

June 19, 2026

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 051

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051

BSE – 500495

NSE – ESCORTS

Sub: 80th Annual General Meeting ('AGM') – Integrated Annual Report for the Financial Year 2025-26

Dear Sir/ Ma'am,

This has reference to our earlier intimation dated June 12, 2026, informing that the **80th AGM** of the Company will be held on **Wednesday, July 15, 2026**, 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 80th AGM along with Integrated Annual Report of the Company for the Financial Year ('FY') 2025-26, is being sent through electronic mode, to the Members whose email addresses are registered with the Company/ Depository Participant(s) and the letters providing the Company's weblink to access the Annual Report for the FY 2025-26, are being sent 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 for FY 2025-26 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, the Company is providing facility of 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 08, 2026**. The remote e-voting shall commence at **09:00 A.M.** on **Sunday, July 12, 2026**, and shall end at **05:00 P.M.** on **Tuesday, July 14, 2026**.

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: 2026.06.19
19:21:11 +05'30'

Arvind Kumar

Company Secretary

Encl.: Notice of AGM & Integrated Annual Report of FY 2025-26

Escorts Kubota Limited

Registered Office - 15/5, Mathura Road, Faridabad - 121003, Haryana, India

Tel.: +91-129-2250222 | E-mail: corp.secretarial@escortskubota.com | Website: www.escortskubota.com

Corporate Identification Number L74899HR1944PLC039088



Escorts Kubota Limited

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CIN: L74899HR1944PLC039088

Registered Office: 15/5, Mathura Road, Faridabad – 121003, Haryana, India

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NOTICE

Notice is hereby given that 80th 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 15, 2026, at 12:00 Noon** (Indian Standard Time) to transact the following businesses: -

ORDINARY BUSINESS

1. To receive, consider and adopt:

- (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2026, 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, 2026, 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 **Ordinary Resolution(s)**:

- i. **"Resolved That** the audited standalone financial statement of the Company for the financial year ended March 31, 2026, 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, 2026, and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To confirm payment of Special Dividend and declare a Final Dividend on equity shares for the financial year ended 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 a final dividend at the rate of Rs. 33/- (Rupees Thirty Three Only) per equity share i.e. 330% on face value of Rs. 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, 2026, and the same be paid out of the profits of the Company.

Resolved Further That the special dividend of Rs. 18/- (Rupees Eighteen Only) per equity share i.e. 180% on the face value of Rs. 10/- (Rupees Ten Only) each fully paid up of the Company for the financial year 2025-26, duly approved by the Board of Directors of the Company, already paid, be and is hereby confirmed."

3. To appoint Mr. Nobushige Ichikawa (DIN: 09570234), 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. Nobushige Ichikawa (DIN: 09570234), who retires by rotation at this meeting and being eligible, be and is hereby appointed as a Director of the Company."

4. To appoint Mr. Hardeep Singh (DIN: 00088096), 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. Hardeep Singh (DIN: 00088096), who retires by rotation at this meeting and being eligible, 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, 2027, 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, as approved by the Board of Directors being Rs. 9,00,000/- (Rupees Nine Lacs Only) plus applicable taxes and reimbursement of out of pocket expenses that may be incurred by them, to be paid to the cost auditors M/s. Ramanath Iyer & Co., Cost Accountants (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, 2027, be and is hereby ratified.”

6. To approve ‘Material Related Party Transaction(s)’ proposed to be entered into during the financial year 2026-27 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 the provisions of Regulation 23(4) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (‘SEBI Listing Regulations’) read with SEBI Master Circular dated January 30, 2026 and other relevant circulars issued by the SEBI from time to time, 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 basis

the recommendation/ approval of the Audit Committee and the Board of Directors, consent of Members of the Company be and is hereby accorded to enter into and/ or continue to enter into contract(s)/ related party transaction(s)/arrangement(s)/agreement(s) (in terms of Regulation 2(1)(zc) of the SEBI Listing Regulations) 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 10% of the Annual Consolidated Turnover of the Company as per the last audited consolidated financial statement of the Company subject to an amount not exceeding Rs. 1,500/- 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
Place: Faridabad
Date: June 12, 2026

NOTES

1. The Ministry of Corporate Affairs ('MCA') has vide its circular nos. 14/2020 dated April 08, 2020, 20/2020 dated May 05, 2020, 02/2021 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, 09/2024 dated September 19, 2024, 03/2025 dated September 22, 2025 and any other circulars issued from time to time by the MCA (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. Further, additional information as required under SEBI Listing Regulations and circulars issued thereunder in relation to corporate governance & the applicable Secretarial Standards and the information required to be provided in case of director(s) retiring by rotation, is set out in the **Annexure I** to this Notice.
3. The Company has engaged the services of KFin Technologies Limited, Registrar and Share Transfer Agent of the Company ('**KFin**' or '**RTA**'), as the Authorised Agency for providing the facility of voting through remote e-voting, for participation in the 80th AGM through VC facility and e-voting thereat.
4. 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/ herself 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 hereto.
5. As the AGM will be held through VC/ OAVM, the Route Map of the venue of the meeting is not annexed hereto.
6. In terms of the provisions of Section 152 of the Act, Mr. Nobushige Ichikawa and Mr. Hardeep Singh, Directors, retire by rotation at this Meeting. The Board of Directors, on the recommendation of the Nomination Remuneration and Compensation Committee ('NRC'), of the Company commend their respective re-appointments. Mr. Nobushige Ichikawa and Mr. Hardeep Singh, Directors, are interested in the Ordinary Resolutions set out at Item Nos. 3 and 4 respectively, of this Notice with regard to their re-appointment. The relatives of Mr. Nobushige Ichikawa and Mr. Hardeep Singh, Directors may be deemed to be interested in the resolutions set out at Item Nos. 3 and 4 respectively of this Notice to the extent of their shareholding interest, if any, in the Company. Further, Mr. Hitoshi Sasaki, Mr. Satoshi Suzuki and Mr. Akira Kato, being other nominees of Kubota Corporation, may be deemed to be interested in the re-appointment of Mr. Nobushige Ichikawa.

Save and except for 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 this Notice.
7. Members attending the AGM through VC/ OAVM shall be counted for the purpose of quorum under Section 103 of the Companies Act, 2013.
8. In compliance with the aforesaid MCA Circulars and SEBI Listing Regulations the Notice of the AGM along with the Integrated Annual Report 2025-26 ('**IAR**' or '**Annual Report**' or '**AR**') is being sent only through electronic mode to those members whose email addresses are registered with the Company/ RTA/ Depositories. Further, in compliance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter providing the web-link, including the exact path, where complete details of the IAR or AR for the financial year 2025-26 are available, is being sent to those members whose email address is not registered with the Company/ RTA/ Depositories.

Members may note that the Notice and IAR or AR will also be available on the Company's website at 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 KFin at <https://evoting.kfintech.com>.

9. 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 RTA of the Company – KFin Technologies Limited at Selenium Building, Tower- B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 or can be emailed to einward.ris@kfintech.com or by registering with the first holder PAN at <https://kprism.kfintech.com/signup>. Existing users can login through KPRISM (<https://kprism.kfintech.com/>). All updation has to be done through aforesaid ISR Forms as prescribed by SEBI.
10. For receiving all communication (including IAR or AR) 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. 9 above.
 - b) Members holding shares in dematerialised mode are requested to register/ update their email address with their respective DPs.
11. Institutional/ Corporate Members are entitled to appoint authorised representatives to attend, participate at the AGM through VC/ OAVM and cast their votes through e-voting. The Institutional/ Corporate members intending to attend the AGM through authorised representatives are requested to send to KFin/ 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 marked to einward.ris@kfintech.com with a subject line 'Escorts Kubota Limited AGM 2026' 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.
12. In case of joint holders attending the meeting, only such joint holders who is higher in the order of names will be entitled to vote at the Meeting.
13. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 04, 2026,

to Wednesday, July 15, 2026 (both days inclusive) for the purpose of payment of dividend.

The Board has recommended the Final Dividend @ 330% per share i.e. Rs. 33/- 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 03, 2026, 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 03, 2026.

As per the provisions of Income-tax Act, 1961, Finance Act, 2020 and as re-enacted under the Income-tax Act, 2025 (IT Act, 2025) dividends paid or distributed by the Company effective from April 01, 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.

14. 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 Company/RTA for payment of dividend through National Electronic Clearing Services ('NECS') to the investors, wherever NECS and bank details are available. Members are requested to register / update their complete bank details with their Depository Participant(s), if shares are held in dematerialised mode, by submitting forms and documents as may be required by the Depository Participant(s). Payment of dividend shall be made through electronic mode to those members, holding shares in dematerialised mode, who have updated their bank account details. The Company will not entertain any direct request from members holding shares in electronic mode for deletion/ change in such bank account details.

As per the Master Circular for Registrars to an Issue and Share Transfer Agents dated February 06, 2026, issued

by SEBI, payment of dividend to members holding shares in physical mode shall only be made electronically. Such payment shall be made only after they have furnished their Permanent Account Number ('PAN'), Contact Details (Postal Address, Mobile Number and E-mail), Bank Account Details, Specimen Signature, etc., for their corresponding physical folios with the Company / RTA.

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 at <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, Telangana; Phone: 040-67162222; Toll-Free Number: 1800 309 4001 Email – einward.ris@kfintech.com.

15. a) SEBI has mandated the submission of 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 February 06, 2026, 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. Also, 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 after updating the requisite details.

- c) A special window, as per mandate of SEBI vide its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026, is opened till February 04, 2027, to facilitate lodgement of transfer requests executed before April 01, 2019 but were either not lodged for transfer or were lodged and subsequently rejected, returned or not attended due to deficiency in the documents. Eligible shareholders are requested to submit the requisite documents before February 04, 2027, to Company/ RTA. Securities transferred through this mechanism shall be credited only in dematerialized form and will remain under a one year lock in, during which they cannot be transferred, lien marked, or pledged.
- d) SEBI vide its Master Circular no. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026, as amended, has made available an online dispute resolution mechanism through the SMART ODR Portal for the investors to raise disputes arising in the Indian Securities Market. After exhausting the options to resolve their grievances directly with the Company/RTA and through the SCORES platform, investors can initiate dispute resolution through the SMART ODR. Link to access SMART ODR Portal is available at <https://smartodr.in/login>.

16. To enable compliance with TDS requirement on Dividend, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act, 2025 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. 14 above.

17. (a) Due dates of transferring unclaimed and/ or unpaid dividend declared by the Company from the financial year ended March 31, 2019, 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, 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
March 31, 2025	Final	July 16, 2025	August 15, 2032
March 31, 2026	Special	February 10, 2026	March 12, 2033

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 at www.escortskubota.com under Investor Information.

Members may please note that the unclaimed dividend in respect of the financial year ended March 31, 2019 must be claimed by the concerned members on or before August 26, 2026, failing which it will be transferred to the IEPF 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 objective 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, 2019, from time to time, to the IEPF established by the Central Government.
 - (c) Pursuant to IEPF Rules, the Company has, during the financial year 2025-26, transferred to the IEPF, the shares on which the dividend which had remained unpaid or unclaimed for 7 (seven) consecutive years or more on the due date of transfer. Details of shares due to be 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.
18. 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>.

- 19. 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).
- 20. Members may please note that the SEBI Listing Regulations mandate transfer, transmission and transposition of securities of listed Companies, held in physical form, only in demat mode. Further, SEBI vide its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/1/4298/2026 dated February 06, 2026, has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, members are requested to make service requests for issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate etc., by submitting a duly filled and signed ISR-4 (Request for issue of Duplicate Certificate and other Service Requests) along with requisite supporting documents to KFin as per the requirement of the aforesaid circular.

The aforesaid forms can be downloaded from the Company's website at <https://www.escortskubota.com/investors/policies-and-documents> and are also available on the website of KFin at <https://ris.kfintech.com/clientservices/investors/isrs.aspx>.

All aforesaid documents/requests should be submitted to RTA, at the address mentioned under Note No. 14 above.

- 21. 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.

22. 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:-

- 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.

23. 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.

24. 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 15, 2026. Members seeking to inspect such documents can send an email to corp.secretarial@escortskubota.com.

25. 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 will be available electronically for inspection by the members during the AGM.

26. 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 80th 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) E-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- (iii) Individual demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

(iv) The process and manner for Remote e-Voting and e-voting are as under:

(a) Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Type of Member	Login Method
Individual Members holding securities in demat mode with NSDL	- 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 website wherein you can see e-Voting page. Click on the company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Existing Internet-based Demat Account Statement (“IDeAS”) facility Users: - Visit the e-services website of NSDL i.e. 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. Thereafter enter the existing user id and password. - After successful authentication, Members will be able to see e-voting services under ‘Value Added Services’. Please click on “Access to e-voting” under e-voting services, after which the e-voting page will be displayed. - Click on company name i.e. ‘Escorts Kubota Limited’ or ESP i.e. KFin. - Members will be re-directed to KFin’s website for casting their vote during the remote e-voting period. Those not registered under IDeAS: - Visit https://eservices.nsdl.com for registering. - Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-voting website of NSDL https://www.evoting.nsdl.com. - 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. - Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. - After successful authentication, Members will be redirected to NSDL Depository website wherein they can see e-voting page. - Click on company name i.e. ‘Escorts Kubota Limited’ or ESP name i.e KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period. - Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on    
Individual Members holding securities in demat mode with CDSL	Existing user who have opted for Electronic Access To Securities Information (“Easi/ Easiest”) facility: - Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com. - Click on New System Myeasi. - Login to Myeasi option under quick login. - Login with the registered user ID and password. - Members will be able to view the e-voting Menu. - The menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication.

Type of Member	Login Method
	2. User not registered for Easi/ Easiest - Visit https://web.cdslindia.com/myeasitoken/Home/EasiRegistration or https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration for registering. - Proceed to complete registration using the DP ID, Client ID (BO ID), etc. - After successful registration, please follow the steps given in point no. 1 above to cast your vote. 3. Alternatively, by directly accessing the e-voting website of CDSL - Visit www.cdslindia.com. - Provide demat account number and PAN. - System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. - After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. 'Escorts Kubota Limited' or select KFin. - Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Members login through their demat accounts / website of DPs	- Members can also login using the login credentials of their demat account through their DPs registered with the Depositories for e-voting facility. - Once logged-in, Members will be able to view e-voting option. - Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. - Click on options available against 'Escorts Kubota Limited' or 'KFin'. - Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites of Depositories.

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 102 0990 and 1800 22 4430
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-62343626, 022-62343624, 022-62343611

b. Access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode.

Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- Launch internet browser by typing the URL: <https://emeetings.kfintech.com>.
- Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 9791, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.
- After entering these details appropriately, click on "LOGIN".
- You will now reach password change Menu wherein you are required to

mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “**EVEN**” i.e., 9791 for ‘**Escorts Kubota Limited**’ and click on “**Submit**”.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “**FOR/ AGAINST**” or alternatively, you may partially enter any number in “**FOR**” and partially “**AGAINST**” but the total number in “**FOR/ AGAINST**” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option “**ABSTAIN**”. If the Member does not indicate either “**FOR**” or “**AGAINST**” it will be treated as “**ABSTAIN**” and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. In case you do not desire to cast your vote, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “**Submit**”.

- xi. A confirmation box will be displayed. Click “**OK**” to confirm else “**CANCEL**” to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.

c. Members whose email IDs are not registered with the RTA/Depository Participants(s), and consequently Notice of AGM and e-voting instructions cannot be serviced

To facilitate Members to receive the Company’s Annual Report and Notice for the AGM (including remote e-voting instructions) electronically and cast their vote, the Company has made special arrangements with KFin for registration of email addresses of the Members in terms of MCA Circulars. Eligible Members who have not registered their email address and in consequence the notice could not be serviced, may temporarily get their email address registered with KFin, on or before 05:00 P.M. (IST) on July 08, 2026.

Member may send an email request at the email id evoting@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the notice of AGM and the e-Voting instructions.

Please follow all steps from Note No. 26 above to cast your vote by electronic means.

d. Voting During the AGM

- i) Members who have not cast their vote through remote e- voting shall be eligible to cast their vote through evoting system available during the AGM. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same.

