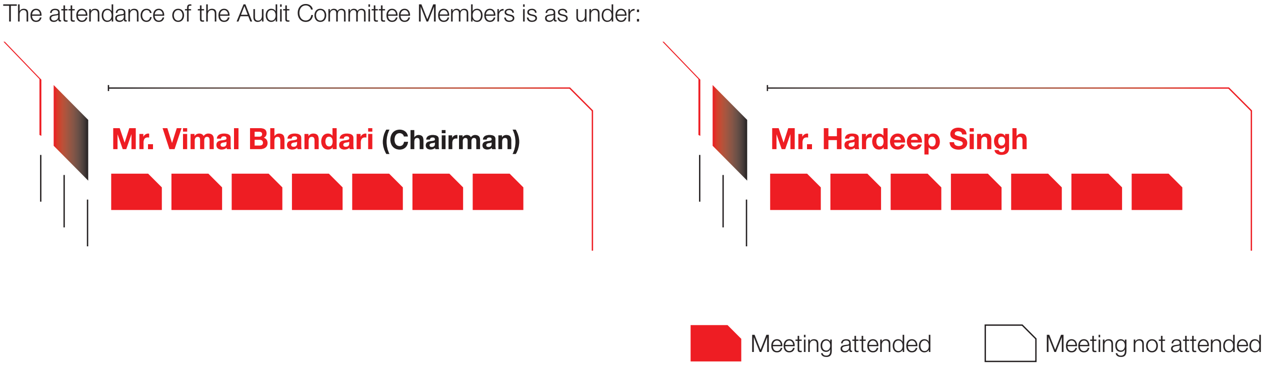
Mr. Arvind Kumar, Company Secretary, acts as Secretary to the Audit Committee.

Chairman of the Audit Committee had attended the last AGM.

b) Meetings & Attendance

Seven (7) meetings of the Audit Committee were held during the FY ended March 31, 2025 – i.e. on May 09, 2024, August 01, 2024, October 16, 2024, October 23, 2024, November 07, 2024, February 10, 2025 and March 11, 2025.

The attendance of the Audit Committee Members is as under:



Mr. Manish Sharma

Mr. Sunil Kant Munjal

Dr. Rupinder Singh Sodhi

Meeting attended   Meeting not attended

The gap between any two Consecutive Audit Committee meeting(s) did not exceed 120 days.

c) Terms of Reference of the Audit Committee

The terms of reference of the committee shall inter-alia include the following:

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with reference to:
    a. 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.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgement by management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. 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.
7. Reviewing and monitoring the auditor's independence & performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory & internal auditors, adequacy of the internal control systems.
13. 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;
    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; and
    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, 2025, the NRC comprises of following Non-Executive Directors:

1.	Mr. Vimal Bhandari	–	Independent Director (Chairman)
2.	Mr. Hardeep Singh	–	Non-Executive 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	–	Non-Executive Nominee Director (Member)

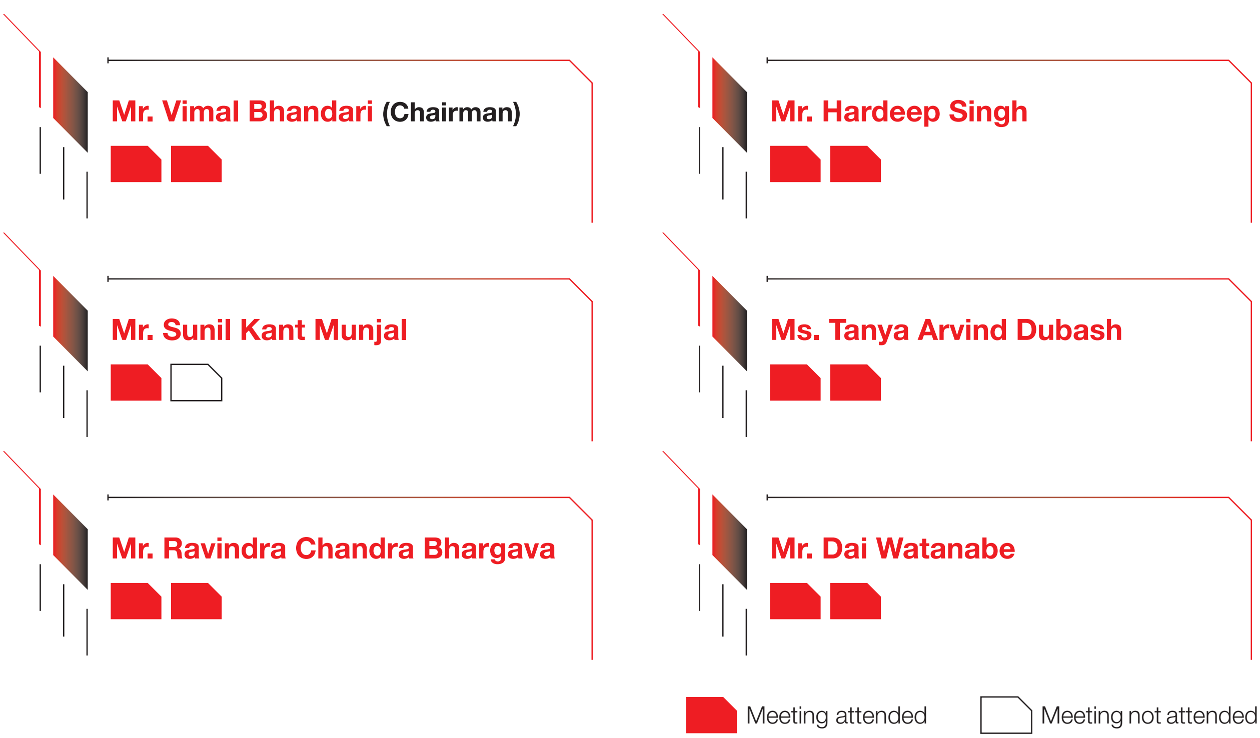
Mr. Arvind Kumar, Company Secretary, acts as Secretary to the NRC.

Chairman of the NRC had attended the last AGM.

b) Meetings & Attendance

Two (2) meetings of the NRC were held during the FY ended March 31, 2025- i.e. on May 08, 2024, and February 07, 2025.

The attendance of the NRC Members is as under:



c) Terms of Reference of the NRC

The terms of reference of the committee shall inter-alia include the following:

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.

8. To oversee the functioning/ execution of the Escorts Kubota Limited General Employee Benefit Scheme, 2024 ('Scheme') including but not limited to alter/ change/ modify/ approve the terms & conditions of the scheme and/ or benefits contained in the scheme.

d) Performance evaluation for Directors, Board and its Committees

The NRC oversees the annual self-evaluation of the Board (including its Committees), Individual Directors and Chairman of the Company. 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 and its Committees, Directors (including Independent Directors) and Chairman of the Company 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 which is as under:

Evaluation Rating	
Particulars	**Results***
Chairman and Board of Directors	4.85
Audit Committee	4.79
Nomination, Remuneration and Compensation Committee	4.62
Stakeholders' Relationship Committee	4.66
Corporate Social Responsibility Committee	5.00
Risk Management Committee	4.95

*Results mentioned above are out of 5.

The Committee found the above performance satisfactory.

e) **Remuneration Policy**

In terms of the provisions of Section 178 of the Act and Regulation 19 of 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 enclosed as **Annexure – B** to the Directors' Report.

V) Details of Remuneration paid during the FY ended March 31, 2025 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 2024-25 except sitting fee and commission paid to the Non-Executive Directors as permitted under the Act read with SEBI 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(s) 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 AGM held on July 18, 2024, for a period of five years. Accordingly, Board has approved, for the FY 2024-25, 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. Nobushige Ichikawa and Mr. Shingo Hanada, Nominee Directors of M/s. Kubota Corporation, have not been paid any sitting fee/ commission during the FY 2024-25. Further, no sitting fee/ commission has been paid to Mr. Kenichiro Toyofuku during his tenure in the FY 2024-25 and Mr. Kinji Saito (Non-Executive-Independent Directors) during the FY 2024-25.

Except the above, no other payments were made to the Non-Executive Directors of the Company apart from sitting fee and commission.

The details of remuneration including fixed component and performance linked incentives, based on the performance criteria to directors:

(₹ in crores)

Name of Directors	Category	Sitting Fee	Commission*	Basic Salary	Allowance & Perquisites	Provident Fund Contribution & Others	Total
Mr. Nikhil Nanda	EPCMD	-	4.00	2.95	5.29	0.35	12.59
Ms. Nitasha Nanda	EPD	-	0.56	0.92	1.42	0.11	3.01
Mr. Seiji Fukuoka	DMD	-	-	0.57	1.87	-	2.44
Mr. Bharat Madan	ED & CFO	-	-	1.18	2.91#	0.14	4.23
Mr. Hardeep Singh	NENID	0.15	0.15	-	-	-	0.30
Mr. Dai Watanabe	NEND	-	-	-	-	-	-
Mr. Yasukazu Kamada	NEND	-	-	-	-	-	-
Mr. Nobushige Ichikawa	NEND	-	-	-	-	-	-
Mr. Shingo Hanada	NEND	-	-	-	-	-	-
Mr. Sunil Kant Munjal	NEID	0.11	0.15	-	-	-	0.26
Ms. Tanya Arvind Dubash	NEID	0.07	0.15	-	-	-	0.22
Mr. Harish Narinder Salve	NEID	0.01	0.15	-	-	-	0.16
Mr. Ravindra Chandra Bhargava	NEID	0.08	0.15	-	-	-	0.23
Mr. Kenichiro Toyofuku (Upto July 18, 2024)	NEID	-	-	-	-	-	-
Mr. Vimal Bhandari	NEID	0.14	0.15	-	-	-	0.29
Ms. Reema Nanavaty	NEID	0.07	0.15	-	-	-	0.22
Mr. Manish Sharma	NEID	0.10	0.15	-	-	-	0.25
Dr. Rupinder Singh Sodhi	NEID	0.13	0.15	-	-	-	0.28
Mr. Kinji Saito (W.e.f. July 18, 2024)	NEID	-	-	-	-	-	-
Grand Total		**0.86**	**5.91**	**5.62**	**11.49**	**0.60**	**24.48**

*Commission (Performance Linked Incentives based on the profits calculated in terms of Section 198 of the Act) for FY 2024-25.

Excludes perquisites value of ₹ 10.49 crores on exercise of ESOP for past multiple years.

The tenure of office of the Chairman and Managing Director and Whole-time Director(s) is for a period of five years from their respective date of appointment, except Ms. Nitasha Nanda, Whole-time Director, whose tenure is three year from the date of her appointment. The services of said directors can be terminated as per the terms, not limited to the 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. Further, no severance fee is payable by the Company to the said directors on termination of the agreement.

In terms of the Escorts Kubota Limited Employee Stock Option Scheme, 2006, no stock options were issued/ granted to the directors during the FY 2024-25.

VI. Stakeholders' Relationship Committee ('SRC')

a) Composition of the SRC

As on March 31, 2025, the SRC comprises of following Non-Executive Directors: -

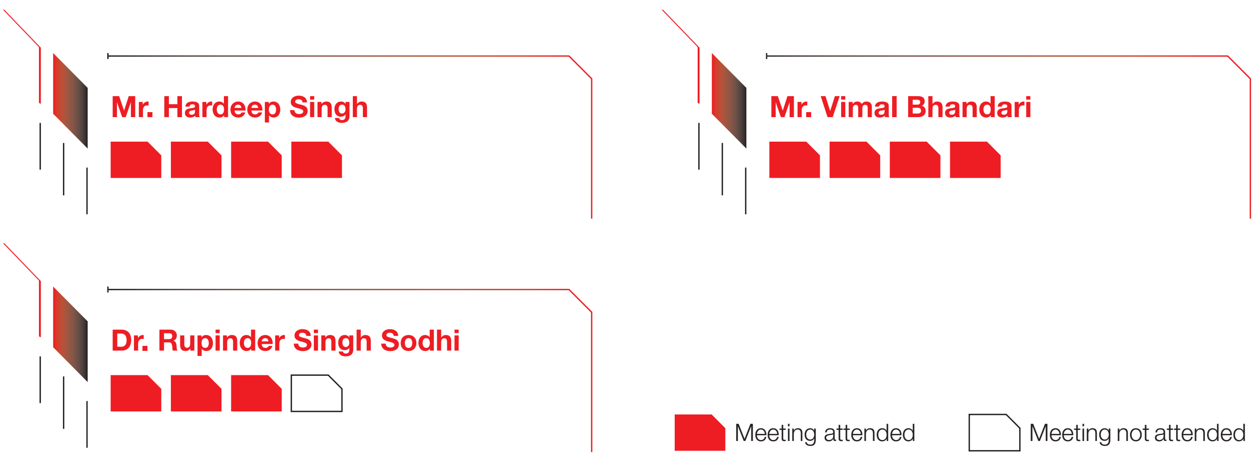
1.	Mr. Hardeep Singh	–	Non-Executive Non-Independent Director (Chairman)
2.	Mr. Vimal Bhandari	–	Independent Director (Member)
3.	Dr. Rupinder Singh Sodhi	–	Independent Director (Member)

Mr. Arvind Kumar, Company Secretary and Compliance Officer, acts as Secretary to the SRC.

Chairman of the SRC had attended the last AGM.

b) Meetings & Attendance

Four (4) meetings of the SRC were held during the financial year ended March 31, 2025 i.e. May 08, 2024, August 01, 2024, October 29, 2024 and February 10, 2025.



c) Terms of Reference of the SRC

The terms 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.
5. Resolving grievances of debentures holders related to creation of charge, payment of interest/ principal, maintenance of security cover and any other covenants.

d) The details of Complaints received/ resolved

During the period under review, 1,502 complaints were received from investors which were replied/ resolved to the satisfaction of investors except 14 complaint pending as on March 31, 2025 and the same have now been resolved.

e) Pending Share Transfers

As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, shares of the Company can be transferred only in dematerialised form. Further, no request for dematerialisation was pending for redressal as on March 31, 2025.

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 along with 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, 2025, the RMC comprises of following persons: -

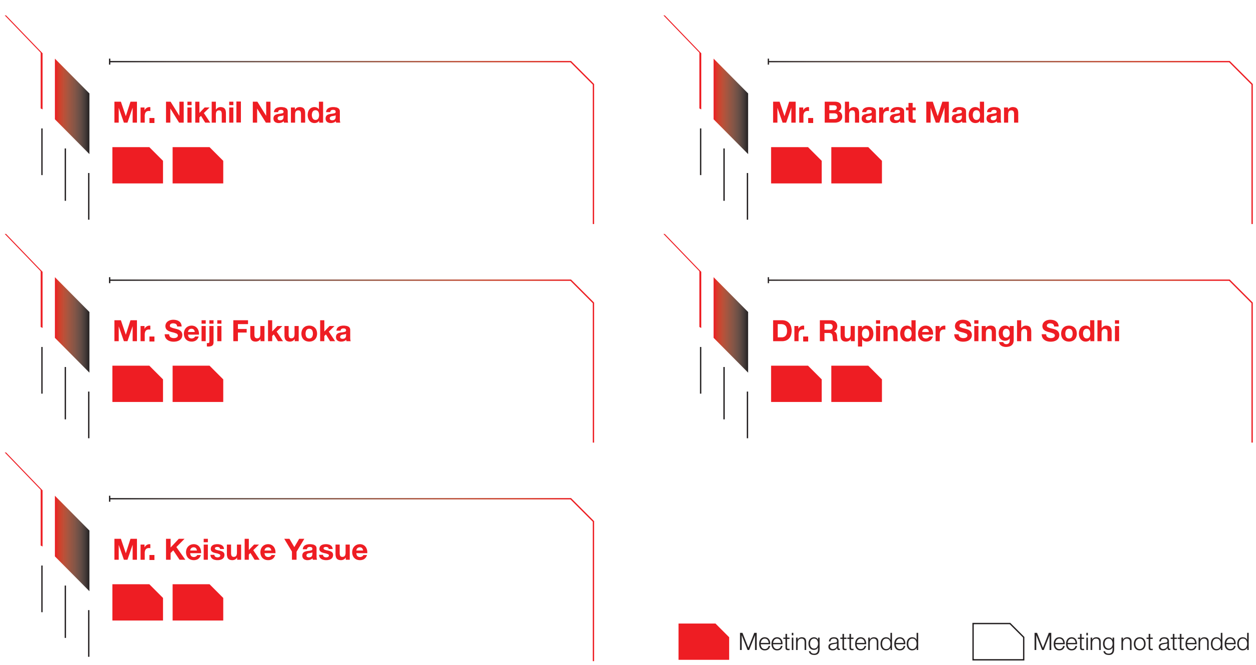
1.	Mr. Nikhil Nanda	–	Executive Director (Chairman)
2.	Mr. Bharat Madan	–	Executive Director & Chief Financial Officer (Member)
3.	Mr. Seiji Fukuoka	–	Executive Director (Member)
4.	Dr. Rupinder Singh Sodhi	–	Independent Director (Member)
5.	Mr. Keisuke Yasue	–	Chief Officer - Corporate Planning (Member)

Mr. Arvind Kumar, Company Secretary, acts as Secretary to the RMC.

*Committee was re-constituted on July 18, 2024, by inducting Dr. Rupinder Singh Sodhi and Mr. Kenichiro Toyofuku vacated his office.

b) Meetings & Attendance

Two (2) meetings of the RMC were held during the financial year ended March 31, 2025 i.e. July 19, 2024 and January 21, 2025.



Mr. Kenichiro Toyofuku was not eligible for any meeting.

c) Terms of Reference of the RMC

The terms of reference of the committee shall inter-alia include the following:

1. To formulate a detailed risk management policy which shall include:

    a. 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.

    b. Measures for risk mitigation including systems and processes for internal control of identified risks.

    c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

6. 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.

VIII. Corporate Social Responsibility ('CSR') Committee

a) Composition of the CSR

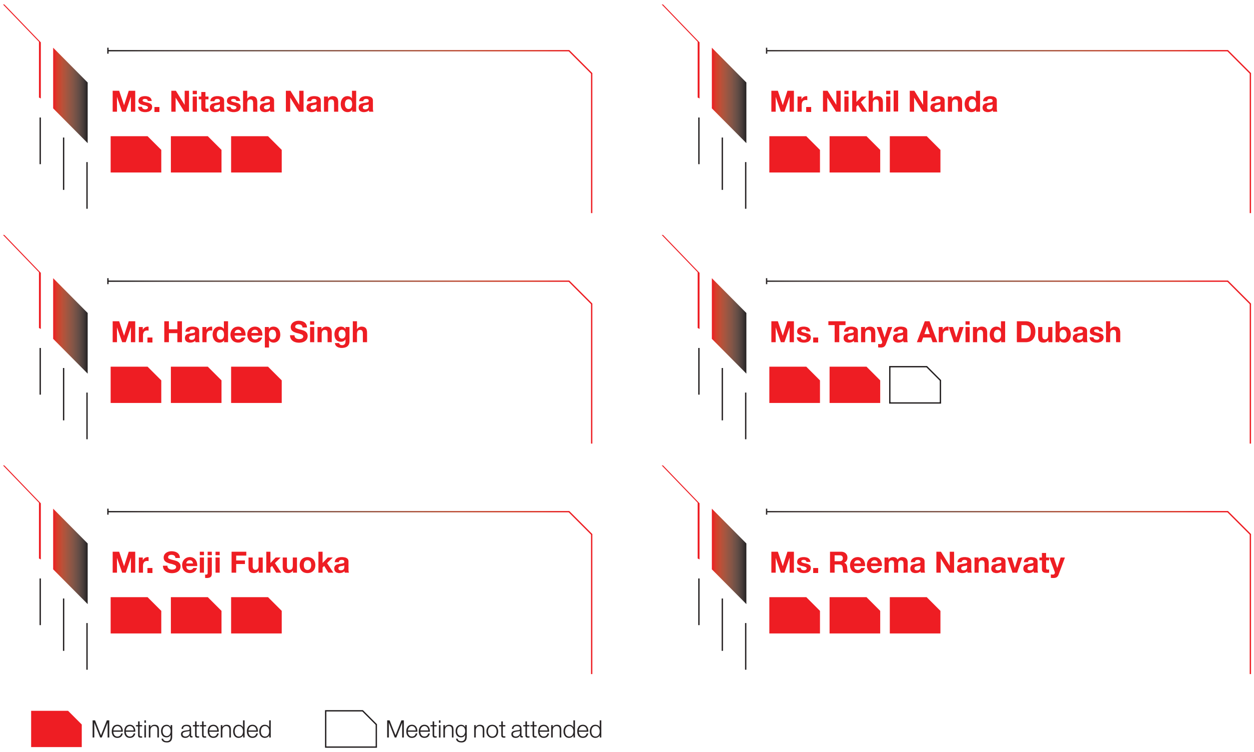
As on March 31, 2025, the CSR Committee comprises of following directors:

1.	Ms. Nitasha Nanda	–	Executive Director (Chairperson)
2.	Mr. Nikhil Nanda	–	Executive Director (Member)
3.	Mr. Hardeep Singh	–	Non-Executive Non-Independent Director (Member)
4.	Ms. Tanya Arvind Dubash	–	Independent Director (Member)
5.	Mr. Seiji Fukuoka	–	Executive Director (Member)
6.	Ms. Reema Nanavaty	-	Independent Director (Member)

Mr. Arvind Kumar, Company Secretary, acts as Secretary to the CSR Committee.

b) Meetings & Attendance

Three (3) meetings of the CSR Committee were held during the FY ended March 31, 2025 i.e. May 08, 2024, October 16, 2024 and February 07, 2025.



c) Terms of Reference of the CSR Committee

The terms of reference of the committee shall inter-alia include the following:

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 programmes, 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.

IX. Functional Committee(s)

The Board is authorised to constitute one or more functional committee(s) delegating thereto powers and duties with respect to specific purposes for which such committee has been constituted. Meeting of such committee(s) are held, as and when the need arises. Time schedule for holding such functional committee(s) 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. Particular of Senior Management and Changes Therein

The following are the Senior Management Personnel ('SMP'), as on March 31, 2025, which are in organisation layer of N-1 and Key Managerial Personnel ('KMP'), other than Board of Directors in accordance with SEBI Listing Regulations:

S. No.	Name of SMP and KMP	Designation
1.	Mr. Neeraj Mehra	Chief Officer – Tractor Business Division
2.	Mr. Gurmeet Singh Grewal	Chief Officer – Tractor Business Division
3.	Mr. Yuki Amano	Chief Officer – Tractor Business Division
4.	Mr. Rajan Chugh	Chief Officer – Agri Solutions Business Division
5.	Mr. Dhiraj Tiwari	Chief Officer – Service & Spare Parts Business Division
6.	Mr. Sanjeev Bajaj	Chief Officer – Construction Equipment Business Division
7.	Mr. Ankur Dev	Chief Officer – Railway Equipment Business Division
8.	Mr. Amit Singhal	Chief Officer – Human Resources & General Affairs Division
9.	Mr. Hisashi Tsukatani	Chief Officer – Research & Development Division
10.	Mr. Kenji Ennyu	Chief Officer – Operation Division
11.	Mr. Bundo Ryo	Chief Officer – Quality Assurance Division
12.	Mr. Keisuke Yasue	Chief Officer – Corporate Planning Division
13.	Mr. Kohei Kawabe	Chief Officer - Engine Business Division
14.	Mr. Arvind Kumar	Company Secretary & Compliance Officer (KMP)

The following are changes in senior management personnel during the year under review:

S. No.	Name of SMP	Designation	Particulars of Change
1.	Mr. Kenji Ennyu	Chief Officer - Operation Division	Appointed w.e.f. April 01, 2024
2.	Mr. Kohei Kawabe	Chief Officer - Engine Business Division	Appointed w.e.f. January 01, 2025

XI. 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:

Financial Year	Date	Time	Location	No. of Special Resolutions Passed at AGM
2023-24	July 18, 2024	12:00 Noon	Through Video Conferencing/ Other Audio-Visual Means. Deemed Venue was the registered office of the Company	Three
2022-23	July 14, 2023	12:00 Noon	Through Video Conferencing/ Other Audio-Visual Means. Deemed Venue was the registered office of the Company	One
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

Date | Time | Location | No. of Special Resolutions Passed at AGM

b) Extraordinary General Meetings

No Extraordinary General Meeting was held during the three years preceding the FY 2024-25.

c) Special Resolutions passed through Postal Ballot

No special resolution was passed during the year under review through the postal ballot.

d) Procedure for Postal Ballot

No postal ballot was carried out during the FY 2024-25.

None of the business proposed to be conducted require passing a special resolution through the Postal Ballot.

XII. 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 MCA and SEBI, Notice and Annual Report for FY 2023-24 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 2024-25 are also being sent through e-mail only. Notice and Annual Report shall also be available on the website of the Company https://www.escortskubota.com/investors/financials.

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.escortskubota.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 filed 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 also redressed through SEBI Complaints Redressal System ('SCORES') and Securities Market Approach for Resolution Through Online Dispute Resolution ('SMART ODR').

XIII. General Shareholder Information

a) Annual General Meeting to be held:-

Date: **Wednesday, July 16, 2025**

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 2025-26, the financial results are proposed to be declared as per the following tentative schedule:

Particulars	Schedule/ Tentative Date
Financial results for Quarter ended June 30, 2025	First fortnight of August 2025
Financial results for Quarter ended September 30, 2025	First fortnight of November 2025
Financial results for Quarter ended December 31, 2025	First fortnight of February 2026
Financial results for Quarter/ Year ended March 31, 2026	First fortnight of May 2026
Annual General Meeting for the FY ending March, 2026	July/ August 2026

c) Cut-off Date for e-voting

July 09, 2025 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 05, 2025 to Wednesday, July 16, 2025 (both days inclusive) for the purpose of payment of Dividend for the FY 2024-25 and for the purpose of the 79th AGM.

e) Dividend Payment Date

1. The Board of Directors of the Company at its meeting held on February 10, 2025 declared interim dividend @ 100% per share of Face Value of ₹ 10/- each (i.e. ₹ 10.00 per share), for the FY 2024-25 and the record date for this purpose was February 14, 2025. The interim dividend was paid on February 28, 2025.

2. The Board of Directors of the Company have also recommended final dividend @ 180% per share of Face Value of ₹ 10/- each (i.e. ₹ 18.00 per share), payable on all outstanding shares, for the FY ended March 31, 2025, subject to the approval of the shareholders in the forthcoming AGM. The total dividend (including the interim dividend) for the financial year 2024-25 would be ₹ 28/- (280%) per fully paid-up equity share of ₹ 10/- each.

3. The final dividend, if declared at the AGM, would be paid/ dispatched within 30 days from the date of declaration to those persons or their mandates:-

   a) whose names appear as beneficial owners as at the end of the business hours on July 04, 2025 (record date) 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 July 04, 2025.

4. The final 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, subject to the provisions of the Law.

   The intimation for credit of final 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
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 05, 2019
2019-20	25%	September 04, 2020
2020-21	75%	August 09, 2021
2021-22	70%	July 18, 2022
2022-23	70%	July 18, 2023
2023-24	180%	July 22, 2024
2024-25	100% (Interim)	February 28, 2025
2024-25	180% (Final)	To be paid within 30 days from the date of declaration of final 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 Limited ('NSE') Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051	ESCORTS
BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	500495

The Company has paid annual listing fees for the FY 2025-26 to Stock Exchanges.

g) 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
Investor Support Centre: https://kprism.kfintech.com/

h) Share Transfer System

1. 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 Transmission, Demat, Remat, Split & Consolidation of share certificates etc. periodically.

2. The RTA ensures the approval of share 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.

3. As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, shares of the Company can be transferred only in dematerialised form with effect from April 01, 2019.

   Further, with effect from January 24, 2022, listed companies shall issue securities only in dematerialised mode while processing any investor service request including transmission, deletion of name of joint holder(s), issuance of duplicate share certificates, exchange/ sub-division/ split/ consolidation and transposition of shares.

i) 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.

j) 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.

k) Distribution of Equity Shareholding as on March 31, 2025

S. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 5000	131,600	97.48	65,12,869	5.82
2	5001 - 10000	1,937	1.43	14,36,766	1.28
3	10001 - 20000	814	0.60	11,76,735	1.05
4	20001 - 30000	189	0.14	4,76,457	0.43
5	30001 - 40000	105	0.08	3,70,429	0.33
6	40001 - 50000	81	0.06	3,74,529	0.33
7	50001 - 100000	115	0.09	8,04,213	0.72
8	100001 and above	158	0.12	10,07,25,756	90.03
	Total	**1,34,999**	**100.00**	**11,18,77,754**	**100.00**

l) Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialisation with both the Depositories i.e. NSDL and CDSL. Total 11,12,48,494 of equity shares of the Company, as detailed below, have been dematerialised as on March 31, 2025. 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, 2025		
	Mode of holding	**No. of shares**	**%**
1.	NSDL	10,76,93,384	96.26
2.	CDSL	35,55,110	3.18
3.	Physical	6,29,260	0.56
	Total	11,18,77,754	100.00

During the period under review, trading volumes at NSE and BSE, are as follows:

Month	BSE		NSE	
	No. of Shares	**Value (₹ in crores)**	**No. of Shares**	**Value (₹ in crores)**
April, 2024	1,95,790	60.38	68,86,899	2,132.87
May, 2024	2,07,922	75.45	68,38,931	2,487.97
June, 2024	1,79,830	74.27	54,95,290	2,271.10
July, 2024	5,71,862	225.38	61,32,726	2,484.09
August, 2024	1,21,270	46.86	48,43,277	1,853.85
September, 2024	2,29,820	93.80	65,60,364	2,661.58
October, 2024	2,19,482	81.60	68,63,835	2,559.93
November, 2024	1,09,927	39.70	29,96,820	1,083.37
December, 2024	1,75,467	58.82	48,41,505	1,620.26
January, 2025	1,23,713	42.34	43,55,298	1,498.76
February, 2025	1,08,366	34.39	44,75,125	1,412.78
March, 2025	1,14,871	35.39	29,00,921	891.55
Total	**23,58,320**	**868.38**	**6,31,90,991**	**22,958.11**

m) Outstanding Global Depository Receipts ('GDRs')/ American Depository Receipts ('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, 2025, out of the options granted to the employees, please refer note 38 of the Standalone Financial Statement. 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 options unexercised during the exercise period would be lapsed. Further, there would be no impact on the paid-up equity capital of the Company.

n) Commodity price risk or foreign exchange risk and hedging activities

The details of foreign currency exposure and hedging are disclosed in Note 35 of the Standalone Financial Statement and Note 35 of Consolidated Financial Statement.

o) Plant locations

The Company has its manufacturing plants 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, Ballabhgarh, Faridabad – 121004, Haryana
7. B 500 A & C, Indospace Industrial Park, 104 Polivakkam Village, Sriperumbudur, Thiruvallur Main Road, Thiruvallur – 602002, Tamil Nadu
8. Gat No. 338/1, At Mahalunge, Chakan MIDC, Taluka Khed, Pune – 410501, Maharashtra

The Company has its training centre at Ramakrishnapura, Chandapura - Anekal Road, Chandapura, Post Bangalore - 560099, Karnataka.

Please refer to page no. 236 of the Business Responsibility and Sustainability Reporting for no. of all locations including regional offices of the Company and its subsidiaries.

p) Address for Correspondence and Registered Office

Company Secretary

Escorts Kubota Limited

CIN: L74899HR1944PLC039088

15/5, Mathura Road, Faridabad – 121003, Haryana

Tel.: 0129 – 2250222

E-mail: corp.secretarial@escortskubota.com

Website: www.escortskubota.com

q) Credit Ratings

The details of the Credit Ratings of the Company are provided in the Directors' Report.

r) Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 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.

s) Subsidiary Companies

The Company review the performance of its subsidiary Companies, inter-alia, by the following means:

1. The financial statements, including the investments made by subsidiary companies, are reviewed by the Audit Committee of the Company.
2. The Minutes of the Board Meetings/ Committee Meetings of the subsidiary companies are noted at the Board Meetings/ Committee Meetings respectively of the Company.
3. The details of significant transactions and arrangements entered in to by subsidiary companies are placed periodically before the Board of the Company.
4. Utilisation of loan/ advances given, or investment made in subsidiary company, exceeding ₹ 100 Crores or 10% of asset size of subsidiary, whichever is lower is reviewed periodically by the Audit Committee of the Company.
5. 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. Further, the disclosure pertaining to the date of incorporation, date of appointment and name of statutory auditor of material subsidiary is not applicable.

XIV. 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, 2025, were as per the "Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions".

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 Whistle Blower Policy including whistle blower mechanism has been communicated to all concern and posted on the Company's website www.escortskubota.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 following weblink: https://www.escortskubota.com/new/pdf/reg-46-sebi/24-02-2025/EKL_2025_02_10_Policy_for_Determining_Material_Subsidiaries.pdf.

f) Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

The Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions is available on the following weblink: https://www.escortskubota.com/new/pdf/reg-46-sebi/09-05-2025/EKL_2025_05_08_Policy_on_Materiality_of_RPT.pdf.

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, Regulations 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, 2024	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, 2025	Nil	Nil

The Voting Right on the shares outstanding in the aforesaid suspense account as on March 31, 2025, 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 utilisation 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(s) 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.
1.	Number of complaints filed during the financial year	1
2.	Number of complaints disposed of during the financial year	1
3.	Number of complaints pending as on end of the financial year	Nil

l) The details of fee paid by the Company and its subsidiaries for the financial year ended March 31, 2025, on a consolidated basis, to M/s. Walker Chandiok & 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 crores)

Particulars	Amount* (without Tax)
Audit Fee	1.75
Certification Fees	0.05
Total fee	**1.80**

*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, given by the Company and its subsidiary(ies), are as follows: -

(₹ in crores)

Sl. No.	Particulars	Amount in ₹
1.	Given by the Company	
	Name of the Firm/ Companies in which directors are interested	
	Adico Escorts Agri Equipment Private Limited	1.00
2.	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, 2025 are available on the website at https://www.escortskubota.com/investors/governance under the tab List of Top 10 Shareholders.

p) Details of agreements as specified under Clause 5A of Para A of Part A of Schedule III of SEBI Listing Regulations: Refer Director's Report for the information.

XV. 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.	One woman independent director on its board of directors	Adopted, we have two women independent directors on the Board.
3.	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.
4.	Audit qualifications: The Company may move towards the regime of financial statements with unmodified audit opinion	Adopted.
5.	Separate posts of Chairperson and the Managing Director or the Chief Executive Officer	Please refer Point 1 above.
6.	Reporting of Internal Auditor	The Internal Auditors reports to the Audit Committee from time to time.

S. No.	Non-Mandatory Provisions	Status
7.	Independent directors shall endeavor to hold at least two meetings in a financial year, without the presence of non-independent directors and members of the management and all the independent directors shall endeavor to be present at such meetings	During the year under review, independent directors have conducted one meeting without the presence of the non-independent directors and the members of the management.
8.	Risk Management Committee	The risk management committee has been duly constituted and details are provided in this corporate governance report.

XVI. Certificate on Corporate Governance

Pursuant to Schedule V of the SEBI Listing Regulations, the certificate from practicing Company Secretary on Corporate Governance is annexed hereinafter.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
Place: Faridabad	**Nikhil Nanda**	**Seiji Fukuoka**
Date: May 08, 2025	Chairman & Managing Director	Deputy Managing Director

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, 2025.

Sd/-
Nikhil Nanda
Chairman & Managing Director

Place: Faridabad
Date: May 08, 2025

CEO / CFO Certification

To,

The Board of Directors

Escorts Kubota Limited

Dear Sir/ Ma'am,

We, Nikhil Nanda, Chairman & Managing Director, Seiji Fukuoka, Deputy Managing Director and Bharat Madan, Whole-time Director & Chief Financial Officer, certify to the Board of Directors that:

A. We have reviewed financial statements (Standalone and Consolidated) and the cash flow statement of Escorts Kubota Limited for the financial year ended March 31, 2025 and 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 statement(s) 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 transaction(s) entered into by the Company during the financial year which are fraudulent, illegal or violative 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.

	Sd/-	Sd/-	Sd/-
Place: Faridabad	**Nikhil Nanda**	**Seiji Fukuoka**	**Bharat Madan**
Dated: May 08, 2025	Chairman & Managing Director	Deputy Managing Director	Whole-time Director & Chief Financial Officer

Certificate on Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
ESCORTS KUBOTA 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, 2025, 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, 2025.

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 **Neelam Gupta and Associates**

Sd/-
(Neelam Gupta)
Practicing Company Secretary
FCS : 3135
CP : 6950
PR : 747/2020
UDIN : F003135G000295471

Place: Ghaziabad
Date: May 08, 2025

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 will be obtained 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, 2025 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/ Whole-time 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 Dubash	Member/ Independent Director	3	2
5	Mr. Seiji Fukuoka	Member/ Deputy Managing Director	3	3
6	Ms. Reema Nanavaty	Member/ Independent Director	3	3

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.

a) Composition of CSR Committee: https://www.escortskubota.com/new/pdf/2025/february/COMPOSITION-OF-COMMITTEE.pdf

b) CSR Policy: https://www.escortskubota.com/new/pdf/2025/february/EKL_2022_08_01_CSR_Policy.pdf

c) CSR Projects: https://www.escortskubota.com/images/pdf/CSR-Programme-2024-25.pdf

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.escortskubota.com/images/pdf/Impact-Assessment-Report.pdf

5. (a) Average net profit of the Company as per section 135(5): ₹ 892,42,89,858

(b) Two percent of average net profit of the Company as per section 135(5): ₹ 17,84,85,797

(c) 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 (2024-2025) (b+c-d): ₹ 17,84,85,797

6. (a) Amount spent on CSR Projects (both Ongoing Project and Other): ₹ 17,85,00,000

(b) Amount spent in Administration Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 17,85,00,000

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
₹ 11,71,77,292	₹ 6,13,22,708	April 29, 2025	NA	NA	NA

(f) Excess amount for set-off, if any: ₹ 14,203

S. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent average net profit of the Company as per sub-section (5) of section 135	₹ 17,84,85,797
(ii)	Total amount spent for the Financial Year	₹ 17,85,00,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 14,203
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹ 14,203

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

S. 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 section 135(6), if any		Amount remaining to be spent in succeeding Financial Years. (in ₹)	Deficiency, if any
					Amount (in ₹).	Date of transfer		
1.	2021-22	8,92,00,000	-	-	-	-	-	-
2.	2022-23	13,10,00,000	-	-	-	-	-	-
3.	2023-24	-	-	-	-	-	-	-

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 are provided below.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial year: 2024-25

S. No.	Short particulars of the property or 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 crores)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
1.	**AC & Water Cooler's such as** 2 AG Pro Pure Chill 80 SS RO+UV+ Copper (Aqua Guard Water Purifier, 4 Water Dispensor without Refrigerator "ATLANTIS" Complete Address and Location: EKL CSR Foundation- Dhand Road, next to Bharat Petrol Pump Village Kamoda, Tehsil Pehowa, Distt-Kurukshetra-136119, Haryana.	136119	August 23, 2024 to December 23, 2024	2,19,716	CSR00001566	EKL CSR Foundation	Regd. office address of the entity: 15/5, Mathura Road Faridabad, Haryana - 121003
2.	**Furniture & Fixture's such as** 1 Havells Induction Glass Ceramic Cooktop TC 20, 1, 3-Star Frost Free Refrigerator 343 Ltr "Make LG"(Sr.No GL-S382SDSX), 6 Water Heater (Bajaj Fierro), 1 Refrigerator 185 Ltr Single Door "LG) (Sr.No.GL-B-201ABCD), 1 Convection Microwave Oven 28 Ltr "IFB" (28BC5), Refrigerator 242 Ltr "LG" Double Door (Sr.No.GL-N292BDSY), 1 Hand Dryer-Automatic "Dolphy", 1 Havells Carlo 5-Ltr Instant Water Heater, 6 Electric Kettle Pigeon Make Capacity 1.5 Ltr, 50 Plastic Chair & 2 Plastic Table Complete Address and Location: EKL CSR Foundation- Dhand Road, next to Bharat Petrol Pump Village Kamoda, Tehsil Pehowa, Distt-Kurukshetra-136119, Haryana.	136119	August 31, 2024 to March 31, 2025	2,15,650			
	1 Climatrol Water Cooler SS150/400 Complete Address and Location: Railway Stadium Colony, Gorakhpur, Uttar Pradesh-273009		January 20, 2025	1,16,000			

S. 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 crores)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
3.	**Office Equipment's such as** 1 Colour Printer Model IRC3326 2 Tray Machine Serial No. 4MW09385 "CANON" Complete Address and Location: EKL CSR Foundation- Dhand Road, next to Bharat Petrol Pump Village Kamoda, Tehsil Pehowa, Distt-Kurukshetra-136119, Haryana.	136119	December 23, 2024	1,53,058			
	11 Laptop Make "HP EB630G11 U5-135U 13 16GB/256 PC Macine Sr No's(5CD5061YZ8/YZF/YZB/YZ9/YZ7/YZG/YZH/YZ6/YZC/YZJ/YZDwith HP225 15.6 Laptop Backpack Complete Address and Location: EKL CSR Foundation- 15/5, Sector-27A, Main Mathutra Road, Faridabad, 121003, Haryana	121003	February 19, 2025	7,91,780			
4.	**Plant & Machinery's such as** 2 No's Submersible Pumps with Std Accessories, Grass Cutter "Tyre Size 12", Spray Pump Battery Operated, "Fieldking" Tyne Ridger 3 Bottom without Tyre, "Fieldking" R-5, Heavy Duty Rigid Tiller-B Type 19mm with Angle Frame, Lawn Mover with Motor "Crompton", Pneumatic Plater 4 Row -84328020, LF Rotary Tiler Mini SG 120CM L24 & MB Plough Hydrulic 2 Bottom With Transportation, 1 Suahga Levler with tyre, Tipping Trailer 13X7X2 Single Axle, 2wheel, Additional Cost for HVAC and PMC Charges & Epoxy Flooring Complete Address and Location: EKL CSR Foundation- Dhand Road, next to Bharat Petrol Pump Village Kamoda, Tehsil Pehowa, Distt-Kurukshetra-136119, Haryana.	136119	November 25, 2024 to March 12, 2025	25,76,258			

S. 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 crores)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Weighing Scale of Capacity 100 Kg, Tractor “Kubota” Model MU5502 (50Hp) Engine No. BRN6713,Chasis No. KBULBBDNJREK57030 Regn No. KA40B-7137, Tractor “Kubota” Model B27415 (27Hp) Engine No. IRS8769 Chasis No.KBUBECDNCREL11677 Regn No. KA40B-7136, Tractor Accessories for “ Model MU5502 (50Hp) (27Hp) (Bumper+weight Box, Auxiliary Value kit for Kubota & Trolly Hook Assy), Tractor Accessories for “Kubota” Model B27415 (27Hp) (Bumper, Hydrulic Pipe & Turnbuckle), 100 KVA Transformer with Accessories and installation, Tractor Mounted Boom Sprayer (600ltr Capicity PTO Operated Boom Sprayer), Tipping Trailer 13X7X2 Single Axle 2 Wheel Complete Address and Location: Escorts Training and Development Centre- Ramakrishnapura Anekal Road, Chandapera post, Bangalore-560081	560081	November 26, 2024 to March 31, 2025	34,73,120			

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 the financial year ended March 31, 2025, the Company has spent ₹ 11,71,77,292 on various projects. The remaining balance of ₹ 6,13,22,708 (including ₹ 14,203/- excess amount), towards ongoing projects, had been transferred to the unspent CSR account of “M/s Escorts Kubota Limited Unspent Corporate Social Responsibility Account FY 2024-25” and will be spent in accordance with CSR rules.

For and On Behalf of the Board of Directors and CSR Committee

Sd/-
Nikhil Nanda
Chairman and Managing Director
DIN: 00043432

Sd/-
Nitasha Nanda
Chairperson of CSR Committee
DIN: 00032660

Place: Faridabad
Date: May 08, 2025

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

Place: Faridabad
Date: May 08, 2025

Sd/-
NIKHIL NANDA
Chairman & Managing Director

Sd/-
SEIJI FUKUOKA
Deputy Managing Director

Annexure – G
to the Directors' Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

(For the Financial Year ended March 31, 2025)

[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

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 authorised 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, 2025,** 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, 2025 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**

(g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);** and

(h) 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 majority of the 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. National Company Law Tribunal, Chandigarh Bench, vide Order dated August 21, 2024 approved the Scheme of Amalgamation among and between Escorts Kubota India Private Limited (Amalgamating Company No. 1), Kubota Agricultural Machinery India Private Limited (Amalgamating Company No. 2) and the Company (Amalgamated Company). Further, the said Order was duly filed with Registrar of Companies, NCT of Delhi & Haryana and the merger became effective on September 01, 2024 and the Capital Clause of Memorandum of Association of the Company was amended accordingly. The authorised share capital of the Amalgamated Company now stands at INR 1639,00,00,000 consisting of 75,10,00,000 Equity Shares of INR 10 each and 88,80,00,000 unclassified shares of INR 10 each.

2. In accordance with the Scheme of Amalgamation, the Company at the meeting of Allotment Committee of the Board held on September 06, 2024, allotted 13,79,493 fully paid up equity shares of face value of INR 10 each.

3. On October 23, 2024, the Board of Directors has approved the sale/ transfer of its division engaged in the business of manufacturing, assembly, sales, servicing, research and development of railway equipment products including parts thereto ("RED Business") as a going concern, on a 'slump sale' basis, as defined under Section 2(42C) of the Income-tax Act, 1961, for a lump sum cash consideration of INR 1,600 crores without values being assigned to the individual assets and liabilities in such sale/ transfer, to Sona BLW Precision Forgings Limited ("Sona Comstar"). Further, the Board of Directors on February 10, 2025 with the consent of Sona Comstar have agreed to amend and restate business transfer agreement. On February 10, 2025, Board gave approval for sale and transfer of Spare Parts Division land admeasuring 27945.885 square meters to Sona Comstar.

4. The Company paid final dividend of ₹ 18/- (Rupees Eighteen only) per equity share for the Financial Year 2023-24.
5. The Company paid interim dividend of ₹ 10/- (Rupees Ten only) per equity share for the Financial Year 2024-25.
6. Mr. Vicky Chauhan ceased to be the Compliance Officer w.e.f. February 10, 2025 upon resignation and Mr. Arvind Kumar, Company Secretary of the Company was appointed as Compliance Officer in his place.

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 **Neelam Gupta and Associates**

Sd/-

Neelam Gupta

Practicing Company Secretary

FCS : 3135

CP : 6950

PR No.: 747/2020

UDIN : F003135G000295504

Place : Ghaziabad

Date : May 08, 2025

Annexure to Secretarial Audit Report of Escorts Kubota Limited for financial year ended March 31, 2025

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 **Neelam Gupta and Associates**

Sd/-
Neelam Gupta
Practicing Company Secretary
FCS : 3135
CP : 6950
PR No.: 747/2020
UDIN : F003135G000295504

Place : Ghaziabad
Date : May 08, 2025

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 2024-25 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year (FY) 2024-25 are as under:

S. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for FY 2024-25 (₹ in crores)	% Increase in Remuneration in FY 2024-25	Ratio of remuneration of each Director/ to the median remuneration of the employees
1.	Mr. Nikhil Nanda, Chairman & Managing Director	12.59	1.06	118.16
2.	Ms. Nitasha Nanda, Whole-time Director	3.01	3.24	28.23
3.	Mr. Seiji Fukuoka, Deputy Managing Director	2.44	29.30**	22.92
4.	Mr. Bharat Madan, Whole-time Director and Chief Financial Officer	4.23^	8.96	39.69
5.	Mr. Hardeep Singh, Non-Executive Director	0.30	(4.17)***	2.80
6.	Mr. Dai Watanabe, Non-Executive Director	#	NA#	NA
7.	Mr. Yasukazu Kamada, Non-Executive Director	#	NA#	NA
8.	Mr. Nobushige Ichikawa, Non-Executive Director	#	NA#	NA
9.	Mr. Shingo Hanada, Non-Executive Director	#	NA#	NA
10.	Mr. Sunil Kant Munjal, Independent Director	0.26	9.83	2.46
11.	Ms. Tanya Arvind Dubash, Independent Director	0.22	1.38	2.07
12.	Mr. Harish Narinder Salve, Independent Director	0.16	(11.11)***	1.50
13.	Mr. Ravindra Chandra Bhargava, Independent Director	0.23	(1.75)***	2.11
14.	Mr. Kenichiro Toyofuku, Independent Director (upto July 18, 2024)	@	NA@	NA
15.	Mr. Vimal Bhandari, Independent Director	0.29	(3.34)***	2.72
16.	Ms. Reema Nanavaty, Independent Director	0.22	(1.35)***	2.06
17.	Mr. Manish Sharma, Independent Director	0.25	(7.55)***	2.30
18.	Dr. Rupinder Singh Sodhi, Independent Director	0.28	12.58	2.60
19.	Mr. Kinji Saito, Independent Director (w.e.f. July 18, 2024)	@	NA@	NA
20.	Mr. Arvind Kumar, Company Secretary	0.61	*	NA

#Mr. Dai Watanabe, Mr. Yasukazu Kamada, Mr. Nobushige Ichikawa and Mr. Shingo Hanada are Nominee Directors of M/s Kubota Corporation have waived their right to receive the sitting fees. Accordingly, they have not been paid any sitting fee or commission thus there is no percentage increase/ decrease in their remuneration for FY 2024-25.