- ii) Members who have voted through remote e-voting will be eligible to attend the AGM, however, they shall not be allowed to cast their vote again during the AGM.
- iii) Upon declaration by the Chairman about the commencement of e-voting at AGM, Members shall click on the “**Vote**” sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the ‘**Instapoll**’ page.
- iv) Members to click on the “**Instapoll**” icon to reach the resolution page and follow the instructions to vote on the resolutions.
- v) However, this facility shall be operational till all the resolutions are considered and voted upon in the meeting including 15 minutes after the conclusion of the meeting.
- vi) A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- vii) 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.

27. Instructions for attending the AGM through VC

- a) Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com> by using their DP ID / Client ID as applicable as the credentials.
 - b) The facility for joining the AGM shall be open 15 minutes before the time scheduled to start the AGM and shall not be closed for at least 15 minutes after the conclusion of the proceedings of the AGM.
 - c) Members are encouraged to join the Meeting using Google Chrome (preferred browser), Safari, Microsoft Edge or Mozilla Firefox.
 - d) Members will be required to grant access to the webcam to enable two-way video conferencing.
 - e) Members are advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC smoothly, without any fluctuations in the audio/video quality.
28. 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 <https://evoting.kfintech.com> to reset the password.
 29. 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 <https://evoting.kfintech.com> or contact Mr. Sankara Gokavarapu, Senior Manager (Unit: Escorts Kubota Limited), KFin Technologies Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Toll Free No.: 1800 309 4001; E-mail: evoting@kfintech.com for any further clarifications.
 30. The Remote e-Voting period commences on **July 12, 2026 (09:00 A.M. IST)** and ends on **July 14, 2026 (05:00 P.M. IST)**. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. July 08, 2026**, may cast their vote by Remote e-Voting. The Remote e-Voting Module shall be disabled by KFin for voting thereafter from their e-Voting module.
 31. 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.
 32. 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 08, 2026**.

33. Miscellaneous Process/ Notes

- a. Members may join the 80th AGM through VC facility by following the procedure as mentioned separately in the Notice, which shall be kept open for the Members from 11:45 AM IST i.e. 15 minutes before the time scheduled of the 80th AGM and shall not be closed for atleast 15 minutes after the conclusion of the proceedings of the 80th AGM.
- b. 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 from 09:00 A.M., July 09, 2026, to 05:00 P.M., July 11, 2026. Only those members who are registered, on a first come first serve basis, 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.
- c. Members seeking any information with regard to the accounts or any matter to be considered at the AGM, are requested to write to the Company on or before Wednesday, July 08, 2026 by sending e-mail on corp.secretarial@escortskubota.com. The same will be replied by the Company suitably.
- d. 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.
- e. 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.

- f. Any person, who acquires shares of the Company and becomes member of the Company after the Company sends the AGM Notice and holds shares as on the cut-off date i.e., July 08, 2026, will receive an email from KFin regarding USER ID and password and shall follow the procedure as mentioned above.
34. M/s. Neelam Gupta & Associates, a Firm of Company Secretaries in Practice (Firm Registration Number S2006DE086800) has been appointed as **Scrutiniser** to scrutinise the process of Remote e-Voting and voting during the meeting in a fair and transparent manner. The Scrutinizer's decision on the validity of remote e-voting will be final.
35. 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 issue, 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.
36. The results declared alongwith the Scrutiniser's Report shall be placed on Company's website www.escortskubota.com and displayed at the Registered Office of the Company and on the website of KFin at <https://evoting.kfintech.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

Place: Faridabad
Date: June 12, 2026

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 SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 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, 2027.

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, 2027, 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.

Based on the rationale and justification provided above the Board of Directors commend the Ordinary Resolution as set out at Item No. 5 of the Notice for ratification by the Members.

Item No. 6

Pursuant to the provisions of Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) ('SEBI Listing Regulations'), 'Material Related Party Transaction(s)' require approval of the shareholders through Ordinary Resolution. Further, pursuant to Section 188 of the Act, any transaction(s) exceeding the threshold specified under 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 their vote to approve the said resolution.

'Material Related Party Transaction' for this purpose means, transaction(s) entered/ to be entered in to individually or taken together with previous transaction(s), during a financial year, exceed 10% of the annual consolidated turnover of the listed entity (having consolidated turnover up to Rs. 20,000/- Crores) as per its last audited consolidated financial statement, with each related party. However, 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 the annual consolidated and standalone turnover of the Company (including discontinued operations) as on March 31, 2026, is Rs. 11,674.14 Crores and Rs. 11,606.65 Crores respectively).

Members may kindly further note that Kubota Corporation, holding company of the Company, ('KC' or 'Kubota') 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 Transaction' 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 contract(s)/agreement(s)/ arrangement(s)/ transactions with KC. The transaction(s) 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 Transaction(s)'). These transactions are undertaken based on business synergies, operational efficiencies, and the specialized capabilities of KC. Given the nature of the transactions, comparable alternatives in the market may be limited, particularly considering the integrated business model, technical know-how, and proprietary assets involved. The arrangements are expected to provide the Company with operational efficiencies, cost optimization, and access to advanced technology and global best practices. In particular, Kubota's established global expertise and technical know-how will support the Company in enhancing manufacturing processes, improving product quality, and strengthening overall technical capabilities.

Further, utilizing Kubota's extensive global distribution network allows the Company to export its cost-competitive, "Make in India" products to international markets, optimizing capacity utilization and driving export revenue which is likely to increase the market share and overall profitability.

A certificate has been received, from Chairman & Managing Director, Deputy Managing Director and Whole Time Director

Notice

and Chief Financial Officer, specifying that the proposed Material Related Party Transaction(s) are in the interest of the Company.

All Related Party Transaction(s) of the Company with KC are at arm's length (i.e on the same terms and conditions as would be applicable to any other unrelated party of KC) and in the ordinary course of business. The Company has well defined governance process for the related party transactions undertaken. On the recommendations of the Audit Committee these transactions are independently reviewed by one of the Big4 accounting firms / Independent accounting firms with respect to arm's length consideration and transfer pricing mechanism.

Further, all related party transactions of the Company are undertaken after obtaining prior approval of the Audit Committee. The Audit Committee comprises of majority Independent Directors. All Related Party Transactions as set out in the Notice have been unanimously approved by the Audit Committee and the Board of Directors, at their respective meetings, held on May 07, 2026, after satisfying

themselves that the Related Party Transactions are at arm's length and in the ordinary course of business. The Audit Committee of the Company reviews on a quarterly basis the details of all related party transactions entered into during the previous quarter pursuant to its approvals.

Since the aggregate amount of foreseen contract(s)/ transaction(s) to be entered into with KC during the Financial Year 2026-27 is likely to exceed 10% of the annual consolidated turnover the Company (i.e. Rs. 1,167.41/- Crores (including the discontinued business) (Rupees One Thousand One Hundred Sixty-Seven Crores and Forty-One Lakh only), and/ or 10% of the standalone turnover of the Company i.e. Rs. 1,160.66/- Crores (including the discontinued business) (Rupees One Thousand One Hundred Sixty Crores and Sixty-Six Lakh Only) (hereinafter called as the permissible limits) accordingly, it is proposed to seek approval of Members, upto an amount of Rs. 1,500/- Crores (Rupees One Thousand Five Hundred Crores only), for the financial year 2026-27, in compliance of Regulation 23(4) of the SEBI Listing Regulation and Section 188 of the Act, by way of Ordinary Resolution.

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 Circular No. SEBI/HO/CFD/CFD-POD-2/P/CIR/2025/93 dated June 26, 2025 are given below:

S. No.	Particulars	Details
1.	Name of the Related Party (RP), Country of incorporation of the RP, nature of the Relationship (including nature of its concern/ Interest (financial or otherwise), and the nature, type, duration, material terms, monetary value and particulars of the contract or arrangements, any advance paid or received for contract or arrangement	Kindly refer to Annexure III
2.	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	
3.	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	
4.	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 are given in Corporate Governance Report of Annual Report of FY 2025-26)
5.	Information provided to the Audit Committee and Shareholders under Para 4 & 6 of Section III-B of SEBI Master Circular no. HO/49/14/14(7)2025-CFD-POD2/1/3762/2026 dated January 30, 2026	Kindly refer to Annexure III
6.	Information as placed before the Audit Committee in the format specified in Para 4 of the aforesaid ISN	Kindly refer to Annexure III
7.	Justification as to why the proposed transaction is in the interest of the listed entity.	Kindly refer to Annexure III
8.	Disclose the fact that the Audit Committee had reviewed the certificate provided by the CEO/ Managing Director/ Whole-time Director/Manager and CFO of the Listed Entity as required under ISN.	The Audit Committee has reviewed the certificate received, from Chairman & Managing Director, Deputy Managing Director and Whole Time Director and CFO, specifying that the proposed Material Related Party Transaction(s) are in the interest of the Company.

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. 6 of the Notice.

Based on the rationale and justification provided above, the Board, on the recommendation of Audit Committee, commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of Members.

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

Sd/-
Arvind Kumar
Company Secretary

Place: Faridabad
Date: June 12, 2026

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. Nobushige Ichikawa	Mr. Hardeep Singh
	Director Identification Number	09570234	00088096
	Date of Birth (Age)	February 17, 1966 (60 years)	September 08, 1954 (71 years)
	Date of first appointment on the Board	February 8, 2024	November 28, 2011
	Qualifications	Post Graduate in Master of Science and Engineering	Graduate in Economics from Pune University & Alumnus of Kellogg School of Management
	Brief Resume, experience and Expertise in specific functional areas	Mr. Nobushige Ichikawa, aged about 60 years, is Post Graduate in Master of Science and Engineering, from Tokyo Institute of Technology. He joined Kubota Corporation (KBT) in 1990 and has been working for KBT for almost 35 years in various management positions in Japan. In the year 2018 he entered Farm Machinery Engineering Europe Department and at present, he holds positions of Managing Executive Officer, General Manager of Tractor Division, General Manager of Tractor Engineering Management Unit and Deputy General Manager of Research and Development Headquarters of Kubota Corporation.	Mr. Hardeep 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.
	Directorships held in other listed companies* (excluding Private Limited Companies, Section 8 Companies, Foreign Companies & LLP's)	Nil	UPL Limited
	Committee Memberships of other Companies (considered only Audit Committee and Stakeholders Relationship Committee)	Nil	UPL Limited- Audit Committee - Member
	Names of listed entities from which the person has resigned in the past three years	Nil	Nil
	Number of shares held in the Company	Nil	500 equity shares
	Number of meetings of the Board attended during the year	6 out of 6	5 out of 6
	Relationship between directors inter-se and key managerial personnel (KMP) of the Company	There is no inter-se relationship between Mr. Nobushige Ichikawa and other directors or Key Managerial Personnel (KMP) of the Company except that he is the nominee Director of Kubota Corporation along with Mr. Akira Kato, Mr. Hitoshi Sasaki and Mr. Satoshi Suzuki.	There is no inter-se relationship between Mr. Hardeep Singh and other directors or Key Managerial Personnel (KMP) of the Company except he is a member of the Promoter Group of the Company.

A.	Particulars	Mr. Nobushige Ichikawa	Mr. Hardeep Singh
	Terms and Conditions of appointment/ re-appointment	Mr. Nobushige Ichikawa and Mr. Hardeep Singh 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 for undertaking the roles and responsibilities assigned by the Board from time to time.	
	Details of proposed remuneration and the remuneration last drawn, if any	Nil	The non-executive director(s) will be entitled to sitting fee and commission, if any, approved by the Board/ shareholders from time to time. Details of last remuneration are mentioned in the Integrated Annual Report for the financial year 2025-26.

*Considered only Indian Listed entities.

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 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 & Share Transfer Agent ('RTA') of the Company.

- I. Valid Permanent Account Number ('PAN').
- II. Residential status as per the Income Tax Act, 2025 ('IT Act') i.e. Resident or Non-Resident for FY 2026-27.
- 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 393(5)(d)(B) 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 393 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 400(1) of the IT Act read with Notification No. 51/2015 dated June 25, 2015, subject to specified conditions. Self-attested copy of valid SEBI/IFSCA 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 Eleventh 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 Eleventh 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 B of Eleventh Schedule to the IT Act needs to be submitted.
- vii. **National Pension System Trust:** No TDS is required to be deducted as per Section 393(9) of the IT Act.
- viii. **Government (Central/ State):** No TDS is required to be deducted as per Section 393(5)(a) of the IT Act.

- ix. **Business Trust:** No TDS is required to be deducted as per Section 393(1) Table: Sl. No. 7 Sl. No. 10(d) 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 393(1) Table: Sl. No.7 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 Rs. 10,000 as per Section 393(1) Table: Sl. No. 7 Sl. No. 10(f).
 - c) TDS is required to be deducted at the rate of 20% u/s 397(2)(a) & (b)(i) of the IT Act, if valid PAN of the shareholder is not available or the PAN has become inoperative.
 - d) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 395 of the Act, if such valid certificate is provided.
 - e) No TDS is required to be deducted on furnishing of valid Form 121 by a resident individual. (Format of Form 121 & relevant guidelines for filing Form-121 are available on website of Income Tax at the following link: <https://www.incometaxindia.gov.in/documents/d/guest/form-no-121> & <https://www.incometaxindia.gov.in/documents/d/guest/form-121-faqs>)

Please note that Declaration under Form No. 121 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 397(2)(f)&(g) 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/ Agreement ('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 41 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 [Schedule VI, Note 1(g)], TDS rate would be 10% (plus applicable surcharge and cess) as per section 393(1) Table: Sl. No.16. 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/ Agreement ('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

Annexure – II

to the Notice

- authorities of the country of which the shareholder is a resident;
- 3) Form 41 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 395 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 03, 2026. Please note that no communication in this regard, shall be accepted post July 03, 2026. 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 (as per **Appendix-2**) to this communication 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 03, 2026.
- 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 Avoidance 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 2026 to 2026 (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 Income-tax Act, 2025 ("the IT Act, 2025"). 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, 2026 to March 31, 2027, 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(2) 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, 2026 to March 31, 2027, 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 – II

to the Notice

(Appendix-2)

[On letterhead of shareholder]

Date:

To: [Company Name / Registrar & Transfer Agent Name]

[Address]

Sub: Declaration u/s 393 of the Income-tax Act, 2025 r.w. Rule 203 of the Income-tax Rules, 2026 for Transfer of TDS Credit.

1. This declaration is in relation to the equity shares of Escorts Kubota Limited held by us as the Registered Holder under **DP ID/Client ID: [Insert Details]** as on the Record Date for the Financial Year 2026-27.
2. We hereby declare that while the shares are registered in our name, the beneficial interest in the dividend income belongs to the person(s) mentioned in **Paragraph 4**. These shares are held by us in the capacity of a **[Insert Capacity: e.g., Nominee / Joint Holder / Clearing Member / Trustee]**.
3. In accordance with **Section 393** of the Income-tax Act, 2025, and **Rule 203** of the Income-tax Rules, 2026, we request that the credit for Tax Deducted at Source (TDS) on the dividend paid be granted to the actual beneficial owner(s) in whose hands the income is assessable.
4. We request you to report the dividend and the corresponding TDS against the PAN(s) listed below:

Sr. No.	Name of Beneficial Owner	Address	PAN	Contact Number	Email ID	Shareholding % / Amount

5. We request the Company/Deductor to issue the TDS Certificate (Form 131) in the name and PAN of the aforementioned beneficial owner(s). We further confirm that:
 - The income is assessable in the hands of the persons mentioned above.
 - We shall not claim credit for the said TDS in our own income tax returns.
6. I/We hereby agree to indemnify and hold the Company harmless against any tax, interest, or penalty that may arise due to the Company relying on this declaration for the purpose of TDS reporting and credit allocation.

Verification:

I/We, **[Insert Name of Signatory]**, in my capacity as **[Insert Designation]**, do hereby declare that the information provided above is true and correct to the best of my knowledge and belief.