@Mr. Kenichiro Toyofuku and Mr. Kinji Saito, Independent Directors of the Company, have waived their right to receive the sitting fee. Accordingly, they have not been paid any sitting fee or Commission, thus there is no percentage increase/ decrease in their remuneration for FY 2024-25.

^Excludes perquisites value of ₹ 10.49 crores on exercise of ESOP for past multiple years.

*Appointed during the FY 2023-24, thus percentage increased/ decreased in his remuneration for FY 2024-25 is not applicable.

**Due to increase in tax liability on his global income borne by the Company.

***No change in the commission for non-executive directors. However, the overall percentage is negative due to a lesser number of meetings during the FY 2024-25.

(II) The percentage increase in median remuneration of employees in the Financial Year: 8.8%

(III) There were 4,622 permanent employees on the rolls of the Company as on March 31, 2025.

(IV) Average percentile/ percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: 10.4%****

(V) 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.

(VI) Exceptional circumstances for increase in the managerial remuneration: N.A. Percentage increase in remuneration in FY 2024-25 is in terms of the performance of the Company during FY 2024-25.

(VII) It is affirmed that the remuneration is as per the Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other Employees adopted by the Company.

****On roll 1,124 workers and 37 expats have not been considered.

For and on behalf of the Board of Directors

Place: Faridabad
Date: May 08, 2025

Sd/-
Nikhil Nanda
Chairman & Managing Director

Sd/-
Seiji Fukuoka
Deputy Managing Director

Annexure – I

to the Directors' Report

Business Responsibility & Sustainability Reporting

At Escorts Kubota Limited (EKL), we are committed to integrating ESG factors into our business strategy for sustainable growth. As a leading engineering Company in agriculture and infrastructure, we prioritize addressing economic, environmental, and social impacts. Our dedication to long-term success extends to societal and environmental responsibility. This report outlines our ESG performance, initiatives based on nine principles aligning with NGRBC guidelines, and material ESG topics relevant to stakeholders. We aim to transparently share our ESG journey, achievements, challenges, and future goals to promote understanding and collaboration in achieving sustainability objectives.

Please note

1. The National Company Law Tribunal, Chandigarh Bench ('NCLT') has approved the Scheme of Amalgamation of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited (Amalgamating Companies) with Escorts Kubota Limited (Amalgamated Company). The certified copy of the order approving the scheme was received by the Company on August 29, 2024, and filed with the Registrar of Companies on September 1, 2024. In order to reflect the Scheme's impact from the appointed date of April 1, 2023, the Company has restated previously reported numbers. Accordingly, numbers reported here for the Current Fiscal 2025 as well as Previous Fiscal 2024 include numbers of the amalgamating companies also, while for fiscal year 2023 numbers remain unchanged as per previously reported unless otherwise specified.

2. On October 23, 2024, the Company's Board of Directors approved the sale/ transfer of its division specializing in manufacturing, assembly, sales, servicing, research, and development of railway equipment products, including parts ('RED Business') on a 'slump sale' basis, as defined by Section 2(42C) of the Income-tax Act, 1961.

   In the financial disclosures, the RED Business has been categorized under discontinued operations. However, for BRSR reporting purposes, the RED Business will be considered as part of routine operations and all reporting numbers in BRSR for the current fiscal year 2025 and the previous fiscal year will include the RED Business as normal business operations.

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	L74899HR1944PLC039088
2	**Name of the Listed Entity**	Escorts Kubota Limited
3	**Year of incorporation**	1944
4	**Registered office address**	15/5, Mathura Road, Faridabad, Haryana – 121003, India
5	**Corporate address**	15/5, Mathura Road, Faridabad, Haryana – 121003, India
6	**E-mail**	**corp.secretarial@escortskubota.com**
7	**Telephone**	+91 129-2250222
8	**Website**	**https://www.escortskubota.com**
9	**Financial year for which reporting is being done**	April 01, 2024 to March 31, 2025
10	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited and BSE Limited
11	**Paid-up Capital**	₹ 1,118,777,540
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	**Name:** Mr. Bharat Madan **Designation:** Whole-time Director & Chief Financial Officer **Telephone:** +91 129 2564838 **Email:** **investor.relation@escortskubota.com**

13	**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 standalone operations of Escorts Kubota Limited, in India, unless otherwise stated.
14	**Name of assessment or assurance provider**	Grant Thornton Bharat LLP
15	**Type of assessment or assurance obtained**	Reasonable Assurance

II. Products/services

16. 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
1	Manufacturing and Trading	Manufacturing, Sales, Marketing, Trading and customer support of Agri Machinery Products (Tractors, Harvesters, Implements, Spare parts, Oils Lubes Etc.), Construction Equipment Products (Material Handling cranes, Road compaction and Earth moving equipment's) and Railway components*	99.91

* The Board of Directors in their meeting held on October 23, 2024, gave approval for transferring the existing Railway components - Railway Equipment Business Division (RED) as going concern, on slump sale basis.

17. 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	2821	76.10
2	Construction Equipment	2824	15.59
3	Railway Components	30204	8.22

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

S. No	Location	Number of plants	Number of offices	Total
1	National	8	55*	63
2	International	1	1	2

*Reginal Offices and Depots Only

19. Markets served by the entity:

a. Number of locations

S. No	Locations	Number
1	National (No. of states)	28 states and 8 Union Territories
2	International (No. of countries)	80

b. What is the contribution of exports as a percentage of the total turnover of the entity?

5.00%

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 eight decades, EKL has helped accelerate India's socioeconomic 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 a diverse portfolio and various customer segments are served basis their requirement:

1. **Customers for Agri Machinery Products:** EKL is a leading force in the manufacturing and trading of agricultural equipment. Our extensive product range offers comprehensive solutions for farmers, covering all stages from land preparation to transplanting and harvesting. Our lineup includes tractors, paddy planters, combine harvesters, various implements, sprayer solutions, engines, and components that cater to the diverse needs of individual farmers and organizations across 80 countries.

   Engineered for exceptional power, efficiency, and versatility, our products are the preferred choice across multiple sectors, including agriculture, construction, and landscaping. Under the esteemed brands of Kubota, Farmtrac, Powertrac, Escorts, Steeltrac, Farmpower, and E Kubota, we maintain a legacy of excellence, ensuring top-notch quality and performance in every offering.

   With a robust nationwide network of over 1,600 dealers and more than 10,500 registered workshop mechanics, we provide a seamless customer experience and effectively deliver our products and services in the Indian market. Having proudly served over 2.5 million customers globally, we are committed to driving innovation and excellence in the agricultural machinery industry, continually setting new standards for quality and performance.

2. **Customers for Construction Equipment Business Division:** we are a leading manufacturer of high-quality equipment for material handling, road building, and earthmoving industries, catering to the increasing needs of infrastructure development projects in the country. Our wide range of customers includes Construction and Industrial Companies, Government Agencies, Mining Companies, Rental Companies, and Individuals. Our products play a crucial role in various daily operations at Infra project sites, mining and production of metals, cement, coal industry, power sector, defence & the allied industries. With our unwavering dedication to excellence, customers can rely on our products to consistently deliver top-notch performance, safety & reliability. We have over 250 touch points across India and a presence in more than 20 countries worldwide, ensuring our commitment to customer satisfaction on a global scale.

3. **Customers for Railway Equipment Business Division:** As a reputable supplier to cater the requirements of Indian Railways, Metro organizations, Freight wagon builders, and other range of rolling stock manufacturers globally. Our extensive product line includes brake systems, couplers, suspension systems, electric panels, RMPU's, Vacuum Toilet, automatic door and friction products. Count on us to deliver top-notch solutions for all your Rail transportation needs.

IV. Employees

20. 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)	3,498	3,283	93.85	215	6.15
2	Other than Permanent (E)	992	850	85.69	142	14.31
3	Total employees (D + E)	4,490	4,133	92.05	357	7.95
Workers						
4	Permanent (F)	1,124	1,119	99.56	5	0.44
5	Other than Permanent (G)	11,591	11,346	97.89	245	2.11
6	Total workers (F + G)	12,715	12,465	98.03	250	1.97

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	100.00	0	0.00
2	Other than Permanent (E)	1	1	100.00	0	0.00
3	Total differently abled employees (D + E)	3	3	100.00	0	0.00

S. No	Particulars	Total(A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
Differently-abled Workers						
4	Permanent (F)	1	1	0.00	0	0.00
5	Other than Permanent (G)	0	0	100.00	0	0.00
6	Total differently abled workers (F + G)	1	1	100.00	0	0.00

21. Participation/Inclusion/Representation of women:

	Total(A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	18*	3	16.67
Key Management Personnel	4**	0	0.00

*3 Board Members are KMPs

** Including 3 members who are also on the Board of Directors

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.56	21.88	16.87	21.90	15.62	21.58	24.62	30.20	24.89
Permanent Workers	8.15	33.33	8.28	8.00	25.00	8.10	8.65	28.57	8.80

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. 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.	Kubota Corporation, Japan	Holding Company*	0.00	No
2.	Escorts Crop Solutions Limited	Subsidiary Company	100.00	No
3.	EKL CSR Foundation	Subsidiary Company	100.00	No
4.	Farmtrac Tractors Europe sp. z.o.o., Poland	Subsidiary Company	100.00	No
5.	Escorts Kubota Finance Limited	Subsidiary Company	100.00	No
6.	Invigorated Business Consulting Limited (Formerly Escorts Finance limited)	Subsidiary Company	67.87	No
7.	Adico Escorts Agri Equipments Private Limited	Joint Venture Company	40.00	No
8.	Escorts Consumer Credit Limited	Associate company	29.41	No

*Kubota Corporation holds 54.07% stake in Escorts Kubota Limited (EKL) and publishes its own Environmental, Social, and Governance (ESG) report.

VI. CSR Details

24. i. **Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)**

Yes

ii. **Turnover (in ₹)**

FY 2024-25: ₹ 1,10,99,75,11,057.00
FY 2023-24 restated: ₹ 1,06,81,13,16,086

iii. **Net worth (in ₹)**

FY 2024-25: ₹ 1,01,47,29,82,065.00
FY2023-24 restated: ₹ 91,77,72,41,528

VII. Transparency and Disclosures Compliances

25. 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) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 (Current Financial Year)			FY 2023-24 (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 Community members can raise any concerns or grievances via call/e-mail/letter on contact details mentioned at **https://www.escortskubota.com/contact-us**	NIL	NIL	-	NIL	NIL	-
Investors (other than shareholders)	Yes Policy can be accessed at **https://www.escortskubota.com/new/pdf/2025/february/EKL_2025_02_10_Investor_Grievance_Redressal_Policy.pdf**	NIL	NIL	-	NIL	NIL	-
Shareholders	Yes Policy can be accessed at **https://www.escortskubota.com/new/pdf/2025/february/EKL_2025_02_10_Investor_Grievance_Redressal_Policy.pdf**	1,502	14	-	2,204	3	-
Employees and workers	Yes Policy can be accessed at **https://static.escortskubota.com/new/pdf/reg-46-sebi/24-02-2025/2024-02-08-Whistle-Blower-Policy.pdf**	88	5	Includes complaints received from all category of employees and workers	340	13	Includes complaints received from all category of employees and workers
Customers	Yes Customer can easily raise any concerns or grievances by contacting our dedicated customer care toll-free number mentioned at **https://www.escortskubota.com/contact-us** Additionally, customers can also reach out to us via email or letter using the contact details provided at above link	1,39,720	162	Includes complaints and queries received from various platforms	1,67,148	287	Includes complaints and queries received from various platforms

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 (Current Financial Year)			FY 2023-24 (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
Value Chain Partners	Yes Partners can raise any concerns or grievances via call/e-mail/letter on contact details mentioned at **http://www.escortskubota.com/contact-us**	NIL	NIL	-	NIL	NIL	-
Others (please specify)	NA	NIL	NIL	-	NIL	NIL	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability sues 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	Operations EHS impact	R	EHS (Environmental, Health, and Safety) risks can significantly impact EKL in various ways. Firstly, these risks can lead to human costs, resulting in injuries or illnesses among employees, which can have devastating effects on individuals and their families. Additionally, non-compliance with EHS regulations may result in legal actions, fines, and penalties, leading to increased scrutiny from regulators. The financial implications can be substantial, encompassing costs associated with accidents, legal fees, fines, and higher insurance premiums, all of which can adversely affect the organization's financial health. Furthermore, negative publicity from EHS incidents can damage the organization's reputation, eroding trust among customers, stakeholders, and the community. Operational disruptions may also occur, as incidents can lead to shutdowns or slowdowns in operations, impacting productivity and delivery schedules. Lastly, a workplace perceived as unsafe can lower employee morale and productivity, resulting in higher turnover rates and challenges in attracting talent. Proactively addressing EHS risks is essential for mitigating these impacts and fostering a safer, more sustainable workplace environment.	EKL has developed a comprehensive Environment, Health, and Safety (EHS) management system that encompasses all its operations. All our operational facilities are certified with ISO 45001 & ISO 14001. Escorts Kubota Limited has implemented a robust health and safety management system across the business. We have an EHS policy, applicable to all employees and workers and multiple processes implemented to eliminate risk in the systemThe organization is committed to ensuring compliance with all relevant EHS laws and regulations, as well as adhering to international standards and best practices. To maintain a safe and compliant workplace, EKL conducts regular EHS training sessions, audits, inspections, and risk assessments aimed at identifying and mitigating potential hazards and incidents. Additionally, EKL has established a dedicated EHS team responsible for monitoring and managing EHS matters, along with a grievance mechanism to address any EHS-related issues or concerns raised by employees. This proactive approach underscores EKL's commitment to fostering a safe and healthy work environment.	Negative Implications

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	Resource Efficiency	R&O	Natural resources such as water, energy, raw materials, and land are critical inputs for most industries. Their overuse or mismanagement can lead to resource depletion, regulatory action, and environmental degradation. Simultaneously, efficient and sustainable use of these resources presents significant cost-saving and innovation opportunities. With increasing regulatory pressure, climate change, and stakeholder expectations, we are in transition from linear to circular resource use models and adopting regenerative and efficient practices. Resource-efficient operations are also seen as more resilient and future-ready, aligning with national and global sustainability targets.	We do regular resource mapping and audits to assess key resource dependencies and hotspots across operations. So that we can invest in technologies and practices to reduce water, energy, and raw material usage (e.g., IoT-based metering, lean manufacturing). We use alternative resources, adopt renewable energy, recycled raw materials, and low-impact inputs where feasible. In water stewardship, we implemented water-saving fixtures, rainwater harvesting, and wastewater recycling. Our waste management and circularity initiatives promote reuse, recycling, and closed-loop systems to reduce dependence on virgin materials. We collaborate with suppliers to encourage sustainable resource sourcing and share best practices.	Positive Implications
3	Sustainable Products	O	With growing environmental awareness, evolving regulations, and a rising demand for ethical consumption, the market is shifting towards sustainable products—those designed, produced, used, and disposed of in a way that minimizes negative environmental and social impacts. Customers, investors, and regulators now expect companies to offer greener alternatives that are resource-efficient, recyclable, ethically sourced, and low in carbon emissions. Companies that fail to innovate in this area risk falling behind in a market increasingly shaped by sustainability standards and consumer expectations.	-	Positive Implications
4	Customer Satisfaction	O	EKL views customer engagement as a valuable opportunity to strengthen long-term relationships, enhance its reputation, and expand market share. By delivering innovative and high-quality engineering solutions that align with customer expectations, EKL fosters trust and loyalty. The company actively connects with customers through diverse channels such as feedback forms, surveys, meetings, webinars, newsletters, websites, social media, and grievance mechanisms- to gain insights into their needs, concerns and suggestions. EKL further boosts customer satisfaction through timely delivery, effective after-sales service, warranty support and product training.	-	Positive Implications

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	Employee Development	O	Employee development is crucial for EKL as it enhances the skills, knowledge, and capabilities of employees to support their professional growth and align with organizational goals. In an increasingly competitive and rapidly changing business environment—shaped by digital transformation, sustainability transitions, and evolving customer expectations—having a future-ready workforce is critical. It is also essential for employee satisfaction, engagement, and retention. A lack of development opportunities is among the top reasons for employee attrition globally.	-	Positive Implications
6	Gender Diversity	O	Ensuring equitable representation and participation of all genders, especially women, across all levels of the organization—is increasingly recognized as a key driver of sustainable business performance. Diverse leadership and inclusive cultures tend to outperform peers on innovation, decision-making, employee satisfaction, and profitability. Moreover, global stakeholders including investors (e.g., ESG funds), regulators, and customers are demanding greater transparency and progress on gender equity. In some jurisdictions, gender representation on boards and in leadership is also a legal requirement. Diverse teams bring varied perspectives, leading to better ideas and more balanced decision-making.		Positive Implications
7	Equal Opportunity Employment	O	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 Implications
8	Human and labour rights	R	Respect for human rights and labour rights is a core aspect of responsible business conduct. Failing in upholding these rights face growing scrutiny from investors, regulators, consumers, and civil society. At the same time, strong human rights practices present opportunities to build trust, improve employee satisfaction, and reduce operational disruptions. As we operate in diverse geographies and supply chains where labour exploitation risks (e.g., forced labour, child labour, unsafe working conditions) may exist. As many global standards related to human rights are gaining prominence, businesses are increasingly held accountable not only for their direct operations but also for their suppliers' conduct.	Adherence to all local and national laws related to labour rights. Follow Human rights policy and international standards.	Negative Implications

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)
9	Community engagement	O	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 Implications
10	Supply Chain Sustainability	R	EKL acknowledges that an unsustainable or disrupted supply chain poses a significant risk, as it can adversely affect production schedules and overall financial performance. Factors such as natural disasters, panic, political instability, environmental or social challenges and non-compliance or unethical behavior by suppliers can lead to delays or interruptions in the supply chain, impacting the company's operational efficiency and business continuity.	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.	Positive Implications
11	Business discruptions and delays	R	Business disruptions caused by natural disasters, supply chain interruptions, geopolitical tensions, pandemics, cyberattacks, or regulatory shutdowns can significantly impact our organization's operations, profitability, and reputation. Delays in project execution, production, or delivery can lead to financial losses, customer dissatisfaction, and breach of contractual obligations. In a world where supply chains are increasingly global, climate-related disasters and systemic risks like pandemics or energy shortages pose rising threats.	We do diversified sourcing to avoid overreliance on a single supplier or geography. We create alternate supply chains and maintain buffer inventories for critical materials. Use digital tools and ERP systems for early detection and response. We work with suppliers to make them compliant with all rules and regulations on labour, environmental, and ethical standard to avoid shutdowns due to any violations.	Negative Implications

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

1.

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	Business Responsibility and Sustainability Policy, along with other policies related to BRSR principles, can be accessed by visiting the following weblinks: Business Responsibility and Sustainability Policy: **https://static.escortskubota.com/templates/escortsgroup_home/images/pdf/EKL-2023-05-10-Business-Responsibility-and-Sustainability-Policy.pdf** Other related policies: **https://www.escortskubota.com/investors/governance.html**								

2. Whether the entity has translated the policy into procedures. (Yes/No)

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

3. Do the enlisted policies extend to your value chain partners? (Yes/No)

P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes	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) adopted by your entity and mapped to each principle.**

P1	Global Reporting Initiative, Integrated reporting framework, Independent assurance of non-financial information as per AA1000 Assurance Standard and Escorts Kubota Code of Conduct.
P2	ISO 14001: 2015 Environment Management System (EMS), Global Reporting Initiative and Integrated Reporting Framework
P3	ISO 45001: 2018 Occupational Health and Safety Management System (OHS MS), Great Place to Work certifications.
P4	Double Materiality Assessment and stakeholder engagement in reference to GRI Standards
P5	Escorts Kubota Code of Conduct in line with the Kubota Corporation Code of Conduct who is the signatory of UNGC
P6	ISO 14001: 2015 Environment Management System (EMS)
P7	Global Reporting Initiative and Integrated Reporting
P8	CSR disclosures pursuant to Section 135 of the Companies Act, 2013 Global Reporting Initiative and Integrated Reporting
P9	Global Reporting Initiative and Integrated Reporting ISO/IEC 27001:2022 Information Security Management System (ISMS) ISO 9001- Quality Management System

5. **Specific commitments, goals and targets set by the entity with defined timelines, if any.**

P1 P2 P3 P4 P5 P6 P7 P8 P9	EKL has set environmental goals, including becoming carbon neutral by 2050 and reducing CO2 emissions by 25% by 2030. We are committed to minimizing our impact on the environment and promoting recycling, with a target of achieving zero landfill by 2027. Recognizing the importance of water as a valuable resource, we are implementing initiatives such as Zero Liquid Discharge, upgrading water treatment facilities, promoting water reuse and recycling, and implementing rainwater harvesting to become water positive by 2030 as part of our ESG strategy. Additionally, we aim to increase gender diversity in our workforce to 7.5% and enhance employee engagement and satisfaction by 2025 and for FY2026, we target to achieve 9% gender diversity.

6. **Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**

P1 P2 P3 P4 P5 P6 P7 P8 P9	During the reporting period, EKL has achieved significant milestones in its journey towards becoming Carbon neutral by 2050. One notable accomplishment includes the upgrade of diesel powered Gensets to more environmentally friendly Gas powered gensets, as well as an increase in the utilization of renewable energy sources. The Company has also taken measures to limit water usage and successfully reduced net water withdrawal. In addition, EKL has shown a strong commitment to increasing gender diversity within its workforce by hiring more women employees. Furthermore, the Company has prioritized investments in employee training and development to enhance expertise and skills across the organization. We have made significant strides in promoting diversity and employee satisfaction within our workforce. We have achieved a gender diversity rate of 7.95% and enhancing employee engagement and satisfaction 2025. Overall, EKL's efforts demonstrate a clear dedication to sustainability and continuous improvement, positioning the Company as a leader in environmental responsibility and corporate social responsibility.

Governance, Leadership & Oversight

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)**

   At EKL, our commitment to addressing environmental, social, and governance (ESG) issues is fundamental to our philosophy. We have identified several key challenges, including reducing our carbon footprint, minimizing water usage, decreasing waste generation, promoting diversity and inclusion, ensuring transparency and sustainability in our value chain, and engaging with the community.

   To address these challenges, we have set ambitious goals: achieving carbon neutrality by 2050, increasing our use of renewable energy, becoming water positive by 2030, eliminating landfill waste by 2027, enhancing female representation in our workforce, implementing sustainable practices throughout our value chain, and investing in community development projects. In addition, in 2025, we implemented a digital platform to track and analyze our environmental, social, and governance (ESG) data, leading to more comprehensive and insightful ESG reporting.

   We are already making significant strides toward these targets by investing in renewable energy, utilizing water recycling and treatment technologies, providing diversity and inclusion training, and enhancing our value chain assessment processes. Our progress is documented in our Business Responsibility and Sustainability Report (BRSR), in accordance with SEBI's guidelines, showcasing our commitment to sustainability and transparency with our stakeholders.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

   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 assesses and reviews the identified risks from time to time. Further, the composition of Committees of the Board is provided in the Corporate Governance Report, forming part of the Annual report.

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 Company's Directors and Senior Management conduct a thorough review of the Business Responsibility Policies to ensure they are up to date and effective. They make any necessary modifications or improvements to the policies to guide further actions and ensure compliance with best practices in business responsibility.									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company's Directors and Senior Management regularly review and update its Business Responsibility Policies to ensure compliance with statutory requirements. They provide guidance on potential modifications or improvements to the policies as needed.									Quarterly								

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.

P1	All policies and processes are subjected to comprehensive review by external and internal entities during statutory/ Internal audits, reviews, and certifications that are periodically issued to the Company.
P2	
P3	
P4	
P5	
P6	
P7	
P8	
P9	

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
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

Principle 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programs
Board of Directors	6	• Corporate Governance Practices • Code of Conduct & Ethics • Updates on Business Operations • Emergency Response and Disaster Management Plans • Environment, Social and Governance Principles, Corporate Social Responsibility, Enterprise Risk Management • Cyber Security Awareness	100
Key Managerial Personnel	7	• POSH- Prevention of Sexual harassment • COC - Code of Conduct • Leadership culture workshop • Competitive strategy for business growth • Management Development Program • Collaboration & Quality Mindset • Sustainability in Business Growth	100
Employees other than BoD and KMPs	589	Various Topics Please Refer to Human Capital at page number - 120	99.46
Workers	6	• POSH- Prevention of Sexual harassment • COC - Code of Conduct • Safety • New Joinee orientation • First Aid • Technical Trainings	98.20

2. **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					
Nature	**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	NA	Telangana GST department	26,744	Order passed confirming tax demand of ₹ 2,67,440/- (interest is additional) and penalty of ₹ 26,744/- on account of reversal of Input tax credit	No
	NA	Andhra Pradesh GST department	18,495	Order passed confirming tax demand of ₹ 1,84,945/- (interest is additional) and penalty of ₹ 18,495/- on account of mismatch of Input tax credit with GSTR-2A &/ or eligibility	No
	NA	Assam GST department	20,00,137	Order passed confirming tax demand of ₹ 2,00,01,377/- on account of availment of ineligible ITC us/ 73(1) and penalty of ₹ 20,00,137/-	No
	NA	Commissioner of Customs, Delhi	9,87,10,867	Order passed by the Commissioner of Customs confirming the demand of additional duties (CVD of ₹ 4,25,10,647 and SAD of ₹ 17,00,220) on the valuation issue of imported goods and Penalty of ₹ 9,87,10,867	Yes
	NA	Uttar Pradesh GST department	10,35,720	Detention of goods during transit owing to incorrect E-Invoice & e-waybill generated, Penalty of ₹10,35,720/- has been confirmed by the Commissioner Appeals	Yes
	NA	Haryana GST department	22,95,128	Penalty of ₹ 22,95,128/- and applicable interest confirmed on delay in payment of tax in import of manpower supply services	Yes
	NA	ASSISTANT EXCISE AND TAXATION OFFICER,Faridabad	5,40,850	Penalty of ₹5,40,850/- has been confirmed by the Commissioner Appeals on account of detention of goods due to incorrect documentation	Yes
	NA	Commissioner of Customs (Imports), Mumbai	148	Order passed by the Commissioner of Customs confirming the demand of ₹ 148 along with equivalent penalty on the classification issue of imported goods	No

Monetary					
Nature	**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	NA	Joint Commissioner of GST, Haryana	25,000	Alleged penal action on account of GST valuation issue of job work charges by Craftsman Automation Limited on account of scrap generated during job work which is disposed off by job worker with GST payment	No
	NA	Principal Commissioner of Customs (Preventive), Chennai	11,446	Order passed by the Commissioner of Customs confirming the demand of ₹ 11,446 along with equivalent penalty and applicable interest on the classification issue of imported goods	No
	NA	Assistant Commissioner of GST, Faridabad	83,12,913	Order passed by the Assistant Commissioner of GST confirming the demand of ₹ 83,12,913 along with equivalent penalty and applicable interest on the issue of eligibility of ITC	Yes
	NA	Uttar Pradesh GST department	7,25,443	Order passed confirming tax demand of ₹ 72,54,429/- along with penalty of ₹ 7,25,443/- and applicable interest on account of eligibility of Input tax credit	Yes
	NA	Assistant Commissioner of GST, Faridabad	10,000	Order passed by the Assistant Commissioner of GST confirming the penalty of ₹ 10,000 on the misc issue	No
	NA	Karnataka GST department	56,610	Order passed by the Assistant Commissioner of Commercial taxes confirming the tax demand of ₹ 56,610/- along with Penalty of ₹ 56,610/- and interest of ₹ 73,478/- on the issue of reconciliation of tax payment	Yes
	NA	Assistant Commissioner of GST, Palwal	12,468	Order passed by the Assistant Commissioner of GST confirming the tax demand of ₹ 12,468 along with equivalent Penalty of ₹ 12,468/- and applicable interest	No
	NA	Assistant Commissioner of Customs, Chennai	2,72,456	Order passed by the Commissioner of Customs confirming the demand of ₹ 1,36,228/- along with equivalent fine & penalty and applicable interest on the classification issue of imported goods	No
	NA	Assam GST department	44,104	Order passed by the Assistant Commissioner of GST confirming the demand of ₹ 4,41,044/- along with penalty of ₹ 44,104/- and applicable interest on the classification issue of eligibility of input tax credit	Yes
	NA	State Tax Officer of GST, Chennai, Tamil Nadu	20,000	Order passed by the State tax officer of GST confirming the tax demand of ₹ 56,058 along with Penalty of ₹ 20,000/- and applicable interest	Yes

Monetary					
Nature	**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	NA	Joint Commissioner of GST, Pune, Maharashtra	28,74,487	Order passed by the Joint Commissioner of GST confirming the tax demand of ₹ 2,87,44,870 along with Penalty of ₹ 28,74,487/- and applicable interest	No
	NA	Odisha GST department	40,000	Order passed by the Assistant Commissioner of GST confirming the demand of ₹ 9,108/- along with penalty of ₹ 40,000/- and applicable interest on the eligibility of input tax credit	No
	NA	Assistant Commissioner of GST, Agra, Uttar Pradesh	13,33,440	Penalty confirmed on account of procedural issue in documentation	No
	NA	Tamil Nadu GST department	5,35,095	Order passed by the Assistant Commissioner of GST confirming the demand of ₹ 51,63,819/- along with penalty of ₹ 5,35,095/- and interest of ₹ 40,48,316 on the eligibility of input tax credit	No
	NA	Bihar Sales tax department	3,74,301	Deputy Commissioner of State Tax has passed an order confirming the penalty of ₹ 3,74,301 on the issue of computation of turnover, disallowance of discounts & sales return. Further, the department has adjusted ₹ 2,88,113 against the said penalty	No
	NA	Haryana GST department	10,40,724	The Commissioner (Appeals) has confirmed the Penalty of 10% of the excess refund granted.	No
	NA	Commercial Taxes Department, Tamil Nadu	50,000	Penalty of ₹ 50000/- paid on voluntary basis on the clerical issue in documentation	No
	NA	Telangana GST department	28,771	Order passed confirming tax demand of ₹ 2,87,716/- (interest is additional) and penalty of ₹ 28,771/- on account of reversal of Input tax credit	Yes
	NA	Telangana GST department	20,000	Order passed confirming tax demand of ₹ 1,86,628/- (interest is additional) and penalty of ₹ 20,000/- on account of reconciliation of Input tax credit	Yes
	NA	Rajasthan GST department	26,274	Order passed confirming Interest demand of ₹ 84,094/- and penalty of ₹ 26,274/- on account of late payment of due tax	No
	NA	Rajasthan GST department	20,000	Order passed confirming tax demand of ₹ 3,060/- (interest is additional) and penalty of ₹ 20,000/- on account of wrong availment of Input tax credit	No

Monetary					
Nature	**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	NA	Rajasthan GST department	20,000	Order passed confirming tax demand of ₹ 1,310/- (interest is additional) and penalty of ₹ 20,000/- on account of wrong availment of Input tax credit	No
	NA	Rajasthan GST department	32,416	Order passed confirming tax demand of ₹ 3,24,166/- (interest is additional) and penalty of ₹ 32,416/- on account of wrong availment of Input tax credit	Yes
	NA	Rajasthan GST department	31,968	Order passed confirming tax demand of ₹ 2,35,970/- (interest is additional) and penalty of ₹ 31,968/- on account of wrong availment of Input tax credit	Yes
	NA	Telangana GST department	20,000	Order passed confirming tax demand of ₹ 1,11,900/- (interest is additional) and penalty of ₹ 20,000/- on account of availment of ineligible Input tax credit	No
	NA	Assam GST department	1,64,817	Order passed confirming tax demand of ₹ 16,48,170/- and interest of ₹ 16,48,170/- and penalty of ₹ 1,64,817/- on account of availment of ineligible Input tax credit	No
	NA	Telangana GST department (Dy Comm. State Tax)	30,000	Order passed confirming tax demand of ₹ 1,27,735/- (interest is additional) and penalty of ₹ 30,000/- on account of mismatch in ITC	No
Settlement	NA	NA	NA	NA	NA
Compounding Fee	NA	NA	NA	NA	NA

Non-Monetary					
Nature	**NGRBC Principle**	**Name of the regulatory/ Enforcement agencies/ judicial institutions**	**Amount (in ₹)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA

3. **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
Order passed confirming tax demand of ₹ 2,87,716/- (interest is additional) and penalty of ₹ 28,771/- on account of reversal of Input tax credit	Appeal filed before Commissioner (Appeals)
Order passed confirming tax demand of ₹ 1,86,628/- (interest is additional) and penalty of ₹ 20,000/- on account of reconciliation of Input tax credit	Appeal filed before Commissioner (Appeals)
Order passed confirming tax demand of ₹ 3,24,166/- (interest is additional) and penalty of ₹ 32,416/- on account of wrong availment of Input tax credit	Appeal filed before Commissioner (Appeals)
Order passed confirming tax demand of ₹ 2,35,970/- (interest is additional) and penalty of ₹ 31,968/- on account of wrong availment of Input tax credit	Appeal filed before Commissioner (Appeals)
Order passed by the Commissioner of Customs confirming the demand of additional duties (CVD of ₹ 4,25,10,647 and SAD of ₹ 17,00,220) on the valuation issue of imported goods and Penalty of ₹ 9,87,10,867	Appeal filed before CESTAT
Detention of goods during transit owing to incorrect E-Invoice & e-waybill generated, Penalty of ₹10,35,720/- has been confirmed by the Commissioner Appeals	Appeal filed before Commissioner (Appeals)
Penalty of ₹ 22,95,128/- and applicable interest confirmed on delay in payment of tax in import of manpower supply services	Appeal filed before Commissioner (Appeals)
Penalty of ₹5,40,850/- has been confirmed by the Commissioner Appeals on account of detention of goods due to incorrect documentation	Appeal filed before Commissioner (Appeals)
Order passed by the Assistant Commissioner of GST confirming the demand of ₹ 83,12,913 along with equivalent penalty and applicable interest on the issue of eligibility of ITC	Appeal filed before Commissioner (Appeals)
Order passed confirming tax demand of ₹ 72,54,429/- along with penalty of ₹ 7,25,443/- and applicable interest on account of eligibility of Input tax credit	Appeal filed before Commissioner (Appeals)
Order passed by the Assistant Commissioner of Commercial taxes confirming the tax demand of ₹ 56,610/- along with Penalty of ₹ 56,610/- and interest of ₹ 73,478/- on the issue of reconciliation of tax payment	Appeal filed before Commissioner (Appeals)
Order passed by the Assistant Commissioner of GST confirming the demand of ₹ 4,41,044/- along with penalty of ₹ 44,104/- and applicable interest on the classification issue of eligibility of input tax credit	Appeal filed before Commissioner (Appeals)
Order passed by the State tax officer of GST confirming the tax demand of ₹ 56,058 along with Penalty of ₹ 20,000/- and applicable interest	Appeal filed before Commissioner (Appeals)

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 is dedicated to upholding ethical business practices by implementing a robust anti-corruption and anti-bribery policy. This policy is applicable to all employees, members of the Board of Directors, and anyone working for the Company in any capacity. Our commitment to integrity is underscored in this policy, which outlines clear guidelines for conduct to ensure that we uphold the highest standards of ethical behaviour.

https://www.escortskubota.com/images/pdf/EKL_Anti_Bribery_Policy.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 2024-25 (Current Financial Year)	FY 2023-24 (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 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

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.

Not Applicable – as EKL not encountered any fines, penalties, or actions from regulators, law enforcement agencies, or judicial institutions related to corruption or conflicts of interest. EKL commitment to operating with integrity and transparency remains steadfast, ensuring that our business practices are above reproach.

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payables	80	84

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases*	a.	Purchases from trading houses as % of total purchases	0	0
	b.	Number of trading houses where purchases are made from	0	0
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a.	Sales to dealers/distributors as % of total sales	82.65	80.31
	b.	Number of dealers/distributors to whom sales are made	2,180	2,264
	c.	Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	9.00	9.10

Parameter	Metrics		FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Share of RPTs in	a.	Purchases (Purchases with related parties/ Total Purchases)	15.70%	13.87%
	b.	Sales (Sales to related parties/Total Sales)	2.60%	2.83%
	c.	Loans & advances (Loans & advances given to related parties/Total loans & advances)	4.07%	2.35%
	d.	Investments (Investments in related parties/ Total Investments made)	1.34%	1.24%

Note - EKL procures directly from its Supply Chain Partners. It is important to emphasize that these partners, who provide goods and services, are not trading houses.

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

S. No.	Total number of awareness programs held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programs
1	2	Awareness of ESG/BRSR core framework	75.00*
2	194	Sales Training	45
3	175	New Dealer Induction Programme	16.77**
4	4	Kaizen Community Program	99.00***

*As a % of Purchase from Supply Chain Partners

** As a % of Total Dealers

*** As a % of invited partners

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, EKL has established a code of conduct procedure to effectively prevent and manage conflicts of interest for Board Members and Senior Management that can be accessed @ **https://www.escortskubota.com/images/pdf/EKL-2023-05-10-Code-of-Conduct.pdf**. In addition to this, Escorts Kubota Limited also adheres to the Kubota Group Charter for Action & Code of Conduct, further strengthening its commitment to ethical business practices applicable to all employees and accessible @ **https://www.escortskubota.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

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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	86.08	85.30	The Company has invested on the research and innovation which have resulted in the reduction of emission and improve the efficiency of the processes. Develop alternative fuel machines Development of Trem V, CPCB4 technology
Capex	18.55	9.55	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
   yes

   b. **If yes, what percentage of inputs were sourced sustainably?**
   37%

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:**

   We do not reclaim our products at the end of their life cycle due to the specific type and usage of the products. However, we ensure that any hazardous waste generated during the production stage is responsibly managed. This includes recycling, incineration, or disposal in landfills through third-party services, in accordance with pollution board regulations and Extended Producer Responsibility (EPR) obligations.

   a. **Plastics (including packaging)**
   All plastic waste generated in the plant premises is disposed of through an authorized recycler approved by the Central Pollution Control Board or the State Pollution Control Board.

   b. **E-waste**
   All the E-waste is disposed through certified third parties as per e-waste management rule 2022.

   c. **Hazardous waste**
   At EKL, we recycle/incinerate/send to landfill our hazardous waste that we generate during the production stage through the third party as per the pollution board and EPR obligations.

   d. **Other waste**
   All the other Non-hazardous waste generated is sent to the recycler

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). 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**

   Yes, we have registered with the Central Pollution Control Board (CPCB) under Plastic waste EPR as Brand owner/Importer & Battery waste EPR as Producer.

   Yes, Escorts Kubota Limited has submitted details on the CPCB portal as per CPCB requirement and directions.

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, We have not yet conducted any Life Cycle Perspective / Assessments (LCA) for our products, but we plan to conduct them in the coming year as part of our commitment to sustainability and environmental responsibility.

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.**

   No, as not conducted any Life Cycle Perspective/Assessments (LCA) for any of its products.

Name of Product / Service	Description of the risk / concern	Action Taken
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).**

Not Applicable

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
	Nil	Nil

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

We do not reclaim our products at the end of their life cycle due to the specific type and usage of the products. However, we ensure that any hazardous waste generated during the production stage is responsibly managed.

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	400*	0	0	257**	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

*Post-consumer plastic waste under the Plastic waste EPR (Extended Producer Responsibility) obligation

** Last Year Number have been restated as per EPR credits

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

S. No	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1	NIL	NIL

Principle 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	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	3,283	3,242	98.75%	3,248	98.93%	NA	NA	-	-	3,283	100.00%
Female	215	209	97.21%	214	99.53%	213	99.07%	NA	NA	215	100.00%
Total	**3,498**	**3,451**	**98.66%**	**3,462**	**98.97%**	**213**	**99.07%**	**-**	**-**	**3,498**	**100.00%**
Other than Permanent employees											
Male	850	846	99.53%	846	99.53%	NA	NA	-	-	850	100.00%
Female	142	142	100.00%	142	100.00%	142	100.00%	NA	NA	142	100.00%
Total	**992**	**988**	**99.60%**	**988**	**99.60%**	**142**	**100.00%**	**-**	**-**	**988**	**99.60%**

* excluding FTT and expats, expats are covered under Kubota policy

** excluding expat as covered under Kubota policy and as per the NSE circular: NSE/CML/2024/11, we have not included male in the total figure.

*** Expats are covered under the Kubota policy

Corporate Overview
Management Discussion and Analysis
Statutory Reports
Financial Statements

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	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	1,119	1,119	100.00%	1,119	100.00%	NA	NA	-	-	1,119	100.00%
Female	5	5	100.00%	5	100.00%	5	100.00%			5	100.00%
Total	**1,124**	**1,124**	**100.00%**	**1,124**	**100.00%**	**5**	**100.00%**	**-**	**-**	**1,124**	**100.00%**
Other than Permanent workers											
Male	11,346	11,098	97.81%	11,346	100.00%	NA	NA	-	-	11,346	100.00%
Female	245	245	100.00%	245	100.00%	245	100.00%	NA	NA	245	100.00%
Total	**11,591**	**11,343**	**97.86%**	**11,591**	**100.00%**	**245**	**100.00%**	**-**	**-**	**11,591**	**100.00%**

*As per the NSE circular: NSE/CML/2024/11, we have not included male in the total figure.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.24%	0.27%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

S. No	Benefits	FY 2024-25 (Current Financial Year)			FY 2023-24 (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.)
1	PF	98.70	100	Yes	99.5	100	Yes
2	Gratuity	98.70	100	Yes	99.5	100	Yes
3	ESI	0	0.7	Yes	0	1.1	Yes
4	Others- please specify	-	-	-	-	-	-

*Workmen trainees comes under ESI as per the guidelines and others are covered under company provided medical insurance. Under PF and Gratuity FTT and expats are not considered.

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, Our premises comply with the Rights of Persons with Disabilities Act 2016, ensuring full accessibility for employees and workers with disabilities. We offer comprehensive assistance to ensure that all visitors and stakeholders can comfortably access EKL offices.

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 are dedicated to upholding Equal Employment Opportunity as outlined in the Rights of Persons with Disabilities Act, 2016. Our policy can be accessed through the following link: **https://www.escortskubota.com/templates/escortsgroup_home/images/pdf/Equal-Opportunity-Policy.pdf**

Furthermore, our Code of Business Conduct emphasizes our dedication to promoting equal opportunities for all individuals, regardless of gender, age, language, cultural background, sexual orientation, gender identity, health or medical condition, religious beliefs, physical ability, appearance, marital status, etc. Policy can be accessed through the following link: **https://www.escortskubota.com/templates/escortsgroup_home/images/pdf/EKL-Code-of-Conduct.pdf**

We strive to create a workplace that values diversity and inclusion for all employees.

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	100.00	83.33	-	-
Total	100.00	83.33	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, we have grievance redressal committees, plant wise, that meet monthly to address workmen grievances
Other than Permanent Workers	Yes, The Contractor takes care of the grievances if any raised by the employee
Permanent Employees	Yes, as per the Grievance Redressal Policy mentioned in the HR Policy Manual
Other than Permanent Employees	Yes, The Contractor takes care of the grievances if any raised by the employee

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (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	3,498	-	0.00%	3,311	-	0.00%
Male	3,283	-	0.00%	3,133	-	0.00%
Female	215	-	0.00%	178	-	0.00%
Total Permanent Workers	1,124	1,124	100.00%	1,220	1,220	100.00%
Male	1,119	1,119	100.00%	1,213	1,213	100.00%
Female	5	5	100.00%	7	7	100.00%

8. Details of training given to employees and workers:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (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										
Male	3,283	673	20.50%	2,959	90.13%	3,169	640	20.20%	2,735	86.30%
Female	215	61	28.37%	206	95.81%	178	30	16.85%	161	90.45%
Total	3,498	734	20.98%	3,165	90.48%	3,347	670	20.02%	2,896	86.53%

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (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
Workers										
Male	1,119	363	32.44%	-	0.00%	1,213	1,180	97.28%	1,188	97.94%
Female	5	1	20.00%	-	0.00%	7	6	85.71%	6	85.71%
Total	**1,124**	**364**	**32.38%**	**-**	**0.00%**	**1,220**	**1,186**	**97.21%**	**1,194**	**97.87%**

Note : All Employees (Excluding other than permanent employees) and all workers (Excluding other than permanent workers) active as on March 31 of respective financial year, are considered.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No.(B)	% B/A	Total (C)	No.(D)	% D/C
Employees						
Male	3,283	3,283	100.00%	3,169	3,169	100.00%
Female	215	215	100.00%	178	178	100.00%
Total	**3,498**	**3,498**	**100.00%**	**3,347**	**3,347**	**100.00%**
Workers						
Male	1,119	1,119	100.00%	1,213	1,213	100.00%
Female	5	5	100.00%	7	7	100.00%
Total	**1,124**	**1,124**	**100.00%**	**1,220**	**1,220**	**100.00%**

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, the coverage such system?

Yes, All our operational facilities are certified with ISO 45001 & ISO 14001. Escorts Kubota Limited has implemented a robust health and safety management system across the business. We have an EHS policy, applicable to all employees and workers and multiple processes implemented to eliminate risk in the system that can be accessed at **https://www.escortskubota.com/templates/escortsgroup_home/images/pdf/EHS-Policy-Full-Version-2023.pdf** and **https://www.escortskubota.com/images/quality-policy/EKL-Environment-Occupational-Health-&-Safety-Policy.pdf**.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At Escorts Kubota Limited, the health and safety of our employees is our top priority. As an ISO 45001 certified company, we follow strict guidelines to identify risks and develop mitigation plans to ensure a safe working environment. Our centralized team has developed clear protocols which are regularly updated, and all employees undergo regular training to address any potential work-related hazards. By consistently reviewing and updating our mitigation plans, we are committed to maintaining a safe workplace for all.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)**

Yes, All sites are equipped with incident and hazard reporting procedures to ensure the safety of the workforce by identifying and addressing unsafe working conditions. Various platforms and processes are in place to report hazards, such as the Safety Observation tour (SOT) where line managers actively engage with workers to address safety concerns. Additionally, an online safety risk reporting mechanism is available. Regular training sessions are conducted on Safety Risk Assessment, Mock Drill Fire-Disaster Management, Emergency Management, and Driving Safety. A monthly Safety Committee meeting involving all workers is held to ensure ongoing safety improvements.

d. **Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, All plants are equipped with a dedicated occupational health center that provides round-the-clock access to routine and nonroutine employees. A full-time doctor is on staff to provide regular medications and general treatment, with the Company also supplying necessary medicines. If further assistance is needed, the doctor can help to arrange for outside medications.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	0	0
	Workers	0.05	0.09
Total recordable work-related injuries	Employees	0	0
	Workers	2	3
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	1

* The safety-related data for the previous year has been restated due to a revised understanding and correction of previously reported figures.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Escorts Kubota Limited is dedicated to maintaining a safe and healthy workplace for all employees. Our manufacturing plants are certified in ISO 45001 and ISO 14001, reflecting our commitment to safety and environmental responsibility. We closely monitor performance in safety, environment, and compliance on a monthly basis and have a structured accountability system in place.

We prioritize adherence to local, state, and national regulations, as well as ISO standards, to guide our comprehensive safety policies and procedures. Regular training sessions on health and safety protocols, first aid, fire drills, and machinery handling are conducted to keep our workforce informed and prepared. In addition, we conduct regular risk assessments to identify potential hazards and provide appropriate personal protective equipment (PPE) to all employees.

Safety is a top priority at each manufacturing plant, with separate safety committees ensuring the involvement of both workers and management. Our group safety committee oversees the implementation of standardized safety processes. We also have an annual safety environment plan that guides strategic actions, along with monthly tracking to ensure progress.

Furthermore, we offer training and development opportunities to employees regularly, with a focus on safety, environment, and compliance. Our goal is zero level-1 incidents through the use of inherently safe machinery and strict process guidelines. Employee motivation is encouraged through various activities and celebrations, such as National Safety Week and Environment Week.

Corporate Overview
Management Discussion and Analysis
Statutory Reports
Financial Statements

To promote safe behavior and engagement among employees, we conduct organization-wide training, awareness programs, and motivational activities. A Reward/Recognition & Consequence Management system has been implemented to address work behaviors and situations, ensuring accountability and reinforcing safety practices.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (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	9,137	1,227		14,211	503	
Health & Safety	89	0		2,357	79	

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	100.00
Working Conditions	100.00

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.

At Escorts Kubota Limited, the safety and well-being of our employees is our utmost priority. We have implemented a robust safety system that encompasses regular safety inspections, operation control, monitoring, audits, and assessments to proactively identify and mitigate any potential risks. Any incidents are thoroughly reviewed to identify areas for improvement, and company-wide enhancements are implemented to prevent recurrence. Our dedicated site leadership takes immediate action to address any safety concerns and ensure a safe working environment for all employees.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

a. Employees (Y/N)

Yes

b. Workers (Y/N)

Yes

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 is dedicated to upholding all statutory requirements regarding transactions. We guarantee that all relevant statutory dues are deducted and deposited following regulations. Our internal and statutory audit process includes a review of proof of submission for statutory dues. Furthermore, our manpower contractor provides monthly copies of ESI/PF challans and Electronic Challan Receipts to our Employee Relations team for validation. This team cross-checks the challans with wage sheets and salary bank transfer sheets submitted by the contractor.

We maintain high expectations for our value chain partners in terms of business responsibility, prioritizing 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 are 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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	Nil	Nil	NA	NA
Workers	Nil	Nil	NA	NA

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)

No

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 practices	63.86
Working Conditions	63.86

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

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Our engagement approach acknowledges the unique priorities of each stakeholder group. Insights gathered from these engagements validate our performance and offer new perspectives. We identify key stakeholders based on their material influence on the Company and the impact of our decisions on them. Using various tools and frameworks including double materiality process, we prioritize these stakeholders and their material issues. Feedback from these engagements is crucial for enhancing our decision-making processes, business practices, and overall performance. Initially selecting from a broad list of potential stakeholders, EKL has identified six key internal and external groups that directly influence our decision-making and are actively engaged in the materiality assessment.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No	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
1	Government and regulatory authorities	No	• Email • website • Annual Reports/ Compliance Filings • Advertisement	Regular	• Regulatory & Legal requirements • Technology & Innovation • Capacity expansion
2	Employees	No	• Feedback and connect sessions/Employee surveys/Townhalls • Training & safety programs - Classroom and Virtual • Engagement & R&R programs • Regular update on Intranet/Emails/HRIS/ Notices Board/Website	Regular	• Business Performance Update and action planning • Employee engagement & recognition/employee pulse check • Training and Development • Performance assessment & KRA cascading • Grievance redressal
3	Customer	No	• Pamphlets • E-Mail • Meetings • Newspapers • Website • Advertisement • SMS • Notice Boards	Regular	• Customer Satisfaction • Customer complaints • Extending product & services
4	Suppliers	No	• Annual Supplier Convention • Supplier Audits • Informal Interaction • E-Mail • Newspapers • Website • Advertisement	Regular	• Transparent, fair & accountable supply chain practice • Supplier financial health/reputation • Service Quality • Access to knowledge on sustainable supply chain practices • Innovation & Technology

S. No	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
5	Local Community	No	• Community Meetings	Regular/Event Based	• CSR Initiatives • Creation of job opportunities • Relationship development
6	Investors & shareholders	No	• Annual General Meetings • E-Mail • Newspapers • Advertisement • Stock Exchanges • Annual Report	Regular/Event Based	• Discussion on financial & non-financial performance, market value of shares • Shareholder returns • Effective & robust corporate governance

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.**

   EKL's committees facilitate communication between stakeholders to address economic, environmental, and social issues. Through regular meetings with the board, committee members provide valuable feedback gathered from stakeholders, ensuring that all relevant topics are effectively communicated to the board.

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.**

   We consistently strive to act as responsible corporate citizens, particularly in support of marginalized and vulnerable segments of our society. Our Corporate Social Responsibility (CSR) policy is thoughtfully crafted with a clear and strategic focus, aimed at maximizing our positive impact on both society and the environment through our dedicated initiatives.

   To enhance administrative efficiency and ensure that our efforts are well-directed and effective, we have categorized our CSR projects into four key areas: Agriculture, Healthcare, Environment, Education and Livelihood Enhancement. Furthermore, the Escorts Kubota Advanced Farming Institutes in Kurukshetra and Bengaluru play a crucial role in enhancing the skills and capacities of farmers.

   These categories not only demonstrate our commitment to tackling some of the most pressing challenges of our time but also provide a guiding framework for all our CSR initiatives, ensuring a cohesive approach to social responsibility.

Principle 5 - Businesses should respect and promote human rights

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 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	3,498	3,417	97.70%	3,347	3,347	100.00%
Other than permanent	992	880	88.71%	788	788	100.00%
Total Employees	**4,490**	**4,297**	**95.70%**	**4,135**	**4,135**	**100.00%**
Workers						
Permanent	1,124	1,091	97.06%	1,220	1,220	100.00%
Other than permanent	11,591	11,492	99.15%	10,741	10,741	100.00%
Total Workers	**12,715**	**12,583**	**98.96%**	**11,961**	**11,961**	**100.00%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	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	3,498	-	0.00%	3,498	100.00%	3,347	-	0.00%	3,347	100.00%
Male	3,283	-	0.00%	3,283	100.00%	3,169	-	0.00%	3,169	100.00%
Female	215	-	0.00%	215	100.00%	178	-	0.00%	178	100.00%
Other than permanent	992	-	0.00%	992	100.00%	788	-	0.00%	788	100.00%
Male	850	-	0.00%	850	100.00%	696	-	0.00%	696	100.00%
Female	142	-	0.00%	142	100.00%	92	-	0.00%	92	100.00%
Workers										
Permanent	1,124	-	0.00%	1,124	100.00%	1,220	-	0.00%	1,220	100.00%
Male	1,119	-	0.00%	1,119	100.00%	1,213	-	0.00%	1,213	100.00%
Female	5	-	0.00%	5	100.00%	7	-	0.00%	7	100.00%
Other than permanent	11,591	-	0.00%	11,591	100.00%	10,741	-	0.00%	10,741	100.00%
Male	11,346	-	0.00%	11,346	100.00%	10,504	-	0.00%	10,504	100.00%
Female	245	-	0.00%	245	100.00%	237	-	0.00%	237	100.00%

3. **Details of remuneration/salary/wages:**

a. **Median remuneration/wages**

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)*#	15	28,35,000	3	22,10,000
Key Managerial Personnel*	4	3,33,57,799	-	-
Employees other than BoD and KMP	3,279	11,00,004	214	7,87,650
Workers	1,119	10,62,224	5	12,01,502

*Mr. Nikhil Nanda, Mr. Seiji Fukuoka and Mr. Bharat Madan, who are BoDs are also KMP, as per the Companies Act, 2013, and shown along with KMP.

#Directors who have waived their sitting fee have not been considered to calculate the median.

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format**

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	3.83	3.48

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

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

At EKL, we are committed to upholding human rights and addressing any grievances related to human rights issues. We have established reporting avenues for employees, customers, suppliers, and other stakeholders to raise concerns or make disclosures regarding any actual or potential violations of our Company's code, policies, or laws, including human rights violations. All reports made through these avenues are thoroughly reviewed, and appropriate action is taken if necessary. We value transparency and accountability in handling these matters to ensure a safe and respectful environment for everyone involved.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2024-25 (Current Financial Year)			FY 2023-24 (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	1	0	NA	6	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

Corporate Overview
Management Discussion and Analysis
Statutory Reports
Financial Statements

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	6
Complaints on POSH as a % of female employees/workers	0.18	1.35
Complaints on POSH upheld	1	6

8. 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 a Whistle blower Policy to protect the whistleblower. The identity of the complainant remains confidential, in case a complaint is filed, and action is taken on immediate basis.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100
Forced Labour/Involuntary Labour	100
Sexual Harassment	100
Discrimination at Workplace	100
Wages	100
Others – please specify	Not Applicable

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Nil

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.

To uphold our commitment to human rights, EKL have started Human Rights Due Diligence (HRDD) process in FY24-25, following the UN Guiding Principles on Business and Human Rights and aligned with Kubota Corporation's support for the UN Global Compact. This process will identify and mitigate potential human rights risks in our operations and will be externally reviewed next year. Our goal is to align our practices with international human rights standards and positively impact the communities we serve, emphasizing transparency and accountability in our efforts.

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	63.83
Discrimination at Workplace	63.83
Child Labour	63.83
Forced Labour/Involuntary Labour	63.83
Wages	63.83
Others – please specify	Not Applicable

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

Not Applicable

Principle 6 - Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	5.37	5.44
Total fuel consumption (B)	0.00	0
Energy consumption through other sources (C)	0.00	0
Total energy consumed from renewable sources (A+B+C)	**5.37**	**5.44**
From non-renewable sources		
Total electricity consumption (D)	212.74	205.98
Total fuel consumption (E)	201.06	193.54
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	413.81	399.52
Total energy consumed (A+B+C+D+E+F)	419.18	404.96
Energy intensity per rupee of turnover *(Total energy consumption/ Revenue from operations)*	37.76×10^{-10}	37.91×10^{-10}
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total energy consumption/ revenue from operations adjusted for PPP)*	7.80×10^{-8}	7.83×10^{-8}
Energy intensity in terms of physical output	3.65×10^{-3}	3.45×10^{-3}
Energy intensity (optional) – the relevant metric may be selected by the entity		

*All the values are in Tera Joules, The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by World Bank for India which is 20.66. Intensity in terms of physical output is calculated on total tractor and construction machines produced.

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.

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.**

Not Applicable, as we do not fall under DC Category

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	**FY 2024-25 (Current Financial Year)**	**FY 2023-24 (Previous Financial Year)**
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	4,45,813.96	4,77,865.59
(iii) Third party water (Municipal water supplies)	-	69,902.74
(iv) Seawater / desalinated water	-	-
(v) Others	68,772.05	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5,14,586.01	5,47,768.33
Total volume of water consumption (in kilolitres)	3,08,696.88	4,13,232.82
Water intensity per rupee of turnover *(Total water consumed / Revenue from operations)*	27.81×10^{-7}	38.68×10^{-7}
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total water consumption / Revenue from operations adjusted for PPP)*	5.74×10^{-5}	7.99×10^{-5}
Water intensity in terms of physical output	2.68	3.53
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*Water withdrawal includes city water & ground water only. The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by World Bank for India which is 20.66. Intensity in terms of physical output is calculated on total tractor and construction machines produced.

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.

4. **Provide the following details related to water discharged:**

Parameter	**FY 2024-25 (Current Financial Year)**	**FY 2023-24 (Previous Financial Year)**
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	2,05,889.13	1,34,535.51
- No treatment	-	-
- With treatment – please specify level of treatment	2,05,889.13	1,34,535.51

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment		
(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)	2,05,889.13	1,34,535.51

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.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:**

Zero Liquid Discharge (ZLD) is a key focus for us. No water leaves our site untreated, except for rainwater, and we recycle water in our manufacturing processes. All plants feature rainwater recharge pits.

Domestic wastewater is treated through STP, while process wastewater is handled by ETP, both utilizing advanced methods. Treated water is reused for processing and cooling.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Value	Please specify unit	Value	Please specify unit
NOx	13.57	MT	54.4	MT
SOx	1.45	MT	2.48	MT
Particulate matter (PM)	25.52	MT	103.24	MT
Persistent organic pollutants (POP)		MT		MT
Volatile organic compounds (VOC)	242.83	MT		MT
Hazardous air pollutants (HAP)		MT		MT
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

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2024-25 (Current Financial Year)	*FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 Equivalent	11,639.29	11,573.60
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 Equivalent	42,962.51	40,967.19
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover **(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)**	tCO_2e/₹ revenue from operations	4.92×10^{-7}	4.92×10^{-7}
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO_2e/Revenue from operations adjusted for PPP	10.16×10^{-6}	10.16×10^{-6}
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tco_2e/physical output	0.47	0.45
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by World Bank for India which is 20.66. Intensity in terms of physical output is calculated on total tractor and construction machines produced.

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.

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details**

Yes, in order to reduce carbon footprint and promote sustainability, We have implemented substantial improvements to our energy sources, particularly for scope 1 & 2 emissions. We have replaced outdated diesel gensets with eco-friendly gas gensets and have also made the switch from diesel forklifts to electric forklifts. These changes not only decrease harmful emissions but also decrease our dependence on fossil fuels. Furthermore, we are actively increasing the use of solar power in our operational areas. By investing in solar energy, we are reinforcing our dedication to renewable energy sources and playing our part in creating a cleaner, more sustainable future for our communities.

9. **Provide details related to waste management by the entity, in the following format:**

Total Waste generated

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	104.8	136.71
E-waste (B)	5.18	0.99
Bio-medical waste (C)	0.17	0.94
Construction and demolition waste (D)	0	0
Battery waste (E)	56.10	42.62
Radioactive waste (F)	0	0
Other Hazardous waste, Please specify if any (G)	1,009.06	1,028.27
Other Non-hazardous waste generated (H), Please specify, if any.		
Total Non-Hazardous Waste Generated (H)	16,010.58	17,858.53
Total (A+B + C + D + E + F + G + H)	17,185.90	19,068.06
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	1.55×10^{-7}	1.79×10^{-7}
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	31.98×10^{-7}	36.88×10^{-7}
Waste intensity in terms of physical output	0.15	0.16
Waste intensity (optional) - the relevant metric may be selected by the entity	-	-

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
(i) Recycled	15,987.26	17,858.53
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	15,987.26	17,858.53
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	800.76	1,029.21
(ii) Landfilling	208.47	324.61
(iii) Other disposal operations	23.32	-
Total	**1,032.55**	**1,353.82**

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by World Bank for India which is 20.66. Intensity in terms of physical output is calculated on total tractor and construction machines produced.

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.

10. 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 has implemented comprehensive waste management procedures and established dedicated storage facilities for hazardous and non-hazardous wastes, considering both environmental impacts and commercial viability.

We have started waste segregation using color-coded bins and storage from pilot areas. We have environmentally sound disposal procedures for hazardous waste, partnering with authorized vendors approved by the State Pollution Control Board.

To enhance waste management, we have started improving our packaging by replacing wooden pallets with returnable metal ones at pilot areas, reducing wooden waste. Our Oil Filtration Unit cleans industrial lubricants, extending equipment longevity and efficiency. We convert food waste into compost for gardening, encourage reduced paper usage, promote recycling, and provide designated bins for paper to facilitate recycling efforts.

11. 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:

Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

13. 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, company is compliant with the applicable environment law/guidelines

S. No	Specify the law/regulation/ guidelines which was not complied with	Provide details of the noncompliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	NA	NA	NA	NA

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Consolidated data for water stress area

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 2024-25 (Current Financial Year)	FY 2023-24 (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)	-	-

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
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) entity		
(i) Into surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatmentt	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatmentt	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatmentt	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatmentt	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatmentt	-	-
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

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	24,610.56*	32,592.19*
Total Scope 3 emissions per rupee of turnover		2.22×10^{-7}	3.05×10^{-7}
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

*From Category 3 (Fuel & Energy not included in Scope 1 & 2), Category 5 (Waste Generated in operations), Category 6 (Business Travel) & Category 7 (Employee Commute)

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

3. With respect to the ecologically sensitive areas reported at Question 11 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

Not Applicable

4. 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	Moving to Gas Gensets	EKL has discontinued all Diesel Gensets and switched to Gas Genset for power generation. 4 gas gensets were installed with the capacity of 1950 kVA each.	Reduction in CO_2 emission.
2	Moving to Electric Forklift	EKL has replaced Diesel forklift to electric forklifts. This year, 36 forklift has been replaced.	Reduction in CO_2 emission.
3	Water Saving Projects	We have installed inhouse RO and DM water plant to reduce the water consumption. We have started using the ETP discharge water reused in vehicle washing facility. We have also started reusing the STP discharge water in flushing, air washer and gardening.	Reduction in water consumption
4	Energy Saving Projects	We have started installing VFD drive in booth blower and air compressor motors.	Reduction in CO_2 emission.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, EKL has 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, that can be accessed @ **https://www.escortskubota.com/images/pdf/Policy-on-risk-management.pdf**

The systematic and proactive approach enables us to identify and manage risks effectively.

6. 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

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

For Upstream value chain partners We engaged with 80% of value chain partners based on Value for BRSR core assessment, of which 63.84% has filled assessment.

For Downstream value chain partners We engaged with 10% of value chain partners based on Value for BRSR core assessment, of which 1 has filled assessment.

8. How many Green Credits have been generated or procured:

a. By the listed entity - NIL

b. By the top ten (in terms of value of purchases and respectively) value chain partners - NIL

Principle 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

   5

   b. List the top 10 trade and industry chambers/associations (determined based on the total members of such 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
2	FICCI- Federation of Indian Chambers of Commerce & Industry	National
3	TMA - Tractors & Mechanization Association	National
4	ICEMA - Indian Construction Equipment Manufacturers Association	National
5	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**

   Not Applicable

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

   Not Applicable

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.**

   Social Impact Assessment (SIA) has not been conducted for any project in FY 2024-25

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community**

   Community members are encouraged to voice any concerns or grievances by contacting us through phone, email, or letter. Our contact information can be found at **https://www.escortskubota.com/contact-us**. Once raised, we carefully evaluate and address each concern or grievance, taking necessary actions to resolve the issue.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs/small producers	20.78	19.32
Directly from within India	94.56	96.23

   Note:

   The percentage calculations were based on the quantity of input materials sourced.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Location	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	0	0
Semi-urban	0	0
Urban	0	0
Metropolitan	100.00	100.00

(Place to be categorized as per RBI Classification System - rural/semi-urban/urban/metropolitan)

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):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   Not Applicable

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

      No

   b. From which marginalized/vulnerable groups do you procure?

      Not Applicable

   c. What percentage of total procurement (by value) does it constitute?

      Not Applicable

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**

   Not Applicable

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

6. **Details of beneficiaries of CSR Projects:**

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Agriculture	6,169	50%
2	Environment	18,000	60%
3	Healthcare	28,800	60%
4	Education and Livelihood Enhancement	19,611	100%

Principle 9 - Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Ensuring customer satisfaction is our top priority at EKL. We have established robust mechanisms to receive and address consumer complaints and feedback effectively. The EKL Sales and Service team oversees multiple communication channels, including Toll-Free numbers, the Dedicated Customer App (HUMDUM Plus), the CARE device, Social Media Platforms, and a dedicated email address specifically for customer complaints. Adherence to standard operating procedures for grievance redressal is a cornerstone of our commitment to promptly and efficiently addressing customer concerns.

   To gain a comprehensive understanding of our customers' needs and preferences, we regularly analyze he Customer Empathy Index and the Service Quality Index. The Customer Empathy Index evaluates factors like Complaint Appointment, Turnaround Time, and Customer Satisfaction, while the Service Quality Index analyzes Post-Service Feedback, Doorstep Services, and First Time Right metrics.

   In our efforts to enhance customer communication, we have introduced a "Care" device in our tractors to provide immediate customer support to farmers. Each customer issue undergoes thorough analysis, leading to the timely implementation of corrective actions to achieve a satisfactory resolution and prevent future occurrences.

   Furthermore, we offer personalized services like tailored training programs for farmers on tractor maintenance and operation, equipping customers with the knowledge and skills needed to optimize the performance of our products.

   We actively solicit feedback from customers through surveys and focus groups to continuously enhance our offerings. Our unwavering dedication to customer satisfaction is exemplified by our constant pursuit of exceeding expectations and delivering exceptional service at EKL.

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	100.00
Safe and responsible usage	100.00
Recycling and/or safe disposal	0.00

3. **Number of consumer complaints in respect of the following:**

	FY 2024-25 (Current Financial Year)		Remarks	FY 2023-24 (Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Other	NIL	NIL	NA	NIL	NIL	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

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 has a comprehensive policy on Cyber Security and risks that clearly outlines the Company's approach to data privacy. This policy is easily accessible on the Company's intranet. Additionally, EKL's risk policy also briefly covers data protection.

The external data privacy policy is available at the following link: **https://www.escortskubota.com/privacy-policy.html**

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

Not Applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

0

b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable

c. Impact, if any, of the data breaches

Nil

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed(provide web link, if available).

1. Company Website: www.escortskubota.com
2. Company social media channels
3. Company authorized Dealerships and Distributors
4. Company Toll Free Number 1800-309-1694 & 1800-180-4488
5. Customer App (HUMDUM Plus)
6. Print Media and Electronic Media
7. Influencer Meets

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

At Escorts Kubota Limited, we collaborate closely with partners and customers to develop sustainable materials and drive expansion into new markets. For each customer we offer comprehensive installation services including demonstrations, usage guidance, product information, warranties, and other essential details. Our mobile apps, tutorials, and customer care helpline (1800-103-2010) are designed to help customers make full use of our products and explain about do and don't with all policies at a fingertip with just one click.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services**

   Not Applicable

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. 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, Customers are not only given access to detailed product information through owner's manuals, brochures, and stickers on the vehicle, but they are also provided with personalized guidance at the time of final delivery. A comprehensive walkthrough on safer usage is shared with customers to ensure that they fully understand how to operate the vehicle responsibly. This not only enhances customer satisfaction but also promotes safe driving practices and proper maintenance of the product.

   Yes, Escorts Kubota Limited conducts customer satisfaction surveys periodically to understand customer review/satisfaction level. Also, the Company maintains customer Satisfaction Index through call center and feedback based on service records internally.

Financial Statements

Independent Auditor's Report

To the Members of Escorts Kubota Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Escorts Kubota Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information 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 2025, 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 standalone 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.

Emphasis of Matter - Scheme of Amalgamation

4. We draw attention to note 43 to the accompanying standalone financial statements, which describes that the Company has given effect to the scheme of amalgamation ('the Scheme') between the Company its erstwhile joint ventures, "Escorts Kubota India Private Limited" and "Kubota Agricultural Machinery Private Limited" (together referred to as "Amalgamating Companies") and their respective shareholders and creditors, for the amalgamation of Amalgamating Companies with the Company, with effect from the appointed date of the Scheme, being April 01, 2023, as approved by the Hon'ble National Company Law Tribunal vide its order dated August 21, 2024 in accordance with the accounting treatment prescribed in the Scheme which is in line with the accounting principles as laid down in Appendix C to Ind AS 103, "Business Combinations". Accordingly, the comparative financial information for the previous year presented in the accompanying standalone financial statements has been restated from the beginning of the earliest period presented, being April 01, 2023. Our opinion is not modified in respect of this matter.

Key Audit Matter

5. 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 standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Contd.)

6. 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
Revenue recognition Refer to the Company's material accounting policy on revenue recognition in note 2.2(a) and the revenue related disclosure in note 47 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" ('Ind AS 115') requires management to make certain key judgements and estimates, such as, identification of distinct performance obligations in contract 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. Considering the volume of sales transactions, materiality of the amount involved, above mentioned key judgements / estimates and extent of industry knowledge and skills needed to apply audit procedures to address the matter and evaluate the results of those procedures, revenue recognition has been considered as a key audit matter for the current year audit.	Our audit procedures, related to revenue recognition included, but were not limited, to the following: a) Evaluated the design and tested the 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) Scrutinized sales ledgers to verify accuracy and completeness of sales transactions recorded during the year; d) Performed test of details on a sample basis of revenue transaction recorded during the year, including specific period before and after the year end. For the samples selected, inspected supporting documents, including agreements, price lists, invoices and proof of dispatches / deliveries (as the case may be) to ensure that the correct amount of revenue is recorded in the correct period; e) Tested the appropriateness of accruals for various rebates and discounts as at the year-end in accordance with approved incentives / discounts schemes; f) Performed the substantive analytical procedures on revenue recognized during the year which includes 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) Ensured the adequacy and appropriateness of disclosures made in notes to the standalone financial statements in respect of the revenue from operations in accordance with the requirements of Ind AS 115.

Independent Auditor’s Report (Contd.)

Information other than the Standalone Financial Statements and Auditor’s Report thereon

7. 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

8. 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.

9. In preparing the standalone financial statements, the Board of Directors is 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

11. 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.

12. 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;

Independent Auditor's Report (Contd.)

- 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.

13. 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.

14. 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.

15. 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.

Other Matters

16. The comparative financial information presented in the accompanying standalone financial statements includes the financial information of erstwhile joint ventures, "Escorts Kubota India Private Limited" and "Kubota Agricultural Machinery Private Limited" (together referred to as "Amalgamating Companies"), pursuant to the Scheme of Amalgamation ("the Scheme") between the Company, aforesaid Amalgamating Companies and their respective shareholders and creditors, as further detailed in note 43 to the accompanying standalone financial statements. The financial statements of "Escorts Kubota India Private Limited" for the year ended March 31, 2024 have been audited by another firm of Chartered Accountants, M/s Deloitte Haskins & Sells LLP, who have expressed an unmodified opinion on such financial statements vide their audit report dated April 26, 2024.

    The aforesaid mentioned audit report of other auditor has been furnished to us by the management and has been relied upon by us for the purpose of our audit of the accompanying standalone financial statements. Our opinion is not modified in respect of this matter.

17. The financial information of the "Escorts Kubota India Private Limited" and "Kubota Agricultural Machinery Private Limited" (together referred to as "Amalgamating Companies") as at April 01, 2023, as included in the standalone financial statements of the Company pursuant to the accounting for amalgamation of Amalgamated Companies with the Company as specified in the Scheme as further described in note 43 to the accompanying standalone financial statements, is based on the financial statements of the Amalgamating

Companies for the year ended March 31, 2023 which have been audited by another firm of Chartered Accountants, M/s Deloitte Haskins & Sells LLP and M/s B S R & Co. LLP, who have expressed unmodified opinion on those financial statements vide their audit reports dated April 27, 2023 and April 29, 2023 respectively. Such audit reports have been furnished to us by the management and have been relied upon by us for the purpose of our audit of the accompanying standalone financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

18. 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.

19. 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.

20. 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) Except for the matters stated in paragraph 20(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act;

    f) The modification relating to the maintenance of accounts and other matters connected therewith is as stated in paragraph 20(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure B, wherein we have expressed an unmodified opinion; and

    h) 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(c) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2025;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2025;

        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 March 31, 2025;

        iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 48(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 person(s) or entity(ies), including

Independent Auditor's Report (Contd.)

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 of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 48(iii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 interim dividend declared and paid by the Company during the year ended March 31, 2025 and until the date of this audit report is in compliance with section 123 of the Act.

Further, the final dividend paid by the Company during the year ended March 31, 2025 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.

Furthermore, 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 March 31, 2025 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. As stated in note 42(c) to the standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on April 01, 2024 has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. However, the audit trail feature was enabled at database level w.e.f. September 01, 2024 to log any direct data changes. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention where such feature is enabled.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nalin Jain
Partner
Membership No.: 503498
UDIN: 25503498BMHWBD5590

Place: New Delhi
Date: May 08, 2025

Annexure A

referred to in paragraph 19 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 March 31, 2025

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, capital work-in-progress, investment property and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets (other than tools and patterns lying with third parties) 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, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification. With respect to tool and patterns which are in possession of third parties, it is not possible for the management to physically verify such assets and hence the management has verified the existence of these tools and patterns on the basis of confirmations received from the third parties. No material discrepancies were noted on aforesaid verifications performed by the management.

(c) The title deeds of all the immovable 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 adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(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 goods-in-transit and 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 and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not provided any guarantee or security to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in and granted unsecured loans to companies during the year, in respect of which:

(a) The Company has provided loans to a joint venture during the year as per details given below:

Particulars	Loans (₹ crores)
Aggregate amount provided/ granted during the year to Joint Venture	1.00
Balance outstanding as at balance sheet date in respect of above case 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 are, prima facie, not prejudicial to the interest of the Company.

Annexure A (Contd.)

(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 loans or advances in the nature of loans 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 during the year. The details of the same has been given below:

Name of the party	Total loan amount granted during the year (₹ crores)	Aggregate amount of overdues of existing loans renewed (₹ crores)	Nature of extension (i.e., renewed/ extended/ fresh loan provided)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Adico Escorts Agri Equipments Private Limited	1.00	Nil	Renewed	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.

Annexure A (Contd.)

(b) According to the information and explanations given to us, we report that 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	4.28	1.32	1994-2016	Hon'ble High Court of Andhra Pradesh
Value Added Tax Acts	Sales Tax	18.89	1.63	2003-2018	Appellate Tribunal
Value Added Tax Acts	Sales Tax	13.59	4.95	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	5.41	0.06	1992-2018	Appellate authority till Commissioner leve
Finance Act, 1994	Service tax	1.38	-	2005-2009	Hon'ble High Court of Punjab & Haryana
Finance Act, 1994	Service tax	0.15	0.01	2011-2012	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	0.74	0.06	2011-2013	Appellate authority till Commissioner leve
The Customs Act, 1962	Custom Duty	5.40	7.38	2007-2020	Customs Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Custom Duty	2.13	0.11	2017-2021	Appellate authority till Commissioner leve
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	12.69	0.92	2017-2024	Appellate authority till Commissioner leve
Income Tax Act, 1961	Income Tax	37.62	3.93	2002-2017	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	6.64	-	2003-2016	Income Tax Appellate Tribunal

(viii) According to the information and explanations given to us, we report that 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) In our opinion and 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

Annexure A (Contd.)

that the Company has not been declared a wilful 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, money raised by way of term loans were applied for the purposes for which these were obtained.

(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) 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, 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 venture.

(f) In our opinion and 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, joint venture or associate companies.

(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) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which 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 which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(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) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Annexure A (Contd.)

Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(a) 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 company.

(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 in 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) In our opinion and 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) In our opinion and 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

Nalin Jain
Partner
Membership No.: 503498
UDIN: 25503498BMHWBD5590

Place: New Delhi
Date: May 08, 2025

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 ('the Company') as at and for the year ended March 31, 2025, 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 standalone 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 Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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

Annexure B (Contd.)

acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 standalone financial statements and such controls were operating effectively as at March 31, 2025, based on the internal financial controls with reference to standalone 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

Nalin Jain
Partner
Membership No.: 503498
UDIN: 25503498BMHWBD5590

Place: New Delhi
Date: May 08, 2025

Standalone Balance Sheet

as at March 31, 2025

(₹ crores)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3 (i)	1,887.26	2,031.33
Capital work-in-progress	3 (ii)	123.17	126.19
Investment property	4	-	-
Right-of-use assets	5	91.09	69.57
Intangible assets	6 (i)	63.70	61.56
Intangible assets under development	6 (ii)	29.33	35.22
Financial assets			
Investments	7 (i)	3,348.56	2,982.37
Other financial assets	8 (i)	217.95	14.29
Income tax assets (net)		0.28	0.28
Other non current assets	10 (i)	259.69	267.54
Total non-current assets		**6,021.03**	**5,588.35**
Current assets			
Inventories	11	1,343.89	1,656.17
Financial assets			
Investments	7 (ii)	2,292.42	2,090.19
Trade receivables	12	1,379.82	1,463.31
Cash and cash equivalents	13	335.80	233.36
Bank balances other than above	14	778.21	958.12
Other financial assets	8 (ii)	21.61	42.50
Other current assets	10 (ii)	322.93	360.62
Total current assets		**6,474.68**	**6,804.27**
Assets held for sale	15 (i)	601.05	17.54
Total assets		**13,096.76**	**12,410.16**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16 (i)	111.88	110.50
Equity share capital suspense account	16 (ii)	-	1.38
Other equity	17	10,268.34	9,304.60
Total equity		**10,380.22**	**9,416.48**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	18 (i)	-	52.00
Lease liabilities		67.55	49.62
Other financial liabilities	19 (i)	34.65	20.30
Provisions	21 (i)	76.46	79.05
Deferred tax liabilities (net)	9 (i)	57.96	98.69
Other non-current liabilities	20 (i)	10.63	10.28
Total non-current liabilities		**247.25**	**309.94**
Current liabilities			
Financial liabilities			
Borrowings	18 (ii)	-	311.36
Lease liabilities		35.13	31.28
Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		95.86	129.68
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,530.41	1,502.25
Other financial liabilities	19 (ii)	357.19	321.10
Other current liabilities	20 (ii)	185.18	197.76
Provisions	21 (ii)	129.87	125.42
Current tax liabilities		28.52	64.89
Total current liabilities		**2,362.16**	**2,683.74**
Liabilities directly associated with assets classified as held for sale	15 (ii)	107.13	-
Total equity and liabilities		**13,096.76**	**12,410.16**

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)

Nalin Jain
Partner
Membership No. 503498

Place : New Delhi
Date : May 08, 2025

For and on behalf of the Board of Directors

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Date : May 08, 2025

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(₹ crores)

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	23	10,186.96	9,730.72
Other income	24	458.39	391.50
Total income		**10,645.35**	**10,122.22**
Expenses			
Cost of materials consumed	25 (i)	5,252.63	5,889.39
Purchases of stock-in-trade		1,778.75	1,205.02
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25 (ii)	184.86	(182.51)
Employee benefits expense	26	755.87	687.56
Finance costs	27	27.03	38.78
Depreciation and amortisation expense	28	242.61	223.60
Other expenses	29	1,037.01	998.24
Total expenses		**9,278.76**	**8,860.08**
Profit before exceptional items and tax		**1,366.59**	**1,262.14**
Exceptional items	30 (i)	(27.08)	-
Profit before tax from continuing operations		**1,339.51**	**1,262.14**
Tax expense:	9 (ii)		
Current tax		271.02	261.55
Deferred tax		(41.54)	52.56
Total tax expense		**229.48**	**314.11**
Net profit for the year from continuing operations		**1,110.03**	**948.03**
Profit before tax from discontinued operations	44(ii)(d)	188.70	178.72
Tax expense from discontinued operations		47.81	45.13
Net profit for the year from discontinued operations		**140.89**	**133.59**
Net profit for the year		**1,250.92**	**1,081.62**
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		0.14	0.19
Re-measurements of defined employee benefit plans		(2.61)	(0.11)
Income tax relating to items that will not be reclassified to profit or loss		0.82	0.02
Total other comprehensive income for the year		**(1.65)**	**0.10**
Total comprehensive income for the year		**1,249.27**	**1,081.72**
Earnings per equity share of ₹ 10 each :	30 (ii)		
For continuing operations			
Basic (₹)		100.96	83.78
Diluted (₹)		100.89	83.64
For discontinued operations			
Basic (₹)		12.81	11.81
Diluted (₹)		12.81	11.79
For continuing and discontinued operations			
Basic (₹)		113.77	95.59
Diluted (₹)		113.70	95.43

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

Nalin Jain
Partner
Membership No. 503498

Place : New Delhi
Date : May 08, 2025

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place :Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place :Faridabad

Date :May 08, 2025

Standalone Statement of Cash Flow

for the year ended March 31, 2025

(₹ crores)

	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A	**Cash flows from operating activities**		
	Profit before tax from continuing and discontinued operations	**1,528.21**	**1,440.86**
	Adjustments for:		
	Depreciation and amortisation expense	248.83	232.77
	Provisions written back net of provisions recognised	38.76	41.46
	Impairment of investment in Subsidiary and Joint Venture	27.08	-
	Finance costs (other than finance and bank charges)	25.50	36.16
	Interest income	(209.05)	(222.25)
	Gain on disposal of property, plant and equipment (net)	(1.95)	(9.91)
	Gain on fair valuation and sale of investments carried at fair value through profit or loss (net)	(239.90)	(152.76)
	Share based payment expenses	-	4.13
	Net unrealised foreign exchange (gain)/ loss	(1.96)	4.09
	Operating profit before working capital changes	**1,415.52**	**1,374.55**
	Movement in working capital		
	Inventories	162.51	(123.38)
	Trade receivables	(179.00)	(51.39)
	Other financial assets	3.81	(11.19)
	Other assets	18.81	(38.00)
	Trade payables	81.19	(98.50)
	Other financial liabilities	63.97	31.15
	Other liabilities and provisions	(1.37)	(46.91)
	Cash generated from operating activities post working capital changes	**1,565.44**	**1,036.33**
	Income tax paid (net)	(358.31)	(240.92)
	Net cash generated from operating activities(A)	**1,207.13**	**795.41**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment (including capital advances)	(223.09)	(260.60)
	Proceeds from sale of property, plant and equipment	9.48	15.18
	Purchase of intangible assets	(23.81)	(22.32)
	Investment in subsidiary	(40.00)	(20.00)
	Sale / (purchase) of non - current investments (net)	(227.47)	21.20
	(Purchase) / sale of current investments (net)	25.13	(129.51)
	Bank deposits (net)	(11.86)	(648.00)
	Margin / bank deposits	(23.91)	(0.25)
	Interest received	112.18	21.15
	Net cash used in investing activities (B)	**(403.35)**	**(1,023.15)**

Standalone Statement of Cash Flow (Contd.)
for the year ended March 31, 2025

(₹ crores)

	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
C	**Cash flows from financing activities (refer note 18)**		
	Proceeds from shares(ESOPs) issued	24.66	13.47
	Proceeds from long term borrowings	-	52.00
	Repayment of long term borrowings	(125.56)	-
	(Repayment)/proceeds from short term borrowings (net)	(237.80)	93.29
	Repayment of lease liabilities	(30.42)	(25.72)
	Interest paid	(25.50)	(36.16)
	Dividend paid	(305.46)	(75.84)
	Net cash (used in)/ generated from financing activities (C)	**(700.08)**	**21.04**
	Increase/ (decrease) in cash and cash equivalents (A+B+C)	**103.70**	**(206.70)**
	Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	258.46
	Cash and cash equivalents at the beginning of the year (refer note 13)	233.36	181.60
	Cash and cash equivalents at the end of the year (refer note 13)*	**337.06**	**233.36**

* including cash and cash equivalents of ₹ 1.26 crores pertaining to discontinued operations

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)

Nalin Jain
Partner
Membership No. 503498

Place : New Delhi
Date : May 08, 2025

For and on behalf of the Board of Directors

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Date : May 08, 2025

Standalone Statement of changes in equity

for the year ended March 31, 2025

A Equity share capital

(₹ crores)

Balance as at April 01, 2023	Changes in equity share capital during the year Capital reduction (refer note 42)	Balance as at March 31, 2024	Changes in equity share capital during the year Issued (refer note 43)	Balance as at March 31, 2025
131.94	(21.44)	110.50	1.38	111.88

B Other equity

(₹ crores)

Particulars	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		
Balance as at March 31, 2023	**(18.38)**	**97.40**	**4.00**	**3,322.98**	**731.56**	**12.30**	**4,152.02**	**0.99**	**8,302.87**
Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	141.70	-	-	-	-	15.09	-	156.79
Balance as at April 01, 2023	**(18.38)**	**239.10**	**4.00**	**3,322.98**	**731.56**	**12.30**	**4,167.11**	**0.99**	**8,459.66**
Profit for the year	-	-	-	-	-	-	1,081.62	-	1,081.62
Other comprehensive income for the year	-	-	-	-	-	-	(0.07)	0.17	0.10
Transactions with owners in their capacity as owners									
Impact of shares cancelled during the year(refer note 42)	-	-	-	(176.60)	-	-	-	-	(176.60)
Dividends paid	-	-	-	-	-	-	(76.34)	-	(76.34)
Employee stock option exercise for the year	-	-	-	4.63	-	(4.63)	-	-	-
Employee stock option charge for the year	-	-	-	-	-	4.19	-	-	4.19
Adjustment for options exercised during the year	1.00	-	-	10.97	-	-	-	-	11.97
Balance as at March 31, 2024	**(17.38)**	**239.10**	**4.00**	**3,161.98**	**731.56**	**11.86**	**5,172.32**	**1.16**	**9,304.60**
Profit for the year	-	-	-	-	-	-	1,250.92	-	1,250.92
Other comprehensive income for the year	-	-	-	-	-	-	(1.95)	0.30	(1.65)
Transactions with owners in their capacity as owners									
Dividends paid (Including interim dividends)	-	-	-	-	-	-	(307.33)	-	(307.33)
Employee stock option exercise for the year	-	-	-	7.63	-	(7.63)	-	-	-
Transfer to retained earnings - sale of investment	-	-	-	-	-	-	1.46	(1.46)	-
Adjustment for options exercised during the year	1.50	-	-	20.30	-	-	-	-	21.80
Balance as at March 31, 2025	**(15.88)**	**239.10**	**4.00**	**3,189.91**	**731.56**	**4.23**	**6,115.42**	**-**	**10,268.34**

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

Nalin Jain
Partner
Membership No. 503498

Place : New Delhi
Date : May 08, 2025

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Date : May 08, 2025

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2025

1 Company overview

Escorts Kubota Limited (Formerly Escorts Limited) ("the Company") is a public limited company incorporated (CIN: L74899HR1944PLC039088) 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-recognised and allowed to exit as a stock exchange by Securities Exchange Board of India (SEBI) by way of SEBIs Order No. WTM/SR/SEBI/MRD-DSA/04/01/2017 dated January 23, 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.

2 Basis of preparation, measurement and material 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 March 31, 2025 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on May 08, 2025.

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 material 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 products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 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 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 programme.

- **Extended warranty programme** – 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 programme 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 when any individual customer will require service.

Other income

Income from export incentives is recognised on accrual basis.

Interest Income

Interest income is recognised on time proportion basis considering the amount outstanding and rate applicable. For all financial assets measured at amortised cost (refer 'h' below), interest income

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

Asset category	Estimated useful life (in years)
Vehicles	8-10
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 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 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 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 amortisation 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
Customer contracts	5

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 recognises 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

The right-of-use assets are initially recognised 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 amortised 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 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 recognised 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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 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 April 01, 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 fulfil 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 April 01, 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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 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. Lifetime 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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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.

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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.

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

w) Business combinations

Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

Business combinations other than the common control transactions are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

2.3 Material 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.

Material 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 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.

Material management judgements

Capitalisation of internally developed intangible assets – Distinguishing the research and development phases for new products and design enhancements determining whether the recognition requirements for

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On August 12, 2024, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2024, applicable from April 01, 2024.

Ind AS 117 - Insurance Contracts

MCA notified the Ind AS 117 "Insurance Contracts" which supersedes the existing Ind As 104. Consequential amendments were also made in other Ind AS- 101, 103, 104, 105, 107, 109, 115, 117, 1, 7, 19, 28, 32, 36, 37, 38 relating to applicability, accounting, measurement, valuations, transitional provisions, exclusions, disclosure etc. The Company does not expect applicability of Ind As 117 and consequential amendments in other Ind As have any significant impact in its financial statements.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

3 (i) Property, plant and equipment

(₹ crores)

Particulars	Land	Buildings	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Computers	Vehicles	Office equipment	Total
Gross carrying value									
As at March 31, 2023	1,045.75	434.51	0.05	1,262.60	113.33	62.64	14.11	12.29	2,945.28
Adjustment pursuant to the Scheme of arrangement (refer notes 4 and 43)	8.39	56.89	24.57	224.88	19.60	17.73	2.08	2.30	356.44
As at April 01, 2023	**1,054.14**	**491.40**	**24.62**	**1,487.48**	**132.93**	**80.37**	**16.19**	**14.59**	**3,301.72**
Additions	-	11.70	0.60	163.17	16.77	16.22	0.95	1.11	210.52
Reclassified from Investment Property (refer note 4)	19.70	4.86	-	-	-	-	-	-	24.56
Disposals	-	(10.58)	-	(63.46)	(4.33)	(3.59)	(3.83)	(0.26)	(86.05)
As at March 31, 2024	**1,073.84**	**497.38**	**25.22**	**1,587.19**	**145.37**	**93.00**	**13.31**	**15.44**	**3,450.75**
Additions*	-	41.41	2.13	126.92	20.60	21.90	1.30	1.95	216.21
Disposals	-	(13.69)	-	(51.72)	(0.68)	(1.70)	(3.72)	(0.61)	(72.12)
Reclassified to held for sale (refer note 44)	(92.30)	(59.91)	-	(89.16)	(13.50)	(4.71)	(0.70)	(0.83)	(261.11)
As at March 31, 2025	**981.54**	**465.19**	**27.35**	**1,573.23**	**151.79**	**108.49**	**10.19**	**15.95**	**3,333.73**
Accumulated depreciation									
As at March 31, 2023	-	278.40	0.01	799.78	74.70	43.73	8.53	10.28	1,215.43
Adjustment pursuant to the Scheme of arrangement (refer notes 4 and 43)	-	9.21	15.54	53.63	6.54	9.80	0.96	1.69	97.37
As at April 01, 2023	**-**	**287.61**	**15.55**	**853.41**	**81.24**	**53.53**	**9.49**	**11.97**	**1,312.80**
Charge for the year^	-	16.72	5.98	139.40	9.71	10.61	1.25	1.57	185.24
Reclassified from Investment Property (refer note 4)	-	2.16	-	-	-	-	-	-	2.16
Adjustment for disposals	-	(9.54)	-	(60.21)	(4.11)	(3.56)	(3.16)	(0.20)	(80.78)
As at March 31, 2024	**-**	**296.95**	**21.53**	**932.60**	**86.84**	**60.58**	**7.58**	**13.34**	**1,419.42**
Charge for the year^	-	19.93	2.42	146.25	10.78	13.77	1.23	1.33	195.71
Adjustment for disposals	-	(11.27)	-	(48.14)	(0.63)	(1.68)	(2.36)	(0.60)	(64.68)
Reclassified to held for sale (refer note 44)	-	(42.18)	-	(51.40)	(6.21)	(3.44)	(0.17)	(0.58)	(103.98)
As at March 31, 2025	**-**	**263.43**	**23.95**	**979.31**	**90.78**	**69.23**	**6.28**	**13.49**	**1,446.47**
Net carrying value as at March 31, 2024	**1,073.84**	**200.43**	**3.69**	**654.59**	**58.53**	**32.42**	**5.73**	**2.10**	**2,031.33**
Net carrying value as at March 31, 2025	**981.54**	**201.76**	**3.40**	**593.92**	**61.01**	**39.26**	**3.91**	**2.46**	**1,887.26**

* total addition during the year excludes ₹ 15.66 crores in respect of discontinued operations after its reclassification as held for sale.

^ Depreciation Charge for the year includes the depreciation related to discontinued operations ₹ 5.81 crores (previous year ₹ 8.56 crore).

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 45(ii) for information on property, plant and equipment pledged as security by the Company (if any).

(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)

Particulars	March 31, 2025	March 31, 2024
Capital work-in-progress	123.17	126.19

Movement in capital work-in-progress during the year:

(₹ crores)

Particulars	Amount
As at March 31, 2023	69.39
Adjustment pursuant to the Scheme of arrangement (refer notes 4 and 43)	28.88
As at April 01, 2023	**98.27**
Add: additions during the year	238.44
Less: capitalisation during the year	(210.52)
As at March 31, 2024	**126.19**
Add: additions during the year*	227.56
Less: capitalisation during the year	(216.21)
Reclassified to held for sale (refer note 44(ii))	(14.37)
As at March 31, 2025	**123.17**

*total addition during the year excludes ₹ 8.88 crores in respect of discontinued operations after its reclassification as held for sale.

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 31, 2025	99.88	15.48	4.35	3.46	123.17
As at March 31, 2024	106.79	15.40	2.88	1.12	126.19

There is no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2025 (Contd.)

4 Investment property

(₹ crores)

Particulars	Land	Building	Total
Gross carrying value			
As at March 31, 2023	28.09	62.97	91.06
Adjustment pursuant to the Scheme of arrangement (refer notes 3 and 43)	(8.39)	(58.11)	(66.50)
As at April 01, 2023	**19.70**	**4.86**	**24.56**
Additions	-	0.13	0.13
Reclassified to Property, plant and equipment (refer note 3)	(19.70)	(4.86)	(24.56)
Disposals	-	(0.13)	(0.13)
As at March 31, 2024	**-**	**-**	**-**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2025	**-**	**-**	**-**
Accumulated depreciation			
As at March 31, 2023	-	11.26	11.26
Adjustment pursuant to the Scheme of arrangement (refer notes 3 and 43)	-	(9.21)	(9.21)
As at April 01, 2023	**-**	**2.05**	**2.05**
Charge for the year	-	0.11	0.11
Reclassified to Property, plant and equipment (refer note 3)	-	(2.16)	(2.16)
As at March 31, 2024	**-**	**-**	**-**
Charge for the year	-	-	-
Adjustment for disposals	-	-	-
As at March 31, 2025	**-**	**-**	**-**
Net carrying value as at March 31, 2024	**-**	**-**	**-**
Net carrying value as at March 31, 2025	**-**	**-**	**-**

(i) Amount recognised in the statement of profit and loss for investment property

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
Rental income	-	0.36
Direct operating expenses that generated rental income	-	-
Direct operating expenses that did not generate rental income	-	-
Profit from leasing of investment properties	**-**	**0.36**

(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

Investment properties were reclassed to property, plant & equipment on account of adjustment pursuant to the Scheme of arrangement refer note 43. Hence, no disclosure w.r.t. fair value of investment property is required to be made at the year ended March 31, 2024 and onwards.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

5 Right-of-use assets

(₹ crores)

Particulars	Property, plant and equipment			Total
	Land	Buildings	Motor car	
Gross carrying value				
As at March 31, 2023	**62.88**	**16.32**	**-**	**79.20**
Adjustment pursuant to the Scheme of arrangement (refer notes 3 and 43)	-	69.67	4.75	74.42
As at April 01, 2023	**62.88**	**85.99**	**4.75**	**153.62**
Additions	-	3.38	0.29	3.67
Disposals	-	(2.03)	(3.08)	(5.11)
As at March 31, 2024	**62.88**	**87.34**	**1.96**	**152.18**
Additions	7.86	45.07	-	52.93
Disposals	-	(25.14)	(1.67)	(26.81)
As at March 31, 2025	**70.74**	**107.27**	**0.29**	**178.30**
Accumulated depreciation				
As at March 31, 2023	**18.73**	**10.24**	**-**	**28.97**
Adjustment pursuant to the Scheme of arrangement (refer notes 3 and 43)	-	27.40	2.37	29.77
As at April 01, 2023	**18.73**	**37.64**	**2.37**	**58.74**
Charge for the year	7.76	17.78	2.00	27.54
Adjustment for disposals	-	(0.58)	(3.09)	(3.67)
As at March 31, 2024	**26.49**	**54.84**	**1.28**	**82.61**
Charge for the year	8.77	21.36	0.55	30.68
Adjustment for disposals	-	(24.41)	(1.67)	(26.08)
As at March 31, 2025	**35.26**	**51.79**	**0.16**	**87.21**
Net carrying value as at March 31, 2024	**36.39**	**32.50**	**0.68**	**69.57**
Net carrying value as at March 31, 2025	**35.48**	**55.48**	**0.13**	**91.09**

Notes:

(i) Depreciation for the year has been included in 'Depreciation and amortisation expense' line item in statement of profit and loss. (refer note 39)

6 (i) Intangible assets

(₹ crores)

Particulars	Prototypes	Technical know how	Software	Customer contracts	Total
Gross carrying value					
As at March 31, 2023	43.66	23.84	73.84	-	141.34
Adjustment pursuant to the Scheme of arrangement (refer notes 3 and 43)	-	-	20.44	2.10	22.54
As at April 01, 2023	**43.66**	**23.84**	**94.28**	**2.10**	**163.88**
Additions	6.09	-	35.40	-	41.49
Disposals	-	-	-	-	-
As at March 31, 2024	**49.75**	**23.84**	**129.68**	**2.10**	**205.37**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	Prototypes	Technical know how	Software	Customer contracts	Total
Additions*	9.59	0.46	16.22	-	26.27
Disposals	-	-	-	-	-
Reclassified to held for sale (refer note 44)	(1.77)	(2.59)	(4.65)	-	(9.01)
As at March 31, 2025	**57.57**	**21.71**	**141.25**	**2.10**	**222.63**
Accumulated amortisation					
As at March 31, 2023	**40.95**	**19.41**	**52.54**	**-**	**112.90**
Adjustment pursuant to the Scheme of arrangement (refer notes 3 and 43)	-	-	10.19	0.84	11.03
As at April 01, 2023	**40.95**	**19.41**	**62.73**	**0.84**	**123.93**
Charge for the year^	3.00	1.57	14.89	0.42	19.88
As at March 31, 2024	**43.95**	**20.98**	**77.62**	**1.26**	**143.81**
Charge for the year^	2.99	1.49	17.53	0.43	22.44
Reclassified to held for sale (refer note 44(ii))	(1.40)	(2.59)	(3.33)	-	(7.32)
As at March 31, 2025	**45.54**	**19.88**	**91.82**	**1.69**	**158.93**
Net carrying value as at March 31, 2024	**5.80**	**2.86**	**52.06**	**0.84**	**61.56**
Net carrying value as at March 31, 2025	**12.03**	**1.83**	**49.43**	**0.41**	**63.70**

* total addition during the year excludes ₹ 0.37 crore in respect of discontinued operations after its reclassification as held for sale.