For **[Name of Registered Holder]**

(Signature)

Authorized Signatory

Designation: [Insert]

Company Seal: [If applicable]

Annexure – III

to the Notice

Part - A1 to A5 of Industry Standards Note ('ISN')

S. No.	Particulars of the information	Information provided by the management																					
1	Name of the related party	Kubota Corporation																					
2	Country of incorporation of the related party	Osaka, Japan																					
3	Nature of business of the related party	Manufacturing and selling machinery, particularly in the fields of agriculture, construction, and water/environment.																					
4	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party - including nature of its concern (financial or otherwise) and the following:	Holding company of Escorts Kubota Limited ('Company' or 'EKL'), having interest to extent of its shareholding in the Company.																					
a	Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	No Direct/ Indirect Shareholding in the related party.																					
b	Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).	Related Party is a Body Corporate and there is no shareholding/capital contribution by EKL.																					
c	Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).	54.07%																					
5	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year:	<table> <tr> <th>S. No</th><th>Nature of Transactions</th><th>FY 25-26 (Rupees In Crores)</th></tr> <tr> <td>1</td><td>Purchase of goods</td><td>883.38</td></tr> <tr> <td>2</td><td>Sale of goods</td><td>5.00</td></tr> <tr> <td>3</td><td>Receiving of services</td><td>23.32</td></tr> <tr> <td>4</td><td>Rendering of services</td><td>13.47</td></tr> <tr> <td>5</td><td>Royalty paid</td><td>5.27</td></tr> <tr> <td colspan="2">Total</td><td>930.44*</td></tr> </table> *Against the limit of Rs. 1250 Crores, as approved by the shareholders in the last AGM held on July 16, 2025.	S. No	Nature of Transactions	FY 25-26 (Rupees In Crores)	1	Purchase of goods	883.38	2	Sale of goods	5.00	3	Receiving of services	23.32	4	Rendering of services	13.47	5	Royalty paid	5.27	Total		930.44*
S. No	Nature of Transactions	FY 25-26 (Rupees In Crores)																					
1	Purchase of goods	883.38																					
2	Sale of goods	5.00																					
3	Receiving of services	23.32																					
4	Rendering of services	13.47																					
5	Royalty paid	5.27																					
Total		930.44*																					
6	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Please see details in S. No. 5, in absence of information for the quarter immediately preceding the quarter, from the date of this notice.																					
7	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 financial year.	No default during the last financial year, since the value of the executed transaction(s) is within the ambit of approval of shareholder in the AGM held on July 16, 2025.																					
8	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	Rs. 1,500/- Crores.																					
9	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes. The proposed transaction(s) with Related Party for the financial year 2026-27 is for material RPT approval.																					
10	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	12.85%																					

Annexure – III

to the Notice

S. No.	Particulars of the information	Information provided by the management												
11	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	Not Applicable as transaction is with the Holding company												
12	Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year	1.92%												
13	Financial performance of the related party for the immediately preceding financial year:	The holding company follows a different financial year i.e. January to December. However, the figures are recalibrated to align with the financial year i.e. April to March. Rupees in Crores <table> <tr> <th>S. No</th><th>Particulars</th><th>Financial Year ended March 31, 2026</th></tr> <tr> <td>1</td><td>Turnover</td><td>78,226.20</td></tr> <tr> <td>2</td><td>Profit after Tax</td><td>15,914.01</td></tr> <tr> <td>3</td><td>Net worth</td><td>56,373.37</td></tr> </table>	S. No	Particulars	Financial Year ended March 31, 2026	1	Turnover	78,226.20	2	Profit after Tax	15,914.01	3	Net worth	56,373.37
S. No	Particulars	Financial Year ended March 31, 2026												
1	Turnover	78,226.20												
2	Profit after Tax	15,914.01												
3	Net worth	56,373.37												
14	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	Rupees in Crores												
a.	Sale of goods	50												
b.	Rendering of services (including reimbursements)	50												
c.	Purchases of goods	1,330												
d.	Receiving of services (including reimbursements)	50												
e.	Royalty Paid	20												
	Total (a+b+c+d+e)	1,500												
15	Details of each type of the proposed transaction	As mentioned in S. No. 14												
16	Tenure of the proposed transaction (tenure in number of years or months to be specified)	Financial Year 2026-27												
17	Whether omnibus approval is being sought?	Yes.												
18	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	The proposed transaction(s) of Rs. 1,500 Crores are for the Financial Year 2026-27.												
19	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	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. These transactions are undertaken based on business synergies, operational efficiencies, and the specialized capabilities of the related party.												

S. No.	Particulars of the information	Information provided by the management
		Given the nature of the transactions, comparable alternatives in the market may be limited, particularly considering the integrated business model, technical know-how, and proprietary assets involved. The arrangements are expected to provide the Company with operational efficiencies, cost optimization, and access to advanced technology and global best practices. In particular, Kubota's established global expertise and technical know-how will support the Company in enhancing manufacturing processes, improving product quality, and strengthening overall technical capabilities. Further, utilizing Kubota's extensive global distribution network allows the Company to export its cost-competitive, "Make in India" products to international markets, optimizing capacity utilization and driving export revenue which is likely to increase the market share and overall profitability. A certificate has been received, from Chairman & Managing Director, Deputy Managing Director and Whole Time Director and CFO, specifying that the proposed Material Related Party Transaction(s) are in the interest of the Company. Kindly be noted that these transactions are independently reviewed by one of the Big4 accounting firms / Independent accounting firms with respect to arm's length consideration and transfer pricing mechanism.
20	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly:-	Kubota Corporation (Joint Promoter of the Company), being a Related Party, has interest in the transaction(s) to the extent of its shareholding, as mentioned above.
	a. Name of the director / KMP	-
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	-
21	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	No valuation report has been taken. Please refer to S. No. 19 above.
22	Other information relevant for decision making.	None

Part B1 of ISN

S. No.	Particulars of the information	Information provided by the management
23	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	No. Please refer to S. No. 19 above.
24	Basis of determination of price.	Will be the comparable Market Price based on the nature and volume of transactions, in line with the justification as provided in S. No. 19 above.
25	In case of Trade advance (<i>of upto 365 days or such period for which such advances are extended as per normal trade practice</i>), if any, proposed to be extended to the related party in relation to the transaction, specify the following:	No Trade Advance given
	a. Amount of Trade advance	
	b. Tenure	
	c. Whether same is self-liquidating?	

Annexure – III

to the Notice

(B2 to B6 is not applicable)

Part B7 of ISN- Pursuant to Regulation of 23(1A) of SEBI LODR Regulations 2015, any royalty payment made to a related party that exceeds 5% of the annual consolidated turnover of the Company shall be considered material and shall require shareholders' approval for such material Related Party Transaction (MRPT). Members may kindly note that, the royalty payment will not exceed 5 % of total consolidated turnover of the Company, accordingly, payment of Royalty will not be considered as a MRPT and therefore it is not a subject matter of the present approval. In order to determine the permissible limits of Material Related Party Transaction(s), in compliance of applicable provisions/ guidelines, value of all the transactions (including the payment of Royalty) have been clubbed. Further, as required by Part B7 of ISN, the below disclosures are being given for transparency/ governance:

S. No.	Particulars of the information	Information provided by the management
26	Purpose for which royalty is proposed to be paid to the related party in the current financial year.	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% (i.e. upto Rs. 20 Crores)
	b. For transfer of technology knowhow	
	c. For professional fee, corporate management fee or any other fee	
	d. Any other use (specify)	
27	(a) The listed entity may confirm whether the parent company charges royalty at a uniform rate from all group companies in other jurisdiction.	No. Since it is dependent on various factors such as the country, jurisdiction, sales, volume, brand factors, technology etc.
	(b) If No, furnish information below. If royalty is paid to the parent company, disclose royalty received by the parent company from group entities in other jurisdiction: - 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.= 75.40 Crores Maximum rate - 17%, Absolute amt.= 156.62 Crores
28	Sunset Clause for Royalty payment, if any	As agreed Mutually

Part C1 to C5 are not applicable

Part C6 of ISN

S. No.	Particulars of the information	Information provided by the management
29	Gross amount of royalty paid by the listed entity or subsidiary to the related party during each of the last three financial years	(Rupees in Crores)
	FY 2023-2024	5.07
	FY 2024-2025	4.21
	FY 2025-2026	5.27
30	Purpose for which royalty was paid to the related party during the last three financial years	Please refer S. No. 26

S. No.	Particulars of the information	Information provided by the management				
	a. For use of brand name / trademark	Please refer S. No. 29 read with S. No. 26				
	b. For transfer of technology knowhow					
	c. For professional fee, corporate management fee or any other fee					
	d. Any other use (specify)					
31	Royalty paid in last 3 FYs as % of Net Profits of previous FYs					
	FY 2023-2024	0.47%				
	FY 2024-2025	0.33%				
	FY 2025-2026	0.22%				
32	Percentage or Rate at which royalty has increased in the past 3 years, if any, vis-à-vis rate at which the turnover and profits after tax have increased during the same period.	Not Applicable as the royalty rate remains 0.5% of the turnover. There is no increase in the rate of royalty payment, however, the net payout of royalty is based on the sales volume etc. as detailed out in S. No. 26.				
33	Peer Comparison: Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any relevant Industry Peer pays royalties for the same purpose, which is disclosed in its audited annual financial statements for the relevant period:	Royalty payment over last 3 years	Escorts Kubota Limited	Maruti Suzuki India Limited	Honda India Power Limited	Hero Motocorp Limited
		Aggregate amount in Crores				
		FY 25-26	5.27	-	-	-
		FY 24-25	4.21	5,038	31.78	7.96
		FY 23-24	5.07	4,908	37.47	7.99
		FY 22-23	4.10	4,222	44.80	5.87
		Royalty paid as a % of net profits of last 3 years	%	%	%	%
		FY 25-26	0.22	-	-	-
		FY 24-25	0.33	36.10	39.75	0.18
		FY 23-24	0.47	36.39	40.64	0.21
		FY 22-23	0.64	51.09	52.65	0.21
		Annual growth rate over the Turnover over last 3 years	%	%	%	%
		FY 25-26	4.64	-	-	-
		FY 24-25	3.74	7.78	(19.79)	8.30
		FY 23-24	27.59	19.80	(20.64)	10.63
		FY 22-23	15.74	34.05	7.78	15.59



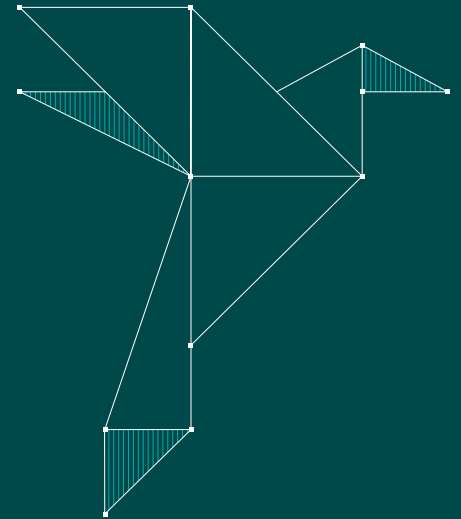
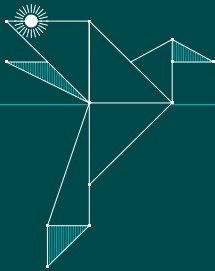
ON YOUR SIDE

Spreading Prosperity
Impacting Lives



Certain images in this report, including this one, have been created using artificial intelligence (AI) for illustrative purposes.

On Your Side



Spreading Prosperity Impacting Lives

For Customers

We are developing new tractors and farm solutions to improve farm mechanisation and productivity.

➤ Read more on **page 31**

For Employees and Workers

We are prioritising learning and development to help our people grow and lead with purpose.

➤ Read more on **page 32**

For Investors

We are creating long-term value through disciplined execution, strong partnerships and consistent returns to shareholders.

➤ Read more on **page 33**

For Value Chain Partners

We are strengthening our network through better operational support and digital tools to improve access, efficiency and responsiveness.

➤ Read more on **page 34**

For Communities

We are supporting rural livelihoods and promoting sustainable farming practices through focused community initiatives.

➤ Read more on **page 35**

For us, being 'On Your Side' is an assurance, justified not by where we stand, but why we stand there.

Prosperity cannot be in isolation. It is fostered by shared aspiration among partners and cradled by the confidence that someone is walking the journey with you.

We chose to be on your side to prosper together, living up to our commitment to creating value for our stakeholders.

We do not just build machines—we build momentum. Be it in the field, where dreams blossom, or at a construction site, where infrastructure is the other name of aspiration, or in a dealership, which keeps the business running, or at a workshop or the shopfloor, where ideas translate into impact, we stay on your side through the ups and downs.

At every touchpoint, we stand by those who try to build a better tomorrow, enabling progress, strengthening resilience, and growing together.

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India is not merely our home market. It is becoming Kubota's global manufacturing centre of gravity—and Escorts Kubota Limited (EKL) is the entity that makes it possible.

Read the message from the Chairman & Managing Director and Deputy Managing Director



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This Integrated Report <IR> presents a holistic view of Escorts Kubota Limited ('EKL' or 'Company') business, material matters, strategy, governance, and performance for FY 2025–26 and marks the Company's fifth year of integrated and ESG-aligned reporting. Through this Report, we aim to provide stakeholders with a comprehensive understanding of how EKL creates long-term value by effectively leveraging its financial and non-financial capitals while responding to a rapidly evolving business environment.

This milestone reflects EKL's continued commitment to transparent, accountable, and forward-looking sustainability disclosures. As sustainability increasingly shapes stakeholder expectations, regulatory landscapes, and long-term resilience, the Company has strengthened the depth, quality, and accessibility of its reporting.

The Report outlines EKL's environmental, social, and governance performance across its operations and value chain, highlighting its approach to responsible manufacturing, strong governance practices, and sustainable growth.

During the year, EKL further enhanced its disclosures to improve clarity, data accessibility, and alignment with evolving reporting standards, with a greater emphasis on climate-related insights, ESG data transparency, and sector-relevant material priorities.

Key Reporting Enhancements Introduced in the Current Reporting Cycle

- Expanded climate-related disclosures to make these compatible with IFRS S1 & S2 principles in future
- Inclusion of a detailed GRI and BRSR mapping
- Strengthened reporting on sustainability governance and oversight mechanisms
- Improved disclosures on workforce development, health & safety, and employee well-being
- Better integration of ESG performance with business strategy and operational priorities
- Streamlined Report design and cross-referencing for improved stakeholder navigation and readability

Reporting Frameworks Applied

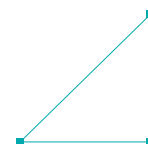
This Integrated Report has been prepared in alignment with the principles of the International Integrated Reporting Framework (IIRC), now part of the IFRS Foundation, reflecting the interlinkages between EKL's strategy, governance, performance, risks, opportunities, and sustainability priorities.

This Report has been prepared with reference to the GRI Standards (2021) and demonstrates progressive alignment with IFRS S1 & S2 and consideration of SASB standards for industry relevance.

Financial and statutory information is presented in compliance with the Companies Act, 2013, Indian Accounting Standards (IND AS), and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). The Business Responsibility and Sustainability Report (BRSR) is integrated in line with SEBI requirements.

EKL's material sustainability priorities are mapped to the UN Sustainable Development Goals (SDGs), with continued strengthening of disclosures in line with global ESG benchmarks such as CDP and DJSI.

The Report is guided by the principles of strategic focus, connectivity of information, stakeholder responsiveness, materiality, reliability, consistency, and comparability, ensuring transparent, relevant, and decision-useful disclosures.



Reporting Period, Scope and Boundary

This Integrated Report covers EKL's performance for the FY 2025–26 (April 1, 2025, to March 31, 2026), unless otherwise stated. Where relevant, comparative data for FY 2024–25 and FY 2023–24 has been included. Certain historical information has been restated to reflect post-amalgamation changes and to ensure consistency and comparability across disclosures.

The Report primarily reflects the standalone operations of EKL in India, including manufacturing plants, R&D facilities, corporate offices, and other locations under its operational control. It also incorporates material developments relating to subsidiaries, joint ventures, and entities where the Company exercises financial control or significant influence.

The reporting boundary reflects organisational changes during the period, including the amalgamation completed in FY 2024–25. Further, pursuant to the Board's approval on October 23, 2024, the Company divested its Railway Equipment Division (RED) through a slump sale, with the transfer completed on June 1, 2025. Accordingly, the RED business has been classified as discontinued operations.

Unless otherwise specified, all ESG and sustainability disclosures, including the Business Responsibility and Sustainability Report (BRSR), pertain to the Company's continuing standalone operations and exclude the RED business for both the current and comparative periods.

The Management Discussion and Analysis and Consolidated Financial Statements presented in the non-statutory section reflect consolidated performance, unless stated otherwise.