^ Amortisation charge for the year includes the amortisation related to discontinued operations ₹ 0.41 crores (previous year ₹ 0.61 crore).

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 :

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)

Particulars	March 31, 2025	March 31, 2024
Intangible assets under development	29.33	35.22

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

Movement in intangible assets under development during the year :

(₹ crores)

Particulars	Amount
As at March 31, 2023	**44.29**
Adjustment pursuant to the Scheme of arrangement (refer notes 3 and 43)	10.10
As at April 01, 2023	**54.39**
Add: additions during the year	22.32
Less: capitalisation during the year	(41.49)
As at March 31, 2024	**35.22**
Add: additions during the year*	23.04
Less: capitalisation during the year	(26.27)
Reclassified to held for sale (refer note 44(ii))	(2.66)
As at March 31, 2025	**29.33**

* total addition during the year excludes ₹ 0.77 crore in respect of discontinued operations after its reclassification as held for sale.

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 31, 2025	9.21	3.93	6.51	9.68	29.33
As at March 31, 2024	7.63	8.65	3.39	15.55	35.22

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)

Particulars	As at March 31, 2025	As at March 31, 2024
Investments carried at cost		
Subsidiary companies		
Fully paid equity shares (quoted)	1.17	1.17
Fully paid equity shares (unquoted)	74.45	53.13
Joint ventures and associates		
Fully paid equity shares (unquoted)	-	8.40
Investments carried at fair value through OCI		
Fully paid equity shares (quoted)	-	1.19
Investments carried at amortized Cost		
Mutual funds (quoted) (Target Maturity Funds)	2,648.23	2,902.84
Bonds (unquoted)	624.71	15.64
	3,348.56	**2,982.37**
Aggregate amount of quoted investments	**2,649.40**	**2,905.20**
Market value of quoted investments	**2,674.27**	**2,873.02**
Aggregate amount of unquoted investments	**699.16**	**77.17**
Aggregate amount of impairment in value of investments	**54.43**	**27.35**

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2025 (Contd.)

(ii) Investments - current

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Investment carried at fair value through profit or loss		
Mutual funds (quoted)	2,195.93	1,891.09
Investments carried at amortized Cost		
Mutual funds (quoted) (Target Maturity Funds)	-	41.28
Bonds (Unquoted)	96.49	157.82
	2,292.42	**2,090.19**
Aggregate amount of quoted investments	**2,195.93**	**1,932.37**
Market value of quoted investments	**2,195.93**	**1,932.56**
Aggregate amount of unquoted investments	**96.49**	**157.82**

Details of investments are as follows:

Non-current investments (excluding investments carried at amortized Cost)

(₹ crores)

	Number of shares		Amount	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
In equity instruments* Subsidiaries (quoted)				
Invigorated Business Consulting Limited (Formerly 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	2,43,50,000	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
less: provision for impairment			(18.68)	-
			-	**18.68**
EKL CSR Foundation	50,000	50,000	0.02	0.02
Escorts Kubota Finance Limited (face value of ₹ 100 each)	60,00,000	20,00,000	60.00	20.00
Sole beneficiary interest in Escorts Benefit and Welfare Trust	-	-	14.43	14.43
			74.45	**53.13**
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)
			-	**-**
Adico Escorts Agri Equipment Private Limited	84,00,000	84,00,000	8.40	8.40
less: provision for impairment			(8.40)	-
			-	**8.40**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

	Number of shares		Amount	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Investments carried at fair value through OCI (Quoted)				
Asahi India Glass Limited (face value of ₹ 1 each)	-	18,862	-	1.01
Godavari Drugs Limited	-	19,700	-	0.18
Twenty First Century Medicare Limited^	19,400	19,400	-	-
Tamilnadu Newsprints & Papers Limited ^	-	100	-	-
			-	**1.19**
In preference shares				
Subsidiaries				
Invigorated Business Consulting Limited (Formerly Escorts Finance Limited) (1% redeemable cumulative)	95,00,000	95,00,000	9.50	9.50
less: provision for impairment			(9.50)	(9.50)
			-	-

* 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)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with banks in fixed deposits having remaining maturity of more than 12 months	200.83	-
Security Deposits	17.12	14.29
	217.95	**14.29**

Refer note 35- Financial instruments for disclosure of fair values in respect of financial assets measured at amortized cost and assessment of expected credit losses.

(ii) Other current financial assets

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Export incentives receivable	4.34	3.65
Claims receivable	0.26	1.57
Derivative assets	-	0.01
Security Deposits	14.33	23.12
Other recoverable		
-from related parties (refer note 46 for related party balances)	1.02	3.46
-from others	1.66	10.69
	21.61	**42.50**

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 March 31, 2025 (Contd.)

9 (i) Deferred tax liabilities (net)

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities arising on account of :		
Property, plant and equipment, investment property and intangible assets	45.22	53.63
Investments	110.46	133.82
Deferred tax assets arising on account of :		
Financial assets and financial liabilities at amortized cost and inventories	(77.75)	(74.77)
Provision for employee benefits and other liabilities deductible on actual payment	(19.97)	(13.99)
Net deferred tax liabilities	**57.96**	**98.69**

Notes:

(a) Movement in deferred tax liabilities(net) for the year ended March 31, 2025 is as follows:

(₹ crores)

Particulars	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	53.63	(8.41)	-	45.22
Financial assets and financial liabilities at amortized cost and inventories	(74.77)	(2.98)	-	(77.75)
Provision for employee benefits and other liabilities deductible on actual payment	(13.99)	(5.32)	(0.66)	(19.97)
Investments	133.82	(23.20)	(0.16)	110.46
Net deferred tax liabilities	**98.69**	**(39.91)**	**(0.82)**	**57.96**

(b) Movement in deferred tax liabilities(net) for the year ended March 31, 2024 is as follows:

(₹ crores)

Particulars	Opening balance	Adjustment pursuant to the Scheme of arrangement (refer notes 3 and 43)	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	48.15	13.08	(7.60)	-	53.63
Financial assets and financial liabilities at amortized cost and inventories	(30.24)	(29.64)	(14.89)	-	(74.77)
Provision for employee benefits and other liabilities deductible on actual payment	(11.34)	(1.54)	(1.07)	(0.04)	(13.99)
Investments	58.55	-	75.25	0.02	133.82
Net deferred tax liabilities	**65.12**	**(18.10)**	**51.69**	**(0.02)**	**98.69**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

9 (ii) Tax expense

The income tax expense consists of the following:

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current tax expense		
Continuing operations	271.02	261.55
Discontinued operations	46.19	46.00
	317.21	**307.55**
Deferred tax expense		
Continuing operations	(41.54)	52.56
Discontinued operations	1.62	(0.87)
	(39.92)	**51.69**
Total tax expense	**277.29**	**359.24**
Continuing operations	229.48	314.11
Discontinued operations	47.81	45.13

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)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit before income tax		
Continuing operation	1,339.51	1,262.14
Discontinued operation	188.70	178.72
Total profit before income tax	**1,528.21**	**1,440.86**
Statutory income tax rate*	25.17%	25.17%
Expected income tax expense	384.62	362.64
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax on expense not eligible for deduction	4.49	4.78
Impact due to change in tax rate	(65.79)	-
Utilisation of tax losses upon amalgamation	(21.04)	-
Income chargeable to lower rate of tax	(33.56)	(0.53)
Utilisation of tax losses for which no deferred tax was recognised in the previous year	-	(7.03)
Others	8.57	(0.62)
Total income tax expense	**277.29**	**359.24**

* 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%

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

10 Other assets

(i) Non-current

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital advances*	38.25	59.66
Deposits with statutory authorities**	68.08	76.80
Balances with statutory authorities	154.96	133.22
	261.29	**269.68**
Allowance for doubtful advances	(1.60)	(2.14)
	259.69	**267.54**

* includes advance given to related party ₹ 0.66 crore (previous year ₹ 0.68 crore)

** includes deposit paid under protest with statutory authorities.

(ii) Current

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Refund asset	5.07	4.35
Advances to suppliers*	17.82	27.82
Prepaid expenses	10.60	12.38
Balances with statutory authorities	288.94	315.45
Other advances	0.50	0.62
	322.93	**360.62**

* includes advance payment to related party ₹ Nil (previous year ₹ 0.85 crore).

11 Inventories

(Valued at lower of cost and net realisable value, unless otherwise stated)

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials and components	429.72	507.35
Goods-in-transit	58.84	73.24
	488.56	**580.59**
Work-in-progress	**22.52**	**57.23**
Finished goods	574.30	660.00
Goods-in-transit	21.90	58.53
	596.20	**718.53**
Stock-in-trade	212.73	210.06
Goods-in-transit	1.48	68.99
	214.21	**279.05**
Stores and spares	**12.94**	**14.24**
Loose tools	**9.46**	**6.53**
	1,343.89	**1,656.17**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(i) 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 March 31, 2023	**66.17**
Adjustment pursuant to the Scheme of arrangement (refer note 43)	9.57
Allowance for obsolete and slow moving inventories as at April 01, 2023	**75.74**
Add: write-down recognised during the year	58.52
Less: allowance utilised during the year	(18.52)
Allowance for obsolete and slow moving inventories as at March 31, 2024	**115.74**
Add: write-down recognised during the year	38.05
Less: allowance utilised during the year	(11.13)
Reclassified to held for sale (refer note 44(ii))	(11.08)
Allowance for obsolete and slow moving inventories as at March 31, 2025	**131.58**

12 Trade receivables

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured, considered good	353.22	381.72
Unsecured, considered good	1,071.16	1,112.50
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	38.55	34.67
	1,462.93	**1,528.89**
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(44.56)	(30.91)
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	(38.55)	(34.67)
	(83.11)	**(65.58)**
	1,379.82	**1,463.31**

Trade receivables ageing schedule

As at March 31, 2025

(₹ crores)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,010.49	312.42	41.10	11.07	0.30	0.39	1,375.77
(ii) Undisputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	1.61	-	0.04	1.65

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
(iv) Disputed trade receivables – considered good	0.08	4.65	14.66	10.39	14.38	4.45	48.61
(v) Disputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	21.09	7.24	8.57	36.90
	1,010.57	**317.07**	**55.76**	**44.16**	**21.92**	**13.45**	**1,462.93**

Trade receivables ageing schedule

As at March 31, 2024

(₹ crores)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	969.21	442.10	33.62	2.12	0.02	0.89	1,447.96
(ii) Undisputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	2.92	1.55	3.62	8.09
(iv) Disputed trade receivables – considered good	-	2.57	13.09	14.96	14.12	1.52	46.26
(v) Disputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	8.72	7.78	10.08	26.58
	969.21	**444.67**	**46.71**	**28.72**	**23.47**	**16.11**	**1,528.89**

(i) Refer note 35 - Financial instruments for assessment of expected credit losses.

(ii) The carrying values are considered to be a reasonable approximation of their fair values.

(iii) Trade receivables include ₹ 188.67 crores (previous year ₹ 112.94 crores) due from related parties. For details refer note 46 - related party disclosures.

13 Cash and cash equivalents

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks in current accounts	15.21	44.34
Cash on hand	-	0.04
Debit balance in cash credit accounts	29.42	65.93
Bank deposits with original maturity of less than or equal to 3 months	291.17	123.05
	335.80	**233.36**

There are no restrictions of use with respect to cash and cash equivalents as at the end of the current year and previous year. The carrying values are a reasonable approximation of their fair values.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

14 Other bank balances

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Earmarked bank balances	3.40	1.98
Fixed deposits with original maturity of more than 3 months but less than 12 months	576.05	768.67
Margin money deposits	3.15	2.90
Escrow account	195.61	184.57
	778.21	**958.12**

(i) Earmarked balances with banks represent unclaimed dividends (previous year 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 ₹ 0.20 crore (previous year: ₹ 0.19 crore) 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) ₹ 3.15 crores (previous year: ₹ 2.90 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 current year and previous year.

(vi) The carrying values are a reasonable approximation of their fair values.

15 (i) Assets held for sale

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Land and Building held for sale (refer note 44(i))	50.37	17.54
Assets of RED Business held for sale (refer note 44(ii))	550.68	-
	601.05	**17.54**

15 (ii) Liabilities directly associated with assets classified as held for sale

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Liabilities of RED Business held for sale (refer note 44(ii))	107.13	-
	107.13	**-**

16 (i) Equity share capital

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
75,10,00,000 (previous year 40,10,00,000) Equity shares of ₹ 10 each	751.00	401.00
88,80,00,000 (previous year 88,80,00,000) Unclassified shares of ₹ 10 each	888.00	888.00
	1,639.00	**1,289.00**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Issued, subscribed and fully paid-up		
11,18,77,754 (previous year 11,04,98,261) Equity shares of ₹ 10 each	111.88	110.50
	111.88	**110.50**

(a) Reconciliation of number of shares

Particulars	As at March 31, 2025		As at March 31, 2024	
	No of shares	₹ crores	No of shares	₹ crores
Equity shares at the beginning of the year	11,04,98,261	110.50	13,19,40,604	131.94
Cancelled during the year (refer note 42(a))	-	-	(2,14,42,343)	(21.44)
Issued pursuant to scheme of amalgamation(refer note 43)	13,79,493	1.38	-	-
Equity shares at the end of the year	**11,18,77,754**	**111.88**	**11,04,98,261**	**110.50**

(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.

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No of shares	% holding	No of shares	% holding
Kubota Corporation	6,04,92,462	54.07%	5,91,12,970	53.50%
Har Parshad and Company Private Limited	1,07,26,308	9.59%	1,07,26,308	9.71%
HDFC Asset Management Company Limited	60,98,570	5.45%	-	-

(d) The Company has a holding company named Kubota Corporation.

(e) The Company has issued total 1,77,931 (previous year 1,18,700) 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

Particulars	As at March 31, 2025	As at March 31, 2024
	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	18,78,599	20,56,530

These shares are held as treasury shares under other equity (refer note 17)

For terms and other details (refer note 38)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(g) Shares held by promoters at the end of the year

As at March 31, 2025

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	0.02%	-
2	Nikhil Nanda	12,03,091	-	12,03,091	1.08%	-
3	Nitasha Nanda	1,93,422	-	1,93,422	0.17%	-
4	Navya Naveli Nanda	18,000	-	18,000	0.02%	-
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	1.51%	-
8	Big Apple Clothing Private Limited	17,71,837	-	17,71,837	1.58%	-
9	Invigorated Business Consulting Limited (Formerly Escorts Finance Limited)	31	-	31	0.00%	-
10	Har Parshad and Company Private Limited	1,07,26,308	-	1,07,26,308	9.59%	-
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	Kubota Corporation	5,91,12,970	13,79,492	6,04,92,462	54.07%	1.25%

As at March 31, 2024

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	0.02%	-
2	Nikhil Nanda	12,03,091	-	12,03,091	1.09%	-
3	Nitasha Nanda	1,93,422	-	1,93,422	0.18%	-
4	Navya Naveli Nanda	18,000	-	18,000	0.02%	-
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	1.53%	-
8	Big Apple Clothing Private Limited	17,71,837	-	17,71,837	1.60%	-
9	Invigorated Business Consulting Limited (Formerly Escorts Finance Limited)	31	-	31	0.00%	-
10	Har Parshad and Company Private Limited	1,07,26,308	-	1,07,26,308	9.71%	-
11	Sietz Technologies India Private Limited	826	-	826	0.00%	-

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2025 (Contd.)

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
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)	-	0.00%	(16.25%)
15	Kubota Corporation	5,91,12,970	-	5,91,12,970	53.50%	-

16 (ii) Equity share capital suspense account

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
13,79,493 Equity shares of ₹ 10 each issued pursuant to scheme of amalgamation (refer note 43)	-	1.38
	-	**1.38**

17 Other equity

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve		
Opening balance	239.10	97.40
Add: Capital reserve arising on amalgamation (refer note 43)	-	141.70
	239.10	**239.10**
Capital redemption reserve	**4.00**	**4.00**
General reserve	**731.56**	**731.56**
Securities premium		
Opening balance	3,161.98	3,322.98
Less: cancellation of shares held by Escorts Benefit and Welfare Trust (refer note 42)	-	(176.60)
Add: amount received from employees on exercise of employees' stock option against options exercised during the year(net of tax)	20.30	10.97
Add: transferred from employees' stock option outstanding account against options exercised during the year	7.63	4.63
	3,189.91	**3,161.98**
Employees' stock option outstanding account		
Opening balance	11.86	12.30
Add: charge for the year*	-	4.19
Less: transferred to securities premium against vested options exercised during the year	(7.63)	(4.63)
	4.23	**11.86**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Treasury shares		
Opening balance	(17.38)	(18.38)
Less: adjustment for options exercised during the year	1.50	1.00
	(15.88)	**(17.38)**
Retained earnings		
Opening balance	5,172.32	4,152.02
Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	15.09
Adjusted opening balance	**5,172.32**	**4,167.11**
Add: net profit for the year	1,250.92	1,081.62
Less: equity dividend (net of dividend on treasury shares) (during FY 2024-25: ₹ 18.00 per share paid for FY 2023-24) (during FY 2023-24: ₹ 7.00 per share paid for FY 2022-23)	(196.66)	(76.34)
Less: Interim dividend (net of dividend on treasury shares) ₹ 10.00 per share paid for FY 2024-25	(110.67)	-
Add: remeasurement of defined benefit plans (net of tax)	(1.95)	(0.07)
Add: Transfer from other comprehensive income - sale of investment	1.46	-
	6,115.42	**5,172.32**
Other comprehensive income, net of tax		
Equity instruments measured at fair value through other comprehensive income		
Opening balance	1.16	0.99
Add : changes during the year (net of tax)	0.30	0.17
Less: Transfer to retained earnings - sale of investment	(1.46)	-
	-	**1.16**
	10,268.34	**9,304.60**

* includes ₹ Nil (previous year ₹ 0.06 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 fair 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(iv) Capital reserve

This reserve represents the excess of net assets taken, over the cost of acquisition paid at the time of amalgamation/ acquisition. 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 and transfer from Employee's stock options outstanding account upon lapse of vested options. Mandatory transfer to general reserve upon declaration of dividend 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.

(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 Borrowings

(i) Non-current borrowings

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured		
Term loans from financial institutions	-	125.56
Less:		
Current maturities of long-term borrowings	-	73.56
	-	**52.00**

(a) Security and repayment details

Term loan facility taken from the bank is unsecured and carries floating interest rate. The interest rate ranges between 9.30% p.a. to 9.40% p.a. (previous year: 8.75% p.a. to 8.85% p.a.). The Company has not defaulted on any loan repayments during the year. Term loan of ₹ 73.56 crores and ₹ 52.00 Crores outstanding at previous year end was repayable in April 2024 and April 2025 respectively, which was repaid fully during the FY 2024-25.

(b) Refer note 35 - Financial instruments for disclosure of fair values in respect of financial liabilities measured at amortized cost and analysis of their maturity profiles.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(ii) Current borrowings

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured		
Cash credit and other working capital facilities from banks	-	237.80
Current maturities of long-term borrowings	-	73.56
	-	**311.36**

(a) Security and repayment details

Working capital demand loan facility taken from banks are unsecured and carries floating interest rate. The interest rate ranges between 7.25% p.a. to 9.80% p.a. (previous year: 5.75% p.a. to 9.05% p.a.). The Company has not defaulted on any loan repayments during the year.

(b) The carrying values are considered to be reasonable approximation of their fair values.

(iii) Reconciliation of financial liabilities with cashflow arising from financing activities:

(₹ crores)

Particulars	Non-current borrowings	Current borrowings	Lease liabilities
Balance as at March 31, 2023	**-**	**-**	**57.30**
Adjustment pursuant to the Scheme of arrangement (refer note 43)	73.56	144.51	47.11
Balance as at April 01, 2023	**73.56**	**144.51**	**104.41**
Cash flows:			
Proceeds/(repayments)	52.00	93.29	(25.72)
Interest paid	(5.95)	(16.05)	(8.05)
Interest expenses	6.56	16.10	8.05
Non cash:			-
Addition during the year	-	-	2.21
Interest accrued as at March 31, 2024	(0.61)	(0.05)	-
Balance as at March 31, 2024	**125.56**	**237.80**	**80.90**
Cash flows:			
Proceeds/(repayments) (net)	(125.56)	(237.80)	(30.42)
Interest paid	(2.55)	(11.09)	(8.29)
Interest expenses	2.55	11.09	8.29
Non cash:			
Addition during the year	-	-	52.20
Balance as at March 31, 2025	**-**	**-**	**102.68**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

19 Other financial liabilities

(i) Other non-current financial liabilities

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	34.65	20.30
	34.65	**20.30**

Financial instruments for disclosure of fair values in respect of financial liabilities measured at amortized cost and analysis of their maturity profiles.(Refer note 35)

(ii) Other current financial liabilities

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital creditors	28.38	37.91
Security deposits	5.94	25.10
Unpaid dividends*	3.40	1.98
Payable to related parties (refer note 46)	0.37	0.41
Employee related payables	108.15	87.26
Retention money	0.74	0.74
Derivative liabilities	3.16	0.21
Other accrued liabilities	198.15	139.81
Interest accrued but not yet due	-	0.65
Other payables	8.90	27.03
	357.19	**321.10**

*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.

20 Other liabilities

(i) Other non-current liabilities

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred income	10.63	10.28
	10.63	**10.28**

(ii) Other current liabilities

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Advances received from customers	56.12	77.04
Advance against assets held for sale	13.00	13.00
Payable to statutory authorities	39.44	38.42

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred income	40.38	33.06
Others	36.24	36.24
	185.18	**197.76**

21 Provisions

(i) Non-current

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity	-	2.28
Provision for compensated absences	30.58	28.16
Provision for pension	3.64	3.91
Others		
Provision for claims	12.38	12.38
Provision for warranty	29.86	32.32
	76.46	**79.05**

(ii) Current

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity	13.56	13.82
Provision for compensated absences	2.86	2.46
Provision for pension	0.52	0.62
Others		
Provision for claims	65.00	65.00
Provision for warranty	47.93	43.52
	129.87	**125.42**

Notes:

1 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 September 25, 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 crores had been kept under Escrow as fixed deposit by the Company, which after renewal(s) along with interest cumulatively amounts to ₹ 195.61 crores as on March 31, 2025 (previous year ₹ 184.57 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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

arises, whose carrying value is ₹ 65.00 crores on March 31, 2025 (previous year ₹ 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 had filed two appeal(s) before Hon'ble Delhi High Court. During the financial year 2023-24 one of the appeal has ben dismissed by the Hon'ble Delhi High Court and the other appeal is pending.

2 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.

3 Movement in other provisions :

(₹ crores)

Particulars	Provision for claims	Provision for warranty
Provision at March 31, 2023	**65.00**	**44.81**
Adjustment pursuant to the Scheme of arrangement (refer note 43)	42.88	29.59
Provision at April 01, 2023	**107.88**	**74.40**
Additions during the year	8.35	40.40
Amount utilised during the year	(38.85)	(38.96)
Provision at March 31, 2024	**77.38**	**75.84**
Additions during the year	-	43.95
Amount utilised during the year	-	(42.00)
Provision at March 31, 2025	**77.38**	**77.79**

4 For disclosures on provisions related to employee benefits, refer note 37.

22 Trade payables

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Trade payables		
- due to micro, small and medium enterprises (MSME) (refer note 41)	95.86	129.68
- due to others	1,306.05	1,297.24
Other accrued liabilities	224.36	205.01
	1,626.27	**1,631.93**

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 March 31, 2025 (Contd.)

Trade Payables ageing schedule as at March 31, 2025

(₹ crores)

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	1.03	34.56	55.78	1.45	1.42	1.62	95.86
(ii)	Others	360.00	794.14	336.60	32.59	0.89	6.19	1,530.41
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
		361.03	**828.70**	**392.38**	**34.04**	**2.31**	**7.81**	**1,626.27**

Trade Payables ageing schedule as at March 31, 2024

(₹ crores)

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	4.95	45.35	75.25	2.01	1.26	0.86	129.68
(ii)	Others	267.86	456.78	769.19	1.43	0.91	6.08	1,502.25
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
		272.81	**502.13**	**844.44**	**3.44**	**2.17**	**6.94**	**1,631.93**

23 Revenue from operations

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Operating revenue		
Sale of products		
Export	536.20	537.04
Domestic	9,479.72	9,002.96
Sale of services	7.45	9.96
	10,023.37	**9,549.96**
Other operating revenue		
Sale of other services	34.05	37.41
Export incentives	14.14	14.92
Scrap sales	50.81	63.47
Liabilities no longer required written back	0.40	3.32
Foreign exchange gain(net)	10.98	16.14
Others	53.21	45.50
	163.59	**180.76**
	10,186.96	**9,730.72**

Also refer note 47 for disclosures pursuant to Ind AS 115 -Revenue from Contracts with Customers.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

24 Other income

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest from		
Bank deposits	75.63	48.71
Other financial assets carried at amortized cost	1.32	1.51
Investments carried at amortized cost	132.05	172.00
	209.00	**222.22**
Other income		
Lease rentals	0.39	0.60
Gain on fair valuation/ disposal of investments (net)	239.90	152.76
Gain on disposal of property, plant and equipment (net)	1.95	9.20
Miscellaneous income	7.15	6.72
	249.39	**169.28**
	458.39	**391.50**

25 Cost of materials consumed

(i) Cost of material consumed

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening stock	580.59	550.84
Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	83.36
Adjusted opening stock	**580.59**	**634.20**
Purchases	5,823.43	6,445.62
Closing stock*	(589.23)	(580.59)
	5,814.79	**6,499.23**
Adjustment pursuant to discontinued operations (refer note 44(ii))	(562.16)	(609.84)
	5,252.63	**5,889.39**

*including ₹100.67 crores pertaining to discontinued operations as at March 31, 2025

(ii) Changes in inventories of work-in-progress, stock-in-trade and finished goods

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening stock		
Finished goods	718.53	444.58
Work-in-progress	57.23	60.20
Stock-in-trade	279.05	84.18
Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	290.38
Adjustment pursuant to discontinued operations (refer note 44(ii))	(37.02)	(44.06)
	1,017.79	**835.28**
Closing stock		
Finished goods	(596.20)	(718.53)
Work-in-progress	(22.52)	(57.23)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Stock-in-trade	(214.21)	(279.05)
Adjustment pursuant to discontinued operations (refer note 44(ii))	-	37.02
	(832.93)	**(1,017.79)**
	184.86	**(182.51)**

26 Employee benefits expense

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	670.39	602.82
Share based payments to employees (refer note 38)	-	3.33
Post-employment and other long term benefits expense (refer note 37)	12.10	10.28
Contribution to provident and other funds (refer note 37)	27.14	25.56
Staff welfare	46.24	45.57
	755.87	**687.56**

27 Finance costs

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on		
Long term loans	2.55	6.56
Cash credit and short term loans	11.09	16.11
Lease liabilities	8.29	8.05
Others	0.26	1.53
Finance and bank charges	1.55	2.96
Unwinding of discount on provisions and financial liabilities carried at amortized cost	3.29	3.57
	27.03	**38.78**

28 Depreciation and amortisation

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on		
Property, plant and equipment	189.90	176.68
Investment property	-	0.11
Right-of-use assets	30.68	27.54
Amortisation on		
Intangible assets	22.03	19.27
	242.61	**223.60**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

29 Other expenses

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Stores and spares consumed	59.97	70.76
Power, fuel and electricity	45.77	49.92
Repair and maintenance		
Building	7.66	7.73
Machinery	23.65	24.48
Others	45.76	45.36
Outsourcing expenses	8.56	13.17
Warranties and after sale service	60.21	71.40
Rent	15.64	15.15
Rates and taxes	4.73	7.56
Insurance	7.62	13.09
Travelling and conveyance	100.61	91.63
Postage and telephones	10.48	9.65
Manpower hiring on contract	245.41	197.32
Legal and professional (refer note 31)	46.39	34.48
Commission, discounts and sales incentive	11.64	11.13
Advertisement and promotional expenses	66.30	61.23
Royalty paid	43.89	47.96
Packing, freight and forwarding	102.94	92.17
Security charges	7.16	7.23
Printing and stationery	4.25	4.80
Director's sitting fees and commission	6.76	6.79
Corporate social responsibility (CSR) expenditure *	16.42	17.57
Provision for doubtful debts/advances and deposits	41.50	32.29
Bad debts written off	17.85	0.39
Less : Provision already held	(17.85)	(0.39)
Miscellaneous expenses	53.69	65.37
	1,037.01	**998.24**
*** CSR Expenditure (including discontinued operations)**		
(i) Opening balance of amount deposited in designated bank account in terms of section 135(6) of the Companies Act, 2013^	-	23.27
(ii) Transfer of pre spent amount pursuant to the Scheme of arrangement and carry forward to next year	-	-
(iii) Gross amount required to be spent by the Company during the year	17.85	18.96
(iv) Amount spent (in cash) during the year on:		
a) Construction/acquisition of any asset	-	-
b) For the purposes other than (a) above	11.72	18.99
(v) Unspent amount deposited in a designated bank account (dated April 29, 2025), in terms of section 135(6) of the Companies Act, 2013.	6.13	-
(vi) 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	-	23.27
(vii) Closing balance of amount deposited in designated bank account in terms of section 135(6) of the Companies Act, 2013^	6.13	-

^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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

30 (i) Exceptional items

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Impairment of investments in subsidiary and joint venture	27.08	-
	27.08	**-**

The Company has recognized an impairment loss of ₹ 18.68 crores in Farmtrac Tractors Europe SP Z.o.o (a subsidiary company) and ₹ 8.40 crores in Adico Escorts Agri Equipment Private Limited (a joint venture company) during the year ended March 31, 2025. This impairment is necessitated by sustained operational challenges. While, the Company will continue to evaluate its options regarding these investments, management's assessment at this stage indicates that the carrying value might not be recoverable under the current circumstances.

30 (ii) Earnings per share (EPS)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net profit for the year (₹ in crores)		
- From continuing operation (A)	**1,110.03**	**948.03**
- From discontinued operation (B)	**140.89**	**133.59**
- From continuing and discontinued operations (C)	**1,250.92**	**1,081.62**
Total shares issued at the beginning of the year	**11,04,98,261**	**13,19,40,604**
Less: shares reserved for issue under options held by Escorts Employees Benefit & Welfare Trust at the beginning of the year	20,56,530	21,75,230
Add : Weighted average number of Equity Shares issued and allotment of shares by ESOP Trust to Employees	1,31,815	50,816
Add : Equity shares to be issued pursuant to the Scheme of arrangement (refer note 43)	13,79,493	13,79,493
Less: Weighted average number of Equity Shares on account of capital reduction during the year	-	1,80,44,376
Weighted-average number of equity shares for basic EPS (D)	**10,99,53,039**	**11,31,51,307**
Effect of dilution :		
Weighted average number of share options granted to employees	68,896	1,86,437
Weighted average number of equity shares adjusted for the effect of dilution (E)	**11,00,21,935**	**11,33,37,744**
Earnings per equity share of ₹ 10 each :		
For continuing operations		
a) Basic (₹) (A/D)	100.96	83.78
b) Diluted (₹) (A/E)	100.89	83.64
For discontinued operations		
a) Basic (₹) (B/D)	12.81	11.81
b) Diluted (₹) (B/E)	12.81	11.79
For continuing and discontinued operations		
a) Basic (₹) (C/D)	113.77	95.59
b) Diluted (₹) (C/E)	113.70	95.43

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

31 Legal and professional expenses includes payments to auditor

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
As Auditor		
Audit fee	1.85	1.67
Certification and other services	0.05	0.05
For reimbursement of expenses	0.09	0.07
Others	-	-

32 Commitments and contingencies (including discontinued operations)

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
A. **Capital commitments -** Estimated amounts of contracts remaining to be executed on capital account and not provided for	212.76	244.39
B. **Guarantees executed in favour of others**	45.24	55.90
C. **Contingencies**		
(i) **Taxation related contingencies**		
Excise duty/ customs duty /service tax demands/ GST demands	477.38	469.57
Sales tax and other demands	36.12	34.33
Demand raised by income tax department, disputed by the Company and pending in appeal (refer note 1 below)	73.80	77.73
(ii) **Others**		
Cases under litigation relating to :		
- Personnel	3.06	5.49
- Others	68.41	49.93
(iii) **Claims not acknowledged as debts**	**15.42**	**15.42**

Notes:

1. 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(EHIRC) since the amount is indeterminable (refer note 21(ii) for details). Further the amount includes ₹ 29.44 crores (previous year ₹ 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.

2. 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

33 Loss from agricultural activities

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Expenses	-	0.01
Sales and other income	-	-
Net loss from agricultural activities	-	0.01

34 Research and development

(i) Research and development costs on in house R&D centers amounting to ₹ 170.36 crores (previous year ₹ 154.37 crores) were incurred during the year.

(₹ crores)

Particulars	Tractor		Construction equipment	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Cost of materials consumed	7.55	5.60	-	0.13
Employee benefits expense	79.11	70.06	10.61	10.18
Other expenses	43.45	39.49	5.93	6.22
Depreciation	20.95	21.30	2.76	1.39
Total	**151.06**	**136.45**	**19.30**	**17.92**

(ii) Assets purchased/capitalised for research and development centers*:

(₹ crores)

Particulars	R & D Centre (Tractors)	R&D Centre (Construction Equipment)
Gross carrying value		
As at March 31, 2023	**375.76**	**13.60**
Additions	20.00	4.03
Disposals	(4.45)	(0.02)
As at March 31, 2024	**391.31**	**17.61**
Additions	42.38	5.57
Disposals	(9.32)	(0.01)
As at March 31, 2025	**424.37**	**23.17**
Accumulated depreciation and amortisation		
As at March 31, 2023	**162.07**	**9.11**
Depreciation and amortisation for the year	21.30	1.39
Disposals	(4.07)	(0.02)
As at March 31, 2024	**179.30**	**10.48**
Depreciation and amortisation for the year	20.95	2.76
Disposals	(7.66)	-
As at March 31, 2025	**192.59**	**13.24**
Net carrying value as at March 31, 2024	**212.01**	**7.13**
Net carrying value as at March 31, 2025	**231.78**	**9.93**

* Excluding capital advance/capital work-in-progress.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(iii) Expenses on research and development as percentage to gross turnover is:

Particulars	March 31, 2025	March 31, 2024
Tractor	1.51%	1.43%
Construction equipment	0.19%	0.19%

35 Financial Instruments

A Financial assets and liabilities*

The carrying amounts of financial instruments by category are as follows:

(₹ crores)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
Financial assets measured at fair value			
Investments measured at			
Fair value through other comprehensive income	7(i)	-	1.19
Fair value through profit and loss	7(ii)	2,195.93	1,891.09
Derivative assets			
Fair value through profit and loss	8(ii)	-	0.01
Financial assets measured at amortized cost			
Investments	7(i), 7(ii)	3,369.43	3,117.58
Trade receivables	12	1,379.82	1,463.31
Cash and cash equivalents	13	335.80	233.36
Other bank balances	8(i), 14	979.04	958.12
Other financial assets	8(i), 8(ii)	38.73	56.78
Total		**8,298.75**	**7,721.44**
Financial liabilities measured at fair value			
Derivative liabilities			
Fair value through profit and loss	19(ii)	3.16	0.21
Financial liabilities measured at amortized cost			
Borrowings	18(i), 18(ii)	-	363.36
Trade payables	22	1,626.27	1,631.93
Lease liabilities	39	102.68	80.90
Other financial liabilities	19(i), 19(ii)	388.68	341.19
Total		**2,120.79**	**2,417.59**

*excluding financial assets and liabilities reclassified as assets held for sale during financial year ended March 31, 2025

Investment in subsidiaries, joint ventures and associates are measured at cost as per Ind AS 27, 'Separate financial statements' 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].

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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

As at March 31, 2025

(₹ crores)

Particulars	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	-	-	-	**-**
Fair value through profit and loss	2,195.93	-	-	**2,195.93**
Derivative assets measured at				
Fair value through profit and loss	-	-	-	**-**
Derivative liabilities measured at				
Fair value through profit and loss	-	3.16	-	**3.16**

As at March 31, 2024

(₹ crores)

Particulars	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	1.19	-	-	**1.19**
Fair value through profit and loss	1,891.09	-	-	**1,891.09**
Derivative assets measured at				
Fair value through profit and loss	-	0.01	-	**0.01**
Derivative liabilities measured at				
Fair value through profit and loss	-	0.21	-	**0.21**

a. Valuation process and technique used to determine fair value

(i) The fair value of quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.

(ii) 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.

(iii) The derivative financial instruments are valued using forward exchange rates as at the balance sheet date.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

B.2 Fair value of instruments measured at amortized cost*

Fair value of instruments measured at amortized cost for which fair value is disclosed alongwith fair value hierarchy is as follows:

As at March 31, 2025

(₹ crores)

Particulars	Fair value hierarchy	Carrying value	Fair value
Other financial assets	Level 3	17.12	17.12
Investments in Mutual Funds (Target Maturity Funds, Quoted)	Level 1	2,648.23	2,672.09
Investments in Bonds (Unquoted)	Level 2	721.20	689.75
Security deposits received	Level 3	34.65	34.35
Lease liabilities	Level 3	102.68	100.27

*excluding financial assets and liabilities reclassified as assets held for sale during financial year ended March 31, 2025

As at March 31, 2024

(₹ crores)

Particulars	Fair value hierarchy	Carrying value	Fair value
Other financial assets	Level 3	14.29	14.29
Investments in Mutual Funds (Target Maturity Funds, Quoted)	Level 1	2,944.12	2,911.28
Investments in Bonds (Unquoted)	Level 2	173.46	167.23
Security deposits received	Level 3	20.30	19.94
Lease liabilities	Level 3	80.90	80.37

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(if any) 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 March 31, 2025 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 March 31, 2025.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized 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 (₹)	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 amortized 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 amortized 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)

Particulars	As at March 31, 2025	As at March 31, 2024
Low credit risk on financial reporting date		
Investments**	3,369.43	3,117.58
Cash and cash equivalents *	335.80	233.36
Other bank balances *	979.04	958.12
Other financial assets *	38.73	56.78

^excluding financial assets and liabilities reclassified as assets held for sale during financial year ended March 31, 2025

* Represents carrying values of financial assets, without deduction for expected credit losses

** Represents target maturity funds, bonds at amortized 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 amortized cost

Other financial assets measured at amortized 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 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 ₹ 353.22 crores (previous year ₹ 381.72 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.

As at March 31, 2025

Agri machinery

(₹ crores)

Particulars	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount- trade receivables	1,196.33	80.63	29.11	21.85	60.74	**1,388.66**
Expected loss rate	1.31%	11.48%	26.31%	53.50%	52.98%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	15.65	9.26	7.66	11.69	32.18	**76.44**

Construction equipment

(₹ crores)

Particulars	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount- trade receivables	58.41	0.03	0.01	0.01	4.58	**63.04**
Expected loss rate	0.43%	100.00%	100.00%	100.00%	42.36%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	0.25	0.03	0.01	0.01	1.94	**2.24**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

As at March 31, 2024

Agri machinery

(₹ crores)

Particulars	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount- trade receivables	1,269.96	64.19	23.56	13.38	45.41	**1,416.50**
Expected loss rate	0.77%	17.40%	15.20%	32.81%	48.10%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	9.76	11.17	3.58	4.39	21.84	**50.74**

Construction equipment

(₹ crores)

Particulars	0-90 days	91-180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount- trade receivables	59.82	0.07	0.00	0.00	8.15	**68.04**
Expected loss rate	0.22%	28.57%	0.00%	0.00%	47.61%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	0.13	0.02	0.00	0.00	3.88	**4.03**

(₹ crores)

Particulars	As at March 31, 2025		As at March 31, 2024		
	Auto products*	Others	Auto products*	Railway products	Others
Historical loss rate on sales during the year	0.00%	-	-	0.12%	-
Loss allowance provision on the sales	0.00	-	-	1.86	-
Loss allowance provision on the debtors outstanding more than one year	4.31	0.12	4.31	4.26	0.38

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)

Particulars	Trade receivables	Other financial assets
Loss allowance on March 31, 2023	**30.12**	-
Loss allowance pursuant to the Scheme of arrangement	9.54	-
Loss allowance on April 01, 2023	**39.66**	**-**
Loss allowance created	26.31	-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	Trade receivables	Other financial assets
Loss allowance utilised/ written back	(0.39)	-
Loss allowance on March 31, 2024	**65.58**	**-**
Loss allowance created	41.00	-
Loss allowance utilised/ written back	(19.33)	-
Reclassified to held for sale (refer note 44(ii))	(4.14)	-
Loss allowance on March 31, 2025	**83.11**	**-**

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.

a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Floating rate		
- Expiring within one year (cash credit and other facilities)	561.75	388.76

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 March 31, 2025.

b) Maturities of financial liabilities

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.

As at March 31, 2025

(₹ crores)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Derivatives					
Derivative liabilities	3.16	-	-	-	3.16
Non-derivatives					
Lease liabilities	36.23	32.60	24.38	30.32	123.53
Borrowing	-	-	-	-	-
Trade payable (including MSME)	1,626.27	-	-	-	1,626.27

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Security deposits	5.78	0.56	1.02	43.26	50.62
Other financial liabilities	348.09	-	-	-	348.09
	2,019.53	**33.16**	**25.40**	**73.58**	**2,151.67**

As at March 31, 2024

(₹ crores)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Derivatives					
Derivative liabilities	0.21	-	-	-	0.21
Non-derivatives					
Lease liabilities	30.04	21.18	17.32	28.27	96.81
Borrowings	311.36	52.00	-	-	363.36
Trade payable (including MSME)	1,631.93	-	-	-	1,631.93
Security deposits	25.51	-	0.70	25.74	51.95
Other financial liabilities	295.79	-	-	-	295.79
	2,294.84	**73.18**	**18.02**	**54.01**	**2,440.05**

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 USD, 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.

(i) Foreign currency risk exposure in USD (including exposure pertaining to discontinued operations):

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets	41.56	24.91
Financial liabilities	430.36	180.44
Net exposure to foreign currency risk (liabilities)/assets	**(388.80)**	**(155.53)**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
USD sensitivity		
INR/USD- increase by 2.01% (March 31, 2024 - 1.92%)*	(5.85)	(2.23)
INR/USD- decrease by 2.01% (March 31, 2024 - 1.92%)*	5.85	2.23

* Holding all other variables constant

(ii) Foreign currency risk exposure in EURO (including exposure pertaining to discontinued operations):

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets	147.36	72.55
Financial liabilities	39.52	91.36
Net exposure to foreign currency risk (liabilities)/assets	**107.84**	**(18.81)**

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
EURO sensitivity		
INR/EURO- increase by 5.08% (March 31, 2024 - 4.46%)*	4.10	(0.63)
INR/EURO- decrease by 5.08% (March 31, 2024 - 4.46%)*	(4.10)	0.63

* Holding all other variables constant

(iii) Foreign currency risk exposure in JPY (including exposure pertaining to discontinued operations):

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets	0.18	2.34
Financial liabilities	38.15	39.11
Net exposure to foreign currency risk (liabilities)	**(37.97)**	**(36.77)**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
JPY sensitivity		
INR/JPY- increase by 9.00% (March 31, 2024 - 6.90%)*	(2.56)	(1.90)
INR/JPY- decrease by 9.00% (March 31, 2024 - 6.90%)*	2.56	1.90

* 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. The interest rate ranges between 7.25% p.a. to 9.80% p.a. (previous year: 5.75% p.a. to 9.05% p.a.).

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed rate borrowing including interest accrued there on	-	364.01
Amount disclosed under other current financial liabilities	-	0.65
Amount disclosed under borrowings	-	363.36

Sensitivity

Below is the sensitivity of profit or loss and equity in interest rates.

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	-	(2.72)
Interest rates – decrease by 100 basis points (100 bps)	-	2.72

* Holding all other variables constant

ii) **Assets**

The Company's fixed deposits are carried at amortized 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Mutual funds		
Net assets value – increase by 100 bps (100bps)	16.43	14.15
Net assets value – decrease by 100 bps (100bps)	(16.43)	(14.15)

Impact on other comprehensive income after tax

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Quoted equity instruments		
Market price – increase by 500 bps (500bps)	-	0.05
Market price – decrease by 500 bps (500bps)	-	(0.05)

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

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Net debts	-	363.36
Total equity	10,380.22	9,416.48
Net debt to equity ratio	**-**	**0.04**

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2025 (Contd.)

(b) Dividends

(₹ crores)

Particulars		As at March 31, 2025	As at March 31, 2024
(i)	**Dividend paid on equity shares of ₹ 10 each**		
	Final dividend for FY 2023-24 of ₹ 18.00 per share	198.90	-
	Final dividend for FY 2022-23 of ₹ 7.00 per share	-	77.35
	Interim dividend for FY 2024-25 of ₹ 10.00 per share	111.88	-
		310.78	**77.35**
(ii)	**Dividend recommended/ proposed ^**		
	Final dividend for FY 2024-25 of ₹ 18.00 per share	201.38	-
	Interim dividend for FY 2024-25 of ₹ 10.00 per share	111.88	-
	Final dividend for FY 2023-24 of ₹ 18.00 per share	-	198.90
		313.26	**198.90**

^ The dividend recommended/ proposed is subject to shareholders approval/ ratification in ensuing 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

(₹ crores)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Gratuity				
Present value of defined benefit obligation	111.02	-	95.83	7.13
Fair value of plan assets	95.69	-	82.01	4.85
Net value of defined benefit obligation	**15.33**	**-**	**13.82**	**2.28**

(ii) Amount recognised in the statement of profit and loss is as under

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	11.77	10.24
Net interest cost	1.16	0.61
Net impact on profit (before tax)^	**12.93**	**10.85**
Actuarial loss/(gain) recognised during the year	2.54	0.19
Amount recognised in the statement of profit and loss	**15.47**	**11.04**

^ includes amount ₹1.30 crores (previous year ₹0.94 crore) pertaining to discontinued operations.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation as at the start of the year	102.96	93.52
Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	6.08
Current service cost	11.77	10.24
Interest cost	7.43	7.32
Actuarial loss/(gain) recognised during the year	2.00	(0.41)
Benefits paid	(13.14)	(13.79)
Present value of defined benefit obligation as at the end of the year	**111.02**	**102.96**

(iv) Movement in the plan assets recognised in the balance sheet is as under

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at beginning of year	86.86	87.30
Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	3.92
Expected return on plan assets	6.27	6.71
Employer's contribution	16.24	3.12
Benefits paid	(13.14)	(13.59)
Actuarial gain/(loss) on plan assets	(0.54)	(0.60)
Fair value of plan assets at the end of the year	**95.69**	**86.86**
Actual return on plan assets	5.73	6.11

(v) Breakup of actuarial (gain)/loss

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Actuarial (gain)/loss on arising from change in demographic assumption	3.88	(0.21)
Actuarial (gain)/loss on arising from change in financial assumption	1.53	2.08
Actuarial (gain)/loss on arising from experience adjustment	(2.87)	(1.68)
Total actuarial (gain)/loss	**2.54**	**0.19**

(vi) Actuarial assumptions

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.93%	7.22%
Future salary increase	8.00%	8.00%
Expected average remaining working lives of employees (years)	22.35	21.66

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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year	111.02	102.96
- Impact due to increase of 0.50 %	(4.88)	(4.25)
- Impact due to decrease of 0.50 %	5.31	4.59
Impact of the change in salary increase		
Present value of obligation at the end of the year	111.02	102.96
- Impact due to increase of 0.50 %	5.18	4.45
- Impact due to decrease of 0.50 %	4.82	(4.17)

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

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Within next 12 months	12.78	11.36
Between 1-5 years	33.41	34.54
Beyond 5 years	64.83	57.06

(ix) Category of plan assets

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
LIC of India - Group Gratuity Cash Accumulation Fund	91.35	85.69
Others	4.34	1.17
	95.69	**86.86**

(x) The Company expects to contribute ₹ 13.29 crores (previous year ₹ 13.30 crores) to its gratuity plan for the next year.

(xi) The weighted average duration of defined benefit obligation for gratuity is 17.10 years (previous year 16.25 years) for the Company.

(xii) Gratuity liability(net) includes ₹ 1.77 crores pertaining to discontinued operations.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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 ₹ 12.45 crores (previous year: ₹ 10.62 crores) has been recognised in the statement of profit and loss. It includes ₹ 1.27 crores (previous year: ₹ 0.92 crore) pertaining to discontinued operations.

(₹ crores)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Compensated absences (unfunded)	3.19	33.34	2.46	28.16

(i) Compensated absences (unfunded) includes ₹ 3.08 crores (previous year ₹ 2.46 crores) pertaining to discontinued operations.

(ii) The weighted average duration for Compensated absences is 17.10 years(previous year 16.25 years) for the Company.

C Pension

(₹ crores)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Pension	0.56	3.91	0.62	3.91

(i) Amount recognised in the balance sheet is as under:

(₹ crores)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Pension				
Present value of defined benefit obligation	0.56	3.91	0.62	3.91
Fair value of plan assets	-	-	-	-
Net value of defined benefit obligation	**0.56**	**3.91**	**0.62**	**3.91**

(ii) Amount recognised in the statement of profit and loss is as under:

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	-	-
Past service cost including curtailment gains/losses	-	-
Net interest cost	0.33	0.35
Actuarial loss/(gain) recognised during the year	0.07	(0.08)
Amount recognised in the statement of profit and loss	**0.40**	**0.27**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation as at the start of the year	**4.53**	**4.78**
Interest cost	0.33	0.35
Actuarial loss/(gain) recognised during the year	0.07	(0.08)
Benefits paid	(0.46)	(0.52)
Present value of defined benefit obligation as at the end of the year	**4.47**	**4.53**

(iv) Breakup of actuarial (gain)/loss:

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Actuarial (gain)/loss on arising from change in financial assumption	-	-
Actuarial (gain)/loss on arising from experience adjustment	0.07	(0.08)
Total actuarial (gain)/loss	**0.07**	**(0.08)**

(v) Actuarial assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.93%	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 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

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year	4.47	4.53
- Impact due to increase of 0.50 %	(0.10)	(0.11)
- Impact due to decrease of 0.50 %	0.10	0.10

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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(vii) Maturity profile of defined benefit obligation

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Within next 12 months	0.56	0.62
Between 1-5 years	2.21	2.21
Beyond 5 years	1.70	1.70

(viii) The Company expects to contribute ₹ 0.31 crore (previous year ₹ 0.33 crore) 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 ₹ 28.83 crores (previous year ₹ 27.06 crores) and contribution to Employee State Insurance Scheme for the year aggregated to ₹ 0.51 crores (previous year ₹ 0.43 crores).

The above includes ₹ 2.28 crores (previous year ₹ 2.03 crores) pertaining to discontinued operations.

E The Company has taken an insurance policy for medical benefits in respect of its working and certain retired 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
			1,122.00
			1,385.00
			1,465.80
	Vested equally over a period of 4 years from the date of grant in the ratio of 2:2:3:3*		1,805.00
			1,928.00

* The unvested options at the beginning of March 31, 2024 has been vested to the eligible employees on an accelerated basis in the proportion of the period served by these employees upto March 31, 2024 and the remaining unvested options stand cancelled as at March 31, 2024.

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:

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	2,43,916	5,49,094
Granted during the year	-	-
Exercised during the year	1,77,931	1,18,700
Forfeited during the year	-	80,549

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Lapsed/Cancelled during the year	500	1,05,929
Closing balance	**65,485**	**2,43,916**

Employee benefits expense includes Nil (previous year : ₹ 3.33 crores) being expenses on account of share based payments.

* The weighted average share price at the date of exercise of options during the year ended March 31, 2025 was ₹ 3,863.91 (previous year ₹ 2,772.76).

Weighted average remaining contractual life of options as at March 31, 2025 is 1.64 years (previous year 2.49 years).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Exercise price (₹)	Expiry date of options at March 31, 2025	Expiry date of options at March 31, 2024	Share options March 31, 2025	Share options March 31, 2024
August 16, 2018	870.00	August 15, 2024	August 15, 2024	-	2,350
August 16, 2018	870.00	August 15, 2025	August 15, 2025	9,450	35,750
September 08, 2020	1,122.00	September 07, 2024	September 07, 2024	-	4,900
September 08, 2020	1,122.00	September 07, 2025	September 07, 2025	1,379	9,064
September 08, 2020	1,122.00	September 07, 2026	September 07, 2026	5,353	26,212
September 08, 2020	1,122.00	March 31, 2027	March 31, 2027	17,629	32,290
February 03, 2021	1,385.00	February 02, 2026	February 02, 2026	986	1,250
February 03, 2021	1,385.00	February 02, 2027	February 02, 2027	1,250	18,000
February 03, 2021	1,385.00	March 31, 2027	March 31, 2027	1,250	14,193
September 16, 2021	1,465.80	September 15, 2025	September 15, 2025	-	3,850
September 16, 2021	1,465.80	September 15, 2026	September 15, 2026	2,599	3,900
September 16, 2021	1,465.80	March 31, 2027	March 31, 2027	3,850	6,301
September 16, 2021	1,465.80	March 31, 2027	March 31, 2027	3,972	4,727
November 26, 2022	1,805.00	November 25, 2026	November 25, 2026	-	22,000
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	1,739	21,494
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	6,250	21,504
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	9,778	16,131
				65,485	**2,43,916**

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.	August 16, 2018	September 08, 2020	February 03, 2021	September 16, 2021	November 26, 2022	February 07, 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	₹ 2,288.35	₹ 2,061.90

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

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

(a) Information for leases where the Company is a lessee

Lease liabilities are presented in the balance sheet as follows:

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Current	35.13	31.28
Non-current	67.55	49.62
	102.68	**80.90**

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:

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation expense of right-of-use assets	30.68	27.54
Interest expense on lease liabilities	8.29	8.05
Rent expense (excluding discontinued operations)*	15.64	15.15
	54.61	**50.74**

*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:

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

As at March 31, 2025

Particulars	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	9	0.5 - 15.3	9	-
Marketing offices and related facilities	13	0.25 - 4.67	11	-
Vehicles	1	0.75	1	-

As at March 31, 2024

Particulars	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	1.5-16.3	7	-
Marketing offices and related facilities	12	0.24-4.54	10	-
Vehicles	2	0.42-1.75	2	-

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 (excluding discontinued operations) relating to payments not included in the measurement of the lease liability for short term leases is ₹ 15.64 crores (previous year: ₹ 15.15 crores).

Total cash outflow for leases for the year ended March 31, 2025 was ₹ 54.35 crores (previous year:.₹ 48.92 crores).

(b) Information for leases where the Company is a lessor

The Company as a lessor has not entered any arrangements of lease. Accordingly, the disclosure in respect of finance lease or operating lease is not applicable to the Company.

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 October 01, 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 March 31, 2008.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

41 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

(₹ crores)

	Particulars	As at March 31, 2025	As at March 31, 2024
i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; (excluding ₹14.71 crores pertaining to discontinued operations as at March 31, 2025);	95.86	129.68
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 (excluding ₹ 0.07 crores pertaining to discontinued operations as at March 31, 2025); and	1.03	2.40
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 Other Explanatory notes

(a) Subsequent to approval of the Board of Directors on February 18, 2022 for selective reduction of share capital of the Company by cancelling and extinguishing 2,14,42,343 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 provisions 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 August 14, 2022. The Scheme has been approved by the Tribunal vide its order dated May 25, 2023 ("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 May 29, 2023. Accordingly, the impact of the scheme has been considered during FY 2023-24.

(b) i) 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.

ii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

iii) 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.

iv) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

v) No charges or satisfaction yet to be registered with ROC beyond the statutory period.

vi) 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(c) The Ministry of Corporate Affairs (MCA), under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 mandates companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The requirement is applicable with effect from the financial year beginning on April 01, 2023.

The Company, during the year has used an accounting software for maintaining its books of account which has a feature of recording audit trail of each and every transaction posted into the accounting software, creating an edit log of each change made in the books of account along with the date when such changes were made, in respect of those posted transactions in the books of accounts and such feature in the accounting software cannot be disabled. Further, the audit trail (edit logs) feature for any changes made directly at the database level was enabled w.e.f September 01, 2024 for the accounting software. Further, the audit trail has been preserved as per statutory requiements for record retention wherever such feature is enabled.

43 Business Combination under Common Control- Amalgamation of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited into and with Escorts Kubota Limited

The Board of the Directors of the Company on September 15, 2022 had approved a Scheme of Amalgamation ("SoA"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and rules framed thereunder. The SoA, inter alia, provides for amalgamation of erstwhile joint ventures, Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited (together hereinafter referred to as “Amalgamating Companies”) into and with Escorts Kubota Limited (the Company) with appointed date being April 1, 2023. The Company filed the said SoA with the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT) on July 12, 2023. The SoA had been approved by the requisite majority of the Shareholders and Creditors of the Companies on December 2, 2023. Post Shareholders and Creditors approval, the Company filed the Second Motion Application with NCLT on December 11, 2023. The NCLT approved the SoA vide its Order dated August 21, 2024 and its certified copy was filled with Registrar of Companies (ROC) on September 1, 2024. During the previous year, the Company has taken effect to the SoA, which has been accounted as per ‘the Pooling of Interest Method’ specified in the approved SoA which is in line with the accounting principles given under Appendix C of Ind AS 103, “Business Combinations”.

Pursuant to above, the financial statements of the company in respect of the prior periods have been restated as if the aforesaid business combination had occurred from the beginning of the preceding year being April 01, 2023.

Accounting treatment under pooling of interest method

i. The amalgamated Company has recorded all the assets, liabilities and reserves of the amalgamating Company vested in it pursuant to this Scheme, at their carrying values and in the same form as appearing in the books of the amalgamating Companies as on April 01, 2023.

ii. The identity of the reserves have been preserved and are recorded in the same form and at the carrying amount as appearing in the financial statements of amalgamating Companies.

iii. No adjustments are made to reflect fair values or recognise any new assets or liabilities except to harmonise the accounting policies.

iv. The inter-company transactions and balances have been eliminated.

v. The difference between the consideration discharged by the company and the net assets and reserves of the amalgamating companies had been transferred to capital reserve.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

The book value of assets and liabilities taken over as at April 01, 2023 in accordance with the terms of the scheme at the following summarised values:

(₹ crores)

Particulars	Escorts Kubota India Private Limited	Kubota Agricultural Machinery India Private Limited	Total
ASSETS			
Non Current Assets			
Property, Plant and Equipment	193.56	9.44	203.00
Capital work-in-progress	27.66	-	27.66
Right-of-use assets	13.98	40.64	54.62
Intangible assets	7.37	4.14	11.51
Intangible assets under development	-	10.10	10.10
Financial Assets			
Other Financial Assets	1.50	6.13	7.63
Deferred tax assets (net)	-	18.10	18.10
Income tax Assets (net)	1.07	4.83	5.90
Other Non-current Assets	16.21	0.56	16.77
Total non-current assets	**261.35**	**93.94**	**355.29**
Current Assets			
Inventories	88.81	284.94	373.75
Financial Assets			
Trade receivables	144.49	224.16	368.65
Cash and cash equivalents	0.62	257.84	258.46
Bank balances other than above	0.07	0.85	0.92
Other Financial Assets	0.22	11.92	12.14
Other current assets	133.74	36.43	170.17
Total current assets	**367.95**	**816.14**	**1,184.09**
Total assets (A)	**629.30**	**910.08**	**1,539.38**
EQUITY			
Other equity	(141.93)	157.02	15.09
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Borrowings	73.56	-	73.56
Lease Liabilities	6.34	28.11	34.45
Provisions	8.46	12.07	20.53
Other non-current liabilities	-	-	-
Total non-current liabilities	**88.36**	**40.18**	**128.54**
Current Liabilities			
Financial Liabilities			
Borrowings	144.51	-	144.51
Lease Liabilities	12.05	14.77	26.82
Trade Payables	175.28	596.36	771.64
Other financial liabilities	6.40	21.30	27.70
Other current liabilities	1.99	16.41	18.40

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	**Escorts Kubota India Private Limited**	**Kubota Agricultural Machinery India Private Limited**	**Total**
Provisions	42.64	14.04	56.68
Total current liabilities	**382.87**	**662.88**	**1,045.75**
Total Equity & Liabilities (B)	**329.30**	**860.08**	**1,189.38**
Total net identifiable assets acquired C = (A-B)	300.00	50.00	350.00
Carrying amount of investments in amalgamating companies cancelled (D)	120.00	90.00	210.00
Equity share capital issued as per SoA (E) (refer note below)	0.70	0.68	1.38
Excess of net assets over investment (F) = (C-D-E)	**179.30**	**(40.68)**	**138.62**
Impact of Intra group transactions & balances elimination (G)			3.08
Capital reserve arising on amalgamation (F+G)			**141.70**

Note:

1. The details of the amalgamating companies are as below

(₹ crores)

Particulars	**Amalgamating Company 1**	**Amalgamating Company 2**
Name of the Amalgamating Companies	Escorts Kubota India Private Limited	Kubota Agricultural Machinery India Private Limited
General nature of business	Manufacturing & selling of Tractors	Manufacturing & selling of Tractors, Farm and construction equipment's,
Appointed date of the Scheme	April 01, 2023	April 01, 2023
Description and number of shares issued by the Company	6,97,674 Equity share of ₹ 10 each	6,81,818 Equity shares of ₹ 10 each
Swap ratio	5 Equity share of ₹ 10 each of the Company for 129 shares of ₹ 100 each in Amalgamating company 1	5 Equity share of ₹ 10 each of the Company for 220 shares of 10 each in Amalgamating company 2
% of Company's share in amalgamating company exchanged	40%	40%

2. Company has allotted 13,79,493 Equity shares of ₹ 10 each in pursuance of the SoA on Sep 06, 2024.
3. The authorised share capital of the amalgamated company, automatically stands increased, by clubbing the authorised share capital of the amalgamating companies.
4. The impact of SoA on the previous period presented is as follows:

a. Change in total assets, total liabilities and total equity

(₹ crores)

Particulars	**As at March 31, 2024**	
	Reported	**Restated**
Total assets	11,284.90	12,410.16
Total liabilities	2,071.14	2,993.68
Total equity	9,213.76	9,416.48

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

b. Change in revenue from operations, profit before tax, profit after tax and earnings per equity share - basic and diluted

(₹ crores)

Particulars*	As at March 31, 2024	
	Reported	Restated
Revenue from operations		
- From continuing operations	7,826.33	9,730.72
- From discontinued operations	950.41	950.41
Total	**8,776.74**	**10,681.13**
Profit before tax		
- From continuing operations	1,211.08	1,262.14
- From discontinued operations	178.72	178.72
Total	**1,389.80**	**1,440.86**
Profit after tax		
- From continuing operations	903.56	948.03
- From discontinued operations	133.59	133.59
Total	**1,037.15**	**1,081.62**
Earnings per share		
For continuing operations		
- Basic (₹)	80.84	83.78
- Diluted (₹)	80.71	83.64
For discontinued operations		
- Basic (₹)	11.95	11.81
- Diluted (₹)	11.93	11.79
For continuing and discontinued operations		
- Basic (₹)	92.79	95.59
- Diluted (₹)	92.64	95.43

* The figures for "Railway equipments" segment have been reclassified as discontinued operations (refer note 44(ii)).

c. Change on cash flows arising on operating, investing and financing activities.

(₹ crores)

Particulars	Year ended March 31, 2024	
	Reported	Restated
Net cash flows generated from operating activities	1,038.25	795.41
Net cash flows used in investing activities	(933.23)	(1,023.15)
Net cash flows (used in)/ generated from financing activities	(79.95)	21.04

44 Assets held for sale and discontinued operations

(i) Assets held for sale

(a) The Company in earlier years, has agreed to transfer 25 acres of land at Plot No. 219, Sector 58, Ballabhgarh, Haryana for a consideration of ₹ 17.54 crores (including additional payment of ₹ 8.54 crores to Haryana Shehri Vikas Pradhikaran (HSVP) under "Last and Final Settlement Scheme, 2022" towards settlement of enhancement dues related to the said land) of which ₹ 13.00 crores has been received from the buyer. The said transfer is subject to necessary approval from

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

Haryana Urban Development Authority (HUDA) and accordingly the amount received from the buyer 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.

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 measurement for land.

(b) The Board of Directors of the Company on February 10, 2025 has approved execution of an agreement for sale of land admeasuring 33,423 square yards along with building thereon forming part of the industrial plot bearing no. 115 and part of plot no. 114 located in Sector 24, Faridabad to Sona BLW Precision Forgings Limited (Sona Comstar) for a total consideration of ₹ 110 crores. The said land and building is transferred to assets held for sale in accordance with Ind AS 105 "Non-current assets held for sale and discontinued operations"

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. No write down was required to be made to the carrying value of said land and building.

(ii) Discontinued operations

The Board of the Directors of the Company on October 23, 2024 has approved the sale/ transfer of its division engaged in the business of manufacturing, assembly, sales, servicing, research and development of railway equipment products including parts thereto ("RED Business") as a going concern, on a 'slump sale' basis, as defined under Section 2(42C) of the Income-tax Act, 1961, for a lump sum cash consideration of ₹ 1,600 crores without values being assigned to the individual assets and liabilities in such sale/ transfer, to Sona Comstar.

The sale/ transfer of RED Business is subject to completion of conditions precedent and closing actions as specified in the business transfer agreement (BTA). Further, the lumpsum cash consideration is subject to certain transaction adjustments as specified in the BTA.

Disclosures in accordance with Ind AS 105 "Non-current assets held for sale and discontinued operations"

(a) Extract of assets and liabilities classified as held for sale :

(₹ crores)

Particulars	As at March 31, 2025
Property, plant and equipment (including CWIP)	147.55
Intangible assets (including assets under development)	5.12
Other financial assets	0.43
Other non current assets	1.87
Inventories	149.77
Trade receivables	226.22
Other financial assets	15.08
Other current assets	4.64
Total assets held for sale	**550.68**
Non-current liabilities-Provisions	3.02
Trade payables	84.22
Other financial liabilities	11.33
Other current liabilities (including provision)	8.56
Total liabilities held for sale	**107.13**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(b) Change in cash flows arising due to operating, investing and financing activities

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net cash flows generated from operating activities	111.40	390.83
Net cash flows used in investing activities	(29.06)	(25.10)
Net cash flows used in financing activities	(0.02)	(0.35)
Intra-company adjustments	(81.84)	(368.98)

(c) The Company has presented seperately the previous year numbers under discontinued operations as per para 34 of Ind AS 105 "Non-current assets held for sale and discontinued operations". Accordingly, statement of profit and loss for financial year ended March 31, 2024 has been restated.

(d) Financial performance inforamation

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income		
Revenue from operations	912.79	950.41
Other income	0.32	1.11
Total income	**913.11**	**951.52**
Total expenses	724.41	772.80
Profit before tax from discontinued operations	**188.70**	**178.72**
Tax expense of discontinued operations	47.81	45.13
Net profit for the period from discontinued operations	**140.89**	**133.59**
Earnings per equity share of ₹ 10 each from discontinued operations:		
a) Basic (₹)	12.81	11.81
b) Diluted (₹)	12.81	11.79

45 (i) 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 August 09, 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 October 12, 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

Post selective reduction of share capital of the Company as detailed in Note 42(a) above, EBWT presently holds Nil (previous year Nil) equity shares of the Company and 2,34,97,478 (previous year 2,34,97,478) equity shares of Escorts Finance Limited (subsidiary of the Company). Market value of outstanding shares held by Trust on March 31, 2025 is ₹ 13.42 crores (previous year ₹ 12.43 crores).

(ii) Assets pledged as security for borrowings

The Company's credit facilities are unsecured in nature. No assets are pledged as security against these facilities.

(iii) Disclosure pursuant to section 186(4) of The Companies Act, 2013

(₹ crores)

Particulars	Proposed Utilisation of proceeds	Year ended March 31, 2025	Year ended March 31, 2024
Investments in equity shares of			
- Escorts Kubota Finance Limited	Captive financing	40.00	20.00
Advance given			
- Adico Escorts Agri Equipment Private Limited	Business purpose	1.00	1.00

46 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

Subsidiaries including Fellow Subsidiaries

Domestic Subsidiaries

Escorts Crop Solutions Limited

Escorts Benefit and Welfare Trust

Invigorated Business Consulting Limited

Escorts Benefit Trust

EKL CSR Foundation

Escorts Kubota Finance Limited (Incorporated on January 09, 2024)

Overseas Subsidiaries

Farmtrac Tractors Europe Sp. Z.o.o, Poland

Fellow Subsidiaries (Overseas)

Kubota Europe S.A.S.

Kubota Holdings Europe B.V.

Kubota (Deutschland) GMbh

Kubota Canada Ltd.

Kubota Engine (Thailand) Co. Ltd.

SIAM Kubota Corporation Co. Ltd.

Kubota Industrial Equipment Corporation

Kubota Manufacturing of America Corporation

Kubota Agricultural Machinery (Suzhou) Co. Ltd, China

Kubota Turkey Makine Ticaret Limited Sirketi

Kubota (U.K.) Limited

Kubota Malaysia SDN BHD

Kubota Tractor Corporation

Kubota Machinery Trading Co. Ltd

Kubota Construction Machinery (Shanghai) Co., Ltd.

Kubota Engine America Corporation

Kubota Global Institute of Technology

Kubota Design Corporation

Kubota Mexico

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

Joint venture

Adico Escorts Agri Equipment Private Limited

Associate

Escorts Consumer Credit Limited

B Key management personnel

Mr. Nikhil Nanda #	Chairman and Managing Director
Ms. Nitasha Nanda #	Whole-Time Director
Mr. Seiji Fukuoka #	Deputy Managing Director
Mr. Bharat Madan #	Whole-time Director and Chief Financial Officer
Mr. Satyendra Chauhan #	Company Secretary & Compliance Officer (ceased w.e.f February 29, 2024)
Mr. Arvind Kumar #	Company Secretary (appointed w.e.f. March 01, 2024)

Other directors

Mr. Hardeep Singh

Mr. Sutanu Behuria (ceased w.e.f July 14, 2023)

Mr. Sunil Kant Munjal

Ms. Tanya Arvind Dubash

Mr. Harish N. Salve

Mr. Ravindra Chandra Bhargava

Mr. Vimal Bhandari

Mr. Reema Rameshchandra Nanavati

Mr. Manish Sharma

Dr. Rupinder Singh Sodhi (appointed as Director w.e.f. July 14, 2023)

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

Agresource Management Private Limited

Big Apple Clothing Private Limited

EEWL Limited

Har Parshad And Company Private Limited

Niky Tasha Communications Private Limited

Niky Tasha Energies Private Limited

Sietz Technologies India Private Limited

Sun & Moon Travels (India) Private Limited

Hero Mindmine Institute Private Limited

Escorts Dealer Development Assosiation Ltd

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

List of other related parties

Escorts Limited Employees' Group Gratuity Fund Trust (refer note 37 for transaction)

Key management personnel remuneration includes the following expenses:

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Short-term employee benefits:	32.75	22.51
Other long term benefits	-	0.03
Post-employment benefits:	0.62	0.76
Total remuneration	**33.37**	**23.30**

C Transactions and balances with related party (including discontinued operations)

(i) Transactions and balances with joint ventures

(₹ crores)

Nature of transactions*	Purchase of goods	Interest Income	Rent Received	Receiving of services	Sale of goods	Rendering of services	Advance given/Trade receivables	Payables/ Advance received
Adico Escorts Agri Equipment Private Limited	52.94	0.24	-	-	0.19	-	1.00	0.20
	(68.75)	(0.26)	-	-	(0.22)	-	(1.69)	-

(ii) Transactions and balances with Subsidiaries :

(₹ crores)

Nature of transactions*	Sale of goods	Rendering of services	Rent Received	Reimbursement of expenses/ Receiving of services	Purchase of goods	Investments made	Trade/ Other Receivables	Payables/ Advance received
Farmtrac Tractors Europe Sp. Z.o.o, Poland	36.77	-	-	0.65	0.57	-	62.47	0.24
	(36.17)	(0.07)	-	(2.14)	(0.01)	-	(48.88)	(0.08)
Escorts Crop Solutions Limited	-	-	-	0.02	-	-	0.02	-
	(0.90)	-	-	(0.26)	(0.04)	-	(0.38)	(0.05)
EKL CSR Foundation	-	-	-	10.33	-	-	-	-
	-	-	-	(42.14)	-	-	-	-
Escorts Kubota Finance Limited	-	0.19	0.13	-	-	40.00	0.29	-
	-	(0.23)	-	-	-	(20.00)	(0.30)	-

(iii) Transactions and balances with ultimate Holding company and Fellow Subsidiaries :

(₹ crores)

Nature of transactions*	Purchase of goods	Sale of goods	Rendering of services	Receiving of services/ Reimbursement of expenses	Dividend Paid	Trade/ Other Receivables	Payables/ Advance received
Kubota Corporation	711.25	25.27	17.11	27.17	166.90	5.38	420.76
	(669.74)	(2.46)	(20.81)	(31.32)	(41.38)	(2.42)	(280.14)
Kubota Europe S.A.S.	-	48.41	-	-	-	46.45	-
	-	(62.06)	-	(0.01)	-	(15.90)	-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Nature of transactions*	Purchase of goods	Sale of goods	Rendering of services	Receiving of services/ Reimbursement of expenses	Dividend Paid	Trade/ Other Receivables	Payables/ Advance received
Kubota Holdings Europe B.V.	-	38.38	-	-	-	30.85	-
	-	(49.69)	-	-	-	(5.64)	-
Kubota (Deutschland) GMbh	-	-	-	-	-	-	-
	-	-	-	(0.02)	-	-	-
Kubota (U.K.) Limited	-	12.53	-	-	-	6.06	-
	-	(13.84)	-	-	-	(1.89)	-
Kubota Malaysia SDN BHD	-	1.26	-	0.01	-	-	-
	-	-	-	-	-	-	-
Kubota Tractor Corporation	0.01	0.01	-	-	-	0.01	-
	(0.01)	(0.18)	-	-	-	(0.02)	(0.01)
Kubota Canada Ltd.	-	-	-	-	-	-	-
	-	(0.20)	-	-	-	-	-
Kubota Machinery Trading Co. Ltd	33.54	13.20	0.01	-	-	1.81	9.16
	(49.57)	(9.40)	(0.02)	(0.36)	-	(2.48)	(11.94)
Kubota Engine (Thailand) Co. Ltd.	201.15	-	0.52	-	-	0.39	75.11
	(58.27)	-	(0.13)	(0.01)	-	(0.02)	(47.82)
SIAM Kubota Corporation Co. Ltd.	35.95	65.90	0.02	1.86	-	15.24	9.95
	(48.93)	(71.25)	(1.44)	(0.03)	-	(19.09)	(8.11)
Kubota Industrial Equipment Corporation	-	-	-	-	-	-	-
	-	(45.73)	-	-	-	-	-
Kubota Manufacturing of America Corporation	-	45.54	-	-	-	14.12	-
	-	(8.72)	-	-	-	(12.79)	-
Kubota Agricultural Machinery (Suzhou) Co. Ltd, China	35.85	-	-	0.01	-	0.04	6.83
	(26.57)	-	-	-	-	-	(8.34)
Kubota Construction Machinery (Shanghai) Co., Ltd.	0.34	-	-	-	-	-	0.09
	(0.43)	-	-	-	-	-	(0.06)
Kubota Engine America Corporation	0.01	-	-	-	-	-	-
	(0.02)	-	-	-	-	-	(0.02)
Kubota Global Institute of Technology	-	-	-	-	-	-	-
	-	-	(6.74)	-	-	(3.00)	-
Kubota Mexico	-	4.70	-	-	-	4.69	-
	-	-	-	-	-	-	-
Kubota Design Corporation	-	-	2.19	-	-	0.35	-
	-	-	-	-	-	-	-
Kubota Turkey Makine Ticaret Limited Sirketi	-	0.13	-	-	-	-	-
	-	-	-	-	-	-	-

*Numbers in brackets represents financial year ending March 31, 2024

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(iv) Transactions and balances 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	-	12.59	-	-	-	-	-	3.37	-	-	4.00
	-	(12.46)	-	(0.43)	-	(0.11)	-	(0.84)	-	-	(4.00)
Nitasha Nanda	-	3.01	-	-	-	-	-	0.54	-	-	0.56
	-	(2.91)	-	(0.47)	-	(0.03)	-	(0.14)	-	-	(0.57)
Shweta Nanda	-	-	-	-	-	-	-	0.05	-	-	-
	-	-	-	-	-	-	-	(0.01)	-	-	-
Navya Naveli Nanda	-	-	-	-	-	-	0.24	0.05	-	-	-
	-	-	-	-	-	-	(0.24)	(0.01)	-	-	(0.02)
Agastya Nanda	-	-	-	-	-	-	-	0.03	-	-	-
	-	-	-	-	-	-	-	(0.01)	-	-	-
Bharat Madan	-	14.72	-	-	-	-	-	0.02	-	-	-
	-	(5.23)	-	-	-	-	-	-	-	-	(1.12)
Satyendra Chauhan	-	-	-	-	-	-	-	-	-	-	-
	-	(0.69)	-	-	-	-	-	-	-	-	-
Smarti Chauhan	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(0.03)	-	-	-	-
Arvind Kumar	-	0.61	-	-	-	-	-	-	-	-	-
	-	(0.12)	-	-	-	-	-	-	-	-	(0.08)
Meenakshi Gupta	-	-	-	-	-	-	0.02	-	-	-	**
	-	-	-	-	-	-	(**)	-	-	-	(**)
Hardeep Singh^	-	0.15	-	-	-	-	0.15	**	-	-	0.15
	-	-	-	-	-	-	(0.31)	(**)	-	-	(0.15)
Sutanu Behuria^	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(0.02)	-	-	-	-
Sunil Kant Munjal^	-	0.15	-	-	-	-	0.11	0.07	-	-	0.15
	-	-	-	-	-	-	(0.24)	(0.02)	-	-	(0.15)
Seiji Fukuoka	-	2.44	-	-	-	-	-	-	-	-	-
	-	(1.89)	-	-	-	-	-	-	-	-	-
Manish Sharma^	-	0.15	-	-	-	-	0.10	-	-	-	0.15
	-	-	-	-	-	-	(0.27)	-	-	-	(0.15)
Ravindra Chandra Bharvaga^	-	0.15	-	-	-	-	0.08	-	-	-	0.15
	-	-	-	-	-	-	(0.23)	-	-	-	(0.15)
Reema Rameshchandra Nanavati^	-	0.15	-	-	-	-	0.07	-	-	-	0.15
	-	-	-	-	-	-	(0.22)	-	-	-	(0.15)
Vimal Bhandari^	-	0.15	-	-	-	-	0.14	-	-	-	0.15
	-	-	-	-	-	-	(0.30)	-	-	-	(0.15)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ 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
Tanya Arvind Dubash^	-	0.15	-	-	-	-	0.07	-	-	-	0.15
	-	-	-	-	-	-	(0.22)	-	-	-	(0.15)
Harish N. Salve^	-	0.15	-	-	-	-	0.01	-	-	-	0.15
	-	-	-	-	-	-	(0.18)	-	-	-	(0.15)
Rupinder Singh Sodhi^	-	0.15	-	-	-	-	0.13	-	-	-	0.15
	-	-	-	-	-	-	(0.25)	-	-	-	(0.15)
Harparshad & Co. Private Limited	44.15	-	0.09	-	-	-	-	30.03	-	0.02	4.71
	(42.49)	-	(0.16)	-	-	-	-	(7.51)	-	(0.01)	(4.33)
Escorts Dealer Development Assosiation Ltd	-	-	0.08	-	-	0.54	1.36	-	-	0.39	0.10
	-	-	(0.05)	-	-	-	(1.46)	-	-	(0.01)	(0.60)
AAA Portfolios Private. Limited	-	-	-	-	-	-	-	4.72	-	-	-
	-	-	-	-	-	-	-	(1.18)	-	-	-
Big Apple Clothing Private Limited	-	-	-	-	-	-	-	4.96	-	-	-
	-	-	-	-	-	-	-	(1.24)	-	-	-
Niky Tasha Communications Private Limited	-	-	-	-	-	-	-	0.01	-	-	-
	-	-	-	-	-	-	-	(**)	-	-	-
Niky Tasha Energies Private Limited	-	-	-	-	-	-	-	**	-	-	-
	-	-	-	-	-	-	-	(**)	-	-	-
Sietz Technologies India Private Limited	-	-	-	-	117.46	0.49	-	**	0.66	0.07	15.20
	-	-	(0.36)	-	(138.55)	(0.29)	-	(**)	(0.84)	(0.07)	(18.29)
Sun & Moon Travels (India) Private Limited	-	-	0.02	-	-	-	15.12	-	-	0.03	0.22
	-	-	(0.02)	-	-	(0.92)	(7.32)	-	(0.02)	(0.04)	(0.07)
EEWL Limited	-	-	0.01	-	-	-	-	-	-	**	0.39
	-	-	-	-	-	-	-	-	-	-	(0.41)
Agresource Management Private Limited	-	-	-	-	-	-	0.05	-	-	-	-
	-	-	-	-	-	-	(0.62)	-	-	-	-
Hero Mindmine Institute Private Limited	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(**)	-	-	-	-

*Numbers in brackets represents financial year ending March 31, 2024

** Amount represents less than a Lakh.

^ Services received includes Directors sitting fees and commission.

47 Revenue from Contracts with Customers (excluding discontinued operations)

(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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

For the year ended March 31, 2025

(₹ crores)

Particulars	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic	9,479.72	7.45	84.86	9,572.03
Export	536.20	-	-	536.20
Total	**10,015.92**	**7.45**	**84.86**	**10,108.23**
Revenue by time				
Revenue recognised at point in time				10,100.78
Revenue recognised over time				7.45
Total				**10,108.23**

For the year ended March 31, 2024

(₹ crores)

Particulars	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic	9,002.96	9.96	100.88	9,113.80
Export	537.04	-	-	537.04
Total	**9,540.00**	**9.96**	**100.88**	**9,650.84**
Revenue by time				
Revenue recognised at point in time				9,640.88
Revenue recognised over time				9.96
Total				**9,650.84**

* Other operating revenue amounting to ₹ 78.73 crores (previous year : ₹ 79.88 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)

Particulars	As at March 31, 2025	As at March 31, 2024
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	65.82	75.27
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)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	56.12	-	77.04
Deferred income	10.63	40.38	10.28	33.06

Remaining performance obligations as at the reporting date are expected to be substantially recognised over the next three years by the Company.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

(d) Reconciliation of revenue recognised in Statement of profit and loss with Contract price

(₹ crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Contract price	10,617.95	10,138.38
Less: Discount, rebates, credits etc.	509.72	487.54
Revenue from operations as per Statement of Profit and Loss	**10,108.23**	**9,650.84**

(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.

48 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 of company	Nature of transaction with struck-off company	Balance Outstanding Amount as on 31 March 2025	Balance Outstanding Amount as on 31 March 2024
74 BC Technologies Private Limited	Trade payable	0.01	0.01
Sugam Parivahan Private Limited	Trade payable	-	-
Kohli Engineering & Power Management Private Limited	Trade receivables	-	-
Burn Standard Co. Limited	Trade receivables	-	-

b. Details of shares held by struck off company (Face value of ₹ 10 each):

Name of the Struck of company	Nature of transaction with struck-off company	Number of shares as on March 31, 2025	Number of shares as on March 31, 2024
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
Popular Stock & Share Services Private Limited	Shares held by struck off company	100	100
Sunren Exports Investments Private Limited	Shares held by struck off company	112	112
AL Falah Investments Limited	Shares held by struck off company	20	20
Shree Capital Services Limited	Shares held by struck off company	53,056	53,056

(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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

b) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(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:

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.

49 Ratio analysis

Particulars	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reason for change
Current Ratio	Current Assets	Current Liabilities	2.79	2.54	9.88%	NA
Debt Equity Ratio	Total Debt (including Current maturities of Long Term Borrowings excluding lease liabilities)	Shareholder's Equity	-	0.04	(100.00%)	The decrease is primarily on account of repayment of borrowing during financial year ended March 31, 2025
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	3.63	21.67	(83.23%)	The decrease is primarily on account of repayment of borrowing during financial year ended March 31, 2025 partially offset with higher profits as compared to financial year ended March 31, 2024
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	12.64%	12.01%	5.21%	NA
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.93	4.72	0.04	NA
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	7.23	7.35	(1.57%)	NA
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchases return	Average Trade Payables	4.55	4.37	0.04	NA
Net capital turnover ratio	Net sales = Total sales - sales return	Average Working capital = Current assets – Current liabilities	2.60	2.87	(9.41%)	NA
Net profit ratio	Net Profit	Net sales = Total sales - sales return	11.27%	10.13%	11.29%	NA
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	15.03%	15.10%	(0.49%)	NA
Return on Investment	{MV(T1) – MV(T0) – Sum [C(t)]} (Refer note below)	{MV(T0) + Sum [W(t) * C(t)]} (Refer below notes)	16.01%	46.50%	(65.56%)	The decrease is mainly on account higher dividend payout during financial year ended March 31, 2025 and lower increase in market value of the share as compared to financial year ended March 31, 2024

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2025 (Contd.)

Financial numbers of discontinued operation have been included for calculation of ratios to make them comparable.

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

50 Segment Reporting

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.

51 Previous year figures have been regrouped/ reclassified wherever necessary, to conform to current year's classification and the impact of material regrouping/ reclassification has been disclosed appropriately in these financial statements in accordance with the applicable accounting standards.

As per our Report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

Nalin Jain
Partner
Membership No. 503498

Place : New Delhi
Date : May 08, 2025

For and on behalf of the Board of Directors

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place: Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place: Faridabad

Date: May 08, 2025

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 ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2025, 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 material accounting policy information 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 venture, 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 venture, as at 31 March 2025, 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 venture 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 Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Scheme of Amalgamation

4. We draw attention to note 43 to the accompanying consolidated financial statements, which describes that the Group has given effect to the scheme of amalgamation ('the Scheme') between the Holding Company, its erstwhile joint ventures, "Escorts Kubota India Private Limited" and "Kubota Agricultural Machinery Private Limited" (together referred to as "Amalgamating Companies") and their respective shareholders and creditors, for the amalgamation of Amalgamating Companies with the Holding Company, with effect from the appointed date of the Scheme, being 01 April 2023, as approved by the Hon'ble National Company Law Tribunal vide its order dated 21 August 2024 in accordance with the accounting treatment prescribed in the Scheme which is in line with the accounting principles as laid down in Appendix C to Ind 103, "Business Combinations". Accordingly, the comparative financial information for the previous year presented in the accompanying consolidated financial statements has been restated from the beginning of the earliest period presented, being 1 April 2023. Our opinion is not modified in respect of this matter.

Key Audit Matter

5. 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 venture, 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.

Independent Auditor's Report (Contd.)

6. 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
Revenue recognition Refer to the Group's material accounting policy on revenue recognition in note 2.2(a) and the revenue related disclosure in note 49 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. Further, Ind AS 115 "Revenue from Contracts with Customers" ('Ind AS 115') requires management to make certain key judgements and estimates, such as, identification of distinct performance obligations in contract 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. Considering the volume of sales transactions, materiality of the amount involved, above mentioned key judgements / estimates and extent of industry knowledge and skills needed to apply audit procedures to address the matter and evaluate the results of those procedures, revenue recognition has been considered as a key audit matter for the current year audit.	Our audit procedures, related to revenue recognition included, but were not limited, to the following: a) Evaluated the design and tested the operating effectiveness of Holding Company's controls (including the automated controls) around revenue recognition and measurement (including rebates / discounts); b) 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; c) Scrutinized sales ledgers to verify accuracy and completeness of sales transactions recorded during the year; d) Performed test of details on a sample basis of revenue transaction recorded during the year, including specific period before and after the year end. For the samples selected, inspected supporting documents, including agreements, price lists, invoices and proof of dispatches / deliveries (as the case may be) to ensure that the correct amount of revenue is recorded in the correct period; e) Tested the appropriateness of accruals for various rebates and discounts as at the year-end in accordance with approved incentives / discounts schemes; f) Performed the substantive analytical procedures on revenue recognized during the year which includes 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) Ensured the adequacy and appropriateness of disclosures made in notes to the consolidated financial statements in respect of the revenue from operations in accordance with the requirements of Ind AS 115.

Independent Auditor's Report (Contd.)

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. 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

8. 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 venture 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 company 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 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.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture 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.

10. 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 venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. 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.

Independent Auditor's Report (Contd.)

12. 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 and its associate and joint venture 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 associates and joint ventures to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the consolidated 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 venture, 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 consolidated 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.

13. 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.

14. 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.

15. 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.

Independent Auditor's Report (Contd.)

Other Matters

16. We did not audit the financial statements of six subsidiaries, whose financial statements reflects total assets of ₹ 139.01 crores as at 31 March 2025, total revenues of ₹ 97.99 crores and net cash inflows amounting to ₹ 0.72 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 ₹ 1.11 crores for the year ended 31 March 2025 in respect of one associate and one joint venture, 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 venture, 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 venture, are based solely on the reports of the other auditors.

    Further, of these subsidiaries, associate and joint venture, 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.

17. The comparative financial information presented in the accompanying consolidated financial statements includes the financial information of erstwhile joint ventures, "Escorts Kubota India Private Limited" and "Kubota Agricultural Machinery Private Limited" (together referred to as "Amalgamating Companies"), pursuant to the Scheme of Amalgamation ("the Scheme") between the Holding Company, aforesaid Amalgamating Companies and their respective shareholders and creditors, as further detailed in note 43 to the accompanying consolidated financial statements. The financial statements of "Escorts Kubota India Private Limited" for the year ended 31 March 2024 have been audited by another firm of Chartered Accountants, M/s Deloitte Haskins & Sells LLP, who have expressed an unmodified opinion on such financial information vide its audit report dated 26 April 2024.

    The aforesaid mentioned audit report of other auditor has been furnished to us by the management and has been relied upon by us for the purpose of our audit of the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

18. The financial information of the "Escorts Kubota India Private Limited" and "Kubota Agricultural Machinery Private Limited" (together referred to as "Amalgamating Companies") as at 1 April 2023, as included in the consolidated financial statements of the Group pursuant to the accounting for amalgamation of Amalgamated Companies with Holding Company as specified in the Scheme as further described in note 43 to the accompanying consolidated financial statements, is based on the financial statements of the Amalgamating Companies for the year ended 31 March 2023, which have been audited by another firm of Chartered Accountants, M/s Deloitte Haskins & Sells LLP and M/s B S R & Co. LLP, who have expressed unmodified opinion on those financial statements vide their audit reports dated 27 April 2023 and 29 April 2023 respectively. Such audit reports have been furnished to us by the management and have been relied upon by us for the purpose of our audit of the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements

19. 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 16, on separate financial statements of the subsidiaries, associate and joint venture, we report that the Holding Company and two subsidiaries 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 four subsidiaries and one joint venture 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 subsidiary and one associate 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 subsidiary and associate.

20. 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 for the year ended 31 March 2025 and covered under the Act, refer Annexure A for details of qualifications and/or adverse remarks given by the respective auditors in the Order reports of such companies.

21. 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 venture 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) Except for the matters stated in paragraph 21(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 subsidiaries, associate and joint venture, covered under the Act, none of the directors of the Holding Company, its subsidiaries, associate and joint venture, are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.

    f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements is as stated in paragraph 21(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, associate and joint venture covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; and

Independent Auditor's Report (Contd.)

h) 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 venture 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 venture as detailed in note 33(c) to the consolidated financial statements;

ii. The Holding Company, its subsidiaries, associate and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, associate and joint venture during the year ended 31 March 2025;

iv. a. The respective managements of the Holding Company and its subsidiaries, associate and joint venture 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 venture respectively that, to the best of their knowledge and belief , as disclosed in note 50(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 subsidiaries, associate and joint venture 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 subsidiaries, associate and joint venture ('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 subsidiaries, associate and joint venture 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 venture respectively that, to the best of their knowledge and belief, as disclosed in the note 50(iii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, associate and joint venture 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 subsidiaries, associate and joint venture 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 venture, 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

Independent Auditor's Report (Contd.)

the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Holding Company during the year ended 31 March 2025 and until the date of this audit report is in compliance with section 123 of the Act.

   The final dividend paid by the Holding Company during the year ended 31 March 2025 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.

   As stated in note 36(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 2025 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. As stated in note 41(e) to the consolidated financial statements and based on our examination which included test checks, the Holding Company, in respect of financial year commencing on 1 April 2024, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. However, the audit trail feature was enabled at database level w.e.f. 1 September 2024 to log any direct data changes. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled. Furthermore, the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention where such feature is enabled.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nalin Jain
Partner
Membership No.: 503498
UDIN: 25503498BMHWBB3401
Place: New Delhi
Date: 8 May 2025

Independent Auditor's Report (Contd.)

Annexure 1

List of entities included in the Statement

Subsidiaries:

1. Farmtrac Tractors Europe Sp. Z.o.o
2. Escorts Crop Solutions Limited
3. Invigorated Business Consulting Limited (formerly Escorts Finance Limited)
4. Escorts Benefit and Welfare Trust
5. Escorts Benefit Trust
6. EKL CSR Foundation (formerly Escorts Skill Development)
7. Escorts Kubota Finance Limited

Associate:

1. Escorts Consumer Credit Limited

Joint Venture:

1. Adico Escorts Agri Equipment Private Limited

Annexure A

Referred to in Paragraph 20 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 2025

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 2025 and covered under the Act, we report that:

Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2025 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Escorts Crop Solutions Limited	U01100HR1995PLC032681	Subsidiary	3(xix)

Annexure B

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 ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture as at and for the year ended March 31, 2025, 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 company, 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 company, 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 company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('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 on Audit of Internal Financial Controls Over Financial Reporting ('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 Matters 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 company 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

Annexure B (Contd.)