Restatements & Methodology Changes

During FY 2025–26, EKL updated its reporting boundaries, operational classifications, and ESG data methodologies to reflect organisational changes, including the amalgamation completed in FY 2024–25 and the divestment of the Railway Equipment Division (RED), effective June 1, 2025.

Accordingly, prior-period disclosures have been restated and/or reclassified, wherever applicable, to enhance consistency, comparability, and alignment with the Company's continuing operations, in line with SEBI BRSR, GRI Standards, and other relevant frameworks.

Basis of Preparation Stakeholder Engagement

Materiality and Significant Estimates

The disclosures in this Report are guided by the Company's Double Materiality Assessment (refer page no. 78), which identifies key ESG topics based on their impact as well as financial relevance. In line with the revised reporting boundary following the amalgamation (FY 2024–25) and the divestment of the Railway Equipment Division (RED) effective June 1, 2025, materiality considerations and disclosures pertain to the Company's continuing operations, unless otherwise stated.

Certain disclosures, particularly environmental metrics, involve estimates and assumptions, including the use of standard emission factors, treatment of specific categories, and, where necessary, extrapolation or industry-average data. These are based on the best available information and applied consistently to ensure reasonable, transparent, and comparable performance representation.



Our Capitals

Our value creation model is built around the effective utilisation and enhancement of six interconnected capitals:

F

Financial
Capital

M

Manufactured
Capital

I

Intellectual
Capital

H

Human
Capital

N

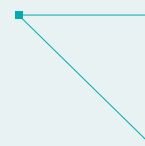
Natural
Capital

S

Social and
Relationship Capital

Strategic Priorities

Our strategic priorities continue to guide our long-term growth journey and business transformation initiatives:



SP1

Strengthening leadership in farm mechanisation and agri-solutions

SP2

Supporting India's infrastructure development through advanced construction equipment solutions

SP3

Embedding responsible and sustainable business practices across operations

SP4

Fostering a future-ready, inclusive, and high-performance workplace culture

SP5

Sustaining our position as a trusted brand and responsible corporate citizen



Stakeholder Engagement

We remain committed to building transparent, collaborative, and long-term relationships with our stakeholders. Continuous engagement helps us better understand evolving expectations, strengthen accountability, and align our decisions with long-term value creation.

Our key stakeholder groups include:

- Shareholders and investors
- Customers and channel partners
- Employees and workers
- Value chain partners
- Government and regulatory authorities
- Communities and society at large

Responsibility Statement and Forward-looking Statements

Board's Responsibility Statement

The Board of Directors and senior management acknowledge their responsibility for the integrity, fairness, and accuracy of the information presented in this Integrated Report. The Report has been reviewed to ensure it provides a balanced, comprehensive, and transparent assessment of EKL's strategy, performance, governance, and approach to long-term value creation.

The Board recognises environmental, social, and governance (ESG) considerations as integral to the Company's long-term sustainability and continues to oversee ESG strategy, performance, disclosures, and commitments. The Report reflects the Company's continuing operations, following organisational changes during the year.

Environmental (E)	Social (S)	Governance (G)
EKL's key environmental commitments (baseline FY 2022-23) include achieving carbon neutrality by 2050, tripling renewable energy share by FY 2029-30, becoming water positive by 2030, and achieving zero landfill waste by 2027. During FY 2025-26, progress was driven through renewable energy adoption, water recycling, energy efficiency, and waste reduction initiatives. Key challenges include scaling low-carbon technologies, strengthening supplier alignment, and managing infrastructure transitions.	The Company continues to focus on employee well-being, health & safety, diversity & inclusion, capability development, and community engagement, with a target to increase women's workforce representation to 15% in employee category by 2031. During the year, initiatives were strengthened across training, safety, diversity, and engagement. Enhancing gender diversity in operational roles and advancing ESG integration across the value chain remain key priorities.	EKL continues to strengthen its governance framework through enhanced ESG oversight, risk integration, responsible business conduct, and improved disclosures. During FY 2025-26, the Company further advanced its sustainability governance mechanisms and supplier sustainability assessments. Key focus areas include strengthening ESG data systems, improving disclosure maturity, and deepening value chain governance.

The Board affirms that, to the best of its knowledge, this Report presents a fair and balanced view of EKL's sustainability performance and material ESG priorities during the reporting period.

Forward-looking Cautionary Note

This Report contains forward-looking statements that reflect the Company's current views regarding future events, based on available information and underlying assumptions. These statements are subject to risks and uncertainties, which may cause actual outcomes to differ materially from those expressed or implied.

In accordance with applicable regulatory requirements, including the SEBI Listing Regulations, the Company assumes no obligation to update or revise such statements based on subsequent developments.

Assurance

Selected ESG disclosures presented in this Report have been subjected to assurance by Grant Thornton Bharat LLP. The assurance engagement includes reasonable assurance on select key indicators (BRSR Core) and limited assurance and Type 2 Moderate assurance on certain other identified non-financial indicators other than BRSR Core indicators, as detailed in the assurance letter issued on the BRSR of EKL dated 18-06-2026.

The Company continues to strengthen its ESG reporting and assurance processes through a phased expansion of coverage, including material disclosures related to value chain impacts and indirect emissions, in line with evolving best practices and stakeholder expectations.

Momentum across Metrics

Agriculture in India showed its resilience with a decadal high growth rate of 4.45%¹ in 2025, accomplished by a record production and robust performance by allied sectors like livestock and fisheries. The farm sector made up nearly 16%² of India's GDP for FY 2025-26 and supported 46% of the population. This strong performance boosted rural income and a subsequent surge

in demand, helping us record sustained growth during the reporting year.

A diversified portfolio, technology-led solutions and proven execution capabilities enabled us to cater to the domestic demand while expanding our global footprint.

Standalone Financial from Continuing Operations

EBITDA

+28.5% ↗

₹1,513 crores

Profit After Tax

+24.4% ↗

₹1,381 crores

Profit Before Tax (excluding exceptional items) +32.1% ↗

₹1,806 crores

Earnings Per Share

+24.3% ↗

₹125.52

Revenue from Operations

+12.6% ↗

₹11,473 crores

Final Dividend Per Share (Recommended)

₹33.00

Including Discontinued Operations

Reported Profit After Tax

+92.5% ↗

₹2,409 crores

Earnings Per Share

₹218.93

Total Dividend Per Share

₹51.0

↗ % represent YoY change

¹ <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap06.pdf>
² <https://www.granthornton.in/insights/articles/confident-and-forward-looking-economic-survey-2025-26/>

▶ To gain deeper insights into the financial performance, please refer to the Financial Capital section on Page 120

Operational



Total Tractor Sales Volume

+15.7% ↗

1,33,670 Units

Capacity Utilisation (Tractors)

77%



Exports Tractor Sales Volume

+33.8% ↗

6,676 Units



Construction Equipment Volume

(10.6)% ↘

5,794 Units

Capacity Utilisation (Construction Equipment)

47%



For a thorough understanding of the operational performance, kindly refer to the Manufactured Capital section on Page 124.

ESG



Gender Diversity
(From Employee Category)

8.74%

Renewable Energy Used
during FY 2025-26

9.47 TJ

CSR Expenditure

₹16.72 crores

Lives Impacted from our CSR Initiatives

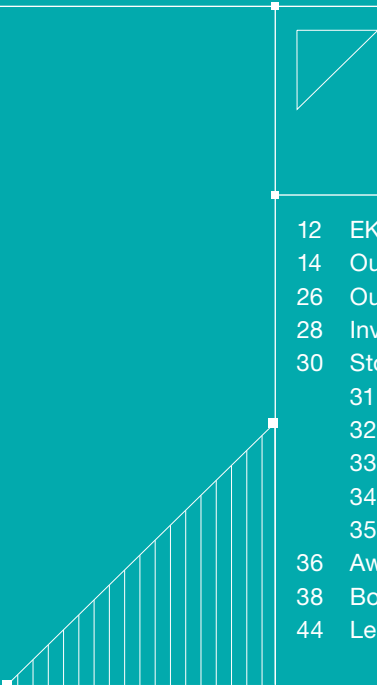
1 lakh+

71% represent YoY change



Corporate Overview

At Escorts Kubota Limited, we are committed to advancing mechanisation through engineering excellence, innovation, and customer-centric solutions. Through our Agri Machinery Products and Construction Equipment businesses, we serve the evolving needs of farmers, contractors, infrastructure developers and industrial customers across India and global markets.



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Bringing the World's Best

Escorts Kubota Limited ('EKL' or 'the Company') operates across farm mechanisation, smart agriculture and advanced construction equipment, delivering integrated agri-solutions, engine business and spare parts to a global customer base. Backed by over eight decades of experience, our agile and resilient business model has made us a preferred partner across industries and earned the confidence of our customers. We are confident that our domestic strengths, coupled with Kubota Corporation's global scale, will usher in new opportunities for us going forward.

With Indian farm mechanisation still offering immense headroom for adoption and national infrastructure investments accelerating, these powerful market tailwinds provide a sustainable runway for our long-term expansion.

Our Business Segments

We have two core business segments—Agri Machinery and Construction Equipment—catering to evolving mechanisation, productivity, and infrastructure requirements across domestic and international markets.

Agri Machinery Segment



- Tractor Business**
 - **Domestic Market**
 - Farmtrac Brand
 - Powertrac Brand
 - (including Digitrac and Steeltrac Brand)
 - Kubota Brand
- **Export Market**
 - Farmtrac Brand
 - Powertrac Brand
 - E-Kubota Brand
 - **Non-Tractor Business**
 - Agri Solution
 - Engine
 - Services and Spare Parts

Read more on **Page 62**

FY 2025-26 Revenue Contribution



Construction Equipment Segment



- Material Handling**
 - Cranes
- Earth Moving**
 - Mini Excavators
 - Backhoe Loaders
- Road Construction**
 - Compactors

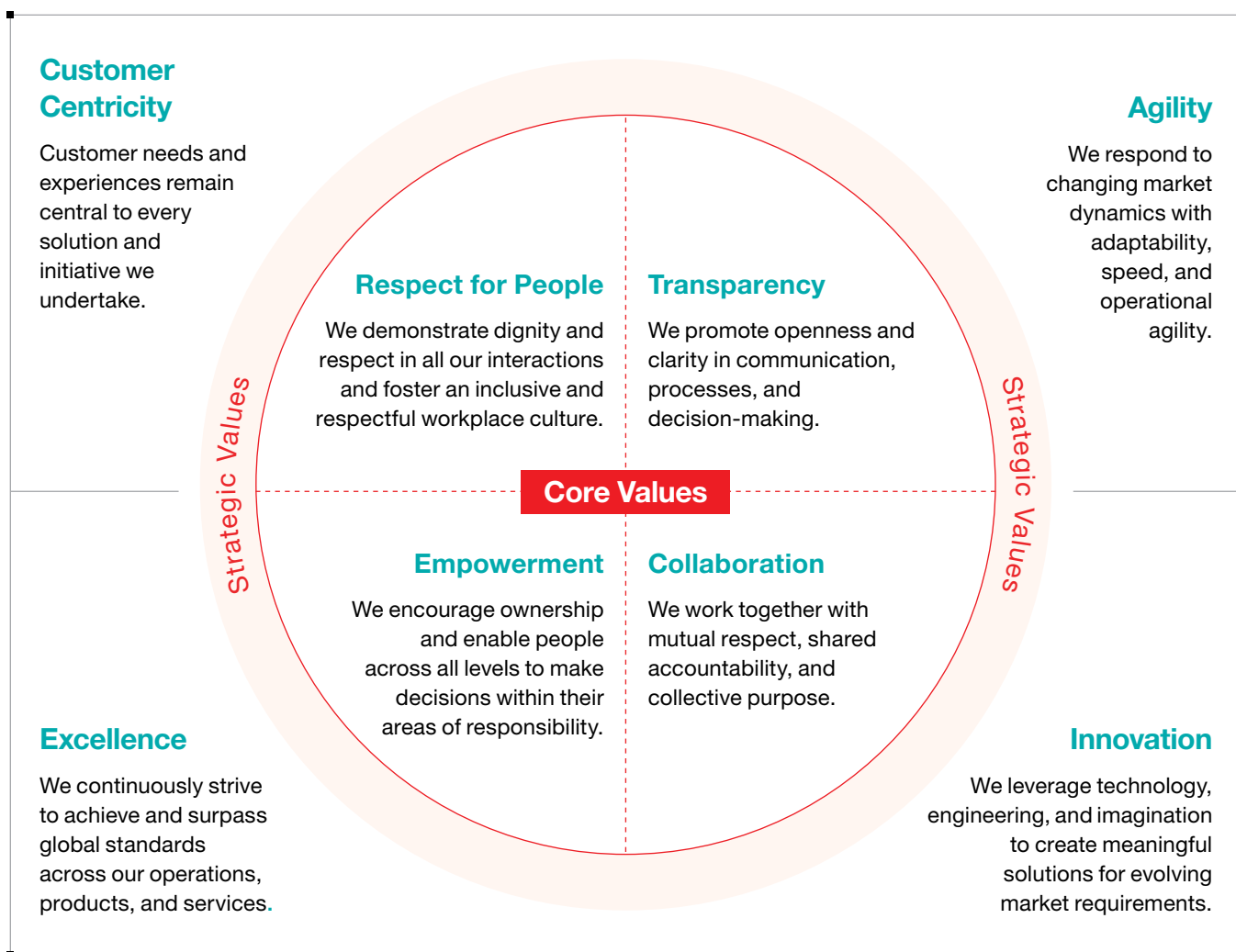
Read more on **Page 64**

FY 2025-26 Revenue Contribution



Our Guiding Principles

Vision	Mission
 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.	 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 society in India and in the world through further mechanisation and by providing total solutions.



A Suite of Farm-fit and Industrial Solutions

We offer a diversified portfolio of farm mechanisation products and advanced solutions spanning construction equipment, industrial engines, spare parts and more. Designed with a sharp focus on performance, reliability, efficiency and customer-centric innovation, it addresses varied applications across domestic and international markets.



Agri Machinery Segment

Tractor Business Division

Farmtrac

Our Farmtrac range comprises premium and technologically advanced tractors designed for medium and large-scale farming applications. The portfolio offerings stand out for power, comfort, style and versatility, delivering enhanced operational efficiency and performance.

1. PRORCHARD Series

Purpose-built for orchards, vineyards, and row crops, offering precision, agility, and multi-utility performance. A compact yet capable tractor designed to support modern farmers across diverse applications.

Products	Specifications
30 PRORCHARD 2WD & 4WD	22.37 kW (30 HP) Category



2. ATOM Series

Compact 4WD tractors engineered for specialised crops such as vineyards, orchards, cotton, and sugarcane. Combines superior maneuverability, powerful performance, and operator comfort for efficient farming.

Products	Specifications
26 ATOM	19.38 kW (26 HP) Category
30 ATOM	22.37 kW (30 HP) Category
35 ATOM	26.84 kW (36 HP) Category



3. CHAMPION Series

Reliable and fuel-efficient tractors designed for everyday farming operations and haulage needs. Delivers dependable performance, low maintenance, and versatility across a wide range of applications.

Products	Specifications
35 CHAMPION	26.09 kW (35 HP) Category
39 CHAMPION	29.08 kW (39 HP) Category
41 CHAMPION	30.57 kW (41 HP) Category
42 CHAMPION	32.81 kW (44 HP) Category
45 CHAMPION	33.55 kW (45 HP) Category



4. CLASSIC Series

An iconic tractor series blending timeless design with proven performance and durability. Built for tillage, sowing, and haulage with high torque, lifting capability, and operational efficiency.

Products	Specifications
45 CLASSIC	33.55 kW (45 HP) Category
45 CLASSIC	37.28 kW (50 HP) Category
60 CLASSIC	37.28 kW (50 HP) Category



5. PROMAXX Series

A modern tractor range that combines advanced technology, comfort, and versatile performance. Designed to enhance productivity across agricultural and commercial applications.

Products	Specifications
39 PROMAXX	29.08 kW (39 HP) Category
42 PROMAXX	31.31 kW (42 HP) Category
45 PROMAXX	33.55 kW (45 HP) Category
47 PROMAXX	35.04 kW (47 HP) Category



6. POWERMAXX Series

High-performance tractors built for demanding farming operations requiring superior power and capability. Equipped with advanced technology and robust features for maximum productivity and efficiency.