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 company, the Holding Company, its subsidiary companies, its associate company and joint venture company, 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 March 31, 2025, 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 Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to three subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 59.33 crores as at 31 March 2025, total revenues of ₹ 2.90 crores and net cash outflows amounting to ₹ 2.35 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 ₹ 1.11 crores for the year ended 31 March 2025, in respect of one associate company and one joint venture company, 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 company 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 company, 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 company 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.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nalin Jain
Partner
Membership No.: 503498
UDIN: 25503498BMHWBB3401
Place: New Delhi
Date: May 08, 2025

Consolidated Balance Sheet
as at March 31, 2025

(₹ crores)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3 (i)	1,889.52	2,033.57
Capital work-in-progress	3 (ii)	123.17	126.19
Investment property	4	-	-
Right-of-use assets	5	91.33	69.57
Intangible assets	6 (i)	72.33	62.14
Intangible assets under development	6 (ii)	29.37	35.21
Investments accounted for using equity method	7 (i)	-	2.79
Financial assets			
Investments (other than investment accounted using equity method)	7 (ii)	3,272.95	2,919.69
Loans	8 (i)	1.79	-
Other financial assets	9 (i)	218.10	14.29
Deferred tax assets (net)	10 (i)	3.80	1.36
Income tax assets (net)		1.07	0.98
Other non-current assets	11 (i)	259.69	267.54
Total non-current assets		**5,963.12**	**5,533.33**
Current assets			
Inventories	12	1,398.99	1,716.16
Financial assets			
Investments	7 (iii)	2,332.26	2,097.00
Trade receivables	13	1,331.84	1,427.91
Cash and cash equivalents	14	342.67	236.45
Bank balances other than above	15	781.46	969.37
Loans	8 (ii)	0.55	-
Other financial assets	9 (ii)	21.71	42.72
Other current assets	11 (ii)	324.84	361.24
Total current assets		**6,534.32**	**6,850.85**
Assets held for sale	16	601.05	17.54
Total assets		**13,098.49**	**12,401.72**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17(i)	111.88	110.50
Equity share capital suspense account	17 (ii)	-	1.38
Other equity	18	10,254.92	9,276.63
Total of Equity (for shareholders of parent)		**10,366.80**	**9,388.51**
Non-controlling interests	19	(3.90)	(3.91)
Total equity		**10,362.90**	**9,384.60**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	20 (i)	-	52.00
Lease liabilities		67.74	49.62
Other financial liabilities	21 (i)	34.65	20.30
Provisions	23 (i)	77.17	79.45
Deferred tax liabilities (net)	10 (i)	57.59	98.46
Other non-current liabilities	22 (i)	10.63	10.28
Total non-current liabilities		**247.78**	**310.11**
Current liabilities			
Financial liabilities			
Borrowings	20 (ii)	2.25	315.56
Lease liabilities		35.19	31.28
Trade payables	24		
(a) Total outstanding dues of micro enterprises and small enterprises		95.86	129.72
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,544.03	1,520.66
Other financial liabilities	21 (ii)	358.81	321.18
Other current liabilities	22 (ii)	185.71	197.91
Provisions	23 (ii)	130.22	125.71
Current tax liabilities (net)		28.61	64.99
Total current liabilities		**2,380.68**	**2,707.01**
Liabilities directly associated with assets classified as held for sale	44(ii)	107.13	-
Total liabilities		**2,735.59**	**3,017.12**
Total equity and liabilities		**13,098.49**	**12,401.72**

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)

Nalin Jain
Partner
Membership No. 503498

Place : New Delhi
Date : May 08, 2025

For and on behalf of the Board of Directors

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Date : May 08, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(₹ crores)

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	25	10,243.88	9,803.59
Other income	26	461.31	391.78
Total income		**10,705.19**	**10,195.37**
Expenses			
Cost of materials consumed	27 (i)	5,287.85	5,942.44
Purchases of stock-in-trade		1,778.76	1,205.53
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27 (ii)	188.53	(185.97)
Employee benefits expense	28	774.45	699.21
Finance costs	29	29.17	41.66
Depreciation and amortisation expense	30	243.65	224.06
Other expenses	31	1,048.99	1,011.50
Total expenses		**9,351.40**	**8,938.43**
Profit from continuing operations before share of net loss of investment accounted for using the equity method and taxes		**1,353.79**	**1,256.94**
Share of loss of equity accounted investments		(1.11)	(0.51)
Profit before exceptional items and tax from continuing operations		**1,352.68**	**1,256.43**
Exceptional items	32	(1.67)	-
Profit before tax from continuing operations		**1,351.01**	**1,256.43**
Tax expense:	10 (ii)		
Current tax		271.06	261.55
Deferred tax		(44.11)	51.85
Total tax expense		**226.95**	**313.40**
Profit for the year from continuing operations		**1,124.06**	**943.03**
Discontinued operations	44(ii)		
Profit before tax from discontinued operations		188.70	178.72
Tax expense of discontinued operations		47.81	45.13
Profit from discontinued operations after tax		**140.89**	**133.59**
Profit for the year		**1,264.95**	**1,076.62**
Other comprehensive income/(loss)			
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		0.14	0.19
Re-measurements of defined employee benefit plans		(2.63)	(0.10)
Income tax relating to items that will not be reclassified to profit or loss		0.82	0.02
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		0.32	0.63
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year		**(1.35)**	**0.74**
Total comprehensive income for the year		**1,263.60**	**1,077.36**
Profit attributable to:			
(i) Owners		1,264.94	1,076.65
(ii) Non-controlling interests		0.01	(0.03)
Other comprehensive income attributable to:			
(i) Owners		(1.35)	0.74
(ii) Non-controlling interests		-	-
Total comprehensive income attributable to:			
(i) Owners		1,263.59	1,077.39
(ii) Non-controlling interests		0.01	(0.03)
Earnings per equity share of ₹ 10 each :	33		
For continuing operations			
Basic (₹)		102.23	85.93
Diluted (₹)		102.17	85.78
For discontinued operations			
Basic (₹)		12.81	12.17
Diluted (₹)		12.81	12.15
For continuing and discontinued operation			
Basic (₹)		115.04	98.10
Diluted (₹)		114.98	97.93

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)

Nalin Jain
Partner
Membership No. 503498

Place : New Delhi
Date : May 08, 2025

For and on behalf of the Board of Directors

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Date : May 08, 2025

Consolidated Statement of Cash Flow

for the year ended March 31, 2025

(₹ crores)

Particulars		Year ended March 31, 2025	Year ended March 31, 2024
A	**Cash flows from operating activities**		
	Profit before tax from Continuing and Discontinued operations	**1,539.71**	**1,435.15**
	Adjustments for:		
	Depreciation and amortisation expense	249.87	233.23
	Provisions written back net of provisions recognised	38.80	41.97
	Finance costs (other than finance and bank charges)	27.51	38.95
	Interest income	(209.95)	(222.59)
	Share of loss of equity accounted investments	1.11	0.51
	Gain on disposal of property, plant and equipment (net)	(1.95)	(9.91)
	Loss on disposal of assets held for sales	-	0.72
	Exceptional item	1.67	-
	Gain on fair valuation and sale of investments carried at fair value through profit or loss (net)	(241.40)	(152.81)
	Share based payment expenses	-	4.19
	Net unrealised foreign exchange gain	(0.56)	(0.64)
	Operating profit before working capital changes	**1,404.81**	**1,368.77**
	Movement in working capital		
	Inventories	167.40	(124.72)
	Trade receivable	(170.02)	(42.01)
	Other financial assets	(199.41)	(19.21)
	Other assets	17.51	(29.47)
	Trade payables	76.31	(248.56)
	Other financial liabilities	65.70	171.65
	Other liabilities and provisions	(0.66)	(46.94)
	Cash generated from operating activities post working capital changes	**1,361.64**	**1,029.51**
	Income tax paid (net)	(358.45)	(240.91)
	Net cash generated from operating activities (A)	**1,003.19**	**788.60**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment (including capital advances)	(223.10)	(260.44)
	Proceeds from sale of property, plant and equipment	9.48	15.15
	Purchase of intangible assets	(32.62)	(22.72)
	Proceeds from sale of assets held for sale	-	0.71
	(Purchase) / sale of non current investments (net)	(227.44)	21.20
	Purchase of current investment (net)	(6.40)	(136.27)
	Bank deposit (net)	196.97	(656.22)
	Margin/bank deposits	(23.91)	(0.25)
	Interest received	113.07	21.34
	Net cash used in investing activities (B)	**(193.95)**	**(1,017.50)**

Consolidated Statement of Cash Flow (Contd.)
for the year ended March 31, 2025

(₹ crores)

Particulars		Year ended March 31, 2025	Year ended March 31, 2024
C	**Cash flows from financing activities (refer note 20 (iii))**		
	Proceeds from shares (ESOPs) issued	24.66	13.47
	(Repayment)/proceeds from long term borrowings	(125.56)	52.00
	Repayment of lease liabilities	(30.49)	(25.74)
	(Repayment)/proceeds from short term borrowings (net)	(239.75)	97.49
	Interest paid	(25.26)	(36.61)
	Dividend paid	(305.46)	(75.84)
	Net cash (used in)/generated from financing activities (C)	**(701.86)**	**24.77**
	Increase /(decrease) in cash and cash equivalents (A+B+C)	107.38	(204.13)
	Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	258.46
	Cash and cash equivalents at the beginning of the year (refer note 14)	236.45	182.14
	Exchange difference on translation of foreign currency cash and cash equivalents	0.10	(0.02)
	Cash and cash equivalents at the end of the year (refer note 14)*	**343.93**	**236.45**

* including cash and cash equivalents of ₹ 1.26 crores pertaining to discontinued operations

Note: The above Cash Flow Statement 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 Chandiok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

Nalin Jain
Partner
Membership No. 503498

Place : New Delhi
Date : May 08, 2025

For and on behalf of the Board of Directors

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Date : May 08, 2025

Consolidated Statement of changes in equity

for the year ended March 31, 2025

A Equity share capital

Balance as at April 01, 2023	Changes in equity share capital during the year		Balance as at March 31, 2024	Changes in equity share capital during the year		Balance as at March 31, 2025
	Capital reduction (refer note 41(c))	Issued		Capital reduction	Issued (refer note 43)	
131.94	(21.44)	-	110.50	-	1.38	111.88

B Other equity

	Treasury shares	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
		Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Employee stock option outstanding account	Retained earnings	Special reserve					
Balance as at March 31, 2023	**(216.42)**	**97.91**	**6.00**	**3,322.98**	**730.39**	**12.30**	**4,099.48**	**0.07**	**0.99**	**1.07**	**8,054.77**	**(3.88)**	**8,050.89**
Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	168.15	-	-	-	-	15.09	-	-	-	183.24	-	183.24
Balance as at April 01, 2023	**(216.42)**	**266.06**	**6.00**	**3,322.98**	**730.39**	**12.30**	**4,114.57**	**0.07**	**0.99**	**1.07**	**8,238.01**	**(3.88)**	**8,234.13**
Profit for the year	-	-	-	-	-	-	1,076.65	-	-	-	1,076.65	(0.03)	1,076.62
Other comprehensive income for the year	-	-	-	-	-	-	(0.06)	-	0.17	0.63	0.74	-	0.74
Transactions with owners in their capacity as owners													
Dividend paid	-	-	-	-	-	-	(76.34)	-	-	-	(76.34)	-	(76.34)
Employee stock option exercised for the year	-	-	-	4.63	-	(4.63)	-	-	-	-	-	-	-
Employee stock option charge for the year	-	-	-	-	-	4.19	-	-	-	-	4.19	-	4.19
Cancellation of shares held by Escorts benefit and welfare trust (refer note 41(c))	198.04	-	-	(176.60)	-	-	-	-	-	-	21.44	-	21.44
Adjustment for options exercised during the year	1.00	-	-	10.97	-	-	-	-	-	-	11.97	-	11.97
Others	-	-	-	-	-	-	(0.03)	-	-	-	(0.03)	-	(0.03)
Balance as at March 31, 2024	**(17.38)**	**266.06**	**6.00**	**3,161.98**	**730.39**	**11.86**	**5,114.79**	**0.07**	**1.16**	**1.70**	**9,276.63**	**(3.91)**	**9,272.72**
Profit for the year	-	-	-	-	-	-	1,264.94	-	-	-	1,264.94	0.01	1,264.95

Consolidated Statement of changes in equity (Contd.)

for the year ended March 31, 2025

	Treasury shares	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
		Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Employee stock option outstanding account	Retained earnings	Special reserve					
Other comprehensive income for the year	-	-	-	-	-	-	(1.96)	-	0.29	0.32	(1.35)	-	(1.35)
Transactions with owners in their capacity as owners													
Dividend paid (Including interim dividend)	-	-	-	-	-	-	(307.33)	-	-	-	(307.33)	-	(307.33)
Employee stock option exercised for the year	-	-	-	7.63	-	(7.63)	-	-	-	-	-	-	-
Transfer to retained earnings - sale of investment	-	-	-	-	-	-	1.45	-	(1.45)	-	-	-	-
Adjustment for options exercised during the year	1.50	-	-	20.30	-	-	-	-	-	-	21.80	-	21.80
Others	-	-	-	-	-	-	0.23	-	-	-	0.23	-	0.23
Balance as at March 31, 2025	**(15.88)**	**266.06**	**6.00**	**3,189.91**	**730.39**	**4.23**	**6,072.12**	**0.07**	**-**	**2.02**	**10,254.92**	**(3.90)**	**10,251.02**

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)

Nalin Jain
Partner
Membership No. 503498

Place : New Delhi
Date : May 08, 2025

For and on behalf of the Board of Directors

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Date : May 08, 2025

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025

1 Group information

The Holding 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	
			March 31, 2025	March 31, 2024
Invigorated Business Consulting Limited (formerly 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	Corporate Social Responsibility	India	100%	100%
Escorts Kubota Finance Limited	Financing services	India	100%	100%

B. Interests in associate and joint ventures

Name of the entity	Principal activities	Country of incorporation	March 31, 2025	March 31, 2024	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
Escorts Consumer Credit Limited	Financing activity	India	29.41%	29.41%	Associate	Equity method

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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	100.17%	10,380.22	98.89%	1,250.92	122.22%	(1.65)	98.87%	1,249.27
Indian subsidiaries								
Escorts Crop Solutions Limited	-	0.31	0.02%	0.24	-	-	0.02%	0.24
Escorts Benefit and Welfare Trust	-	-	-	-	-	-	-	-
Invigorated Business Consulting Limited (formerly Escorts Finance Limited)	(1.73%)	(179.32)	(0.01%)	(0.08)	-	-	(0.01%)	(0.08)
Escorts Benefit Trust	-	0.14	-	(0.02)	-	-	-	(0.02)
Escorts Kubota Finance Limited	0.50%	51.49	(0.49%)	(6.16)	0.74%	(0.01)	(0.49%)	(6.17)
EKL CSR Foundation	-	0.27	-	-	-	-	-	-
Foreign subsidiaries								
Farmtrac Tractors Europe Sp. Z.o.o, Poland	0.04%	3.86	(0.30%)	(3.76)	(22.96%)	0.31	(0.27%)	(3.45)
Joint venture and associate (investment as per the equity method)								
Indian								
Adico Escorts Agri Equipment Private Limited	-	-	(0.09%)	(1.11)	-	-	(0.09%)	(1.11)
Escorts Consumer Credit Limited	-	-	-	-	-	-	-	-
Non-controlling interest in all subsidiaries	(0.04%)	(3.90)	-	0.01	-	-	-	0.01
Intercompany elimination and consolidation adjustment	1.06%	109.83	1.98%	24.91	-	-	1.97%	24.91
Total	**100.00%**	**10,362.90**	**100.00%**	**1,264.95**	**100.00%**	**(1.35)**	**100.00%**	**1,263.60**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

2 Basis of preparation, measurement, consolidation and material 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 March 31, 2025 were approved for issue by the Board of Directors on May 08, 2025.

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 March 31, 2025.

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.

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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 material 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 March 31, 2025 (Contd.)

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 programme.
- Extended warranty programme – 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 programme 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 recognised 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.

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Income from financial services business

Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as "Stage 3", the Group recognises interest income on receipt basis.

Foreclosure charges, penal charges on delayed payments and other dues in respect of loans are recognised on receipt basis.

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 recognised 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 recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to the statement of profit or loss and are recognised 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 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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 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 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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 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 amortisation and impairment, if any

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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	2- 6
Prototypes	4
Technical know how	6
Customer contracts	5

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 recognises 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 recognised 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 recognised on a straight-line basis over the term of the relevant lease.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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, 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 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 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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 April 01, 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 April 01, 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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 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.

For financial services business

The Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting 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 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 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 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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.

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 issued with any excess being recorded as share premium.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

s) 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 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 recognised. 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 (Discontinued operation and held for sale in FY 2024-25) and Auto ancillary products (Discontinued in FY 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.

w) Business Combinations

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

Business combinations other than the common control transactions are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

2.3 Material 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 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.

Material 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 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 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 recognised 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 minimise 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.

Material 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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.

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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On August 12, 2024, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2024, applicable from April 01, 2024.

Ind AS 117 - Insurance Contracts

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On August 12, 2024, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2024, applicable from April 1, 2024.

Ind AS 117 - Insurance Contracts MCA notified the Ind AS 117 "Insurance Contracts" which supersedes the existing Ind AS 104. Consequential amendments were also made in other Ind AS- 101, 103, 104, 105, 107, 109, 115, 117, 1, 7, 19, 28, 32, 36, 37, 38 relating to applicability, accounting, measurement, valuations, transitional provisions, exclusions, disclosure etc. The company does not expect applicability of Ind AS 117 and consequential amendments in other Ind As have any significant impact in its financial statements.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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 March 31, 2023	1,045.77	0.46	436.85	0.05	1,262.96	113.69	64.02	14.64	11.05	2,949.49
Adjustment pursuant to the Scheme of arrangement (refer notes 4 and 43)	8.39	-	56.89	24.57	224.88	19.60	17.73	2.08	2.30	356.44
As at April 01, 2023	**1,054.16**	**0.46**	**493.74**	**24.62**	**1,487.84**	**133.29**	**81.75**	**16.72**	**13.35**	**3,305.93**
Additions	-	-	11.70	0.60	163.19	16.77	16.22	1.00	1.11	210.59
Reclassified from investment property (refer note 4)	19.70	-	4.86	-	-	-	-	-	-	24.56
Disposals	-	-	(10.58)	-	(63.46)	(4.33)	(3.59)	(3.83)	(0.26)	(86.05)
Exchange differences	-	0.04	0.19	-	0.03	0.03	-	0.05	-	0.34
As at March 31, 2024	**1,073.86**	**0.50**	**499.91**	**25.22**	**1,587.60**	**145.76**	**94.38**	**13.94**	**14.20**	**3,455.37**
Additions**	-	-	41.46	2.13	126.94	20.60	21.90	1.31	2.01	216.35
Disposals	-	-	(13.70)	-	(51.73)	(0.67)	(1.70)	(3.72)	(0.61)	(72.13)
Exchange differences	-	0.03	0.14	-	0.02	0.02	-	0.04	-	0.25
Reclassified to assets held for sale (refer note 44)	(92.30)	-	(59.91)	-	(89.16)	(13.50)	(4.71)	(0.70)	(0.83)	(261.11)
As at March 31, 2025	**981.56**	**0.53**	**467.90**	**27.35**	**1,573.67**	**152.21**	**109.87**	**10.87**	**14.77**	**3,338.73**
Accumulated depreciation										
As at March 31, 2023	-	-	279.27	0.03	800.06	74.84	44.90	8.96	9.38	1,217.44
Adjustment pursuant to the Scheme of arrangement (refer notes 4 and 43)	-	-	9.21	15.54	53.63	6.54	9.80	0.96	1.69	97.37
As at April 01, 2023	**-**	**-**	**288.48**	**15.57**	**853.69**	**81.38**	**54.70**	**9.92**	**11.07**	**1,314.81**
Charge for the year^	-	-	16.80	5.98	139.43	9.75	10.61	1.31	1.57	185.45
Adjustment for disposals	-	-	(9.54)	-	(60.18)	(4.11)	(3.56)	(3.16)	(0.20)	(80.75)
Reclassified from investment property (refer note 4)	-	-	2.16	-	-	-	-	-	-	2.16
Exchange differences	-	-	0.05	-	0.02	0.02	-	0.04	-	0.13
As at March 31, 2024	**-**	**-**	**297.95**	**21.55**	**932.96**	**87.04**	**61.75**	**8.11**	**12.44**	**1,421.80**
Charge for the year^	-	-	20.06	2.42	146.27	10.82	13.77	1.27	1.34	195.95
Adjustment for disposals	-	-	(11.29)	-	(48.13)	(0.63)	(1.68)	(2.36)	(0.60)	(64.69)
Exchange differences	-	-	0.06	-	0.02	0.02	-	0.03	-	0.13
Reclassified to assets held for sale (refer note 44)	-	-	(42.18)	-	(51.40)	(6.21)	(3.44)	(0.17)	(0.58)	(103.98)
As at March 31, 2025	**-**	**-**	**264.60**	**23.97**	**979.72**	**91.04**	**70.40**	**6.88**	**12.60**	**1,449.21**
Net carrying value as at March 31, 2024	**1,073.86**	**0.50**	**201.96**	**3.67**	**654.64**	**58.72**	**32.63**	**5.83**	**1.76**	**2,033.57**
Net carrying value as at March 31, 2025	**981.56**	**0.53**	**203.30**	**3.38**	**593.95**	**61.17**	**39.47**	**3.99**	**2.17**	**1,889.52**

*leasehold land with perpetual usufruct right

^ depreciation charge for the year includes the depreciation related to discontinued operations ₹ 5.81 crores (previous year ₹ 8.56 crore).

**total addition during the year excludes ₹ 15.66 crore in respect of discontinued operations after its reclassification as held for sale.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Notes:

(i) Contractual obligations

Refer note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Property plant and equipment pledged as security

Refer note 46 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 45 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)

Particulars	March 31, 2025	March 31, 2024
Capital work-in-progress	123.17	126.19

Movement in capital work in progress:

(₹ crores)

Particulars	Amount
Capital work-in-progress as at March 31, 2023	**69.39**
Adjustment pursuant to the Scheme of arrangement (refer note 43)	28.88
Capital work-in-progress as at April 01, 2023	**98.27**
Add: additions during the year	238.44
Less: capitalisation during the year	(210.52)
Capital work-in-progress as at March 31, 2024	**126.19**
Add: additions during the year*	227.57
Less: capitalisation during the year	(216.22)
Reclassified to assets held for sale (refer note 44(ii))	(14.37)
Capital work-in-progress as at March 31, 2025	**123.17**

* total addition during the year excludes ₹ 8.88 crore in respect of discontinued operations after its reclassification as held for sale.

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 2025	99.88	15.48	4.35	3.46	123.17
As at March 2024	106.79	15.40	2.88	1.12	126.19

There is no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

4 Investment property

(₹ crores)

Description	Land	Building	Total
Gross carrying value			
As at March 31, 2023	28.09	62.98	91.07
Adjustment pursuant to the scheme of arrangement (refer notes 3 and 43)	(8.39)	(58.11)	(66.50)
As at April 01, 2023	**19.70**	**4.87**	**24.57**
Additions	-	0.13	0.13
Reclassified to property, plant and equipment (refer note 3)	(19.70)	(4.86)	(24.56)
Disposals	-	(0.14)	(0.14)
As at March 31, 2024	**-**	**-**	**-**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2025	**-**	**-**	**-**
Accumulated depreciation			
As at March 31, 2023	-	11.27	11.27
Adjustment pursuant to the scheme of arrangement (refer notes 3 and 43)	-	(9.21)	(9.21)
As at April 01, 2023	**-**	**2.06**	**2.06**
Charge for the year	-	0.10	0.10
Reclassified to property, plant and equipment (refer note 3)	-	(2.16)	(2.16)
As at March 31, 2024	**-**	**-**	**-**
Charge for the year	-	-	-
As at March 31, 2025	**-**	**-**	**-**
Net carrying value as at March 31, 2024	**-**	**-**	**-**
Net carrying value as at March 31, 2025	**-**	**-**	**-**

(i) Amount recognised in statement of profit and loss for investment property

(₹ crores)

	March 31, 2025	March 31, 2024
Rental income	-	0.36
Direct operating expenses that generated rental income	-	-
Direct operating expenses that did not generate rental income	-	-
Profit from leasing of investment properties	**-**	**0.36**

(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

Investment properties were reclassed to property plant and equipment on account of adjustment pursuant to the Scheme of arrangement refer note 43. Hence, no disclosure w.r.t. to fair value of investment property is required to be made at the year ended March 31, 2024 and onwards.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

5 Right-of-use assets

(₹ crores)

Description	Property, plant and equipment			Total
	Land	Buildings	Vehicles	
Gross carrying value				
As at March 31, 2023	62.88	16.38	-	79.26
Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	69.67	4.75	74.42
As at April 01, 2023	**62.88**	**86.05**	**4.75**	**153.68**
Additions	-	3.38	0.29	3.67
Disposals	-	(2.03)	(3.08)	(5.11)
As at March 31, 2024	**62.88**	**87.40**	**1.96**	**152.24**
Additions	7.86	45.07	0.32	53.25
Disposals	-	(25.14)	(1.67)	(26.81)
As at March 31, 2025	**70.74**	**107.33**	**0.61**	**178.68**
Accumulated depreciation				
As at March 31, 2023	18.73	10.30	-	29.03
Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	27.40	2.37	29.77
As at April 01, 2023	**18.73**	**37.70**	**2.37**	**58.80**
Charge for the year	7.76	17.78	2.00	27.54
Disposals	-	(0.58)	(3.09)	(3.67)
As at March 31, 2024	**26.49**	**54.90**	**1.28**	**82.67**
Charge for the year	8.77	21.36	0.62	30.75
Disposals	-	(24.40)	(1.67)	(26.07)
As at March 31, 2025	**35.26**	**51.86**	**0.23**	**87.35**
Net carrying value as at March 31, 2024	**36.39**	**32.50**	**0.68**	**69.57**
Net carrying value as at March 31, 2025	**35.48**	**55.47**	**0.38**	**91.33**

Notes:

(i) Depreciation for the year has been included in "Depreciation and amortisation expense" line item in statement of profit and loss. (refer note 40).

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

6 (i) Intangible assets

(₹ crores)

Description	Prototypes	Technical know how	Software	Customer contracts	Total
Gross carrying value					
As at March 31, 2023	43.66	26.36	73.85	-	143.87
Add :Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	-	20.44	2.10	22.54
As at April 01, 2023	**43.66**	**26.36**	**94.29**	**2.10**	**166.41**
Additions	6.09	0.15	35.41	-	41.65
Exchange differences	-	0.21	-	-	0.21
As at March 31, 2024	**49.75**	**26.72**	**129.70**	**2.10**	**208.27**
Additions*	9.58	0.46	24.99	-	35.03
Exchange differences	-	0.15	-	-	0.15
Reclassified to assets held for sale (refer note 44(ii))	(1.77)	(2.59)	(4.65)	-	(9.01)
As at March 31, 2025	**57.56**	**24.74**	**150.04**	**2.10**	**234.44**
Accumulated amortisation					
As at March 31, 2023	40.95	21.29	52.56	-	114.80
Add :Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	-	10.19	0.84	11.03
As at April 01, 2023	**40.95**	**21.29**	**62.75**	**0.84**	**125.83**
Charge for the year^	3.00	1.82	14.90	0.42	20.14
Exchange differences	-	0.16	-	-	0.16
As at March 31, 2024	**43.95**	**23.27**	**77.65**	**1.26**	**146.13**
Charge for the year^	3.00	1.71	18.03	0.43	23.17
Exchange differences	-	0.13	-	-	0.13
Reclassified to assets held for sale (refer note 44(ii))	(1.40)	(2.59)	(3.33)	-	(7.32)
As at March 31, 2025	**45.55**	**22.52**	**92.35**	**1.69**	**162.11**
Net carrying value as at March 31, 2024	**5.80**	**3.45**	**52.05**	**0.84**	**62.14**
Net carrying value as at March 31, 2025	**12.01**	**2.22**	**57.69**	**0.41**	**72.33**

* total addition during the year excludes ₹ 0.37 crore in respect of discontinued operations after its reclassification as held for sale

^Amortisation charge for the year includes the amortisation related to discontinued operations ₹ 0.41 crores (previous year ₹ 0.61 crore).

Notes:

(i) Contractual obligations

Refer note 34 for disclosure of contractual commitments for the acquisition of intangible assets.

(ii) Expenses incurred and assets in use for in house research and development :

Refer note 45 for details.

(iii) Amortisation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

6 (ii) Intangible assets under development

(₹ crores)

	March 31, 2025	March 31, 2024
Intangible assets under development	29.37	35.21

Movement in intangible assets under development :

(₹ crores)

Particulars	Amount
Intangible assets under development as at March 31, 2023	**44.29**
Add :Adjustment pursuant to the Scheme of arrangement (refer note 43)	10.10
Intangible assets under development as at April 01, 2023	**54.39**
Add: additions during the year	22.32
Less: capitalisation during the year	(41.50)
Intangible assets under development as at March 31, 2024	**35.21**
Add: additions during the year*	23.09
Less: capitalisation during the year	(26.27)
Reclassified to assets held for sale (refer note 44(ii))	(2.66)
Intangible assets under development as at March 31, 2025	**29.37**

* total addition during the year excludes ₹ 0.77 crore in respect of discontinued operations after its reclassification as held for sale.

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 2025	9.25	3.93	6.51	9.68	29.37
As at March 2024	7.62	8.65	3.39	15.55	35.21

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)

Particulars	March 31, 2025	March 31, 2024
(i) Investments accounted for using equity method (refer note 37)		
Fully paid equity shares (unquoted)	-	2.79
	-	2.79
Aggregate amount of impairment in value of investments	2.67	1.00

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
(ii) Investments (other than investment accounted using equity method)		
(A) Investments carried at fair value through OCI		
Fully paid equity shares (quoted)	-	1.19
(B) Investment carried at cost		
Fully paid equity shares (unquoted)	-	0.02
(C) Debt instruments carried at amortised cost		
Mutual funds (quoted) (Target Maturity Funds)	2,648.23	2,902.84
Bonds (Unquoted)	624.72	15.64
	3,272.95	**2,919.69**
Aggregate amount of quoted investments	**2,648.23**	**2,904.03**
Market value of quoted investments	**2,672.09**	**2,871.00**
Aggregate amount of unquoted investments	**624.72**	**15.66**

(iii) Investments - Current

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
(A) Investment carried at fair value through profit or loss		
Mutual funds (quoted)	2,235.77	1,897.89
	2,235.77	**1,897.89**
(B) Investment carried at amortised cost		
Bonds (Unquoted)	96.49	157.83
Mutual funds (quoted) (Target Maturity Funds)	-	41.28
	2,332.26	**2,097.00**
Aggregate amount of quoted investments	**2,235.77**	**1,939.17**
Market value of quoted investments	**2,235.77**	**1,939.36**
Aggregate amount of unquoted investments	**96.49**	**157.83**

Details of investments are as follows:

Non-current investments

(₹ crores)

	Number of shares		Amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
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	1.67	2.79
Less: provision for impairment			(1.67)	-
			-	**2.79**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

	Number of shares		Amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Investments carried at fair value through OCI (Quoted)				
Asahi India Glass Limited (face value of ₹ 1 each)	-	18,862	-	1.01
Godavari Drugs Limited	-	19,700	-	0.18
Twenty First Century Medicare Limited *	19,400	19,400	-	-
Tamilnadu Newsprints & Papers Limited*	-	100	-	-
			-	**1.19**
Investments carried at cost (unquoted)				
EKL CSR Foundation	50,000	50,000	-	0.02

^All equity shares are of ₹ 10 each unless otherwise stated.

*Amount less than ₹ 1 lakh

Refer note 35 - Financial instruments for disclosure of fair values in respect of Investment measured at amortised cost.

8 Loans

(i) Non-current loans

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Financial Services receivable		
Secured, considered good	1.79	
	1.79	**-**

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) Current loans

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Financial Services receivable		
Secured, considered good	0.57	-
Less: Loss allowance	(0.02)	
	0.55	**-**

The carrying values are considered to be a reasonable approximate of their fair values.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

9 Other financial assets

(i) Non-current financial assets

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Balance with banks in fixed deposits having remaining maturity of more than 12 months	200.97	-
Security deposits	17.13	14.29
	218.10	**14.29**

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) Current financial assets

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Export incentives receivable	4.34	3.65
Claims receivable	0.26	1.57
Derivative assets	-	0.01
Security deposits	14.34	23.13
Other recoverables		
-from related parties (refer note 47 for related party balances)	1.02	3.46
-from others	1.75	10.90
	21.71	**42.72**

The carrying values are considered to be a reasonable approximation of their fair values.

10 (i) Deferred tax liabilities (net)

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Deferred tax asset arising on account of :		
Financial assets and financial liabilities at amortised cost and inventories	(79.42)	(76.10)
Provision for employee benefits and other liabilities deductible on actual payment	(20.35)	(14.03)
Unabsorbed losses	(2.46)	(0.24)
Deferred tax liability arising on account of :		
Investments	110.49	133.84
Property, plant and equipment, investment property and intangible assets	45.53	53.63
Net deferred tax liabilities	**53.79**	**97.10**

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

Notes:

(a) Movement in deferred tax assets/liabilities for the year ended March 31, 2025 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	-	53.63	(8.10)	-	45.22	(0.31)
Financial assets and liabilities at amortised cost and inventories	1.08	(75.02)	(3.32)	-	(78.15)	1.27
Provision for employee benefits and other liabilities deductible on actual payment	0.04	(13.99)	(5.66)	(0.66)	(19.97)	0.38
Investments	-	133.84	(23.19)	(0.16)	110.49	-
Unabsorbed losses	0.24	-	(2.21)	-	-	2.46
Net deferred tax assets/ liabilities	**1.36**	**98.46**	**(42.48)**	**(0.82)**	**57.59**	**3.80**

(b) Movement in deferred tax assets/liabilities for the year ended March 31, 2024 is as follows:

(₹ crores)

	Opening balance deferred tax assets	Opening balance deferred tax liabilities	Adjustment pursuant to the Scheme of arrangement (refer note 43)	(Reversed)/ recognised through 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	-	48.15	13.08	(7.60)	-	53.63	-
Financial assets and liabilities at amortised cost and inventories	0.41	(30.74)	(29.64)	(15.32)	-	(75.02)	1.08
Provision for employee benefits and other liabilities deductible on actual payment	-	(11.34)	(1.54)	(1.11)	(0.04)	(13.99)	0.04
Investments	-	58.57	-	75.25	0.02	133.84	-
Unabsorbed losses	-	-	-	(0.24)	-	-	0.24
Net deferred tax assets/ liabilities	**0.41**	**64.64**	**(18.10)**	**50.98**	**(0.02)**	**98.46**	**1.36**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

10 (ii) Tax expense

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
Current tax expense		
Continuing operations	271.06	261.55
Discontinued operations	46.19	46.00
	317.25	**307.55**
Deferred tax expense		
Continuing operations	(44.11)	51.85
Discontinued operations	1.62	(0.87)
	(42.49)	**50.98**
Total income tax expense	**274.76**	**358.53**
Continuing operations	226.95	313.40
Discontinued operations	47.81	45.13

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 March 31, 2025	Year ended March 31, 2024
Profit before income tax		
Continuing Operations	1,351.01	1,256.43
Discontinued Operations	188.70	178.72
	1,539.71	**1,435.15**
Statutory income tax rate*	25.17%	25.17%
Expected income tax expense	387.51	361.20
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax on expense not eligible for deduction	4.49	4.78
Utilisation of tax losses upon amalgamation	(21.04)	-
Income chargeable to lower rate of tax	(33.56)	(0.53)
Impact of change in tax rate	(65.79)	-
Utilisation of tax losses on which no deferred tax is recognised	(0.06)	(6.61)
Others	3.21	(0.31)
Total income tax expense	**274.76**	**358.53**
*Statutory tax rate applicable to the Holding 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%

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

11 Other assets

(i) Non-current

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Capital advances*	38.25	59.66
Deposits with statutory authorities**	68.07	76.79
Balances with statutory authorities	154.97	133.23
	261.29	**269.68**
Allowance for doubtful advances	(1.60)	(2.14)
	259.69	**267.54**

* includes advance given to related party ₹ 0.66 crores (previous year ₹ 0.68 crores).

** includes deposit paid under protest with statutory authorities.

(ii) Current

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Refund asset	5.07	4.35
Advances to suppliers*	18.35	28.09
Prepaid expenses	10.66	12.38
Balances with statutory authorities	290.27	315.80
Other advances	0.49	0.62
	324.84	**361.24**

* includes advance payment to related party ₹ Nil crores (previous year ₹ 0.85).

12 Inventories

(Valued at lower of cost and net realisable value, unless otherwise stated)

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Raw materials and components	**477.32**	**556.67**
Goods-in-transit	58.84	73.24
	536.16	**629.91**
Work-in-progress	**24.18**	**59.41**
Finished goods	580.62	668.77
Goods-in-transit	21.90	58.53
	602.52	**727.30**
Stock-in-trade	212.24	209.78
Goods-in-transit	1.48	68.99
	213.72	**278.77**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Stores and spares	**12.94**	**14.24**
Loose tools	**9.47**	**6.53**
	1,398.99	**1,716.16**

Note :

(i) Refer note 46 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 March 31, 2023	**66.42**
Adjustment pursuant to the Scheme of arrangement	9.57
Allowance for obsolete and slow moving inventories as at April 01, 2023	**75.99**
Add: write-down recognised during the year	58.78
Less: allowance utilised during the year	(18.52)
Allowance for obsolete and slow moving inventories as at March 31, 2024	**116.25**
Add: write-down recognised during the year	38.05
Less: allowance utilised during the year	(11.14)
Reclassified to assets held for sale (refer note 44(ii))	(11.08)
Allowance for obsolete and slow moving inventories as at March 31, 2025	**132.08**

13 Trade receivables

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Secured, considered good	353.22	381.72
Unsecured, considered good	1,023.18	1,077.11
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	45.92	41.67
	1,422.32	**1,500.50**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(44.56)	(30.92)
Trade receivables which have significant increase in credit Risk	-	-
Trade receivables - credit impaired	(45.92)	(41.67)
	(90.48)	**(72.59)**
	1,331.84	**1,427.91**

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

Trade receivables ageing schedule

As at March 31, 2025

(₹ crores)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	986.75	306.37	26.07	4.04	1.10	3.46	1,327.79
(ii) Undisputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	1.61	-	0.41	2.02
(iv) Disputed trade receivables – considered good	0.08	4.65	14.66	10.39	14.38	4.45	48.61
(v) Disputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	21.09	7.24	15.57	43.90
	986.83	**311.02**	**40.73**	**37.13**	**22.72**	**23.89**	**1,422.32**

Trade receivables ageing schedule

As at March 31, 2024

(₹ crores)

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	951.05	433.98	23.51	2.73	0.07	1.23	1,412.57
(ii) Undisputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	2.92	1.55	3.62	8.09
(iv) Disputed trade receivables – considered good	-	2.57	13.09	14.96	14.12	1.52	46.26
(v) Disputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	8.72	7.78	17.08	33.58
Total	**951.05**	**436.55**	**36.60**	**29.33**	**23.52**	**23.45**	**1,500.50**

Notes:

(i) Refer note 46 for trade receivables pledged as security for liabilities.

(ii) Refer note 35 - Financial instruments for assessment of expected credit losses.

(iii) The carrying values are considered to be a reasonable approximation of their fair values.

(iv) Trade receivables include ₹ 125.88 crores (March 31, 2024 ₹ 63.78 crores) due from related parties. For details refer note 47 - related party disclosures.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

14 Cash and cash equivalents

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Balances with banks in current accounts	22.08	47.25
Cash on hand	-	0.04
Debit balance in cash credit accounts	29.42	65.93
Bank deposits with original maturity of less than or equal to 3 months	291.17	123.23
	342.67	**236.45**

There are no restrictions of use with respect to cash and cash equivaletns as at the end of the current year and previous year.

The carrying values are a reasonable approximation of their fair values.

15 Other bank balances

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Earmarked bank balances	3.40	1.98
Fixed deposits with original maturity of more than 3 months but less than 12 months	579.30	779.92
Margin money deposits	3.15	2.90
Escrow account	195.61	184.57
	781.46	**969.37**

Notes:

(i) Earmarked balances with banks represent unclaimed dividends (previous year balance in unspent CSR account (refer note 31) and unclaimed dividends) .

(ii) Fixed deposits with original maturity of more than 3 months but less than 12 months includes ₹ 0.20 crores (March 31, 2024: ₹ 0.19 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 23 (ii) for details.

(iv) ₹ 3.15 crores (March 31, 2024: ₹ 2.90 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 current year and previous year.

(vi) The carrying values are a reasonable approximation of their fair values.

16 Assets held for sale

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Land and building held for sale (refer note 44(i))	50.37	17.54
Assets of RED Business held for sale (refer note 44(ii))	550.68	-
	601.05	**17.54**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

17 (i) Equity Share Capital

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Authorised		
75,10,00,000 (previous year 40,10,00,000) Equity shares of ₹ 10 each	751.00	401.00
88,80,00,000 (previous year 88,80,00,000) Unclassified shares of ₹ 10 each	888.00	888.00
	1,639.00	**1,289.00**
Issued, Subscribed and Fully paid-up		
11,18,77,754 (previous year 11,04,98,261) Equity shares of ₹ 10 each	111.88	110.50
	111.88	**110.50**

(a) Reconciliation of number of shares

	As at March 31, 2025		As at March 31, 2024	
	No of shares	₹ crores	No of shares	₹ crores
Equity shares at the beginning of the year	11,04,98,261	110.50	13,19,40,604	131.94
Cancelled during the year (refer note 41(c))	-	-	(2,14,42,343)	(21.44)
Issued pursuant to scheme of amalgamation (refer note 43)	13,79,493	1.38	-	-
Equity shares at the end of the year	**11,18,77,754**	**111.88**	**11,04,98,261**	**110.50**

(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.

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

	As at March 31, 2025		As at March 31, 2024	
	No of shares	% holding	No of shares	% holding
Kubota Corporation	6,04,92,462	54.07%	5,91,12,970	53.50%
Har Parshad and Company Private Limited	1,07,26,308	9.59%	1,07,26,308	9.71%
HDFC Asset Management Company Limited	60,98,570	5.45%	-	-

(d) The Company has a holding company named Kubota Corporation.

(e) The Group has issued total 1,77,931 (March 31, 2024: 1,18,700) 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(f) Shares reserved for issue under options

	As at March 31, 2025	As at March 31, 2024
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	18,78,599	20,56,530

These shares are held as treasury shares under other equity (refer note 18).

For terms and other details refer note 39.

(g) Shares held by promoters at the end of the year

As at March 31, 2025

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	0.02%	-
2	Nikhil Nanda	12,03,091	-	12,03,091	1.08%	-
3	Nitasha Nanda	1,93,422	-	1,93,422	0.17%	-
4	Navya Naveli Nanda	18,000	-	18,000	0.02%	-
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	1.51%	-
8	Big Apple Clothing Private Limited	17,71,837	-	17,71,837	1.58%	-
9	Invigorated Business Consulting Limited (formerly Escorts Finance Limited)	31	-	31	0.00%	-
10	Har Parshad and Company Private Limited	1,07,26,308	-	1,07,26,308	9.59%	-
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	Kubota Corporation	5,91,12,970	13,79,492	6,04,92,462	54.07%	1.25%

As at March 31, 2024

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	0.02%	-
2	Nikhil Nanda	12,03,091	-	12,03,091	1.09%	-
3	Nitasha Nanda	1,93,422	-	1,93,422	0.18%	-
4	Navya Naveli Nanda	18,000	-	18,000	0.02%	-
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	1.53%	-
8	Big Apple Clothing Private Limited	17,71,837	-	17,71,837	1.60%	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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
9	Invigorated Business Consulting Limited (formerly Escorts Finance Limited)	31	-	31	0.00%	-
10	Har Parshad and Company Private Limited	1,07,26,308	-	1,07,26,308	9.71%	-
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 Benfits And Welfare Trust	2,14,42,343	(2,14,42,343)	0	0.00%	(16.25%)
15	Kubota Corporation	5,91,12,970	-	5,91,12,970	53.50%	-

17 (ii) Equity share capital suspense account

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
13,79,493 Equity shares of ₹ 10 each issued pursuant to scheme of amalgamation (refer note 43)	-	1.38
	-	**1.38**

18 Other equity

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Capital reserve		
Opening balance	266.06	97.91
Add :Capital reserve arising on amalgamation (refer note 43)	-	168.15
	266.06	**266.06**
Capital redemption reserve	**6.00**	**6.00**
General reserve	**730.39**	**730.39**
Securities premium		
Opening balance	3,161.98	3,322.98
Add: Amount received from employees on exercise of employees' stock option against options exercised during the year (net of tax)	20.30	10.97
Add: transferred from employees' stock option outstanding account against options exercised during the year	7.63	4.63
Less: cancellation of shares held by Escorts benefit and welfare trust (refer note 41(c))	-	(176.60)
	3,189.91	**3,161.98**
Employees' stock option outstanding account		
Opening balance	11.86	12.30
Add: charge for the year	-	4.19
Less: transferred to Securities Premium against vested options exercised during the year	(7.63)	(4.63)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
	4.23	**11.86**
Treasury shares		
Opening balance	(17.38)	(216.42)
Less: cancellation of shares held by Escorts benefit and welfare trust (refer note 41(c))	-	198.04
Less: adjustment for options exercised during the year	1.50	1.00
	(15.88)	**(17.38)**
Retained earnings		
Opening balance	5,114.79	4,099.48
Add :Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	15.09
Adjusted opening balance	**5,114.79**	**4,114.57**
Add: net profit for the year	1,264.94	1,076.65
Less: equity dividend (net of dividend on treasury shares) (during FY 2023-24: ₹ 7.00 per share paid for FY 2022-23) (during FY 2022-23: ₹ 7.00 per share paid for FY 2021-22)	(196.66)	(76.34)
Less: Interiem dividend (net of dividend on treasury shares) ₹ 10.00 per share paid for FY 2024-25	(110.67)	-
Less: remeasurement benefit of defined benefit plans (net of tax)	(1.96)	(0.06)
Add: Transferred from other comprehensive income - sale of investment	1.45	-
Add: Others	0.23	(0.03)
	6,072.12	**5,114.79**
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	1.16	0.99
Add: changes during the year (net of tax)	0.29	0.17
Less: transfer to retained earning - sale of investment	(1.45)	-
	-	**1.16**
Foreign currency translation reserve		
Opening balance	1.70	1.07
Add: changes during the year	0.32	0.63
	2.02	**1.70**
	10,254.92	**9,276.63**

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(ii) Employee's stock options outstanding account

The account is used to recognise the grant date fair 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 acquisition paid at the time of amalgamation/ acquisition. This reserve is not available for the distribution to the shareholders.

(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 before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956 and transfer from Employee's stock options outstanding account upon lapse of vested options. Mandatory transfer to general reserve upon declaration of dividend is not required under the Companies Act, 2013. This reserve is available for distribution to shareholders in accordance with provisions of Companies Act, 2013.

(viii) Special reserve

This reserve was created by Invigorated Business Consulting Limited (formerly Escorts Finance Limited) ('subsidiary company') pursuant to the requirements of section 45-IC of the Reserve Bank of India Act, 1934.

(ix) 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.

19 Non-controlling interest

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Opening balance	(3.91)	(3.88)
Less: share of profit/(loss) for the year	0.01	(0.03)
Closing non-controlling interest	**(3.90)**	**(3.91)**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

20 Borrowings

(i) Non-current borrowings

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Unsecured		
Term loans from financial institutions	-	125.56
	-	**125.56**
Current maturities of long-term borrowings	-	(73.56)
	-	**52.00**

Notes:

a. Security and repayment details

Term loan facility taken from the bank is unsecured and carries floating interest rate. The interest rate ranges between 9.30% p.a. to 9.40% p.a. (March 31, 2024: 8.75% p.a to 8.85% p.a). The Holding Company has not defaulted on any loan repayments during the year. Term loan of ₹ 73.56 crores and ₹ 52.00 crores outstanding at previous year end was repayable in April 2024 and April 2025 respectively, which was repaid fully during the FY 2024-25.

b. 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) Current borrowings

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Secured		
Working capital facility from bank	2.25	4.20
Unsecured		
Cash credit and other working capital facilities from banks	-	237.80
Current maturities of long term borrowings	-	73.56
	2.25	**315.56**

(a) Security and repayment details

(i) Working capital credit facility as on March 31, 2025 amounting to ₹ 2.25 crores (March 31, 2024 ₹ 4.20 crores) is secured against inventory of Farmtrac Tractors Europe Spolka z.o.o and joint mortgage on two real estate properties situated in (i) Mragowo, Poland at ul Przemyslowa 11/4 comprising parcels of land no 4/62, 4/36 and no 4/37 and (ii) Mragowo, Poland at ul Przemyslowa 11/4 comprising parcels of land no 2/16. The facility carry variable interest rate as WIBOR 1 month base rate plus 1.7%.

(ii) Working capital demand loan facility taken from banks are unsecured and carries floating interest rate. The interest rate ranges between 7.25% p.a. to 9.80% p.a. (March 31, 2024: 5.75% p.a. to 9.05% p.a.). The Holding Company has not defaulted on any loan repayments during the year.

(b) The carrying values are considered to be reasonable approximation of their fair values.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

(iii) Reconciliation of financial liabilities with cash flow arising from financing activities:

(₹ crores)

	Non-current borrowings and Current maturities of long-term borrowings	Current borrowings	Lease liabilities
Opening balance as at March 31, 2023	**-**	**-**	**57.30**
Add :Adjustment pursuant to the Scheme of arrangement (refer note 43)	73.56	144.51	47.11
Closing balance as at April 01, 2023	**73.56**	**144.51**	**104.41**
Cash flows:			
Proceeds/(Repayments)	52.00	97.49	(25.72)
Interest paid	(5.95)	(16.14)	(8.05)
Interest expenses	6.56	16.19	8.05
Non cash:			
Addition during the year	-	-	2.21
Interest accrued as at March 31, 2024	(0.61)	(0.05)	-
Closing balance as at March 31, 2024	**125.56**	**242.00**	**80.90**
Cash flows:			
Proceeds/(repayments) (net)	(125.56)	(239.75)	(30.49)
Interest paid	(2.55)	(11.50)	(8.31)
Interest expenses	2.55	11.50	8.31
Non cash:			
Addition during the year	-	-	52.52
Closing balance as at March 31, 2025	**-**	**2.25**	**102.93**

21 Other financial liabilities

(i) Other non-current financial liabilities

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Security deposits	34.65	20.30
	34.65	**20.30**

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(ii) Other current financial liabilities

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	-	0.65
Capital creditors	28.38	37.91
Security deposits	5.94	25.10
Unpaid dividends*	3.40	1.98
Payable to related parties (refer note 47)	0.37	0.41
Employee related payables	109.67	87.33
Retention money	0.74	0.74
Other accrued liabilities	198.15	139.81
Derivative liabilities	3.16	0.21
Other payables	9.00	27.04
	358.81	**321.18**

*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.

22 Other liabilities

(i) Other non-current liabilities

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Deferred income	10.63	10.28
	10.63	**10.28**

(ii) Other current liabilities

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Advances received from customers	56.29	77.04
Advance against assets held for sale	13.00	13.00
Payable to statutory authorities	39.80	38.57
Deferred income	40.38	33.06
Others	36.24	36.24
	185.71	**197.91**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

23 Provisions

(i) Non-current

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity	0.17	2.38
Provision for compensated absences	31.12	28.46
Provision for pension	3.64	3.91
Others		
Provision for claims	12.38	12.38
Provision for warranty	29.86	32.32
	77.17	**79.45**

(ii) Current

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity	13.56	13.82
Provision for compensated absences	3.21	2.74
Provision for pension	0.52	0.62
Others		
Provision for claims	65.00	65.00
Provision for warranty	47.93	43.53
	130.22	**125.71**

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 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 ₹ 195.61 crores as on March 31,2025 (March 31, 2024: ₹ 184.57 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 March 31, 2025 (March 31, 2024: ₹ 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 Group's favour and the appeals filed by Income Tax Department against the orders of first appellate authority have been dismissed. The income-tax department had filed two appeal(s) before Hon’ble Delhi High Court. During the year ended March 31, 2024, one of the appeal has been dismissed by the Hon’ble Delhi High Court and the other appeal is pending.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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 other provisions :

(₹ crores)

	Provision for claims	Provision for warranty
Provision at March 31, 2023	**65.00**	**44.81**
Add :Adjustment pursuant to the Scheme of arrangement (refer note 43)	42.88	29.59
Provision at April 01, 2023	**107.88**	**74.40**
Additions during the year	8.35	40.40
Amount utilised during the year	(38.85)	(38.95)
Provision at March 31, 2024	**77.38**	**75.85**
Additions during the year	-	43.94
Amount utilised during the year	-	(42.00)
Provision at March 31, 2025	**77.38**	**77.79**

3 For disclosures on provisions related to employee benefits, refer note 38.

24 Trade Payables

(₹ crores)

	As at March 31, 2025	As at March 31, 2024
Trade payables		
- due to micro, small and medium enterprises (MSME) (refer note 42)	95.86	129.72
- due to others	1,317.24	1,312.61
Other accrued liabilities	226.79	208.05
	1,639.89	**1,650.38**

The carrying values are considered to be a reasonable approximation of their fair values.

Trade payable ageing schedule

As at March 31, 2025

(₹ crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.03	34.56	55.78	1.45	1.42	1.62	**95.86**
(ii) Others	360.02	794.20	341.97	40.76	0.89	6.19	**1,544.03**
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
	361.05	**828.76**	**397.75**	**42.21**	**2.31**	**7.81**	**1,639.89**

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

Trade payable ageing schedule

As at March 31, 2024

(₹ crores)

		Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	4.95	45.39	75.25	2.01	1.26	0.86	**129.72**
(ii)	Others	267.96	456.78	787.18	1.75	0.91	6.08	**1,520.66**
(iii)	Disputed dues- MSME	-	-	-	-	-	-	-
(iv)	Disputed dues- others	-	-	-	-	-	-	-
		272.91	**502.17**	**862.43**	**3.76**	**2.17**	**6.94**	**1,650.38**

25 Revenue from operations

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
Operating revenue		
Sale of products		
Export	499.43	500.87
Domestic*	9,572.17	9,106.09
Sale of services	7.45	9.96
	10,079.05	**9,616.92**
Other operating revenue		
Sale of other services	30.61	36.83
Export incentives	14.14	14.92
Scrap sales	50.81	63.47
Liabilities no longer required written back	0.40	3.32
Foreign exchange gain(net)	12.25	19.71
Others	56.62	48.42
	164.83	**186.67**
	10,243.88	**9,803.59**

*Domestic sale includes domestic sale made by foreign subsidiary of the Group in its country of domicile.

Also refer note 49 for disclosure pursuant to Ind AS 115- Revenue from Contracts with Customers.

26 Other income

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
Interest from :		
Bank deposits	76.54	49.04
Other financial assets carried at amortised cost	1.32	1.52
Investments carried at amortised cost	132.05	172.00
	209.91	**222.56**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
Other income		
Lease rentals	0.26	0.60
Gain on fair valuation/ disposal of investments (net)	241.40	152.81
Gain on disposal of property,plant and equipment (net)	1.95	9.20
Miscellaneous income	7.79	6.61
	251.40	**169.22**
	461.31	**391.78**

27 Cost of materials consumed

(₹ crores)

		Year ended March 31, 2025	Year ended March 31, 2024
(i)	**Cost of material consumed**		
	Opening stock	629.91	602.93
	Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	83.36
	Adjusted opening stock	**629.91**	**686.29**
	Purchases	5,854.77	6,495.98
	Closing stock *	(636.83)	(629.91)
		5,847.85	**6,552.36**
	Adjustment pursuant to Discontinued Operations (refer note 44(ii))	(562.16)	(609.84)
	Foreign currency translation	2.16	(0.08)
		5,287.85	**5,942.44**

* including ₹ 100.67 crores pertaining to discountined operations as at 31 March 2025

		Year ended March 31, 2025	Year ended March 31, 2024
(ii)	**Changes in inventories of work-in-progress, stock-in-trade and finished goods**		
	Opening stock		
	Finished goods	727.30	448.52
	Work-in-progress	59.41	61.73
	Stock-in-trade	278.77	85.26
	Adjustment pursuant to the Scheme of arrangement (refer note 43)	-	290.38
	Adjustment pursuant to Discontinued Operations (refer note 44(ii))	(37.02)	(44.06)
		1,028.46	**841.83**
	Closing stock		
	Finished goods	(602.52)	(727.30)
	Work-in-progress	(24.18)	(59.41)
	Stock-in-trade	(213.72)	(278.77)
	Adjustment pursuant to discontinued operations (refer note 44(ii))	-	37.02
		(840.42)	**(1,028.46)**
	Foreign currency translation	0.49	0.66
		188.53	**(185.97)**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

28 Employee benefit expense

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	688.18	614.28
Share based payments to employees (refer note 39)	-	3.40
Post-employment and other long term benefits expense (refer note 38)	12.19	10.29
Contribution to provident and other funds (refer note 38)	27.39	25.60
Staff welfare	46.69	45.64
	774.45	**699.21**

29 Finance costs

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
Interest on		
Long term loans	2.55	6.56
Cash credit and short term loans	11.50	16.20
Lease liabilities	8.31	8.05
Others	2.90	4.22
Finance and bank charges	1.66	3.06
Unwinding of discount on provisions and financial liabilities carried at amortised cost	2.25	3.57
	29.17	**41.66**

30 Depreciation and amortisation

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
(i) Depreciation on		
Property, plant and equipment	190.14	176.89
Investment property	-	0.10
Right-of-use assets	30.75	27.54
(ii) Amortisation on		
Intangible assets	22.76	19.53
	243.65	**224.06**

31 Other expenses

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
Stores and spares consumed	59.97	70.76
Power, fuel and electricity	46.37	50.59

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
Repair and maintenance		
Building	7.66	7.73
Machinery	24.22	24.83
Others	45.84	45.44
Outsourcing expenses	8.56	13.17
Warranties and after sale service	61.20	71.38
Rent	15.82	15.34
Rates and taxes	5.08	7.94
Insurance	7.70	13.21
Travelling and conveyance	101.06	92.03
Postage and telephone	11.06	10.30
Manpower hiring on contract	247.37	199.38
Legal and professional	47.91	35.18
Commission, discounts and sales incentive	11.68	11.13
Advertisement and promotional expenses	67.92	62.76
Royalty paid	43.89	47.96
Packing, freight and forwarding	103.55	92.84
Security charges	7.73	7.67
Printing and stationery	4.29	4.81
Director's sitting fees and commission	6.77	6.80
Corporate social responsibility (CSR) expenditure *	16.42	17.57
Provision for doubtful debts/advances and deposits	41.52	32.29
Bad debts written off	17.87	2.31
Less : Provision already held	(17.87)	(1.43)
Miscellaneous expenses	55.40	69.51
	1,048.99	**1,011.50**
*** CSR Expenditure (including discontinued operation)**		
(i) Opening balance of amount deposited in designated bank account in terms of section 135(6) of the Companies Act, 2013^	-	23.27
(ii) Transfer of pre spent amount pursuant to the Scheme of arrangement and carry forward to next year	-	-
(iii) Gross amount required to be spent by the Group during the year	17.85	18.96
(iv) Amount spent (in cash) during the year on:		
a) Construction/acquisition of any asset	-	-
b) For the purposes other than (a) above	11.72	18.99
(v) Unspent amount deposited in a designated bank account (dated April 29, 2025), in terms of section 135(6) of the Companies Act, 2013.	6.13	-
(vi) 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	-	23.27
(vii) Closing balance of amount deposited in designated bank account in terms of section 135(6) of the Companies Act, 2013^	6.13	-

^ 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

32 Exceptional items

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
Impairment of Investment in Joint venture	1.67	-
	1.67	**-**

Notes:

Represents impairement of investment in Adico Escorts Agri Equipment Private Limited a joint venture of the Group.

33 Earnings per share (EPS)

(₹ crores)

	Year ended March 31, 2025	Year ended March 31, 2024
Net profit for the year (₹ in crores)		
- From continuing operations (A)	**1,124.06**	**943.06**
- From discontinued operations (B)	**140.89**	**133.59**
- From continuing and discontinued operations (C)	**1,264.95**	**1,076.65**
Computation of weighted average number of shares for EPS		
Total shares issued	11,18,77,754	11,04,98,261
Less: shares reserved for issue under options held by Escorts Employees Benefit & Welfare Trust	18,78,599	20,56,530
Less: Impact of weighted average number of shares issued during the year	46,116	67,884
Add : Equity shares to be issued pursuant to the Scheme of arrangement (refer note 43)	-	13,79,493
Weighted-average number of equity shares for basic EPS (D)	**10,99,53,039**	**10,97,53,340**
Effect of Dilution :		
Weighted average number of share options granted to employees	68,896	1,86,437
Weighted average number of Equity shares adjusted for the effect of dilution (E)	**11,00,21,935**	**10,99,39,777**
Earnings per equity share of ₹ 10 each :		
For continuing operations		
a) Basic (₹) (A/D)	102.23	85.93
b) Diluted (₹) (A/E)	102.17	85.78
For discontinued operations		
a) Basic (₹) (B/D)	12.81	12.17
b) Diluted (₹) (B/E)	12.81	12.15
For continuing and discontinued operations		
a) Basic (₹) (C/D)	115.04	98.10
b) Diluted (₹) (C/E)	114.98	97.93

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

34 Commitments and contingencies (including discontinued operations)

(₹ crores)

			Year ended March 31, 2025	Year ended March 31, 2024
A.	**Capital commitments-** Estimated amounts of contracts remaining to be executed on capital account and not provided for		214.61	244.39
B.	**Guarantees executed in favour of others**		45.24	55.90
C.	**Contingencies**			
	(i)	**Taxation related contingencies**		
		Excise duty/ customs duty /service tax/ GST demands	481.88	473.97
		Sales tax and other demands	36.15	34.36
		Demand raised by Income tax department, disputed by the Group and pending in appeal (refer note (1) below)	76.27	82.23
	(ii)	**Others**		
		Cases under litigation relating to :		
		- Personnel	3.06	5.49
		- Others	68.41	49.93
	(iii)	**Claims not acknowledged as debts**	15.42	15.42

Notes:

1. 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 (EHIRC) since the amount is indeterminable (refer note 23 (ii) for details). Further the amount includes ₹ 29.44 crores (March 31, 2024 ₹ 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.
2. 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.
3. 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 ₹ 4.40 crores (March 31, 2024 ₹ 8.36 crores).

35 Financial Instruments

A Financial assets and liabilities*

The carrying amounts of financial instruments by category are as follows:

(₹ crores)

	Note	As At March 31, 2025	As At March 31, 2024
Financial assets measured at fair value			
Investments measured at			
Fair value through other comprehensive income	7 (ii)	-	1.19
Fair value through profit and loss	7 (iii)	2,235.77	1,897.89
Derivative assets			
Fair value through profit and loss	9(ii)	-	0.01
Financial assets measured at amortised cost			
Investments	7 (ii) & (iii)	3,369.44	3,117.59

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

	Note	As At March 31, 2025	As At March 31, 2024
Trade receivables	13	1,331.84	1,427.91
Loans	8	2.34	-
Cash and cash equivalents	14	342.67	236.45
Other bank balances	9(i) &15	982.43	969.37
Others financial assets	9(i) & 9(ii)	38.84	57.00
Total		**8,303.33**	**7,707.41**
Financial liabilities measured at fair value			
Derivative liabilities			
Fair value through profit and loss	21(ii)	3.16	0.21
Financial liabilities measured at amortised cost			
Borrowings	20	2.25	367.56
Trade payables	24	1,639.89	1,650.38
Lease liabilities	40	102.93	80.90
Other financial liabilities	21(i) & 21(ii)	390.30	341.27
Total		**2,138.53**	**2,440.32**

Investment in joint ventures and associate are measured using equity method and hence, not presented here.

*excluding financial assets and liabilities reclassified as assets held for sale during financial year ended March 31, 2025

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 March 31, 2025				
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	-	-	-	-
Fair value through profit and loss	2,235.77	-	-	**2,235.77**
Derivative liabilities measured at				
Fair value through profit and loss	-	3.16	-	**3.16**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

	Level 1	Level 2	Level 3	Total
As at March 31, 2024				
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	1.19	-	-	1.19
Fair value through profit and loss	1,897.89	-	-	1,897.89
Derivative assets measured at				
Fair value through profit and loss	-	0.01	-	0.01
Liabilities at fair value				
Derivative liabilities measured at				
Fair value through profit and loss	-	0.21	-	0.21

a. Valuation process and technique used to determine fair value

(i) The fair value of quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.

(ii) 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 alongwith fair value hierarchy is as follows:

(₹ crores)

As at March 31, 2025	Fair value hierarchy	Carrying value	Fair value
Other financial assets	Level 3	17.13	17.13
Investments in Mutual Funds (Target Maturity Funds, Quoted)	Level 1	2,648.23	2,672.09
Investments in Bonds (Unquoted)	Level 2	721.21	689.75
Security deposits received	Level 3	34.65	34.35
Lease liabilities	Level 3	102.93	100.52

*excluding financial assets and liabilities reclassified as assets held for sale during financial year ended 31 March 2025

(₹ crores)

As at March 31, 2024	Fair value hierarchy	Carrying value	Fair value
Other financial assets	Level 3	14.29	14.29
Investments in Mutual Funds (Target Maturity Funds, Quoted)	Level 1	2,944.12	2,911.28
Investments in Bonds (Unquoted)	Level 2	173.47	167.23
Security deposits received	Level 3	20.30	19.94
Lease liabilities	Level 3	80.90	80.37

The management assessed that fair values of other current financial assets, loans, cash and cash equivalents, other bank balances, trade receivables, other receivables, short term borrowings, trade payables and other current financial liabilities

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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 (if any) 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 March 31, 2025 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 March 31, 2025.

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 (₹)	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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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:

Basis of categorisation	Asset class exposed to credit risk	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 March 31, 2025	As at March 31, 2024
(i)	**Low credit risk on financial reporting date**		
	Investments**	3,369.44	3,117.59
	Cash and cash equivalents*	342.67	236.45
	Other bank balances*	982.43	969.37
	Other financial assets*	38.84	57.00

*Represents carrying values of financial assets, without deduction for expected credit losses

** Represents target maturity funds, bonds 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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)

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 ₹ 353.22 crores (March 31, 2024 : ₹ 381.72 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.

March 31, 2025
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	1164.51	73.94	20.31	13.78	53.34	1325.88
Expected loss rate	1.34%	12.52%	37.72%	84.83%	60.33%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	15.65	9.26	7.66	11.69	32.18	76.44

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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	58.41	0.03	0.01	0.01	4.58	63.04
Expected loss rate	0.43%	100.00%	100.00%	100.00%	42.36%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	0.25	0.03	0.01	0.01	1.94	2.24

March 31, 2024

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	1243.36	52.95	15.33	10.19	45.41	1367.24
Expected loss rate	0.78%	21.10%	23.35%	43.08%	48.10%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	9.76	11.17	3.58	4.39	21.84	50.74

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	59.82	0.07	0.00	0.00	8.15	68.04
Expected loss rate	0.22%	28.57%	0.00%	0.00%	47.61%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	0.13	0.02	0.00	0.00	3.88	4.03

(₹ crores)

Particulars	March 31, 2025		March 31, 2024		
	Auto products	Financing & others	Auto products	Railway products	Financing & others
Historical loss rate on sales during the year	0.00%	-	-	0.12%	-
Loss allowance provision on the sales	-	-	-	1.86	-
Loss allowance provision on the debtors outstanding more than one year	4.31	7.49	4.31	4.26	7.39

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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 March 31, 2023	**38.18**	**-**
Loss allowance pursuant to the Scheme of arrangement	9.54	
Loss allowance on April 01, 2023	**47.72**	**-**
Loss allowance created	42.74	-
Loss allowance utilised/ written back	(17.87)	-
Loss allowance on March 31, 2024	**72.59**	**-**
Loss allowance created	41.36	-
Loss allowance utilised/ written back	(19.33)	-
Reclassified to assets held for sale (refer note 44(ii))	(4.14)	
Loss allowance on March 31, 2025	**90.48**	**-**

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	March 31, 2025	March 31, 2024
- Expiring within one year (cash credit and other facilities)	563.90	392.92
- Expiring beyond one year (bank loans)	-	-
	563.90	**392.92**

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 March 31, 2025.

(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

March 31, 2025	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Derivatives					
Derivative liabilities	3.16	-	-	-	**3.16**
Non-derivatives					
Lease liabilities	36.30	32.67	24.45	30.38	**123.80**
Trade payable (including MSME)	1,639.89	-	-	-	**1,639.89**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

March 31, 2025	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Security deposits	5.78	0.56	1.02	43.26	**50.62**
Other financial liabilities	349.71	-	-	-	**349.71**
	2,031.68	**33.23**	**25.47**	**73.64**	**2,164.02**

March 31, 2024	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Derivatives					
Derivative liabilities	0.21	-	-	-	**0.21**
Non-derivatives					
Lease liabilities	30.04	21.18	17.32	28.27	**96.81**
Borrowings	315.56	52.00	-	-	**367.56**
Trade payables (including MSME)	1,650.38	-	-	-	**1,650.38**
Security deposits	25.51	-	0.70	25.74	**51.95**
Other financial liabilities	333.50	-	-	-	**333.50**
	2,354.99	**73.18**	**18.02**	**54.01**	**2,500.20**

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, GBP 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 (including exposure pertaining to discontinued operations):

The Group exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
Financial assets	41.56	24.91
Financial liabilities	430.36	180.44
Net exposure to foreign currency risk liabilities	**(388.80)**	**(155.53)**

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
USD sensitivity		
INR/USD- increase by 2.01% (March 31, 2024 1.92%)*	(5.85)	(2.23)
INR/USD- decrease by 2.01% (March 31, 2024 1.92%)*	5.85	2.23

* Holding all other variables constant

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(ii) Foreign currency risk exposure in EURO(including exposure pertaining to discontinued operations):

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
Financial assets	84.89	23.67
Financial liabilities	39.28	88.88
Net exposure to foreign currency risk assets / (liabilities)	**45.61**	**(65.21)**

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
EURO sensitivity		
INR/EURO- increase by 5.08 % (March 31, 2024 4.46%)*	1.73	(2.18)
INR/EURO- decrease by 5.08 % (March 31, 2024 4.46%)*	(1.73)	2.18

* Holding all other variables constant

(iii) Foreign currency risk exposure in JPY (including exposure pertaining to discontinued operations):

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
Financial assets	0.18	2.34
Financial liabilities	38.15	39.11
Net exposure to foreign currency risk liabilities	**(37.97)**	**(36.77)**

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
JPY sensitivity		
INR/JPY- increase by 9.00 % (March 31, 2024 6.90%)*	(2.56)	(1.90)
INR/JPY- decrease by 9.00 % (March 31, 2024 6.90%)*	2.56	1.90

* 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 Group exposure to interest rate risk and sensitivity thereof is as follows. The interest rate ranges between 7.25% p.a. to 9.80% p.a. (previous year: 5.75% p.a. to 9.05% p.a.).

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
Variable rate borrowing	2.25	4.20
Fixed rate borrowing	-	364.01
Total borrowings	**2.25**	**368.21**
Amount disclosed under other current financial liabilities	**-**	**0.65**
Amount dislosed under borrowings	**2.25**	**367.56**

Sensitivity

Below is the sensitivity of profit or loss and equity in interest rates.

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	0.02	2.75
Interest rates – decrease by 100 basis points (100 bps)	(0.02)	(2.75)

* Holding all other variables constant

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

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
Mutual funds		
Net assets value – increase by 100 bps (100bps)	16.73	14.20
Net assets value – decrease by 100 bps (100bps)	(16.73)	(14.20)

Impact on other comprehensive income after tax

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
Quoted equity instruments		
Market price – increase by 500 bps (500bps)	-	0.05
Market price – decrease by 500 bps (500bps)	-	(0.05)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

36 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

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
Net debts	2.25	367.56
Total equity	10,362.90	9,384.60
Net debt to equity ratio	**0.02%**	**3.92%**

(b) Dividends

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
(i) Dividend paid on equity shares of ₹ 10 each		
Final dividend for the year ended March 31, 2024 of ₹ 18.00 per share	198.90	-
Final dividend for the year ended March 31, 2023 of ₹ 7.00 per share	-	77.35
Interiem dividend for the year ended March 31, 2025 of ₹ 10.00 per share	111.88	-
(ii) Dividend recommended/ proposed ^		
Final dividend for the year ended March 31, 2025 of ₹ 18.00 per share	201.38	-
Interim dividend for the year ended March 31, 2025 of ₹ 10.00 per share	111.88	-
Final dividend for the year ended March 31, 2024 of ₹ 18.00 per share	-	198.90

^ The dividend recommended/ proposed is subject to shareholders approval/ ratification in ensuing annual general meeting.

37 (a) Summarised financial information for joint venture that is material to the Group:

(₹ crores)

Summarised balance sheet	Adico Escorts Agri Equipment Private Limited	
	March 31, 2025	March 31, 2024
Current assets		
Cash and cash equivalents	1.80	0.85
Other assets	8.27	16.67
Total current assets	**10.07**	**17.52**
Total non-current assets	**5.67**	**6.54**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Summarised balance sheet	Adico Escorts Agri Equipment Private Limited	
	March 31, 2025	March 31, 2024
Current liabilities		
Financial liabilities	10.02	16.38
Other liabilities	1.53	0.71
Total current liabilities	**11.55**	**17.09**
Non-current liabilities		
Financial liabilities	0.01	-
Total non-current liabilities	**0.01**	**-**
Net assets	**4.18**	**6.97**

(₹ crores)

Reconciliation to carrying amounts	Adico Escorts Agri Equipment Private Limited	
	March 31, 2025	March 31, 2024
Opening net assets	6.97	8.23
Loss for the year	(2.79)	(1.26)
Closing net assets	**4.18**	**6.97**
Group's share in %	40%	40%
Group's share in Indian Rupees	1.67	2.79
Carrying amount	**1.67**	**2.79**
Less: provision for impairment	(1.67)	-
Net carrying amount	**-**	**2.79**

(₹ crores)

Summarised statement of profit and loss	Adico Escorts Agri Equipment Private Limited	
	March 31, 2025	March 31, 2024
Revenue	53.25	69.05
Interest income	0.02	0.03
Finance costs	0.27	0.24
Depreciation and amortisation expense	1.02	1.43
Tax expenses	0.24	0.15
Loss for the year	(2.79)	(1.26)
Total comprehensive loss	**(2.79)**	**(1.26)**

38 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.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

(i) Amount recognised in the balance sheet is as under:

(₹ crores)

Particulars	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Gratuity	15.33	0.17	13.82	2.38
Net value of defined benefit obligation	**15.33**	**0.17**	**13.82**	**2.38**

(ii) Amount recognised in the statement of profit and loss is as under:

(₹ crores)

Description	March 31, 2025	March 31, 2024
Current service cost	11.86	10.25
Net interest cost	1.16	0.61
Net impact on profit (before tax)^	**13.02**	**10.86**
Actuarial loss/(gain) recognised during the year	2.56	0.18
Impact on total comprehensive income	**15.58**	**11.04**

^ includes amount ₹ 1.30 crore (Previous year ₹ 0.94 crore) towards discontinued operation.

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

(₹ crores)

Description	March 31, 2025	March 31, 2024
Present value of defined benefit obligation as at the start of the year	**103.06**	**93.59**
Adjustment pursuant to the Scheme of arrangement	-	6.08
Current service cost	11.86	10.25
Interest cost	7.43	7.32
Actuarial loss/(gain) recognised during the year	2.02	(0.41)
Benefits paid	(13.18)	(13.77)
Present value of defined benefit obligation as at the end of the year	**111.19**	**103.06**
Net value of defined benefit obligation	**111.19**	**103.06**

(iv) Movement in the plan assets recognised in the balance sheet is as under:

(₹ crores)

Description	March 31, 2025	March 31, 2024
Fair value of plan assets at beginning of year	**86.86**	**87.30**
Adjustment pursuant to the Scheme of arrangement	-	3.92
Expected return on plan assets	6.27	6.71
Employer's contribution	16.24	3.12
Benefits paid	(13.14)	(13.59)
Actuarial gain/(loss) on plan assets	(0.54)	(0.60)
Fair value of plan assets at the end of the year	**95.69**	**86.86**
Actual return on plan assets	5.73	6.11

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(v) Breakup of actuarial (gain)/loss:

(₹ crores)

Description	March 31, 2025	March 31, 2024
Actuarial (gain)/loss on arising from change in demographic assumption	3.88	(0.21)
Actuarial (gain)/loss on arising from change in financial assumption	1.53	2.08
Actuarial (gain)/loss on arising from experience adjustment	(2.85)	(1.69)
Total actuarial (gain)/loss	**2.56**	**0.18**

(vi) Actuarial assumptions

Description	March 31, 2025	March 31, 2024
Discount rate	6.93%	7.22%
Future salary increase	8.00%	8.00%
Expected average remaining working lives of employees (years)	22.35	21.66

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

(₹ crores)

Description	March 31, 2025	March 31, 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year	111.19	103.06
- Impact due to increase of 0.50 %	(4.89)	(4.25)
- Impact due to decrease of 0.50 %	5.32	4.59
Impact of the change in salary increase		
Present value of obligation at the end of the year	111.19	103.06
- Impact due to increase of 0.50 %	5.19	4.45
- Impact due to decrease of 0.50 %	4.81	(4.17)

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

(₹ crores)

Description	March 31, 2025	March 31, 2024
Within next 12 months	12.95	11.46
Between 1-5 years	33.41	34.54
Beyond 5 years	64.83	57.06

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(ix) Category of plan assets :

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
LIC of India-Group gratuity cash accumulation fund	91.35	85.69
Others	4.34	1.17
Total	**95.69**	**86.86**

(x) The Group expects to contribute ₹ 13.35 crores (previous year ₹ 13.30 crores) to its gratuity plan for the next year.

(xi) The weighted average duration of defined benefit obligation for gratuity is 17.10 years(previous year 16.25 years) for the Group.

(xi) Gratuity liability (net) of ₹ 1.77 crores pertains to the discountinued operations.

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 ₹ 12.72 crores (previous year: ₹ 10.63 crores) has been recognised in the statement of profit and loss. It includes ₹ 1.27 crores (previous year: ₹ 0.92 crore) pertaining to discontinued operations.

(₹ crores)

Particulars	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Compensated absences (unfunded)	3.54	33.88	2.74	28.46

Compensated absences (unfunded) of ₹ 3.08 crores (previous year ₹ 2.46 crores) pertains to the discontinued operations (refer note 44(ii))

The weighted average duration for compensated absences is 17.10 years(previous year 16.25 years) for the Group.

C Pension

(₹ crores)

Particulars	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Pension	0.56	3.91	0.62	3.91

(i) Amount recognised in the balance sheet is as under:

(₹ crores)

Particulars	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Pension:				
Present value of defined benefit obligation	0.56	3.91	0.62	3.91
Fair value of plan assets	-	-	-	-
Net value of defined benefit obligation	**0.56**	**3.91**	**0.62**	**3.91**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(ii) Amount recognised in the statement of profit and loss is as under:

(₹ crores)

Description	March 31, 2025	March 31, 2024
Current service cost	-	-
Net interest cost^	0.33	0.35
Amount recognised in the other comprehensive income Actuarial loss/(gain) recognised during the year	0.07	(0.08)
Impact on total comprehensive income	**0.40**	**0.27**

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

(₹ crores)

Description	March 31, 2025	March 31, 2024
Present value of defined benefit obligation as at the start of the year	4.53	4.78
Interest cost	0.33	0.35
Actuarial loss/(gain) recognised during the year	0.07	(0.08)
Benefits paid	(0.46)	(0.52)
Present value of defined benefit obligation as at the end of the year	**4.47**	**4.53**

(iv) Breakup of actuarial (gain)/loss:

(₹ crores)

Description	March 31, 2025	March 31, 2024
Actuarial (gain)/loss on arising from change in financial assumption	-	-
Actuarial (gain)/loss on arising from experience adjustment	0.07	(0.08)
Total actuarial (gain)/loss	**0.07**	**(0.08)**

(v) Actuarial assumptions

Description	March 31, 2025	March 31, 2024
Discount rate	6.93%	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

(₹ crores)

Description	March 31, 2025	March 31, 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year	4.47	4.53
- Impact due to increase of 0.50 %	(0.10)	(0.11)
- Impact due to decrease of 0.50 %	0.10	0.10

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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

(₹ crores)

Description	March 31, 2025	March 31, 2024
Within next 12 months	0.56	0.62
Between 1-5 years	2.21	2.21
Beyond 5 years	1.70	1.70

(viii) The Group expects to contribute ₹ 0.31 crores (previous year ₹ 0.33 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 ₹ 29.08 crores (previous year: ₹ 27.10 crores) and contribution to Employee State Insurance Scheme for the year aggregated to ₹ 0.51 crores (previous year: ₹ 0.43 crores). The above includes ₹ 2.28 crores (previous year ₹ 2.03 crores) pertaining to discontinued operations.

E The Group has taken an insurance policy for medical benefits in respect of its working and certain retired employees. The insurance policy for on-roll employees is fully funded by the Group.

39 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
			1,122.00
			1,385.00
			1,465.80
	Vested equally over a period of 4 years from the date of grant in the ratio of 2:2:3:3*		1,805.00
			1,928.00

* The unvested options at the beginning of March 31, 2024 has been vested to the eligible employees on an accelerated basis in the proportion of the period served by these employees upto March 31, 2024 and the remaining unvested options stand cancelled as at March 31, 2024.

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:

(Nos)

Particulars	March 31, 2025	March 31, 2024
Opening balance	2,43,916	5,49,094
Granted during the year	-	-
Exercised during the year	1,77,931	1,18,700

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(Nos)

Particulars	March 31, 2025	March 31, 2024
Forfeited during the year	-	80,549
Lapsed/Cancelled during the year	500	1,05,929
Closing balance	**65,485**	**2,43,916**

Employee benefit expense includes Nil crores (previous year : ₹ 3.40 crore) being expenses on account of share based payments.

The weighted average share price at the date of exercise of options during the year ended March 31, 2025 was ₹ 3,863.91 (March 31, 2024 ₹ 2,772.76).

Weighted average remaining contractual life of options as at March 31, 2025 1.64 years (March 31, 2024 : 2.49 years).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Exercise price (₹)	Expiry date of options at March 31, 2025	Expiry date of options at March 31, 2024	Share options March 31, 2025	Share options March 31, 2025
August 16, 2018	870.00	August 15, 2024	August 15, 2024	-	2,350
August 16, 2018	870.00	August 15, 2025	August 15, 2025	9,450	35,750
September 08, 2020	1,122.00	September 07, 2024	September 07, 2024	-	4,900
September 08, 2020	1,122.00	September 07, 2025	September 07, 2025	1,379	9,064
September 08, 2020	1,122.00	September 07, 2026	September 07, 2026	5,353	26,212
September 08, 2020	1,122.00	March 31, 2027	March 31, 2027	17,629	32,290
February 03, 2021	1,385.00	February 02, 2026	February 02, 2026	986	1,250
February 03, 2021	1,385.00	February 02, 2027	February 02, 2027	1,250	18,000
February 03, 2021	1,385.00	March 31, 2027	March 31, 2027	1,250	14,193
September 16, 2021	1,465.80	September 15, 2025	September 15, 2025	-	3,850
September 16, 2021	1,465.80	September 15, 2026	September 15, 2026	2,599	3,900
September 16, 2021	1,465.80	March 31, 2027	March 31, 2027	3,850	6,301
September 16, 2021	1,465.80	March 31, 2027	March 31, 2027	3,972	4,727
November 26, 2022	1,805.00	November 25, 2026	November 25, 2026	-	22,000
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	1,739	21,494
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	6,250	21,504
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	9,778	16,131
				65,485	**2,43,916**

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.	August 16, 2018	September 08, 2020	February 03, 2021	September 16, 2021	November 26, 2022	February 07, 2023
d)	Expiry date	As per the details shared above.					
e)	Share price at grant date	₹ 869.50	₹ 1,121.10	₹ 1,384.15	₹ 1,465.80	₹ 2,288.35	₹ 2,061.90

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

f)	Expected price volatility of the holding 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.

40 Leases

(a) Information of leases where the Holding Company is lessee

Lease liabilities are presented in the statement of financial position as follows:

(₹ crores)

Description	March 31, 2025	March 31, 2024
Current	35.19	31.28
Non-current	67.74	49.62
	102.93	**80.90**

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 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 incure 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	March 31, 2025			
	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	9	0.5 - 15.3	9	-
Marketing offices and related facilities	13	0.25 - 4.67	11	-
Vehicles	2	0.75-3.75	2	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Right-of-use asset	March 31, 2024			
	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	1.5 - 16.3	7	-
Marketing offices and related facilities	12	0.24 - 4.54	10	-
Vehicles	2	0.42 - 1.75	2	-

The following are amounts recognised in profit or loss:

(₹ crores)

Description	March 31, 2025	March 31, 2024
Depreciation expense of right-of-use assets	30.75	27.54
Interest expense on lease liabilities	8.31	8.05
Rent expense (excluding discontinued operation)*	15.82	15.34
Total	**54.88**	**50.93**

*Rent expense in term of short term leases

The maturity analysis of lease liabilities are disclosed in refer note 35.

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 (excluding discontinued operations) relating to payments not included in the measurement of the lease liability for short term leases is ₹ 15.82 crores (March 31, 2024: ₹ 15.34 crores)

Total cash outflow for leases for the year ended March 31, 2025 was ₹ 54.62 crores (March 31, 2024: ₹ 49.13 crores).

(b) Information for leases where the Group is a lessor

The Group as a lessor has not entered any arrangements of lease. Accordingly, the disclosure in respect of finance lease or operating lease is not applicable to the holding company.

41 (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 March 31, 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Transferee Company, the Scheme became effective on 12 October 2012. In accordance with the Scheme, 3,73,00,031 equity shares of the Holding 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 41(c) below, EBWT presently holds Nil (March 31, 2024: Nil) equity shares of the Company and 2,34,97,478 (March 31, 2024: 2,34,97,478) equity shares of Invigorated Business Consulting Limited (Formerly 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 March 31, 2025 is ₹ 13.42 crores (March 31, 2024: ₹ 12.43 crores).

(c) Subsequent to approval of the Board of Directors on February 18, 2022 for selective reduction of 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 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 provisions 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 August 14, 2022. The Scheme has been approved by the Tribunal vide its order dated May 25, 2023 ("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 May 29, 2023. Accordingly, the impact of the scheme has been considered in financial statements during the previous year ended March 31, 2024..

(d) i) 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.

ii) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

iii) The Group 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.

iv) The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.

v) No charges or satisfaction yet to be registered with ROC beyond the statutory period.

vi) No proceeding have been initiated on or is pending against the Parent Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(e) The Ministry of Corporate Affairs (MCA), under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 mandates companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The requirement is applicable with effect from the financial year beginning on April 01, 2023.

The Group, during the year has used an accounting software for maintaining its books of account which has a feature of recording audit trail of each and every transaction posted into the accounting software, creating an edit log of each change made in the books of account along with the date when such changes were made, in respect of those posted transactions in the books of accounts and such feature in the accounting software cannot be disabled. Further, the audit trail (edit logs) feature for any changes made directly at the database level was enabled w.e.f 01 September 2024 for the accounting software. Further, the audit trail has been preserved as per the statutory requirements for record retention wherever such feature is enabled.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

42 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

(₹ crores)

Description	March 31, 2025	March 31, 2024
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year (excluding ₹ 14.71 crores pertaining to discontinued operations as at 31 March 2025);	95.86	129.72
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 (excluding ₹ 0.07 crores pertaining to discontinued operations as at 31 March 2025); and	1.03	2.40
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.

43 Business Combination under Common Control- Amalgamation of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited into and with Escorts Kubota Limited

The Board of the Directors of the Holding Company on September 15, 2022 had approved a Scheme of Amalgamation ("SoA"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and rules framed thereunder. The SoA, inter alia, provides for amalgamation of erstwhile joint ventures, Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited (together hereinafter referred to as "Amalgamating Companies") into and with Escorts Kubota Limited (the Holding Company) with appointed date being April 01, 2023. The Holding Company filed the said SoA with the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT) on July 12, 2023. The SoA had been approved by the requisite majority of the Shareholders and Creditors of the Holding Companies on December 02, 2023. Post Shareholders and Creditors approval, the Holding Company filed the Second Motion Application with NCLT on December 11, 2023. The NCLT approved the SoA vide its Order dated August 21, 2024 and its certified copy was filled with Registrar of Companies (ROC) on September 01, 2024. During the previous year, the Holding Company has taken effect to the SoA, which has been accounted as per 'the Pooling of Interest Method' specified in the approved SoA which is in line with the accounting principles given under Appendix C of Ind AS 103, "Business Combinations", Pursuant to above, the financial statements of the Holding Company in respect of the prior periods have been restated as if the aforesaid business combination had occurred from the begining of the preceding year being April 01, 2023.

Accounting treatment under pooling of interest method

i. The amalgamated Holding Company has recorded all the assets, liabilities and reserves of the amalgamating Company vested in it pursuant to this SoA, at their carrying values and in the same form as appearing in the books of the amalgamating companies as on the April 01, 2023.

ii. The identity of the reserves have been preserved and are recorded in the same form and at the carrying amount as appearing in the financial statements of amalgamating Companies.

iii. No adjustments are made to reflect fair values or recognise any new assets or liabilities except to harmonise the accounting policies.

iv. The inter-company transactions and balances have been eliminated.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

The book value of assets and liabilities taken over as at April 01, 2023 in accordance with the terms of the scheme at the following summarised values:

(₹ crores)

Particulars	Escorts Kubota India Private Limited	Kubota Agricultural Machinery India Private Limited	Total
Assets			
Non current assets			
Property, plant and equipment	193.56	9.44	203.00
Capital work-in-progress	27.66	-	27.66
Right-of-use assets	13.98	40.64	54.62
Intangible assets	7.37	4.14	11.51
Intangible assets under development	-	10.10	10.10
Financial assets			
Other financial assets	1.50	6.13	7.63
Deferred tax assets (net)	-	18.10	18.10
Income tax assets (net)	1.07	4.83	5.90
Other non-current assets	16.21	0.56	16.77
Total non-current assets	**261.35**	**93.94**	**355.29**
Current assets			
Inventories	88.81	284.94	373.75
Financial assets			
Trade receivables	144.49	224.16	368.65
Cash and cash equivalents	0.62	257.84	258.46
Bank balances other than above	0.07	0.85	0.92
Other financial assets	0.22	11.92	12.14
Other current assets	133.74	36.43	170.17
Total current assets	**367.95**	**816.14**	**1,184.09**
Total assets (A)	**629.30**	**910.08**	**1,539.38**
Equity			
Other equity	(141.93)	157.02	15.09
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	73.56	-	73.56
Lease liabilities	6.34	28.11	34.45
Provisions	8.46	12.07	20.53
Other non-current liabilities	-	-	-
Total non-current liabilities	**88.36**	**40.18**	**128.54**
Current liabilities			
Financial liabilities			
Borrowings	144.51	-	144.51
Lease liabilities	12.05	14.77	26.82
Trade payables	175.28	596.36	771.64
Other financial liabilities	6.40	21.30	27.70
Other current liabilities	1.99	16.41	18.40

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	Escorts Kubota India Private Limited	Kubota Agricultural Machinery India Private Limited	Total
Provisions	42.64	14.04	56.68
Total current liabilities	**382.87**	**662.88**	**1,045.75**
Total equity and liabilities (B)	**329.30**	**860.08**	**1,189.38**
Total net identifiable assets acquired C = (A-B)	300.00	50.00	350.00
Carrying amount of investments in amalgamating companies cancelled (D)	63.23	120.32	183.55
Equity share capital issued as per SoA (E) (refer note below)	0.70	0.68	1.38
Excess of net assets over investment (F) = (C-D-E)	236.07	(71.00)	165.07
Impact of Intra group transactions & balances elimination (G)			3.08
Capital reserve arising on amalgamation (F+G)			**168.15**

Note:

1. The details of the amalgamating companies are as below

Particulars	Amalgamated Company 1	Amalgamated Company 2
Name of the Amalgamating Companies	Escorts Kubota India Private Limited	Kubota Agricultural Machinery India Private Limited
General nature of business	Manufacturing & selling of Tractors	Manufacturing & selling of Tractors, Farm and construction equipment's,
Appointed date of the Scheme	April 01, 2023	April 01, 2023
Description and number of shares issued by the Company	6,97,674 Equity share of ₹ 10 each	6,81,818 Equity shares of ₹ 10 each
Swap ratio	5 Equity share of ₹ 10 each of the Holding Company for 129 shares of 100 each in Amalgamating company 1	5 Equity share of ₹ 10 each of the Holding Company for 220 shares of ₹ 10 each in Amalgamating company 2
% of Holding Company's share in Amalgamating Company exchanged	40%	40%

The Holding Company has allotted 13,79,493 Equity shares of ₹ 10 each in pursuance of the SoA on September 06, 2024.

2. The authorised share capital of the Transferee Company, automatically stands increased, by clubbing the authorised share capital of the Transferor Companies. The holding company has filled the INC-28 Forms for the same and approval of which is in process.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

3. The impact of the SoA on the previous period is as follows:

a. Change in total assets, total liabilities and total equity

(₹ crores)

Description	As at March 31, 2024	
	Reported	**Restated**
Total assets	11,266.91	12,401.72
Total liabilities	2,094.52	3,017.12
Total equity	9,172.39	9,384.60

b. Change in revenue from operations, Profit before tax, profit after tax and earnings per equity share- basic and diluted

(₹ crores)

Description*	Year ended March 31, 2024	
	Reported	**Restated**
Revenue from operations		
-From continuing operations	7,899.21	9,803.59
-From discontinued operations	950.41	950.41
Profit before tax		
-From continuing operations	1,222.30	1,256.43
-From discontinued operations	178.72	178.72
Profit after tax		
-From continuing operations	915.49	943.03
-From discontinued operations	133.59	133.59
Earnings per equity share:		
For continuing operations		
- Basic (₹)	84.47	85.93
- Diluted (₹)	84.33	85.78
For discontinued operations		-
- Basic (₹)	12.33	12.17
- Diluted (₹)	12.31	12.15
For continuing and discontinued operations		
- Basic (₹)	96.80	98.10
- Diluted (₹)	96.64	97.93

* The figures of "Railway equipments" segment have been reclassified as discountinued operations (refer note 44 (ii)).

c. Change on cash flows arising on operating, investing and financing activities.

(₹ crores)

Description	Year ended March 31, 2024	
	Reported	**Restated**
Net cash flows generated from operating activities	1,032.18	788.60
Net cash flows used in investing activities	(927.87)	(1,017.50)
Net cash used in financing activities	(76.88)	24.77

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

44 Assets held for sale and discontinued operations

(i) Assets held for sale

(a) The Group in earlier years, has agreed to transfer 25 acres of land at Plot No. 219, Sector 58, Ballabhgarh, Haryana for a consideration of ₹ 17.54 crores (including additional payment of ₹ 8.54 crores to Haryana Shehri Vikas Pradhikaran (HSVP) under "Last and Final Settlement Scheme, 2022" towards settlement of enhancement dues related to the said land) of which ₹ 13.00 crores has been received from the buyer as at March 31, 2024. The said transfer is subject to necessary approval from Haryana Urban Development Authority (HUDA) and accordingly the amount received from the buyer 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.

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.

(b) The Board of Directors of the Company on 10 February 2025 has approved execution of an agreement for sale of land admeasuring 33,423 square yards along with building thereon forming part of the industrial plot bearing no. 115 and part of plot no. 114 located in Sector 24, Faridabad to Sona BLW Precision Forgings Limited (Sona Comstar) for a total consideration of ₹ 110 crores. The said land and building is transferred to assets held for sale in accordance with Ind AS 105 "Non-current assets held for sale and discontinued operations".

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. No write down was required to be made to the carrying value of said land and building.

(ii) Discontinued operations

The Board of the Directors of the group on 23 October 2024 has approved the sale/ transfer of its division engaged in the business of manufacturing, assembly, sales, servicing, research and development of railway equipment products including parts thereto ("RED Business") as a going concern, on a 'slump sale' basis, as defined under Section 2(42C) of the Income-tax Act, 1961, for a lump sum cash consideration of ₹ 1,600 crores without values being assigned to the individual assets and liabilities in such sale/ transfer, to Sona BLW Precision Forgings Limited (Sona Comstar). The sale/ transfer of RED Business is subject to completion of conditions precedent and closing actions as specified in the business transfer agreement (BTA). Further, the lumpsum cash consideration is subject to certain transaction adjustments as specified in the BTA.

Disclosures in accordance with Ind AS 105 "Non-current assets held for sale and discontinued operations"

(a) Extract of assets and liabilities classified as held for sale :

(₹ crores)

Particulars	As at March 31, 2025
Property, plant and equipment (including CWIP)	147.55
Intangible assets (including assets under development)	5.12
Other financial assets	0.43
Other non current assets	1.87

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	As at March 31, 2025
Inventories	149.77
Trade receivables	226.22
Other financial assets	15.08
Other current assets	4.64
Total assets held for sale	**550.68**
Non-current liabilities-Provisions	3.02
Trade payables	84.22
Other financial liabilities	11.33
Other current liabilities (including provision)	8.56
Total liabilities held for sale	**107.13**

(b) Change in cash flows arising due to operating, investing and financing activities

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net cash flows generated from operating activities	111.40	390.83
Net cash flows used in investing activities	(29.06)	(25.10)
Net cash flows used in financing activities	(0.02)	(0.35)
Intra-company adjustments	(81.84)	(368.98)

(c) The Group has presented seperately the previous year numbers under discontinued operations as per para 34 of Ind AS 105 "Non-current assets held for sale and discontinued operations". Accordingly, statement of profit and loss for financial year ended March 31, 2024 has been restated.

(d) Financial performance inforamation

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income		
Revenue from operations	912.79	950.41
Other income	0.32	1.11
Total income	**913.11**	**951.52**
Total expenses	724.41	772.80
Profit before tax from discontinued operations	**188.70**	**178.72**
Tax expense of discontinued operations	47.81	45.13
Net profit for the period from discontinued operations	**140.89**	**133.59**
Earnings per equity share of ₹ 10 each from discontinued operations:		
a) Basic (₹)	12.81	12.17
b) Diluted (₹)	12.81	12.15

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

45 Research and development

(i) Research and development costs on in house R&D centers amounting to ₹ 170.36 crores (March 31, 2024: ₹ 154.37 crores) were incurred during the year.

(₹ crores)

Particulars	Tractor		Construction equipment	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Cost of materials consumed	7.55	5.60	-	0.13
Employee benefits expense	79.11	70.06	10.61	10.18
Other expenses	43.45	39.49	5.93	6.22
Depreciation	20.95	21.30	2.76	1.39
Total	**151.06**	**136.45**	**19.30**	**17.92**

(ii) Assets purchased/capitalised for research and development centers*:

(₹ crores)

Particulars	R & D Centre (Tractors)	R&D Centre (Construction Equipment)
Gross carrying value		
As at April 01, 2023	**375.76**	**13.60**
Additions	20.00	4.03
Disposals	(4.45)	(0.02)
As at March 31, 2024	**391.31**	**17.61**
Additions	42.38	5.57
Disposals	(9.32)	(0.01)
As at March 31, 2025	**424.37**	**23.17**
Accumulated depreciation and amortisation		
As at April 01, 2023	**162.07**	**9.11**
Depreciation and amortisation for the year	21.30	1.39
Disposals	(4.07)	(0.02)
As at March 31, 2024	**179.30**	**10.48**
Depreciation and amortisation for the year	20.95	2.76
Disposals	(7.66)	-
As at March 31, 2025	**192.59**	**13.24**
Net carrying amount as at March 31, 2024	**212.01**	**7.13**
Net carrying amount as at March 31, 2025	**231.78**	**9.93**

* Exclude capital advance/capital work-in-progress

(iii) Expenses on research and development as percentage to gross turnover is:

Particulars	March 31, 2025	March 31, 2024
Tractors	1.50%	1.42%
Construction equipment	0.19%	0.19%

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

46 (i) Assets pledged as security

(₹ crores)

Particulars	Notes	March 31, 2025	March 31, 2024
Current			
Financial assets			
First charge			
Non Financial assets			
Inventories	12	57.17	61.32
Total current assets pledged as security		**57.17**	**61.32**
Non-current			
First charge			
Land and building	3 (i)	2.02	2.00
Second Charge			
Total non-currents assets pledged as security		**2.02**	**2.00**
Total assets pledged as security*		**59.19**	**63.32**

* charge on the assets shall be limited to the amount of borrowings.