Products	Specifications
45 POWERMAXX	37.28 kW (50 HP) Category
50 POWERMAXX	37.28 kW (50 HP) Category
60 POWERMAXX	41.01 kW (55 HP) Category
6055 POWERMAXX	44.73 kW (60 HP) Category



7. WORLDMAXX Series

The Worldmaxx Series is our most premium tractor under Farmtrac, suited for progressive farmers.

Products	Specifications
60 WORLDMAXX	37.28 kW (50 HP) Category
6055 WORLDMAXX	37.28 kW (50 HP) Category



Powertrac

Our Powertrac portfolio focuses on delivering value-driven mechanisation solutions with an emphasis on fuel efficiency, durability, affordability, and multi-utility performance across varied farming conditions.

1. SHAURYA Series

Built for farmers seeking power, precision, and durability across diverse field conditions. Delivers exceptional maneuverability, fuel efficiency, and reliable performance in demanding applications.

Products	Specifications
EURO 439 Shaurya	29.1 kW (39 HP) Category
EURO 42 Shaurya	31.3 kW (42 HP)
EURO 45 Shaurya	33.6 kW (45 HP)
EURO 47 Shaurya	35.1 kW (47 HP)
EURO 50 Shaurya	38.8 kW (52 HP) Category



2. STEELTRAC Series

Compact and efficient tractors designed for small and medium-sized farming operations. Offers versatile performance for tillage, haulage, and irrigation with ease and reliability.

Products	Specifications
STEELTRAC 18	12.1 kW (16.2 HP) Category
STEELTRAC 25	17.0 kW (23.0 HP) Category



3. G Series

Specialised garden and orchard tractors engineered for precision farming applications. Combines compact dimensions, 4WD capability, and operator comfort for superior productivity.

Products	Specifications
EURO 24G	17.9 kW (24 HP) Category
EURO 28G	20.9 kW (28 HP) Category



4. DIESEL SAVER Series

A fuel-efficient tractor range powered by advanced engine technology for maximum savings. Delivers dependable performance across agricultural and haulage applications without compromising power.

Products	Specifications
434 RDX	26.10 kW (35 HP) Category
439 RDX	29.10 kW (39 HP) Category
439 PLUS	30.59 kW (41 HP) Category
434	26.10 kW (35 HP) Category
434 PLUS	27.60 kW (37 HP) Category
439	29.10 kW (39 HP) Category
439 PLUS	30.59 kW (41 HP) Category



5. STAR Series

Trusted tractor series known for its blend of style, comfort, and dependable performance. Combines fuel-efficient power with proven reliability to enhance farm productivity.

Products	Specifications
EURO 30 STAR	22.40 kW (30 HP) Category
EURO 45 STAR	33.50 kW (45 HP) Category
EURO 45 PLUS STAR	35.00 kW (47 HP)
EURO 47 STAR	35.00 kW (47 HP)
EURO 50 STAR	35.00 kW (47 HP)



6. POWERHOUSE Series

Power-packed tractors designed to deliver extra performance, efficiency, and value. Generates maximum power from every drop of fuel for demanding farming operations.

Products	Specifications
EURO 45 PLUS	35.0 kW (47 HP) Category
EURO 47 PLUS	37.3 kW (50 HP) Category
EURO 50 PLUS	38.8 kW (52 HP) Category



7. DIGITRAC Series

Bold and powerful tractors equipped with advanced technology and contemporary design. Built to handle agricultural, haulage, and commercial applications with confidence and efficiency.

Products	Specifications
PP 43i DIGITRAC	37.3 kW (50 HP) Category
PP 46i DIGITRAC	41.0 kW (55 HP) Category



8. NEXT Series

An advanced tractor range designed to meet the evolving needs of modern farming. Combines next-generation power, performance, and technology for high-demand applications.

Products	Specifications
EURO 50 NEXT	38.8 kW (52 HP) Category
EURO 50 PLUS NEXT	41.0 kW (55 HP) Category
EURO 55 NEXT	41.0 kW (55 HP) Category
EURO 60 NEXT	44.8 kW (60 HP) Category



Kubota Tractors

Powered by advanced Japanese technology, our Kubota tractor portfolio is designed to deliver precision farming capabilities, superior durability, operational efficiency and application versatility.

1. NEOSTAR Series

Compact tractors designed for orchards, vineyards, and specialised farming applications. Combines powerful performance, superior maneuverability, and versatility for operations in narrow spaces.

Products	Specifications
KUBOTA A211S (Standard)	15.7 kW (21 HP) Category
KUBOTA B2441S (Narrow)	17.9 kW (24 HP) Category
KUBOTA B2441S (Narrow)	18.5 kW (27 HP) Category
KUBOTA B2741S (Standard)	18.5 kW (27 HP) Category



2. L Series

A versatile mid-sized tractor range built for productivity across multiple farming applications. Delivers powerful performance, operator comfort, and adaptability with a wide range of implements.

Products	Specifications
KUBOTA L3408	25.9 kW (34 HP) Category
KUBOTA L4508	33.7 kW (45 HP) Category



3. MU Series

Premium tractors engineered for fuel efficiency, durability, and high-performance farming operations. Combines advanced technology, smooth operation, and reliable power for long working hours in the field.

Products	Specifications
MU4201 2WD	30.9 kW (42 HP) Category
MU4201 4WD	30.9 kW (42 HP) Category
MU4501 2WD	33.6 kW (45 HP) Category
MU4501 4WD	33.6 kW (45 HP) Category
MU5502 2WD	36.5 kW (55 HP) Category
MU5502 4WD	36.5 kW (55 HP) Category



Non-Tractor Business

Agri Solutions

Our Agri Solutions portfolio supports farm mechanisation through advanced implements and integrated solutions designed to improve productivity, optimise operations, and enhance farming efficiency across agricultural activities.

Products

- Plough
- Rotavator
- Super Seeder
- Sprayer
- Rice Transplanter
- Harvester
- Straw Reaper

Key Strengths

- Farm mechanisation solutions
- Precision agriculture initiatives
- Smart farming support solutions
- Application-focused agricultural implements



Engines

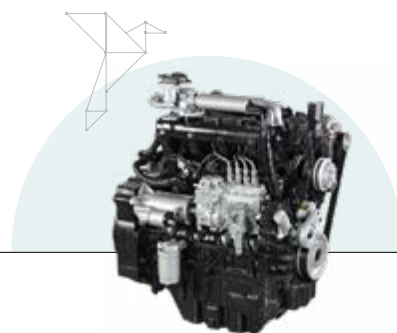
We develop technologically advanced engine solutions that deliver superior performance, fuel efficiency, durability and operational reliability across agricultural and industrial applications.

Products

- EKL Engines (Gensets, Generator engines)
- Kubota Engines (Diesel engines for industrial applications and generators)

Key Strengths

- Fuel-efficient performance
- Reliable power delivery
- Advanced engineering capabilities
- Compliance with evolving emission norms



Spare Parts and Services

To strengthen customer retention, we provide seamless after-sales support through extensive spare parts availability, responsive service and solutions that help extend equipment life. This enables higher equipment uptime and improved operational efficiency for customers.

Products

- EKL Genuine Spare Parts and Lubricants
- Kubota Genuine Spare Parts and Lubricants

Key Strengths

- Extensive service network
- Genuine spare parts support
- Customer-centric service initiatives
- Lifecycle value enhancement

Our Brands

- SURAKSHA
- K3R



Construction Equipment Segment

Material Handling

1. Hydra Cranes

Versatile pick-and-carry cranes designed for efficient material handling across construction and industrial sites. Combines reliable lifting performance, operational ease, and durability for everyday jobsite requirements.

Products	Specifications
HYDRA 12	Tonnage - 12 t Boom Height - 18.2 m (60 ft) Engine - 41 kW (55 HP), 74 kW (101 HP)
HYDRA 14	Tonnage - 14 t Boom Height - 11 m (27 ft), 11.1 m (36 ft), 12.98 m (42 ft), 15.1 m (50 ft) Engine - 37 kW (50 HP)
HYDRA 15	Tonnage - 15 t Boom Height - 9.3 m (27 ft), 11.1 m (36 ft), 12.67 m (42 ft), 14.9 m (50 ft), 19.15 m (65 ft) Engine - 37 kW (50 HP)



2. High-end Cranes

Advanced lifting solutions engineered for demanding construction and heavy material handling applications. Delivers higher lifting capacities, precision control, and enhanced safety for superior productivity.

Products	Specifications
F15	Tonnage - 14 t, 15 t Boom Height - 18.2 m (60 ft) Engine - 41 kW (55 HP), 74 kW (101 HP)
F15 FIGHTER	Tonnage - 15 t Boom Height - 18.2 m (60 ft) Engine - 55 kW (74 HP)
F17	Tonnage - 17 t Boom Height - 18.2 m (60 ft) Engine - 54kW (73 HP), 74kW (101 HP)
F20	Tonnage - 20 t Boom Height - 19.5 m (64 ft) Engine - 74 kW (101 HP)
F23	Tonnage - 23 t Boom Height - 20.1 m (66 ft) Engine - 74 kW (101 HP)
F23 2WD	Tonnage - 23 t Boom Height - 19 m (62 ft) Engine - 102 kW (137 HP)



3. Rough Terrain Cranes

Heavy-duty cranes built to perform in challenging terrains and demanding work environments. Offers exceptional lifting capability, maneuverability, and reliability for complex construction and industrial operations.

Products	Specifications
RT 20	Tonnage - 22 t Boom Height - 23 m (75 ft) Engine - 119 kW (160 HP)
RT 30	Tonnage - 32 t Boom Height - 27 m (88 ft) Engine - 134 kW (180 HP)
RT 40	Tonnage - 40 t Boom Height - 33 m (108 ft), 36 m (118 ft) Engine - 134 kW (180 HP)



Earth Moving

1. Backhoe Loaders

Versatile construction machines designed for excavation, loading, and material handling applications. Combines powerful performance, durability, and operational efficiency to maximise productivity on job sites.

Products	Specifications
BLX 75	Dump Height - 2.80 m Drive - 2WD, 4WD Loader Bucket Size - 1.1 cu m



2. Mini Excavators

Compact and agile excavators engineered for precision work in confined and challenging spaces. Delivers superior digging performance, maneuverability, and versatility across a wide range of construction applications.

Products	Specifications
KUBOTA U17-3	Tonnage - 1.7 t (1800 kg) Engine - 12 kW (16.1 HP) Digging Depth - 2.31 m
KUBOTA U22-3	Tonnage - 5 t (4865 kg) Engine - 14.2 kW (19.0 HP) Digging Depth - 3.56 m
KUBOTA U30 - 6S	Tonnage - 3 t (3270 kg) Engine - 20.5 kW (27.5 HP) Digging Depth - 2.82 m (2805 mm)
KX033-4	Tonnage - 3.3 t (3375 kg) Engine - 20.5 kW (27.5 HP) Digging Depth - 3.10 m (3110 mm)
KUBOTA U50-5S	Tonnage - 5 t (4865 kg) Engine - 28.8 kW (38.6 HP) Digging Depth - 3.56 m



Road Construction

1. Soil Compactors

Heavy-duty compaction equipment designed to achieve optimal soil density for construction and infrastructure projects. Delivers reliable performance, durability, and efficient compaction across diverse ground conditions.

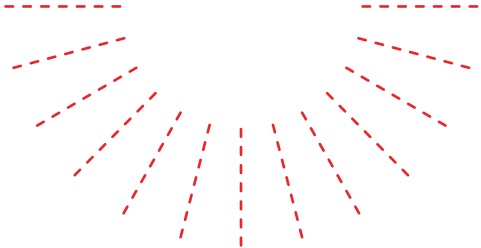
Products	Specifications
EC 5250	Tonnage - 10 T Engine - 110 HP Compaction Force - 260 kN
EC 5250 PLUS	Tonnage - 11 T Engine - 110 HP Compaction Force - 336 kN



2. Tandem Compactors

Advanced road compaction machines engineered for smooth and uniform surface finishing. Combines precision, efficiency, and operator comfort to ensure superior road construction quality.

Products	Specifications
EC 3664	Tonnage - 3.3 T Engine - 47 HP Compaction Force - 129 kN
HD 85 PLUS	Tonnage - 9 T Engine - 75 HP Compaction Force - 219 kN



A Legacy of Engineering Excellence

In over eight decades, Escorts Kubota Limited has grown from an entrepreneurial vision into a globally connected engineering enterprise. The journey reflects our sustained effort to bolster mechanisation-led progress and create solutions in sync with the evolving needs of agriculture, infrastructure and construction.



1944 / The Beginning of Our Journey

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



1961 / Building Foundations

- Commenced with the production of Rajdoot motorcycles.
- Kicked off producing tractors under our brand in collaboration with URSUS Poland.
- Successfully listed on the Bombay Stock Exchange (BSE).

1962 / Expanding Engineering Capabilities

Initiated the manufacturing of shock absorbers for passenger coaches in collaboration with Boge, Germany.

1969 / Strengthening Global Partnerships

Established Escorts Training and Development Centre in Bangalore and entered into a joint venture ('JV') with Ford Motor to manufacture tractors in India.

1971 / Diversifying Construction Equipment Portfolio

Commenced the production of hydraulic cranes and launched a compact hydro crane.



1974 / Expanding Beyond Borders

Forayed into export markets for the first time.

1977 / Building In-House Technology Capabilities

Set up an independent R&D centre focused on advancing tractor engineering and technology development.

1995 / NSE listing and Global Technology Collaboration Expansion

- We were listed on the National Stock Exchange of India Limited.
- Started the Farmtrac brand of tractors (Discontinued the JV with Ford).

1998 / Strengthening Brand Identity

We launched the Powertrac tractor brand.

2004 - 2011 / Business Transformation

The business portfolio was reoriented to focus on higher growth opportunities.

2012 / Institutionalising Innovation

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

2015 / Innovative Product Development

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



2017 / Pioneering Future-ready Mechanisation

- Conceptualised India's first electric tractor.
- Achieved IRIS certification to design, develop and manufacture railway components.



2018 / Accelerating International Expansion

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

2019 / Milestone Innovations

Developed India's first hybrid tractor concept, hybrid backhoe loader concept and multi-utility rural transport vehicle concept.



2020 / Strengthening the Kubota Partnership

- 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.
- Started the production of Kubota tractors.

2021 / Advancing Manufacturing Excellence

- Emerged as India's first Company to receive Budni Certification for its electric tractors.

2022 / Becoming Escorts Kubota Limited

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

2023 / Advanced Engineering Precision

Manufactured a microprocessor based controlled locomotive brake system (EMCBS).

2024 / Financing Solutions for Customers

- Established a captive finance company, Escorts Kubota Finance Limited (EKFL), to finance our Company's products and support the financial needs of our customers.
- Merged Kubota Agricultural Machinery India Private Limited (KAI) and Escorts Kubota India Private Limited (EKI) with Escorts Kubota Limited (EKL).



2025 / Portfolio Transformation

- Launched FARMTRAC PROMAXX Series tractors.
- We divested the Railway Equipment Business (RED) to strategically focus on Agri Machinery and Construction Equipment businesses.
- Introduced Kubota MU4201 and upgraded MU series tractors.



2026* / Expanding Product Lines

Launch of Powertrac Shaurya, Digitrac and Kubota Neostar Series.

*Date up to June 2026

What Makes EKL a Value Accretive Business

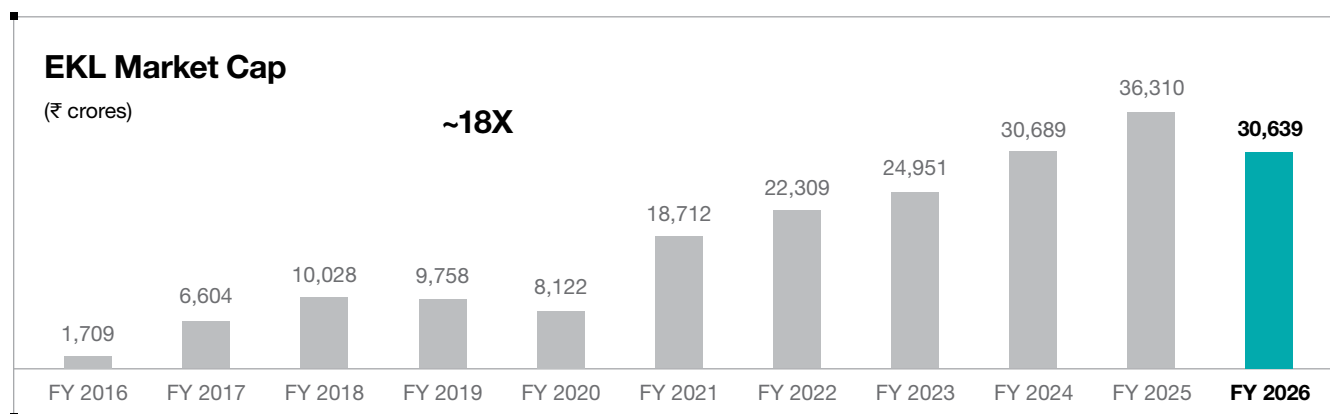


An investment in EKL is underpinned by a powerful combination of factors:

- Historical returns (~18x market cap growth vs ~2.8x NSE)
- Strategic global partnership with Kubota driving technology and exports
- Robust capex-led growth visibility aligned with structural tailwinds
- Consistent and growing dividend payouts with conservative payout ratios
- Strong balance sheet and high credit quality (CRISIL AA+, Positive outlook)

Market Capitalisation in last 10 years

Escorts Kubota Limited (EKL) has demonstrated exceptional long term wealth creation, with its market capitalization expanding ~18x over the last decade, far outperforming the broader NSE benchmark which grew ~2.8x over the same period. This sustained outperformance reflects a combination of earnings growth, margin expansion, and valuation re rating, driven by a strategic shift toward premium products and global integration. The inflection point came with Kubota Corporation's investment, transforming EKL into a globally competitive agri machinery platform. The Kubota partnership brings advanced technology, access to global markets, and stronger governance, significantly enhancing EKL's long term growth visibility and reinforcing its ability to compound returns above market averages.



Capacity Expansion for Long-term Growth

To support growth across agricultural mechanisation and construction equipment businesses, we are strengthening our domestic manufacturing capabilities while building scale for both domestic and export markets. A key milestone in this journey is our greenfield manufacturing facility in Uttar Pradesh, which will anchor future capacity expansion. Over the next four to five years, we plan to invest approximately ₹3,000–3,500 crore towards expanding manufacturing capacity across tractors, construction equipment and components, while enhancing operational efficiency through greater manufacturing integration.

Total Planned Investment

₹3,000–₹3,500 crores
Over the next four-five years

Captive Financing Boosting Rural Demand

Given that a significant portion of tractor purchases in India are financed, we are improving access to credit through our captive financing ecosystem. This year, we invested heavily in systems and operational infrastructure to improve retail financing penetration, support dealer liquidity, and enhance customer accessibility.

Beyond growth and reinvestment, EKL also offers a strong and increasingly relevant shareholder return proposition through dividends. The company has a consistent dividend track record with over two decades of payouts and a sharply rising dividend profile in recent years. For FY26, EKL declared a total dividend of ₹51 per share, implying a yield of ~1.1–1.3%. Importantly, the payout ratio at ~25%+.

This balanced capital allocation reinvesting for growth while steadily increasing shareholder payouts—positions EKL as a total return compounding story, combining capital appreciation, earnings growth, and rising income, making it a compelling value accretive investment in India's manufacturing and agri infrastructure space.

Strong Balance Sheet and Credit Profile

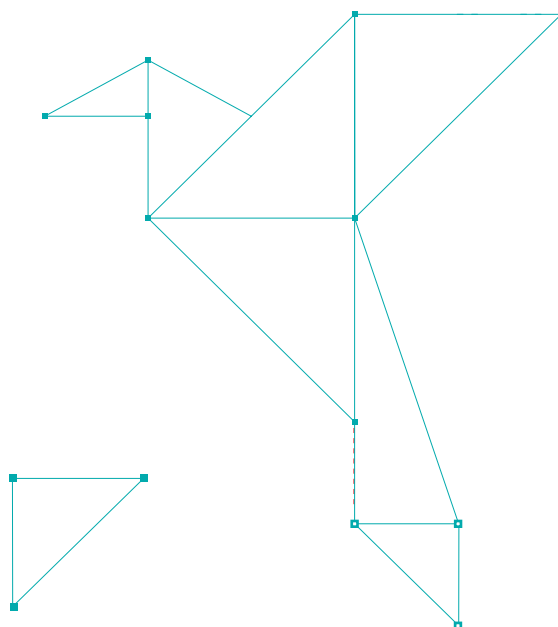
A critical and often underappreciated pillar of the investment case is EKL's **strong credit profile**, as reflected in its CRISIL ratings. The company is rated **CRISIL AA+ (long term) with a 'Positive' outlook and CRISIL A1+ (short term)**, indicating high credit quality and strong financial stability. The 'Positive' outlook revision is particularly significant, as it reflects improving fundamentals driven by deeper integration with Kubota, strong cash flow generation, and expanding export capabilities.

Additionally, EKL maintains a **debt free balance sheet with substantial cash surplus**, further reinforcing its financial resilience and ability to fund growth without leverage risk.

Most importantly, EKL delivers a strong **Total Shareholder Return (TSR)** proposition, which combines:

- Capital appreciation (18x market cap growth over 10 years)
- Dividend income (steadily rising payouts with strong growth trajectory)
- Potential valuation re-rating from global integration and premium positioning

This combination makes EKL not just a growth story, but a holistic compounding investment, where investors benefit from both price appreciation and cash returns. The consistent dividend growth, coupled with strong earnings expansion and improved business quality post Kubota integration, enhances long-term TSR meaningfully.



Our growth journey is shaped by enduring relationships with our stakeholders, including customers, employees and workers, investors, value chain partners and communities, each playing an important role in strengthening our ability to achieve value chain partner's sustainable and inclusive growth.

Through technology-led innovation, operational excellence, responsible business practices and deeper global integration, we continue to create meaningful impact across the agricultural and infrastructure value chain. Guided by our commitment to being 'On Your Side', we remain focused on building trusted partnerships, improving accessibility, empowering people and contributing towards resilient communities and stronger economic progress.



Customers

Delivering Solutions that Support Productivity and Progress

Across agriculture and infrastructure sectors, customers today operate in increasingly dynamic environments shaped by changing economic conditions, rising operational costs, labour constraints and growing expectations around productivity and efficiency. At Escorts Kubota Limited, we remain focused on understanding these evolving realities and delivering solutions that are practical, reliable and aligned to customer needs.



Our approach combines technology-led innovation with strong service and support capabilities across agricultural machinery, construction equipment and mechanisation solutions. Through technologically advanced tractors, crop residue management solutions, construction equipment and responsive after-sales support, we continue to help customers improve productivity, maximise equipment uptime and enhance operational efficiency.

During FY 2025-26, we strengthened our portfolio with the launch of the following products:

Shaurya Series under Powertrac



Kubota PRO588i-G

Combine harvester—an alternative approach to crop residue management by reducing stubble burning while enabling better farm utility and income potential for farmers.



Alongside product innovation, we continued expanding customer access through wider financing support, strengthened dealer networks and improved spare parts availability across regions. By integrating technology, service and accessibility, we are building long-term customer relationships while supporting productivity and progress across the ecosystems we serve.

Employees and Workers

Building a Future-ready and Collaborative Workforce

At Escorts Kubota Limited, our people remain central to driving innovation, operational excellence and long-term growth. As the organisation continues to strengthen its global integration and technology capabilities, we remain focused on building a workplace culture that encourages continuous learning, collaboration and shared progress.



During FY 2025-26, the Company continued to strengthen capability-building initiatives through structured learning programmes, technical training, leadership development and cross-functional exposure opportunities. The integration of Indian operational agility with Kubota’s global technical expertise further strengthened collaboration, knowledge sharing and manufacturing excellence across operations.

The year also witnessed continued focus on enhancing employee engagement, strengthening leadership pipelines and fostering a future-ready workforce equipped to address evolving business and industry requirements.

Digital learning platforms, collaborative work practices and continuous capability enhancement initiatives supported employees across functions and geographies.

Alongside capability development, the Company continued reinforcing workplace safety, employee wellbeing and inclusive workplace practices across operations. Through structured safety programmes, proactive health initiatives and a culture centred on trust and collaboration, we remain committed to creating an environment where employees are empowered to learn, grow and contribute meaningfully towards the Company’s long-term aspirations.

Training Hours Delivered in FY 2025-26

3.06 lakh+

Employee Engagement Score during the Year

85%

Delivering Resilient and Sustainable Value

At Escorts Kubota Limited, long-term value creation is guided by disciplined execution, strategic clarity and the ability to remain resilient across business cycles. Our focus remains on strengthening competitiveness while delivering sustainable returns through prudent capital allocation and continuous operational improvement.



During FY 2025-26, this approach was reflected in portfolio optimisation initiatives, improved operational performance and continued progress across key businesses. The Company reported consolidated revenue of ₹11,540.26 crores and Profit After Tax (PAT) of ₹2,394.05 crores.

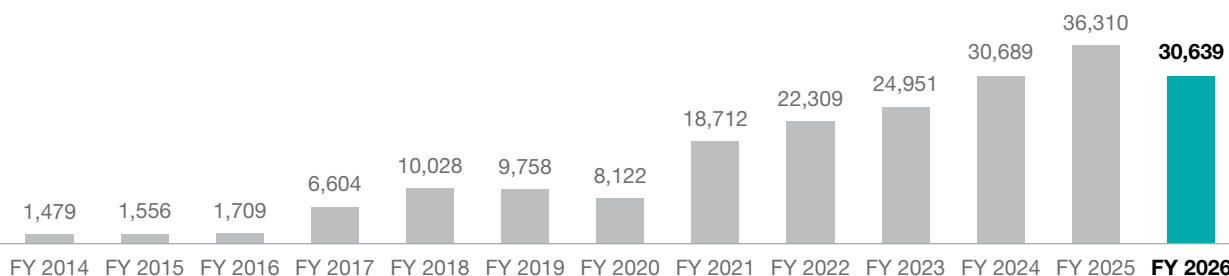
Shareholder returns were further strengthened through a total dividend of ₹51 per equity share, including a special dividend of ₹18 per share and proposed final dividend of ₹33 per share.

At the same time, Kubota partnership continued to deepen our global integration, supporting export growth and expanding opportunities across strategic international markets.

With a balanced approach towards growth, profitability and long-term investments, we remain focused on creating enduring value for all stakeholders.

EKL (Market Capitalisation)

(₹ crores)



Value Chain Partners

Strengthening Partnerships that Drive Reach and Responsiveness

Our supplier and dealer network plays a critical role in strengthening customer engagement, expanding market reach and improving last-mile accessibility across regions. At EKL, we continue to nurture enduring value chain relationships built on trust, responsiveness and shared growth.



During FY 2025-26, we continued investing in financing infrastructure and digital enablement initiatives aimed at improving dealer liquidity, operational efficiency and customer responsiveness. Supported by a stable network of over 1,600 dealers, these efforts enabled deeper market penetration and stronger engagement across rural and semi-urban markets.

By continuously strengthening dealer capabilities and support systems, we are building a more agile and responsive distribution ecosystem capable of serving evolving customer needs effectively.

Dealer Partners across India

1,600+

Suppliers Partners (All category)

2,800+

Advancing Progress Beyond Business

At EKL, our engagement with communities is guided by the belief that meaningful progress must create long-term social value and improved quality of life. Rooted in our commitment to being 'On Your Side' beyond business boundaries, we continue to focus on initiatives that support sustainable agriculture, rural development and environmental stewardship.



During FY 2025-26, the Company continued strengthening its community initiatives through agricultural development programmes, rural skill-building efforts and sustainability-led interventions. Through the Escorts Kubota Advanced Farming Institute (EKAFI) and allied initiatives, we continued supporting farmers and rural youth through training programmes focused on farm mechanisation, tractor operations and agricultural best practices.

The Company also strengthened its focus on climate and environmental initiatives through projects related to crop residue management, pond restoration and water body rejuvenation. Programmes such as the 'Swachh Aakash—Clear Skies' initiative further supported climate awareness, alternative livelihood generation and community participation in sustainability efforts.



As we continue to grow, we remain committed to creating a positive and lasting impact through initiatives that contribute towards resilient communities, sustainable ecosystems and inclusive development.

Celebrating Excellence

Our continued focus on delivering customer-centric solutions, strengthening sustainability performance and supporting community development has earned us several recognitions during FY 2025-26. These acknowledgements reinforce our commitment to creating long-term value across our stakeholder ecosystem.

ITOTY 2025

- Indian Tractor of the Year – Farmtrac Promaxx 47
- Launch of the Year – Farmtrac Promaxx Series
- Best Tractor 41-45 HP – Powertrac Euro 42 Plus
- Orchard Tractor of the Year – Kubota Neostar B2741S



Best Brand in Construction Equipment (Material Handling) by ET Now at the Infra Focus Summit



Best Compact Earthmoving Equipment of the Year award for Kubota Mini Excavators at the Roadtech Awards 2025



**Best Construction Equipment
Company of the Year at the 11th CIA
World Awards 2025**

**Best Company in Material Handling
Equipment**



**CII Design Excellence Awards
2025 for Best Design –
The EC 5250 Plus Compactor**



**Ambition Box –
Employee Choice
Awards 2025**



**Brandon Hall Group – Best
Senior Manager Development
Program 2025**



**Climate Action & Sustainability Awards
2026 for Biogas Project of CSR**



Guided by Visionary Minds

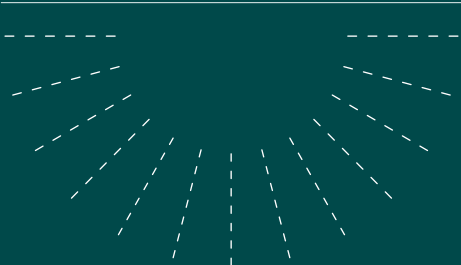
Guided by a collective of experienced and diverse leaders, the Board provides strategic oversight and helps shape the Company’s direction in an evolving business environment. The Board plays a pivotal role in guiding key strategic decisions and overseeing performance across critical areas, including risk management, compliance, sustainability, and organisational integrity. Through active engagement and informed deliberation, it ensures that the Company’s actions remain aligned with its purpose and long-term value creation goals.

Board Committee Membership

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

Role

- Ⓜ Member
- Ⓒ Chairman



Category: Executive, Non-Independent Director



Mr. Nikhil Nanda
Chairman & Managing Director



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

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

Under his leadership, Escorts Limited strengthened its partnership with Kubota Corporation through the institutionalisation of Escorts Kubota Limited. Kubota Corporation Japan, as part of its acquisition of an equity stake in the Company, became a joint promoter. Kubota Corporation has also agreed to avail itself of Mr. Nanda's experience and expertise for expanding its agri-based business in India and globally in the manufacture of tractors and has provided him honorary positions of Senior Managing Executive Officer and General Manager – Value Innovative Farm and Industrial Machinery Strategy and Operations at Kubota Corporation, Japan.

Mr. Nanda was among the five Indians selected as Global Leaders of Tomorrow for the year 2001 by the World Economic Forum, Geneva. He is a member of the CII National Council and the Federation of Indian Chambers of Commerce and Industry (FICCI). He is one of the few business leaders chosen by the Government to represent India at the Indo-Spain CEOs Forum.

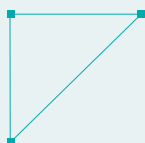
He has been conferred the 'Best CEO – Auto & Auto Ancillaries' by Business Today for the period October 2019–September 2020. He holds a Bachelor's degree in Business Administration from The Wharton School, University of Pennsylvania, Class of 1995.



Ms. Nitasha Nanda
Whole-time Director



Ms. Nanda, is a multifaceted professional, entrepreneur and business leader with wide-range of experience across global and Indian companies. After graduating with Honors in commerce from the University of Delhi, she has worked with Price Waterhouse, ANZ Grindlays Bank, Hewlett Packard, Invigorated Business Consulting Limited (Formerly Escorts Finance Limited) and other reputed organisations in Business Strategies, Financial Management, Operational Research and Managerial Techniques, among others. She heads the Corporate Social Responsibility Committee of the Company, which also monitors ESG development goals. Ms. Nanda is also a member on the Board of Escorts Kubota Finance Limited (EKFL) and the Audit committee and Nomination and Remuneration Committee of EKFL.