(ii) Disclosure pursuant to section 186(4) of The Companies Act, 2013

(₹ crores)

Particulars	Proposed Utilisation of proceeds	Year ended March 31, 2025	Year ended March 31, 2024
Advance given			
- Adico Escorts Agri Equipment Private Limited	Business purpose	1	1

47 Related party transactions (including discontinued operations)

A Holding Company (Overseas)

Kubota Corporation

B Fellow Subsidiaries (Overseas)

Kubota Europe S.A.S.
Kubota Holdings Europe B.V.
Kubota (Deutschland) GMbh
Kubota Canada Ltd.
Kubota Engine (Thailand) Co. Ltd.
SIAM Kubota Corporation Co. Ltd.
Kubota Industrial Equipment Corporation
Kubota Manufacturing of America Corporation
Kubota Agricultural Machinery (Suzhou) Co. Ltd, China
Kubota Turkey Makine Ticaret Limited Sirketi
Kubota (U.K.) Limited
Kubota Malaysia SDN BHD
Kubota Tractor Corporation
Kubota Machinery Trading Co. Ltd
Kubota Construction Machinery (Shanghai) Co., Ltd.
Kubota Engine America Corporation
Kubota Global Institute of Technology
Kubota Design Corporation
Kubota Mexico

C Joint venture in the Group

Adico Escorts Agri Equipment Private Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

D Associate in the Group

Escorts Consumer Credit Limited

E Key management personnel

Mr. Nikhil Nanda*	Chairman and Managing Director and Trustee
Mr. Seiji Fukuoka *	Deputy Managing Director and Director
Mr. Bharat Madan*	Whole-time Director, Chief Financial Officer and Trustee
Mr. Satyendra Chauhan*	Company Secretary, Compliance Officer and Trustee (relationship ceased w.e.f February 29, 2024)
Mr. Arvind Kumar *	Company Secretary and Trustee (w.e.f March 01, 2024)
Ms. Nitasha Nanda*	Whole-time Director
Mr. Hardeep Singh	Director
Mr. Sutanu Behuria	Director and Trustee (relationship ceased w.e.f July 14, 2023)
Mr. Sunil Kant Munjal	Director
Ms. Tanya Arvind Dubash	Director
Mr. Harish N. Salve	Director
Mr. Ravindra Chandra Bhargava	Director
Mr. Vimal Bhandari	Director
Mr. Reema Rameshchandra Nanavati	Director
Mr. Manish Sharma	Director
Dr. Rupinder Singh Sodhi	Director (appointed as Director w.e.f. July 14, 2023)
Mr. Pawan Goenka*	Chief Financial Officer (relationship ceased w.e.f May 05, 2025)
Mr. Rajan Chugh*	Managing Director
Mr. Amit Singhal	Director
Mr. Sanjeev Kumar Garg	Director (appointed as Director w.e.f. September 27, 2024)
Mr. Vinod Dixit	Director (relationship ceased w.e.f. October 26, 2023)
Mr. Rajeev Khanna*	Whole Time Director (relationship ceased w.e.f. May 08, 2023)
Mr. Ashok Behl*	Whole Time Director (w.e.f. May 08, 2023)
Mr. Kamal Sachdeva	Director (w.e.f. October 26, 2023)
Ms. Preeti Chauhan	Director (relationship ceased w.e.f. September 27, 2024)
Mr. Sumit Raj	Director
Mr. Priyank Kalra	Director
Mr. Maciej Rujner	Director (w.e.f. August 18, 2023)
Ms. Moni Singh	Director
Mr. Chakshoo Mehta*	Company Secretary (w.e.f. November 06, 2024)
Mr. Pranjal Gupta*	Company Secretary (relationship ceased w.e.f. August 04, 2024 and re-appointed on October 30, 2024)
Mr. Donald Fernandez*	Chief Financial Officer
Mr. Abhishek Mudgal*	Chief Executive Officer (w.e.f. February 07, 2024) and Managing Director (w.e.f. June 14, 2024)
Mr. Kishan Rao Puthli*	Chief Financial Officer (w.e.f. February 07, 2024 till December 31, 2024)
Mr. Aritsune Masuda	Director (w.e.f. January 09, 2024)
Mr. Prosenjeet Roy*	Company Secretary (w.e.f. February 07, 2024 till April 30, 2024)
Mr. Vaishali Goyal*	Company Secretary (w.e.f. June 04, 2024)

*Key managerial personnel (KMP) as defined under section 2(51) the Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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

Sietz Technologies India Private Limited

Sun & Moon Travels (India) Private Limited

Agresource Management Private Limited

Escorts Dealer Development Assosiation Limited

List of other related parties in the Group

Escorts Limited Employees' Group Gratuity Fund Trust (refer note 38 for transaction)

Key management personnel remuneration includes the following expenses:

(₹ crores)

Particulars	March 31, 2025	March 31, 2024
Short-term employee benefits:	36.53	24.52
Other long-term benefits:	-	0.60
Post-employment benefits:	0.62	0.98
Total remuneration	**37.15**	**26.10**

(i) Transactions and balances with joint ventures

(₹ crores)

Nature of transactions*	Purchase of goods	Interest Income	Rent Received	Receiving of services	Sale of goods	Rendering of services	Advance given/Trade Receivables	Payables/ Advance received
Adico Escorts Agri Equipment Private Limited	52.94	0.24	-	-	0.19	-	1.00	0.20
	(68.75)	(0.26)	-	-	(0.22)	-	(1.69)	-

*Numbers in brackets represents financial year ending March 31, 2024.

(ii) Transactions and balances with Holding company and Fellow Subsidiaries :

(₹ crores)

Nature of transactions*	Purchase of goods	Sale of goods	Rendering of services	Receiving of services/ Reimbursement of expenses	Dividend Paid	Trade/ Other Receivables	Payables/ Advance received
Kubota Corporation	711.25	25.27	17.11	27.20	166.90	5.38	420.76
	(669.74)	(2.46)	(20.81)	(31.32)	(41.38)	(2.42)	(280.14)
Kubota Europe S.A.S.	-	48.41	-	-	-	46.45	-
	-	(62.06)	-	(0.01)	-	(15.90)	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Nature of transactions*	Purchase of goods	Sale of goods	Rendering of services	Receiving of services/ Reimbursement of expenses	Dividend Paid	Trade/ Other Receivables	Payables/ Advance received
Kubota Holdings Europe B.V.	-	38.38	-	-	-	30.85	-
	-	(49.69)	-	-	-	(5.64)	-
Kubota (Deutschland) GMbh	-	-	-	-	-	-	-
	-	-	-	(0.02)	-	-	-
Kubota (U.K.) Limited	-	12.53	-	-	-	6.06	-
	-	(13.84)	-	-	-	(1.89)	-
Kubota Malaysia SDN BHD	-	1.26	-	0.01	-	-	-
	-	-	-	-	-	-	-
Kubota Tractor Corporation	0.01	0.01	-	-	-	0.01	-
	(0.01)	(0.18)	-	-	-	(0.02)	(0.01)
Kubota Canada Ltd.	-	-	-	-	-	-	-
	-	(0.20)	-	-	-	-	-
Kubota Machinery Trading Co. Limited	33.54	13.20	0.01	-	-	1.81	9.16
	(49.57)	(9.40)	(0.02)	(0.36)	-	(2.48)	(11.94)
Kubota Engine (Thailand) Co. Ltd.	201.15	-	0.52	-	-	0.39	75.11
	(58.27)	-	(0.13)	(0.01)	-	(0.02)	(47.82)
SIAM Kubota Corporation Co. Ltd.	35.95	65.90	0.02	1.86	-	15.24	9.95
	(48.93)	(71.25)	(1.44)	(0.03)	-	(19.09)	(8.11)
Kubota Industrial Equipment Corporation	-	-	-	-	-	-	-
	-	(45.73)	-	-	-	-	-
Kubota Manufacturing of America Corporation	-	45.54	-	-	-	14.12	-
	-	(8.72)	-	-	-	(12.79)	-
Kubota Agricultural Machinery (Suzhou) Co. Ltd China	35.85	-	-	0.01	-	0.04	6.83
	(26.57)	-	-	-	-	-	(8.34)
Kubota Construction Machinery (Shanghai) Co. Ltd.	0.34	-	-	-	-	-	0.09
	(0.43)	-	-	-	-	-	(0.06)
Kubota Engine America Corporation	0.01	-	-	-	-	-	-
	(0.02)	-	-	-	-	-	(0.02)
Kubota Global Institute of Technology	-	-	-	-	-	-	-
	-	-	(6.74)	-	-	(3.00)	-
Kubota Mexico	-	4.70	-	-	-	4.69	-
	-	-	-	-	-	-	-
Kubota Design Corporation	-	-	2.19	-	-	0.35	-
	-	-	-	-	-	-	-
Kubota Turkey Makine Ticaret Limited Sirketi	0.13	-	-	-	-	-	-
	-	-	-	-	-	-	-

*Numbers in brackets represents financial year ending March 31, 2024.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(iii) Transactions and balances 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 recoverables	Trade Receivables	Payables/ Advance received
Nikhil Nanda	-	12.59	-	-	-	-	-	3.37	-	-	4.00
	-	(12.46)	-	(0.43)	-	(0.11)	-	(0.84)	-	-	(4.00)
Nitasha Nanda	-	3.01	-	-	-	-	-	0.54	-	-	0.56
	-	(2.91)	-	(0.47)	-	(0.03)	-	(0.14)	-	-	(0.57)
Shweta Nanda	-	-	-	-	-	-	-	0.05	-	-	-
	-	-	-	-	-	-	-	(0.01)	-	-	-
Navya Naveli Nanda	-	-	-	-	-	-	0.24	0.05	-	-	-
	-	-	-	-	-	-	(0.24)	(0.01)	-	-	(0.02)
Agastya Nanda	-	-	-	-	-	-	-	0.03	-	-	-
	-	-	-	-	-	-	-	(0.01)	-	-	-
Bharat Madan	-	14.72	-	-	-	-	-	0.02	-	-	-
	-	(5.23)	-	-	-	-	-	-	-	-	(1.12)
Satyendra Chauhan	-	-	-	-	-	-	-	-	-	-	-
	-	(0.69)	-	-	-	-	-	-	-	-	-
Smarti Chauhan	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(0.03)	-	-	-	-
Arvind Kumar	-	0.61	-	-	-	-	-	-	-	-	-
	-	(0.12)	-	-	-	-	-	-	-	-	(0.08)
Meenakshi Gupta	-	-	-	-	-	-	0.02	-	-	-	**
	-	-	-	-	-	-	(**)	-	-	-	(**)
Hardeep Singh^	-	0.15	-	-	-	-	0.15	-	-	-	0.15
	-	-	-	-	-	-	(0.31)	(**)	-	-	(0.15)
Sutanu Behuria^	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(0.02)	-	-	-	-
Sunil Kant Munjal^	-	0.15	-	-	-	-	0.11	0.07	-	-	0.15
	-	-	-	-	-	-	(0.24)	(0.02)	-	-	(0.15)
Seiji Fukuoka	-	2.44	-	-	-	-	-	-	-	-	-
	-	(1.89)	-	-	-	-	-	-	-	-	-
Manish Sharma^	-	0.15	-	-	-	-	0.10	-	-	-	0.15
	-	-	-	-	-	-	(0.27)	-	-	-	(0.15)
Ravindra Chandrs Bharvaga^	-	0.15	-	-	-	-	0.08	-	-	-	0.15
	-	-	-	-	-	-	(0.23)	-	-	-	(0.15)
Reema Rameshchandra Nanavati^	-	0.15	-	-	-	-	0.07	-	-	-	0.15
	-	-	-	-	-	-	(0.22)	-	-	-	(0.15)
Vimal Bhandari^	-	0.15	-	-	-	-	0.14	-	-	-	0.15
	-	-	-	-	-	-	(0.30)	-	-	-	(0.15)
Harish N. Salve^	-	0.15	-	-	-	-	0.01	-	-	-	0.15
	-	-	-	-	-	-	(0.18)	-	-	-	(0.15)
Tanya Arvind Dubash^	-	0.15	-	-	-	-	0.07	-	-	-	0.15
	-	-	-	-	-	-	(0.22)	-	-	-	(0.15)
Rupinder Singh Sodhi^	-	0.15	-	-	-	-	0.13	-	-	-	0.15
	-	-	-	-	-	-	(0.25)	-	-	-	(0.15)
Har Parshad And Company Private Limited	44.15	-	0.09	-	-	-	-	30.03	-	0.02	4.97
	(42.49)	-	(0.16)	-	-	-	-	(7.51)	-	(0.01)	(4.33)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(iii) Transactions and balances 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 recoverables	Trade Receivables	Payables/ Advance received
Escorts Dealer Development Assosiation Limited	-	-	0.08	-	-	0.54	1.36	-	-	0.39	0.10
	-	-	(0.05)	-	-	-	(1.46)	-	-	(0.01)	(0.60)
AAA Portfolios Private. Limited	-	-	-	-	-	-	-	4.72	-	-	-
	-	-	-	-	-	-	-	(1.18)	-	-	-
Big Apple Clothing Private Limited	-	-	-	-	-	-	-	4.96	-	-	-
	-	-	-	-	-	-	-	(1.24)	-	-	-
Niky Tasha Communications Private Limited	-	-	-	-	-	-	-	0.01	-	-	-
	-	-	-	-	-	-	-	(**)	-	-	-
Niky Tasha Energies Private Limited	-	-	-	-	-	-	-	**	-	-	-
	-	-	-	-	-	-	-	(**)	-	-	-
Sietz Technologies India Private Limited	-	-	-	-	117.46	0.49	-	-	-	0.07	15.20
	-	-	(0.36)	-	(138.55)	(0.29)	-	(**)	(0.84)	(0.07)	(18.29)
Sun & Moon Travels (India) Private Limited	-	-	0.02	-	-	-	15.12	-	-	0.03	0.22
	-	-	(0.02)	-	-	(0.92)	(7.32)	-	(0.02)	(0.04)	(0.07)
EEWL Limited	-	-	0.01	-	-	-	-	-	-	-	0.39
	-	-	-	-	-	-	-	-	-	-	(0.41)
Hero Mindmine Institute Private Limited	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(**)	-	-	-	-
Agresource Management Private Limited	-	-	-	-	-	-	0.05	-	-	-	-
	-	-	-	-	-	-	(0.62)	-	-	-	-
Sumit Raj	-	-	-	-	-	-	0.01	-	-	-	-
	-	-	-	-	-	-	(0.01)	-	-	-	-
Preeti Chauhan	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(**)	-	-	-	-
Donald Fernandez	-	0.08	-	-	-	-	-	-	-	-	-
	-	(0.07)	-	-	-	-	-	-	-	-	-
Maciej Rujner	-	0.97	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Priyank Kalra	-	-	-	-	-	-	-	-	-	-	-
	-	(2.35)	-	-	-	-	-	-	-	-	-
Ms. Moni Singh	-	-	-	-	-	-	**	-	-	-	-
	-	-	-	-	-	-	(**)	-	-	-	-
Mr. Abhishek Mudgal	-	1.79	-	-	-	-	-	-	-	-	-
	-	(0.24)	-	-	-	-	-	-	-	-	-
Mr. Kishan Rao Puthli	-	0.82	-	-	-	-	-	-	-	-	-
	-	(0.11)	-	-	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ 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 recoverables	Trade Receivables	Payables/ Advance received
Ms. Vaishali Goyal	-	0.14	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Mr. Prosenjeet Roy	-	-	-	-	-	-	-	-	-	-	-
	-	(0.02)	-	-	-	-	-	-	-	-	-

*Numbers in brackets represents financial year ending March 31, 2024

** Amount represents less than a lakh

^ Services received includes directors sitting fees and commission.

48 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 (discontinued operation held for sale)

iv Auto ancillary products (discontinued operation)

v Others

A Segment revenue and results

(₹ crores)

Particulars	March 31, 2025				Total	March 31, 2024				Total
	Agri machinery products	Construction equipments	Unallocated	Inter segment adjustment		Agri machinery products	Construction equipments	Unallocated	Inter segment adjustment	
Revenue	8,504.13	1,730.09	9.66	-	10,243.88	7,968.21	1,818.17	18.11	(0.90)	9,803.59
Segment Result before interest income unallocable, exceptional items, finance cost and tax	900.60	172.10	101.93	-	1,174.63	886.51	167.19	25.92	-	1,079.62
Add: Interest income unallocable					208.33					218.98
Less: Finance cost					(29.17)					(41.66)
Less: Exceptional items					(1.67)					-
Add: Share of loss of equity accounted investments					(1.11)					(0.51)
Profit before tax					**1,351.01**					**1,256.43**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(₹ crores)

Particulars	March 31, 2025				Total	March 31, 2024				Total
	Agri machinery products	Construction equipments	Unallocated	Inter segment adjustment		Agri machinery products	Construction equipments	Unallocated	Inter segment adjustment	
Less: Tax expense					226.95					313.40
Profit after tax					**1,124.06**					**943.03**
Profit from discontinued operations					188.70					178.72
Tax expense of discontinued operations					47.81					45.13
Profit from discontinued operations after tax					**140.89**					**133.59**
Profit for the year					**1,264.95**					**1,076.62**
Other comprehensive income					(1.35)					0.74
Total comprehensive income					**1,263.60**					**1,077.36**

B Other information

(₹ crores)

Segment	Segment assets		Segment liabilities	
	As on March 31, 2025	As on March 31, 2024	As on March 31, 2025	As on March 31, 2024
Agri machinery products	4,625.34	5,003.52	2,015.41	2,071.52
Construction equipments	545.18	423.10	344.29	421.46
Assets held for sale in respect of discontinued operations	550.85	501.67	-	-
Liabilities held for sale in respect of discontinued operations	-	-	111.44	163.12
Unallocated	7,377.12	6,473.43	264.45	361.02
Total	**13,098.49**	**12,401.72**	**2,735.59**	**3,017.12**

C Additional information by geographies

(₹ crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue by geographical market		
India	9,650.58	9,195.67
Outside India	593.30	607.92
	10,243.88	**9,803.59**
Non-current assets*		
India	2,469.46	2,593.68
Outside India	2.61	2.88
	2,472.07	**2,596.56**

*Non-current assets excludes financial instruments.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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:

i 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.

ii Segment revenue, segment results, segment assets and segment liabilities include the respective amount identifiable for each operating segment.

49 Revenue from Contracts with Customers (excluding discontinued operations)

(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 March 31, 2025

(₹ crores)

Revenue from operations	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic	9,572.17	7.45	81.42	9,661.04
Export	499.43	-	-	499.43
Total	**10,071.60**	**7.45**	**81.42**	**10,160.47**
Revenue by time				
Revenue recognised at point in time				10,153.02
Revenue recognised over time				7.45
Total				**10,160.47**

For the year ended March 31, 2024

(₹ crores)

Revenue from operations	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic	9,106.09	9.96	100.30	9,216.35
Export	500.87	-	-	500.87
Total	**9,606.96**	**9.96**	**100.30**	**9,717.22**
Revenue by time				
Revenue recognised at point in time				9,707.26
Revenue recognised over time				9.96
Total				**9,717.22**

* Other operating revenue amounting to ₹ 83.41 crores (March 31, 2024 : ₹ 86.37 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 March 31, 2025 (Contd.)

(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 March 31, 2025	As at March 31, 2024
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	65.82	75.27
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 March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	56.29	-	77.04
Deferred income	10.63	40.38	10.28	33.06

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	As at March 31, 2025	As at March 31, 2024
Contract price	10,670.19	10,226.94
Less: Discount, rebates, credits etc.	509.72	509.72
Revenue from operations as per Statement of Profit and Loss*	**10,160.47**	**9,717.22**

* Other operating revenue amounting to ₹ 83.41 crores (March 31, 2024 : ₹ 86.37 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.

(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.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2025 (Contd.)

50 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 of company	Nature of transaction with struck-off company	Balance Outstanding Amount as on March 31, 2025	Balance Outstanding Amount as on March 31, 2024
74 BC Technologies Private Limited	Trade payable	0.01	0.01
Sugam Parivahan Private Limited	Trade payable	-	-
Kohli Engineering & Power Management Private Limited	Trade receivables	-	-
Burn Standard Co. Limited	Trade receivables	-	-

b. Details of shares held by struck off company (Face value of ₹ 10 each):

Name of the Struck of company	Nature of transaction with struck-off company	Number of shares as on March 31, 2025	Number of shares as on March 31, 2024
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
Popular Stock & Share Services Private Limited	Shares held by struck off company	100	100
Sunren Exports Investments Private Limited	Shares held by struck off company	112	112
AL Falah Investments Limited	Shares held by struck off company	20	20
Shree Capital Services Limited	Shares held by struck off company	53,056	53,056

(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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

51 Ratio analysis

Particulars	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reason for change
Current Ratio	Current Assets	Current Liabilities	2.79	2.53	10.20%	NA
Debt Equity Ratio	Total Debt (including Current maturities of Long Term Borrowings and excluding lease liabilities)	Shareholder's Equity	-	0.04	(100.00%)	The decrease is primarily on account of borrowing repayment during financial year ended 31 March 2025
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	3.64	20.70	(82.42%)	The decrease is primarily on account of borrowing repayment during financial year ended 31 March 2025 partially offset with higher profits as compared to financial year ended 31 March 2024.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	12.81%	12.12%	5.63%	NA
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.78	4.58	0.04	NA
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales	Average Trade Receivable	7.47	7.56	(1.19%)	NA
Trade payable turnover ratio	Total purchases of raw material, store and spares and stock in trade	Average Trade Payables	4.52	4.34	0.04	NA
Net capital turnover ratio	Net sales = Total sales - sales return	Average Working capital = Current assets – Current liabilities	2.60	2.88	(9.90%)	NA
Net profit ratio	Net Profit	Net sales = Total sales - sales return	11.34%	10.01%	13.25%	NA
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	15.19%	15.11%	0.52%	NA
Return on Investment	"{MV(T1) – MV(T0) – Sum [C(t)]} (Refer notes below)"	"{MV(T0) + Sum [W(t) * C(t)]} (Refer notes below)"	16.01%	46.50%	(65.56%)	The decrease is mainly on account higher dividend payout during financial year ended March 31, 2025 and lower increase in market value of the share as compared to financial year ended March 31, 2024

Financial numbers of discontinued operation have been included for calculation of ratios to make them comparable.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

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

52 Previous year figures have been regrouped/ reclassified wherever necessary, to conform to current year's classification and the impact of material re-grouping/ reclassification has been disclosed appropriately in these financial statements in accordance with the applicable accounting standards.

As per our Report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

Nalin Jain
Partner
Membership No. 503498

Place : New Delhi
Date : May 08, 2025

For and on behalf of the Board of Directors

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Date : May 08, 2025

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Form AOC-1

Statement containing salient features of the financial statements of subsidiaries/joint venture/associates for the year 2024-25

Subsidiaries

(₹ crores)

Name of the subsidiaries	Invigorated Business Consulting Limited (formerly Escorts Finance Limited)	Farmtrac Tractors Europe Sp. Z.o.o, Poland *	Escorts Crop Solutions Limited	Escorts Benefit and Welfare Trust	Escorts Benefit Trust	Escorts Kubota Finance Limited	EKL CSR Foundation
The date since when subsidiary was acquired	October 12, 2012	October 08, 2009	October 12, 2012	February 14, 2012	March 04, 2013	January 09, 2024	November 01, 2021
Reporting period	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025
Capital	40.17	25.87	24.40	-	-	20.00	0.05
Reserves & Surplus	(219.50)	(22.01)	(24.09)	-	0.16	(2.33)	0.22
Total assets	4.11	79.56	0.32	0.01	0.17	18.02	1.66
Total liability	183.44	75.71	0.01	-	0.01	0.35	1.38
Investments	-	-	-	-	-	6.80	-
Turnover	-	94.89	-	-	-	-	30.55
Profit/(loss) before taxation	(0.08)	(4.14)	0.24	-	(0.00)	(3.12)	(0.25)
Provision for taxation	-	(0.38)	-	-	0.00	(0.79)	-
Profit/(loss) after taxation	(0.08)	(3.76)	0.24	-	(0.00)	(2.34)	(0.25)
Proposed dividend	-	-	-	-	-		-
% of shareholding	67.87%	100%	100%	100%	100%	100%	100%
Name of subsidiaries, which are yet to commence its operations	Nil						
Name of subsidiaries, which have been liquidated or sold during the year	Nil						

* Note : Exchange rate 1 PLN= 22.01 ₹ (i.e. closing rate)

Joint venture and associate

(₹ crores)

Name of the Joint venture/Associate	Adico Escorts Agri Equipment Private Limited	Escorts Consumer Credit Limited
Latest audited balance sheet date	March 31, 2025	March 31, 2025
Date on which the Joint venture/Associates was associated	April 01, 2015	October 12, 2012
Shares held by company		
Numbers	84,00,000	12,50,000
Amount of investment (₹ crores)	8.40	1.00
Holding %	40%	29.41%
Description of how there is significant influence	Joint venture agreement	Associates
Reason for not considered for consolidation	Not applicable	Not applicable
Networth attributable to shareholding (including goodwill)	-	-
Total comprehensive (loss) / income for the year	(2.79)	-
Considered in consolidation	(1.12)	-
Not considered in consolidation	(1.67)	-
Name of associates or joint ventures, which are yet to commence its operations	Nil	
Name of associates or joint venture, which have been liquidated or sold during the year	Nil	

Note:

The Company has given effect to the scheme of amalgamation between the Company and its erstwhile joint ventures Escorts Kubota India Private Limited and Kubota Agricultural Machinery Private Limited with Escorts Kubota Limited, as approved by the NCLT vide its order dated August 21, 2024.

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 : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad
Date : May 08, 2025

GRI content index

Statement of use	Escorts Kubota Limited has reported the information cited in this GRI content index for the period April 01, 2024 - March 31, 2025 with reference to the GRI Standards.		
GRI 1	GRI 1: Foundation 2021		
GRI STANDARD	**DISCLOSURE**	**LOCATION**	**PAGE NO.**
GRI 2: General Disclosures 2021	2-1 Organisational details	Corporate Introduction	12-15
		Report on Corporate Governance	192-234
		BRSR Section A	235-281
	2-2 Entities included in the organization's sustainability reporting	About our Integrated Report	1
	2-3 Reporting period, frequency and contact point	About our Integrated Report	1
	2-4 Restatements of information	About our Integrated Report	1
		Financial Capital	98-101
		ESG Strategy	110-113
		Natural Capital	114-119
		Human Capital	120-135
		Management Discussion and Analysis	144-172
		BRSR Section A	235-281
	2-5 External assurance	BRSR Section A	235-281
		Assurance Statement	496-504
	2-6 Activities, value chain and other business relationships	Business Vertical Analysis	26-33
		Management Discussion and Analysis	144-172
		BRSR Section A	235-281
	2-7 Employees	Human Capital	120-135
		BRSR Section A	235-281
	2-8 Workers who are not employees	Human Capital	120-135
		BRSR Section A	235-281
	2-9 Governance structure and composition	Board of Directors, Leadership Team	52-59
		Report on Corporate Governance	192-234
	2-10 Nomination and selection of the highest governance body	Director's Report	173-191
	2-13 Delegation of responsibility for managing impacts	Report on Corporate Governance	192-234
	2-14 Role of the highest governance body in sustainability reporting	BRSR Section B	235-281
	2-15 Conflicts of interest	BRSR Section C: Principle 1	235-281
	2-16 Communication of critical concerns	Report on Corporate Governance	192-234
	2-17 Collective knowledge of the highest governance body	Report on Corporate Governance	192-234
	2-18 Evaluation of the performance of the highest governance body	Director's Report	173-191

GRI content index

	2-19 Remuneration policies	Director's Report	173-191
	2-20 Process to determine remuneration	Director's Report	173-191
	2-21 Annual total compensation ratio	Report on Corporate Governance	192-234
	2-22 Statement on sustainable development strategy	Message from the Chairman and Managing Director & Deputy Managing Director	34-43
		BRSR Section B	235-281
	2-23 Policy commitments	ESG Strategy	110-113
	2-26 Mechanisms for seeking advice and raising concerns	BRSR Section A	235-281
	2-27 Compliance with laws and regulations	BRSR Section C: Principle 1	235-281
	2-28 Membership associations	BRSR Section C: Principle 7	235-281
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	74-79
		BRSR Section C: Principle 4	235-281
	2-30 Collective bargaining agreements	BRSR Section C: Principle 3	235-281
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	80-87
	3-2 List of material topics	Materiality Assessment	80-87
		BRSR Section A	235-281
	3-3 Management of material topics	Materiality Assessment	80-87
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital	98-101
	201-2 Financial implications and other risks and opportunities due to climate change	BRSR Section A	235-281
	201-3 Defined benefit plan obligations and other retirement plans	Financial Capital	98-101
		Standalone Financial Statements	283-382
		Consolidated Financial Statements	383-490
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	BRSR Section C: Principle 5	235-281
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social and Relationship Capital	136-143
	203-2 Significant indirect economic impacts	Social and Relationship Capital	136-143
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	BRSR Section C: Principle 8	235-281
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	BRSR Section C: Principle 1	235-281
	205-3 Confirmed incidents of corruption and actions taken	BRSR Section C: Principle 1	235-281
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BRSR Section C: Principle 7	235-281

GRI content index

GRI 207: Tax 2019	207-1 Approach to tax	Governance	46-51
	207-2 Tax governance, control, and risk management	Governance	46-51
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Natural Capital	114-119
	301-3 Reclaimed products and their packaging materials	BRSR Section C: Principle 2	235-281
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
	302-3 Energy intensity	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
	303-4 Water discharge	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
	303-5 Water consumption	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
	305-4 GHG emissions intensity	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
GRI 306: Waste 2020	306-3 Waste generated	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
	306-4 Waste diverted from disposal	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
	306-5 Waste directed to disposal	Natural Capital	114-119
		BRSR Section C: Principle 6	235-281
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital	120-135
		BRSR Section A	235-281
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR Section C: Principle 3	235-281
	401-3 Parental leave	Human Capital	120-135
		BRSR Section C: Principle 3	235-281

GRI content index

GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	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	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital	120-135
		BRSR Section C: Principle 3	235-281
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital	120-135
		BRSR Section C: Principle 3	235-281
	403-5 Worker training on occupational health and safety	Human Capital	120-135
		BRSR Section C: Principle 3	235-281
	403-8 Workers covered by an occupational health and safety management system	Human Capital	120-135
		BRSR Section C: Principle 3	235-281
	403-9 Work-related injuries	Human Capital	120-135
		BRSR Section C: Principle 3	235-281
	403-10 Work-related ill health	Human Capital	120-135
		BRSR Section C: Principle 3	235-281
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital	120-135
	404-3 Percentage of employees receiving regular performance and career development reviews	BRSR Section C: Principle 3	235-281
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital	120-135
		BRSR Section A	235-281
	405-2 Ratio of basic salary and remuneration of women to men	BRSR Section C: Principle 5	235-281
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR Section C: Principle 5	235-281
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital	120-135
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	BRSR Section C: Principle 5	235-281
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	BRSR Section C: Principle 5	235-281

GRI content index

GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	136-143
	413-2 Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital	136-143
GRI 415: Public Policy 2016	415-1 Political contributions	Director's Report	173-191
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR Section C: Principle 9	235-281

Grant Thornton Bharat LLP
(formerly Grant Thornton India LLP)
Plot No. 19A, 2nd floor,
Sector - 16A,
Noida - 201 301
Uttar Pradesh, India
T +91 120 485 5900
F +91 120 485 5902

Independent Practitioner's reasonable assurance report on non-financial Information pertaining to CORE attributes of Business Responsibility and Sustainability Report ("BRSR Core Information") and limited assurance and Type 2 Moderate assurance report on identified non-financial information other than BRSR Core Information contained in Escorts Kubota Limited's Integrated Annual Report for financial year 2024 – 25

To

The Board of Directors

Escorts Kubota Limited

Faridabad, Haryana, India

1. We have been engaged to perform an assurance engagement for Escorts Kubota Limited (formerly Escorts Limited) ('EKL' or 'the Company') vide our engagement letter dated 13 February 2025 to provide, reasonable assurance on non-financial information pertaining to CORE attributes of Business Responsibility and Sustainability Report ("BRSR Core Information" / "Subject Matter 1") included in BRSR report of the Company and limited assurance and Type 2 Moderate assurance on identified non-financial information other than BRSR Core Information included in the Integrated Annual report of the Company for the financial year ended 31 March 2025 ("Subject Matter 2") ('Subject Matter 1 and Subject Matter 2 together referred as "Identified Sustainability Information"), prepared by management in accordance with the Criteria stated below. This assurance engagement has been carried out by a multi-disciplinary team including assurance practitioners and engineers.

Identified Sustainability Information

2. The Identified Sustainability Information for the financial year ended 31 March 2025 is summarised below:

   The BRSR Core Information (Subject Matter 1) for the financial year ended 31 March 2025 included in BRSR Report is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	• Total energy consumption (in Joules or multiples) • % of energy consumed from renewable sources • Energy intensity

Attribute	Principle	Key Performance Indicator
Water footprint	Principle 6 – 3	• Total water consumption • Water consumption intensity
	Principle 6 – 4	Water Discharge by destination and levels of Treatment
Greenhouse (GHG) footprint	Principle 6 – 7	• Greenhouse gas emissions (Scope 1 and Scope 2 emissions) • GHG Emission Intensity (Scope 1 + 2)
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	• Details related to waste generated by the entity (category wise) • Waste intensity • Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations • For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
	Principle 3 – 11	Details of safety related incidents: • Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) • Total recordable work-related injuries • No. of fatalities • High consequence work-related injury or ill-health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Enabling Inclusive Development	Principle 8 – 4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost

Attribute	Principle	Key Performance Indicator
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties

3. The identified non-financial information other than BRSR Core Information ("Subject Matter 2") for the financial year ended 31 March 2025 included in the Integrated Annual report is summarised below:

Series	Material Issue	GRI	Key Performance Indicator
GRI – 2 General Disclosures 2021		2 – 1	Organizational details
		2 – 2	Entities included in the organization's sustainability reporting
		2 – 3	Reporting period, frequency and contact point
		2 – 4	Restatements of information
		2 – 5	External assurance
		2 – 6	Activities, value chain and other business relationships
		2 – 7	Employees
		2 – 9	Governance structure and composition
		2 – 10	Nomination and selection of the highest governance body
		2 – 11	Chair of the highest governance body
		2 – 12	Role of the highest governance body in overseeing the management of impacts
		2 – 13	Delegation of responsibility for managing impacts
		2 – 14	Role of the highest governance body in sustainability reporting

Series	Material Issue	GRI	Key Performance Indicator
		2 – 15	Conflicts of interest
		2 – 16	Communication of critical concerns
		2 – 17	Collective knowledge of the highest governance body
		2 – 18	Evaluation of the performance of the highest governance body
		2 – 19	Remuneration policies
		2 – 20	Process to determine remuneration
		2 – 22	Statement on sustainable development strategy
		2 – 23	Policy commitments
		2 – 24	Embedding policy commitments
		2 – 25	Processes to remediate negative impacts
		2 – 26	Mechanisms for seeking advice and raising concerns
		2 – 28	Membership associations
		2 – 29	Approach to stakeholder engagement
GRI – 3 Material Topics 2021		3 – 1	Process to determine material topics
		3 – 2	List of material topics
		3 – 3	Management of material topics
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)

Series	Material Issue	GRI	Key Performance Indicator
	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)
	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
		402-3	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)
	408 – Child Labor (2016)	408 – 1	Operations and suppliers at significant risk for incidents of child labor
	409 – Forced or Compulsory Labor	409 – 1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
	415 – Public Policy	415 – 1	Political Contributions

4. 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 Business Division
   - Construction Equipment Business Division
   - Railway Equipment Business Division
   - Escort's Training and Development Centre (ETDC)
   - Data for Diversity of governance bodies and employees (age and gender) is only limited to Permanent Employees

5. Our assurance engagement is with respect to the Identified Sustainability Information for the reporting boundary as mentioned above for financial year ended 31 March 2025 only unless otherwise stated and we

have not performed any procedures with respect to earlier periods or any other elements included in the Integrated Annual Report, therefore, do not express any opinion/conclusion thereon.

Criteria

6. The Company has prepared the Subject Matter 1 included in the BRSR report in accordance with ('BRSR Framework'):
   a) Regulation 34(2)(f) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') as amended, read with SEBI Master circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024 and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dated 28 March 2025; and
   b) SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20 December 2024 read with BRSR Core Reporting Standard formulated by Industry Standards Forum.

7. The Company has prepared the Subject Matter 2 included in the Integrated Annual report based on the principles of the International Integrated Reporting Framework published by the International Integrated Reporting Council ('IIRC') of the Value Reporting Foundation with reference to Global Reporting Initiative ('GRI') Sustainability Reporting Standards ('the GRI Standards') issued by Global Sustainability Standards Board (GSSB).

   (The criteria used to prepare Subject Matter 1 and Subject Matter 2 above together has been referred as 'Criteria')

Management's Responsibilities

8. The Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR Report and the Integrated Annual Report and the measurement of the Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

9. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Practitioner's Independence and Quality Control

10. We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ('IESBA'), which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality and professional behaviour.
11. Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Practitioner's Responsibility

12. Our responsibility is to express a reasonable assurance in the form of an opinion on the Subject Matter 1 and express a limited assurance in the form of a conclusion on the Subject Matter 2, based on the procedures we have performed and evidence we have obtained.

13. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (‘ISAE 3000 (Revised)’) issued by the International Auditing and Assurance Standards Board (‘IAASB’). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Subject Matter 1 is prepared, in all material respects, in accordance with the BRSR Framework and limited assurance about whether anything has come to our attention that causes to believe that the Subject Matter 2 is not prepared in all material respects with respect to GRI Standards.

14. A reasonable assurance engagement involves assessing the suitability in the circumstances of the Company’s use of BRSR Framework as the basis for the preparation of the Subject Matter 1, assessing the risks of material misstatement of the Subject Matter 1 whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Subject Matter 1.

15. A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of the Company’s use of the GRI Standards as the basis for the preparation of the Subject Matter 2, identifying areas where material misstatement is likely to arise in the Subject Matter 2 whether due to fraud or error, designing and performing procedures to address identified risk areas as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter 2.

16. 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.

17. Our responsibility is also to provide Type 2 Moderate Assurance in accordance with third version of AA1000 Assurance Standard (‘AA100AS v3’) issued by AccountAbility which requires us to obtain limited evidence from internal sources and parties, evidence gathering is restricted to corporate/management levels in the organization to conclude on the nature and extent of adherence of the Report to the AA Accountability Principles 2018 (“AA1000AP, 2018”), i.e., Inclusivity, Materiality, Responsiveness and Impact including the conclusion on reliability and quality, accuracy and completeness of the specified performance information and to assess and report findings. Moderate assurance will provide users with a relatively lower level of confidence in an organization’s disclosure on the Subject Matter 2 it refers to.

18. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

19. Given the circumstances of the engagement, in performing the procedures listed above, our work procedures included the following:

    - Performed walkthrough and discussion with individual data owners for understanding business processes and data management processes at corporate office of the Company.
    - Visited the site at all the plants in Faridabad for data and document verification.
    - Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
    - Reviewed 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.
    - Reviewed the materiality assessment process
    - Evaluated the suitability and application of Criteria and that the Criteria have been applied appropriately to the Identified Sustainability Information.
    - Selected 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-performed calculations to check accuracy of claims.
- Reviewed data from independent sources, wherever available.
- Reviewed data, information about sustainability performance indicators and statements in the report.
- Reviewed and verifying information/ data as per the Criteria.
- Reviewed accuracy, transparency and completeness of the information/ data provided.

20. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion on Subject Matter 1.

21. 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 we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter 2 have been prepared, in all material respects, with reference to GRI Standards.

Exclusions

22. Our assurance engagement scope excludes the following and therefore we do not express an opinion/ a conclusion on the same:

- Any disclosure other than those mentioned in the Identified Sustainability Information section above
- Operations of the Company other than those mentioned in paragraph 2, 3 and 4 above on Scope of Assurance
- Data and information outside the defined reporting period
- Data related to Company's financial performance, strategy and other related linkages expressed in the Integrated Annual 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 Identified Sustainability Information with reporting frameworks other than those mentioned in 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.

Opinion

23. Based on the procedures we have performed and the evidence we have obtained, the Subject Matter 1 included in the BRSR report for the financial year ended 31 March 2025 is prepared in all material respects, in accordance with the BRSR Framework.

Conclusion

24. Based on the procedures we have performed and the evidences we have obtained, nothing has come to our attention that causes us to believe that Company's Subject Matter 2 contained in the Integrated Annual report for the financial year ended 31 March 2025, is not prepared, in all material respects with reference to the GRI Standards.

25. Our conclusions on the Subject Matter 2'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 impact the company has on these stakeholder groups. We are not aware of any matter that would lead us to conclude that the company has not applied the principle of inclusivity in engaging with the key stakeholder groups identified in the report.
- Materiality – The Company has reported on material topics across economic, environmental, social, and governance aspects, post stakeholder consultations. Nothing has come to our attention that causes us to believe that material issues so identified have been excluded from the Report by the Company.
- 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. We are not aware of any matter than would lead us to believe that the Company has not applied the responsiveness principle in its engagement with stakeholders identified in the Report on material aspects covering its sustainability performance.
- 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 and its key stakeholders. Basis the information provided to us, we are not aware of any matter that would lead us to conclude that the criteria related to the impact principle has not been applied for the key stakeholders.
- Reliability and Quality - The data collected has been adequately recorded, compiled, analyzed 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.

Restriction on use

26. Our assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, this report may not be suitable for any other purpose and should not be used by any other party other than the Board of Directors of the Company. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

AA1000
Licensed Report
000-164/V3-N8KD4

Grant Thornton Bharat LLP

Abhishek Tripathi

Partner

Dated: 17th June 2025

Place: Grant Thornton Bharat LLP

Plot No. 19A, 2nd Floor, Sector – 16A,

Noida - 201301,

Uttar Pradesh, India

Glossary

Short Form	Full Form
AE	Advanced Economies
AGM	Annual General Meeting
AI	Artificial Intelligence
AIESEC	Association Internationale des Étudiants en Sciences Économiques et Commerciales
AIMA	All India Management Association
ANZ	Australia and New Zealand
BHL	Backhoe Loader
BMU	BML Munjal University
BRR	Business Responsibility Report
BRSR	Business Responsibility and Sustainability Report
BSE	Bombay Stock Exchange
BSIV	Bharat stage emission standards
CAGR	Compound Annual Growth Rate
CCTV	Closed-circuit television
CE	Construction Equipment
CEI	Customer Empathy Index
CEO	Chief Executive Officer
CFMTTI	Central Farm Machinery Training and Testing Institute
CFO	Chief Financial Officer
CII	Conferderation of Indian Industry
CNG	Compressed natural gas
CoBC	Code of Business Conduct
CPCB	Central Pollution Control Board
CSAUK	Chandrashekhar Azad University of Agriculture and Technology
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CY	Calendar Year
DG	Diesel Generator
DLP	Data Loss Prevention
DPF	Diesel Particulate Filter
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
ECEL	Escorts Construction Equipment Limited
ED	Executive Director
EDR	Endpoint Detection and Response
EHS	Environment, Health and Safety
EKCAP	Escorts Kubota Capability Advancement Program
EKDMS	Escorts Kubota Dealer Management System
EKFL	Escorts Kubota Finance Limited
EKI	Escorts Kubota India Private Limited

Glossary

Short Form	Full Form
EKL	Escorts Kubota Limited or Escorts Limited
EKS	Escorts Kubota System
EPA	Environmental Protection Agency
EPC	Engineering, Procurement, and Construction
EPR	Extended Producer Responsibility
EPS	Earnings per share
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESOPs	Employee Stock Option Plan
ETDC	Escorts Training and Development Centre
ETP	Effluent Treatment Plant
EY	Ernst & Young
FDI	Foreign Direct Investments
FICCI	Federation of Indian Chambers of Commerce and Industry
FT	Farmtrac
FTES	Farmtrac Tractors Europe sp. z.o.o., Poland
FY	Fiscal Year represents the 12 months period from 1st April to 31st March
FY2022-23 or FY23	Fiscal Year represents the 12 months period from 1st April 2022 to 31st March 2023
FY2023-24 or FY24	Fiscal Year represents the 12 months period from 1st April 2023 to 31st March 2024
FY2024-25 or FY25	Fiscal Year represents the 12 months period from 1st April 2024 to 31st March 2025
GDP	Gross domestic product
GHG	Greenhouse Gas
GI	Galvanized Iron
GMO	Genetically Modified Organism
GPS	Global Positioning System
GRI	Global Reporting Initiative
GSC	Group Safety Committee
GST	Goods and Services Tax
HIRA	Hazard Identification and Risk Assessment
HP	Horsepower
HQ	Headquarters
HR	Human Resource
HSPCB	Haryana State Pollution Control Board
HVAC	Heating, Ventilation, and Air Conditioning
IBC	Insolvency and Bankruptcy Code
ICEMA	Indian Construction Equipment Manufacturers Association
IFPRI	International Food Policy Research Institute
IIM	Indian Institute of Management
IMF	International Monetary Fund
Ind AS	Indian Accounting Standards
IoT	Internet of Things
IP	Intellectual Property

Glossary

Short Form	Full Form
IPR	Intellectual Property Rights
IR	Integrated Reporting
IRIS	International Railway Industry Standard
ISO	International Organization for Standardization
IT	Informational Technology
ITI	Industrial Training Institute
ITOTY	Indian Tractor Of The Year
JETRO	Japan External Trade Organisation
JV	Joint venture
KAI	Kubota Agriculture Machinery India Pvt. LTD.
KL	Kilolitres
KMPs	Key Management Personnels
KPIs	Key Performance Indicators
KPS	Kubota Process System
KRAs	Key Result Areas
kVA	Kilo-volt-amperes
KVK	Krishi Vigyan Kendra
KW	Kilo Watt
KWp	Kilowatt peak
LED	Light-Emitting Diode
LMS	Learning Management System
LODR	Listing Obligations and Disclosure Requirements
LPG	Liquefied Petroleum Gas
MBA	Master of Business Administration
MDM	Mobile Device Management
MIS	Management Information System
ML	Machine Learning
ml	millilitre
MOM	Minutes of Meetings
MSME	Ministry of Micro, Small and Medium Enterprises
MSPs	Minimum Support Prices
MT	Metric Tonnes
MTBP	Mid Term Business Plan
NAC	Network Access Control
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NCLT	National Company Law Tribunal
NCR	National Capital Region
NDAs	Non-Disclosure Agreements
NETS	New Escorts Tractor Series
NGRBC	National Guidelines for Responsible Business Conduct
NIP	National Infrastructure Pipeline

Glossary

Short Form	Full Form
NOx	Nitrogen oxide emissions
NPIP	New Product Introduction Programme
NRC	Nomination and Remuneration Committee of the Company
NRFMTTI	Northern Region Farm MWachinery Training and Testing Institute
NSE	National Stock Exchange
OAVM	Other Audio Visual Means
OCI	Other Comprehensive Income
OECD	Organisation for Economic Co-operation and Development
OEMs	Original Equipment Manufacturers
OHC	Occupational Health Centre
OHS	Occupational Health and Safety
OJT	On-Job Training
OPEC	Organization of the Petroleum Exporting Countries
PAT	Profit After Tax
PBT	Profit Before Tax
PDCA	Plan-Do-Check-Act
PF	Provident Fund
PLI	Production-Linked Incentive
PM	Pradhan Mantri
PM	Particulate Matter
PMAY	Pradhan Mantri Aawas Yojana
PMGKAY	Pradhan Mantri Garib Kalyan Anna Yojana
PnC	Pick & Carry Crane
POSH	Prevention of Sexual Harassment at Workplace
PPE	Personal Protective Equipment
PSC	Plant Safety Committee
PSI	Plant Sustainability Index
Q1	Represents the 3 months period from 1st April to 31st 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
QA	Quality Assurance
QMS	Quality Management System
R&D	Research and development
RBI	Reserve Bank of India
RDSO	Research Designs and Standards Organisation
RE	Renewable Energy
RED	Escorts Kubota Railway Equipment Business Division
RNIL	Rajan Nanda Innovation Lab
ROCE	Return on capital employed
ROE	Return on Equity
RPT	Related Party Transactions

Glossary

Short Form	Full Form
SAARC	South Asian Association for Regional Cooperation
SCoC	Supplier Code of Conduct
SDGs	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SHG	Self Help Groups
SKC	Siam Kubota Corporation Co
SO	Strategic Objective
SOC	Security Operations Centre
SOPs	Standard Operating Procedures
SOx	Sulfur oxide emissions
STP	Sewage Treatment Plants
TBT	Tool Box Talks
TEIPL	Tadano Escorts India Private Limited
TJ	Terra Joule
TNI	Training Need Identification
TSR	Total Shareholder Return
UIC	International Union of Railways
UN	United Nations
US	United States
USA	United States of America
VC	Video Conferencing
VFD	Variable Frequency Drive
YPO	Young Presidents Organisation

Corporate Information

Mr. Nikhil Nanda
Chairman and Managing Director

Mr. Hardeep Singh
Non-Executive Director

Ms. Nitasha Nanda
Whole Time Director

Mr. Sunil Kant Munjal
Independent Director

Ms. Tanya Arvind Dubash
Independent Director

Mr. Harish Narinder Salve
Independent Director

Mr. Dai Watanabe
Non-Executive Director

Mr. Seiji Fukuoka
Deputy Managing Director

Mr. Ravindra Chandra Bhargava
Independent Director

Mr. Vimal Bhandari
Independent Director

Ms. Reema Nanavaty
Independent Director

Mr. Manish Sharma
Independent Director

Mr. Yasukazu Kamada
Non-Executive Director

Mr. Bharat Madan
Whole Time Director and Chief Financial Officer

Dr. Rupinder Singh Sodhi
Independent Director

Mr. Shingo Hanada
Non-Executive Director

Mr. Nobushige Ichikawa
Non-Executive Director

Mr. Kinji Saito
Independent Director

Company Secretary & Compliance Officer
Mr. Arvind Kumar

Secretarial Auditors
M/s Neelam Gupta & Associates

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

Standard Chartered Bank

Mizuho Bank

MUFG Bank

Sumitomo Mitsui Banking Corporation

Escorts Kubota Limited

Escorts Kubota Limited
Corporate Centre & Registered Office:
15/5, Mathura Road,
Faridabad -121 003, Haryana, India
www.escortskubota.com