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 38 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.



Mr. Akira Kato
Deputy Managing Director



Mr. Akira Kato, aged about 52 years, has a qualification of Bachelor's in Economics from University of Osaka, Japan. He joined Kubota Corporation, Japan in 1996 and has been working for Kubota for almost 30 years in various Senior managerial positions.

Mr. Kato's core competencies include being super generalist with experience in Marketing & Sales, Finance & Accounting, HR & Business planning, working with Joint Ventures and experience of decades of continuous business growth in Tractor Sales in Thailand and Agricultural Machinery in India.

Category: Non-Executive Director



Mr. Hardeep Singh
Non-Executive Director



Mr. Singh has rich experience in holding top managerial positions in leading Indian and foreign companies. He has formerly served as Executive Chairman of Cargill South Asia and Amalgamated Plantations (a Tata Enterprise), and as 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, Government 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), Washington DC, Imperial College, 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.



Mr. Nobushige Ichikawa
Non-Executive Director

Mr. Nobushige Ichikawa aged about 60 years, is Post Graduate in Master of Science and Engineering, from Tokyo Institute of Technology. He joined Kubota Corporation (KBT) in 1990 and has been working for KBT for almost 36 years in various management positions in Japan. In the year 2018 he entered in Farm Machinery Engineering Europe Department and at present, he holds positions of Managing Executive Officer, General Manager of Tractor Division, General Manager of Tractor Engineering Management Unit and Deputy General Manager of Research and Development Headquarters of Kubota Corporation.



Mr. Hitoshi Sasaki
Non-Executive Director



Mr. Hitoshi Sasaki, aged about 58 years, has a qualification of bachelor's in business administration from University of Kobe, Japan. Mr. Sasaki joined Kubota Corporation ('KBT') in 1990 and has been working with KBT for almost 35 years in various Senior Managerial positions. At present, Mr. Sasaki is working as Managing Executive Officer, Chief Business Planning Officer and General Manager of Corporate Planning & Control Headquarters, Kubota Corporation.

Mr. Sasaki's core competencies include experience in Farm and Industrial Machinery Strategy, Operations & Sales Promotion.



Mr. Satoshi Suzuki
Non-Executive Director

Mr. Satoshi Suzuki, aged about 55 years, has a qualification of Bachelor of Foreign Studies, from Osaka University of Foreign Studies, Japan. He joined Kubota Corporation ('KBT') in 1993 and has been working with KBT for almost 32 years in various Senior Managerial positions. At Present, Mr. Suzuki is working as Managing Executive Officer and General Manager of Farm & Groundcare Equipment Division, Kubota Corporation.

Mr. Suzuki's core competencies include experience in Business Planning, Sales & Marketing amongst others.

Category: Independent Director



Mr. Sunil Kant Munjal
Independent Director



Mr. Sunil Kant Munjal is one of the founder promoters of the Hero Group, India's premier automotive manufacturing group that has evolved from being the world's largest bicycle maker to the largest two-wheeler maker. Mr. Munjal is actively involved as a business promoter, an institution builder, a philanthropist entrepreneur, an angel investor and a thought leader. He is the Chairman of The Hero Enterprise, with businesses across insurance broking, steelmaking and real estate.

He backs startups and mature companies alike—bringing both capital and counsel—across financial sector, high-end manufacturing, technology, sustainability, and consumer businesses. He sits on the boards of the IIM Ahmedabad (IIMA), ISB, SRCC and University of Tokyo. He also sits on the Boards of Rockman Industries, Hero Steels and a number of unlisted companies.

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 Sanskritik Samagam, which supports performing arts across North India.



Ms. Tanya Arvind Dubash
Independent Director



Ms. Dubash is Executive Director and Chief Brand Officer of Godrej Industries and leads the Godrej Group's brand and communications function, including stewardship of the Godrej Masterbrand.

She serves on the Boards of Godrej Industries Limited, Godrej Consumer Products Limited, Godrej Agrovet Limited, Britannia Industries, and Escorts Kubota Limited. She previously served on the Board of Bharatiya Mahila Bank from 2013 to 2015.

She was a Trustee of Brown University from 2012 to 2018 and served on the Watson Institute Board of Overseers from 2013 to 2016. She continues as a member of the Brown India Advisory Council.

In 2007, she was recognised as a Young Global Leader by the World Economic Forum. She holds a Bachelor of Arts (cum laude) in Economics and Political Science from Brown University and is an alumna of Harvard Business School.



Mr. Harish Narinder 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 international arbitrations, 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. 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 ('Maruti') soon after its incorporation in 1981 as Director (Marketing and Sales).

Mr. Bhargava was appointed as the Managing Director (CEO) in Maruti in 1985 and continued on this post till he retired in 1997. He was re-inducted to the Board of Maruti in 2003 and 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 prestigious educational institutions. The Emperor of Japan conferred Mr. Bhargava with the 'Order of the Rising Sun Gold and Silver Star' in November 2011. In the year 2016, Mr. Bhargava was awarded with the 'Padma Bhushan'. He has also been accorded a Lifetime Award for Management by the Economic Times and the All-India Management Association and is the recipient of the Forbes India Leadership Award for Lifetime Achievement.



Mr. Vimal Bhandari
Independent Director



Mr. Bhandari is an accomplished professional with over 39 years of experience in financial services, including 27 years at board level. He is a Chartered Accountant and a commerce graduate from Mumbai University (Sydenham College).



Ms. Reema Nanavaty
Independent Director



Ms. Nanavaty has been working with SEWA for over 39 years and has expanded its membership to over 3.7 million members, making it the largest union of informal sector women workers.

She oversees 10,000 self-help groups, 160 cooperatives, and 15 economic federations across 18 states in India and seven South Asian countries. Her focus is on women's economic empowerment through enterprise development, ICT-based tools, and green energy livelihoods.

She leads SEWA's national climate action campaign, 'Building Cleaner Skies', with participation from millions of women. She was honoured with the Padma Shri (the fourth-highest civilian award in the Republic of India) for her contribution to social services.



Dr. Rupinder Singh Sodhi
Independent Director



Dr. Sodhi was the Managing Director of Gujarat Cooperative Milk Marketing Federation Ltd. (AMUL) from 2010 to 2023. He was the President of the Indian Dairy Association (IDA) and has 42 years of rich experience in leading and developing the cooperative sector within the Indian Dairy Industry, having served dairy farmers in several capacities. Dr. Sodhi was also a Board Member of the International Dairy Federation (IDF) and the Chairperson of the National Institute of Food Technology Entrepreneurship and Management (NIFTEM). Dr. Sodhi is currently associated with Reliance Retail as President (Food & Agriculture).

He is also a governing council member on the Boards of Krishi Anushandhan and Kisan Vikas (Agriculture Research and Farmers Development) Foundation, and Council for International Economic Understanding (CIEU).



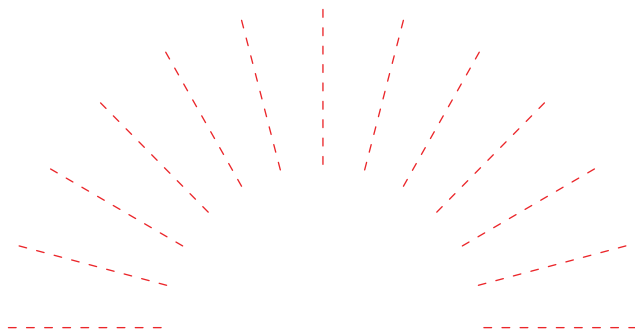
Mr. Kinji Saito
Independent Director

Mr. Kinji Saito aged about 67 years, is a Bachelor of Economics from Hiroshima University School of Economics. He joined Suzuki Motor Corporation in 1981 and has been working for Suzuki for almost 44 years in various management positions. He has versatile experience in his field and in the year 2022, 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 and is based in Japan.

Enabling Strategic Execution

The leadership team at EKL plays a pivotal role in translating strategic direction into operational excellence. Anchored in deep domain expertise and cross-functional experience, the team drives business performance across key verticals including tractors, agri-solutions, construction equipment, engines, R&D, operations, quality, and enabling functions. Their collective focus remains on strengthening customer value, enhancing operational efficiency, and enabling sustainable long-term growth.



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



Mr. Rajan Chugh
Chief Officer, Tractor Business
Division (Kubota Brand); Chief Officer,
Agri Solutions Business Division



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



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



Mr. Sanjeev Bajaj
Chief Officer, Construction
Equipment Business Division



Mr. Takayuki Okada
Chief Officer, Quality
Assurance Division



Mr. Kohei Kawabe
Chief Officer, Engine
Business Division



Mr. Bharat Madan
Chief Officer, Corporate
Planning Division



Mr. Hisashi Tsukatani
Chief Officer, Research &
Development Division



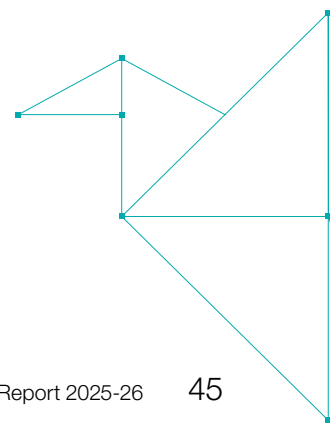
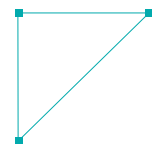
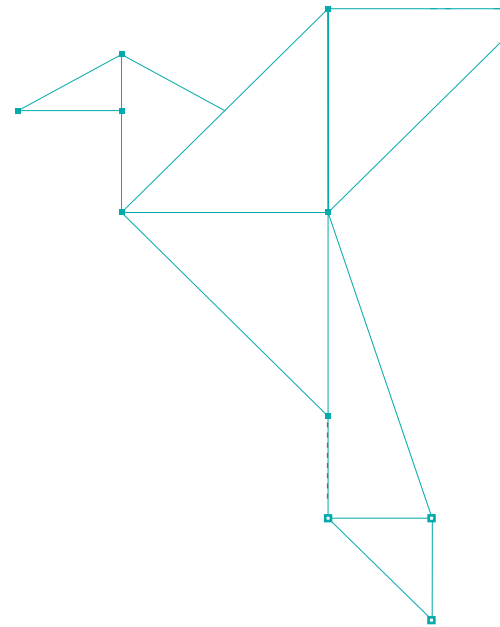
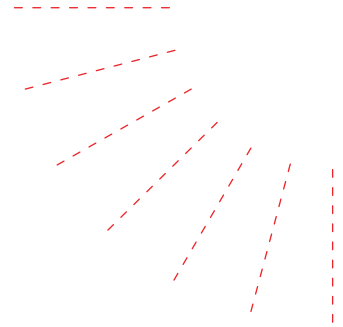
Mr. Akira Kato
Chief Officer, Corporate
Planning Division



Mr. Kenji Ennyu
Chief Officer, Operation Division



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





Performance Overview

From strengthening business performance and enhancing operational excellence to advancing sustainability commitments and expanding global opportunities, our efforts remained focused on creating long-term value for all stakeholders.

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Unlocking Our Next Phase of Growth



Dear Stakeholders,

Our company was founded on a simple conviction: that Indian farmers and builders deserved machinery built with the same rigour and care as anywhere in the world. FY 2025-26 is proof that this conviction was right, and that it continues to compound.

The bygone year witnessed strong momentum across the agricultural machinery sector, supported by favourable rural conditions, continued policy support, and sustained progress in farm mechanisation. At the same time, it reinforced an important reality: growth in the sectors where we operate remains inherently cyclical, shaped by shifts in agriculture, infrastructure creation, policy direction, technology adoption, and evolving customer aspirations.

FY 2025-26 was a defining year for Escorts Kubota. The year was marked by strong operating performance, continued premiumisation, and sharper strategic focus. We strengthened our market position, accelerated export momentum, and took decisive steps to streamline our portfolio. The divestment of the Railway Equipment Division enabled us to unlock value and redirect capital toward core growth areas. We also continued to build on the amalgamation of our two Kubota joint ventures into EKL, with 'One EKL' now firmly embedded as an operating reality and beginning to deliver tangible synergies across operations, products, and processes.

These are not outcomes of fortune. They are the result of deliberate strategic choices made over several years: the Kubota partnership, the One EKL integration, the three-brand architecture, and an unrelenting commitment to cost discipline and manufacturing excellence. We are grateful to every customer, dealer, employee, partner and all stakeholders who made this possible.



The Board has recommended a total dividend of ₹51 per share (₹33 final and ₹18 special), underscoring our confidence in the business and our commitment to shareholder returns.

Performance of FY 2025-26

Revenue from continuing operations grew to ₹11,472.8 crores up 12.6% YoY, driven by volume growth, improved realisations, and a stronger product mix. EBITDA grew by 28.5% to ₹1,513.0 crores, with margins expanding by 163 bps to 13.2%. PAT from continuing operations stood at ₹1,381.0 crores, with earnings per share of ₹125.52.

The divestment of the Railway Equipment Division generated proceeds of ₹1,600 crores and an additional gain of ₹1,027.6 crores to PAT, bringing reported standalone PAT to ₹2,408.6 crores. However, we believe a normalised PAT of ₹1,381.0 crores is a more accurate reflection of underlying operational performance and one we are proud of.

Return on Capital Employed came in at 14.8% and Return On Equity at 12.1% from continuing operations. These are not yet where we want them, but the trajectory is the right one, and the greenfield investment ahead will, in our view, change the shape of these returns materially over the medium to long term.

The Board has recommended a total dividend of ₹51 per share (₹33 final and ₹18 special), underscoring our confidence in the business and our commitment to shareholder returns.

Operationally, we placed strong emphasis on execution excellence, with a focused effort to improve retail conversion, expand market reach, and enhance on-ground responsiveness across our dealer network. A key enabler has been the strengthening of our financing ecosystem through both external partnerships and the operationalisation of our captive finance business.

We deepened our engagement with leading banks and NBFCs, enabling wider and faster access to credit for dealers and customers. Alongside this, we operationalised Escorts Kubota Finance Limited (EKFL), our wholly owned captive finance subsidiary, to deliver tailored, end-to-end financing solutions. Together, these initiatives have improved approval turnaround times, enhanced credit accessibility, and enabled more customised financing aligned to customer cash flows and regional needs driving stronger retail throughput and improved conversion.

Going forward, we will continue to scale this financing ecosystem by expanding EKFL's reach and strengthening digital integration. This will remain a critical lever in enhancing affordability, supporting dealer growth, and unlocking demand across the agricultural mechanisation landscape.

Agri Machinery Business Segment: Our Heartbeat

The Indian tractor industry had a landmark year, with total industry volumes, including domestic and export reaching an all-time high of 12.66 lakh units in FY 2025-26. Domestic demand grew strongly by 23.5% to 11.6 lakh units, supported by favourable monsoons, healthy reservoir levels, higher MSPs and GST rationalisation, and pre-buying ahead of TREM-V transitions. Exports recorded steady growth of 6.9%. While these tailwinds supported overall expansion, the sector continues to exhibit inherent cyclicality.

Our Agri Machinery Product Segment, which contributed 85% of operating revenue at ₹9,779.6 crores up by 15.8% delivered a resilient performance. Tractor volumes reached 1,33,670 units, with domestic volumes growing 14.9% and exports surging 33.8%, significantly outpacing the industry. Notably, 60% of our export volumes were routed through Kubota's global network, reflecting both the strength of our partnership and our deepening integration with a truly global distribution ecosystem.

Our market share stood at approximately 10.9%. While this reflects stability, it remains way below our mid-term aspirations. The domestic industry expanded at a faster pace, and closing this gap is a clear strategic priority. We are addressing this through sharper product positioning, improved geographic alignment of our three-brand architecture, and stronger retail execution.

Our three-brand Farmtrac, Powertrac, and Kubota remains central to our strategy, enabling us to serve diverse customer segments with precision. Each brand plays a distinct role, delivering differentiated offerings aligned with specific geographies, applications, and evolving farmer needs.

The launch of the Farmtrac Promaxx Series in the 31–50 HP segment demonstrates this approach, addressing the requirements of key markets such as Gujarat, Maharashtra,

Chhattisgarh, Odisha, and parts of Madhya Pradesh. We further strengthened our premium portfolio with the introduction of the Kubota MU4201, marking our entry into the high-volume 41–44 HP segment, and bringing together Japanese engineering excellence with Indian market relevance.

At the same time, we continue to advance application-led innovation. The Powertrac Shaurya 'South Special' series, designed specifically for paddy cultivation in Southern India, reflects our focus on region-specific solutions. Spanning the 39–52 HP range, it is engineered for wetland farming conditions and delivers enhanced durability, manoeuvrability, and efficiency.

These initiatives reflect our shift towards a more focused, insight-driven portfolio—blending global technology leadership with deep local understanding to drive productivity and long-term growth.

Beyond tractors, our broader Agri ecosystem continues to gain traction. Non-tractor revenues comprising Agri solutions, engines, services, and spares—remained stable at 19% of segment revenue, supporting resilience and improving earnings quality. Our Agri Solutions business is scaling steadily, driven by harvesters and rice transplanters,



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including Kubota's half-feed combines that reduce field operations and improve farm efficiency.

During the year, we introduced next-generation KA6 and KA8 ride-on rice transplanters, engineered in Japan, offering enhanced productivity, precision, and operator comfort. These are well aligned with the accelerating mechanisation trend, supported by labour shortages and policy impetus.

Operationally, disciplined cost management, improved product mix, and better capacity utilisation supported margins and returns. More importantly, the strategic foundations we have built position us well to capture the next phase of growth with greater consistency and competitiveness.

Construction Equipment Segment: Navigating the Cycle

The Construction Equipment business contributed ₹1,685.9 crores, accounting for 15% of total revenue, with volumes of 5,794 units. The operating environment remained challenging during the year, impacted by a high base in the previous year, extended monsoons, slower pace of infrastructure project execution, and the transition to new

emission norms. These factors weighed on overall industry demand and were reflected in our volumes.

Notwithstanding these headwinds, we made steady progress in strengthening our market position. We expanded our leadership in pick-and-carry cranes, with market share at 41.4%, and improved our presence in the mini-excavator segment, where share reached 19.5%. Margins remained resilient, with EBIT at 7.9%, while disciplined capital deployment supported a healthy return on capital employed even at 47% capacity utilisation.

While near-term volume performance remains an area of focus, our strategic direction continues to be anchored in long-term opportunity creation. Structural drivers, particularly sustained government investment across roads, railways, urban infrastructure, and mining, remain firmly in place. We have aligned our product portfolio accordingly, with the introduction of Stage V emission-compliant equipment, including the BLX 75 backhoe loader, positioning us to participate effectively as the investment cycle gathers momentum.

The Strategic Moves That Will Define Our Next Decade

Every truly compounding business makes a handful of big, right decisions and then executes them patiently. We believe we have made three such decisions in recent years, and FY 2025-26 brought each of them significantly closer to full fruition.

The first is our partnership with Kubota. What began humbly in 2018 has evolved into a deep and strategic partnership that now underpins our global ambitions. Today, this partnership is reflected in shared engineering capabilities, joint product development, cross-border R&D collaboration, and the integration of India into Kubota's global supply chain. During the year, approximately 60% of our export volumes were channelled through Kubota's international distribution network—demonstrating the strength and scalability of this integration.

The second is the One EKL consolidation. The amalgamation of our Kubota joint ventures into a single entity has created a more agile and efficient organisation. The benefits simplified governance, operational synergies, faster decision-making, and unified brand execution are



increasingly visible in performance and responsiveness to market opportunities.

The third is our greenfield expansion. We have initiated a phased greenfield project to build next-generation manufacturing capabilities across tractors and construction equipment, further strengthening India's role within Kubota's global supply chain. With phased capacity additions and disciplined capital allocation, this investment is designed to support long-term growth and enhance competitiveness.

India is not merely our home market. It is becoming Kubota's global manufacturing centre of gravity—and Escorts Kubota is the entity that makes that possible.

Building for the Future: Strengthening Capabilities and Expanding Possibilities

As we prepare for the next phase of our journey, we remain focused on strengthening the capabilities that will sustain long-term growth. Investment in research and development remains a central pillar of our strategy. We are strengthening our engineering capabilities, deepening collaboration with Kubota, and leveraging shared platforms to accelerate innovation. This approach will translate into a robust pipeline of product launches across all our tractor brands, as well as in the construction equipment segment. These launches are aimed at addressing evolving customer needs, improving productivity, and meeting increasingly stringent regulatory requirements. By combining global technology with local insight, we are positioning ourselves to deliver differentiated, high-quality products across categories while sustaining our competitive edge.

We are also taking steps to strengthen our operational infrastructure. The transition towards a single, integrated warehouse is an important initiative in this direction. It is designed to bring greater efficiency in inventory management, improve supply chain responsiveness, and

enhance service delivery. Over time, this will enable more consistent and reliable customer support across markets.

At the same time, we continue to evolve our approach from offering products to delivering more comprehensive solutions. Agriculture in India is steadily progressing towards higher levels of mechanisation and productivity, and customer expectations are evolving accordingly. We are working towards building a more integrated farm solutions ecosystem bringing together tractors, implements, and supporting technologies. Our partnership with Kubota Corporations provides us access to global technologies and proven expertise, giving us confidence in our ability to execute this vision effectively in the Indian context.

Digital Transformation: Powering Customer Connect

Digital innovation forms the backbone of our customer-centric evolution. We have rolled out comprehensive digital platforms that span the entire customer lifecycle, from precision farming apps that optimise tractor usage and implement integration to real-time service diagnostics via telematics. Our aftermarket digital ecosystem, powered by genuine parts inventory management, ensures faster service response times and predictive maintenance alerts.

These initiatives transform how farmers and builders interact with our equipment, delivering tangible productivity gains through data-driven insights and seamless connectivity. By digitising dealer networks and supply chains, we enhance responsiveness across 1,500+



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touchpoints, creating a virtuous cycle of customer loyalty, repeat business, and premium service revenues.

Capital Allocation: Clarity of Priorities

We manage this business with a clear objective—to create sustainable long-term value for all shareholders. Our capital allocation philosophy is anchored in three principles: investing in opportunities that can generate superior returns, maintain a strong and resilient balance sheet, and return capital to shareholders where it cannot be deployed more productively within the business.

Our greenfield expansion will be a key focus of capital deployment over the coming years, and we are confident in its long-term return potential. Alongside this, we continue to invest in supply chain localisation to mitigate commodity volatility, in R&D to advance precision farming and emission-compliant technologies, and in digital capabilities that enhance integration across our manufacturing, dealer, and customer ecosystems.

We remain disciplined in execution and measured in our commitments. We will communicate progress transparently and hold ourselves accountable to the return thresholds we have set.

Our People: Strengthening the One EKL Culture

At Escorts Kubota, we believe our people are the foundation of our strength. As we evolve into a more agile and globally integrated organisation, we remain focused on building a culture rooted in trust, learning, inclusivity, and shared purpose.

FY 2025–26 marked a shift from integration to cohesion. The coming together of Indian enterprising spirit and Japanese precision has now translated into a unified way of working—One EKL in practice.

Over 85% of key leadership roles were filled internally, reflecting the strength of our talent pipeline.

Our engagement score remained above 80, and we earned the Great Place to Work® certification for the second consecutive year—clear indicators of a committed and high-performing workforce. Gender diversity improved to 8.8%, with women comprising over 40% of campus hires.

We continued to invest in capability building through initiatives such as EKCAP, UDAAN, and leadership programmes in collaboration with IIM Lucknow, complemented by global mobility opportunities across Kubota's international network. Our Global Mobility and Global Development Programmes enabled employees and senior leaders to gain international exposure across Kubota's global ecosystem in Japan facilitating the exchange of best practices, technological learning, and stronger alignment across teams. These efforts are shaping a new generation of leaders who combine Kubota's precision with Escorts' agility.

Supported by digitally enabled HR practices, open communication, and regular engagement feedback, we are creating an environment where people can grow and contribute meaningfully. We remain committed to strengthening a culture that drives both individual potential and sustained organisational success.

Progressing Responsibly: Sustainability as Strategic Imperative

Sustainability transcends compliance at Escorts Kubota; it is embedded in our operational DNA and long-term strategy. We have implemented comprehensive ESG frameworks across water conservation, renewable energy adoption in manufacturing, and circular economy practices for equipment lifecycle management. Our factories now feature solar power integration and upgrading to zero-liquid discharge systems, delivering both environmental stewardship and cost efficiencies.

Our community initiatives focus on skill development for rural youth, women empowerment through Agri-entrepreneurship programmes, and farmer producer organisation support. These efforts create shared value,



Our priorities remain clear and consistent: disciplined execution of the three-brand strategy, timely and efficient completion of the greenfield project, deeper integration with Kubota, expansion of non-tractor revenues, and building a focused, segment-leading construction equipment business.



strengthening rural ecosystems while building brand equity. Our Great Place to Work® certification reflects our commitment to employee wellbeing, diversity, and inclusive growth, ensuring we attract and retain top talent for sustained innovation.

On Your Side: Creating Value for Every Stakeholder

True to our 'On Your Side' philosophy, we reiterate how we translate operational excellence into meaningful value creation:

For customers, we are committed to deliver not just equipment but complete solutions, precision tools that maximise land productivity, reliable machines that accelerate project timelines, and digital platforms that provide real-time insights for better decision-making.

For investors, we execute disciplined capital allocation that balances growth investments with attractive shareholder



returns, maintaining a strong balance sheet while funding strategic expansions that compound long-term value.

For Employees and Workers, we cultivate a Great Place to Work® certified culture that nurtures innovation, supports skill development, and drives career progression, ensuring our team members thrive as we expand globally.

For Value Chain Partners, we provide world-class products backed by digital enablement, robust marketing support, and transparent revenue-sharing models that create mutual prosperity across our extensive network.

For communities, we drive rural transformation through mechanisation, sustainable farming practices, and infrastructure development, while our greenfield expansion creates thousands of sustainable livelihoods.

This stakeholder-centric philosophy, rooted in eight decades of trust and powered by Kubota's global integration, positions Escorts Kubota as more than a manufacturer, a lifelong partner standing firmly On Your Side in every journey.

Looking Ahead: Candid and Confident

The road ahead is not without uncertainty. Monsoon variability, commodity inflation, evolving global supply chains will create near-term challenges. We recognise these realities with clarity and without understatement.

At the same time, we remain confident in the fundamentals. The long-term growth drivers of Indian agriculture and infrastructure remain strong and intact. Mechanisation continues to offer meaningful headroom, with increasing adoption, productivity focus, and improving farm economics supporting steady growth ahead. In this context, our greenfield capacity, combined with Kubota's global network, positions us well to participate competitively and capture future opportunities at scale.

Our priorities remain clear and consistent: disciplined execution of the three-brand strategy, timely and efficient completion of the greenfield project, deeper integration with Kubota, expansion of non-tractor revenues, and building a focused, segment-leading construction equipment business. All of this will be guided by the values that have defined us for decades customer trust, engineering excellence, and long-term thinking.

We do not promise a smooth journey. We do promise honest leadership, disciplined capital allocation, and a steadfast commitment to building a business that endures.

We are proud of what we have achieved in FY 2025–26 and even more confident about the future. We thank all our stakeholders' shareholders, customers, dealers, employees, partners, and suppliers for their continued trust and for being On Your Side.

Warm regards,

Nikhil Nanda
Chairman & Managing Director

Akira Kato
Deputy Managing Director

Capitalising Growth with Discipline

Dear Stakeholders,

FY 2025-26 stands out as a defining year for us at Escorts Kubota, marked by strong operational execution, record financial performance, and steady progress on strategic priorities. Supported by sustained momentum across our businesses, disciplined financial management, and unwavering focus on operational excellence, we delivered our highest-ever profitability while further strengthening the foundation for long-term value creation.





Our total tractor sales volume grew 15.7% to a record 1,33,670 units supported by a buoyant tractor market. Our tractor business continued to gather strength from focussed product interventions and portfolio enhancement initiatives.

Our standalone revenue from continuing operations grew by 12.6% to ₹11,472.8 crores, reflecting healthy demand and execution strength. EBITDA reached a record ₹1,513 crores, with margins improving to 13.2%, driven by operating leverage, an improved product mix, calibrated pricing actions, and ongoing cost optimisation initiatives. Profit After Tax from continuing operations stood at ₹1,381.0 crores, while reported Profit After Tax (including discontinued operations) increased by 92.5% to ₹2,408.6 crores. Stronger profitability and enhanced capital efficiency drove improved returns, with ROCE rising to 14.8% and ROE to 12.1% from continuing operations.

This performance reflects our continued commitment to enhancing shareholder value. In line with this, the Board has recommended a final dividend of ₹33 per share for the fiscal. Including a special dividend of ₹18 per share given out during the year, the total dividend payout for FY 2025-26 stood at ₹51 per share, setting another benchmark in the Company's eight decades of history.

Our total tractor sales volume grew 15.7% to a record 1,33,670 units supported by a buoyant tractor market. Our tractor business continued to gather strength from focussed product interventions and portfolio enhancement initiatives. The Farmtrac brand sustained its position well through the continued success of the ProMax range and strong customer acceptance across key markets. We further enhanced our portfolio across Farmtrac, Powertrac, and Kubota brands with the introduction of higher horsepower and four-wheel-drive products, positioning us well for emerging growth opportunities.

Exports emerged as a strong growth lever, with volumes rising 33.8% to 6,676 units. Our share in India's tractor exports increased to 6.3%. Notably, about 60% of exports are channelled through Kubota's global network, reinforcing India's strategic role within the Kubota ecosystem. Looking ahead, we see significant opportunities to expand our global footprint through deeper integration with Kubota and entry into newer geographies, supported by ongoing investments in product development, manufacturing capabilities, and capacity expansion.

Revenue Growth (Standalone)

12.6%

EBITDA Margin

13.2%

Our Agri Solutions business delivered healthy growth of 20% during the year, way higher than tractor business. This was supported by a higher mechanisation demand and a strong customer response across harvesting and transplanting solutions. The business maintained healthy market share in harvesters while continuing to strengthen localisation initiatives for select products, which will eventually enhance the resilience of the supply chain and support long-term growth.

Our Engines business continued to deepen its presence across industrial and power generation applications, while our aftermarket business, comprising spares, lubricants, and services, maintained a steady growth momentum. Together, these businesses continue to enhance portfolio diversification and support profitability improvement.

In the Construction Equipment business segment, the operating environment remained challenging due to slower infrastructure project execution, extended monsoon conditions, and subdued industry demand across

categories. Sales stood at 5,794 units, contributing ₹1,685.9 crores in revenue during the year. The business remained focused on operational efficiencies, cost discipline, and portfolio actions to improve competitiveness and support long-term growth. Toward the latter part of the year, the segment witnessed gradual recovery in demand and improvement in operating performance.

Financial discipline remained a key priority during the year. Focused efforts on working capital optimisation, including improved inventory management, stronger receivables control, and tighter channel discipline, led to one of the strongest free cash flow performances in the Company's history of over ₹1,200 crores (excluding exceptional cash from sale of RED business). We closed the year with net cash of more than ₹9,600 crores, providing strong financial flexibility for future growth.



Certain images in this report, including this one, have been created using artificial intelligence (AI) for illustrative purposes.



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Capital expenditure during the year nearly at ₹300 crores, directed towards manufacturing modernisation, meeting environmental commitments, enhancing safety initiatives, adopting pollution control measures, and developing smarter products. We also completed the land allotment process for our proposed 154-acre greenfield manufacturing facility in Uttar Pradesh, which will support our future expansion in the tractor and construction equipment businesses and include a centralised spare parts warehouse, creating a more integrated and future-ready manufacturing ecosystem.

During the year under review, we successfully completed the strategic divestment of our railway business, enabling sharper focus on our core segments and facilitating capital allocation towards the Agri Machinery and Construction Equipment businesses, our key long-term growth drivers.

In parallel, we continued to strengthen our captive financing arm, Escorts Kubota Finance Limited, which is dedicated to supporting the financing requirements of Escorts and Kubota products. As a focused captive entity, it plays a pivotal role in enabling customer access through tailored and competitive financing solutions. During the year, the business continued to expand its distribution reach and deepening its presence across key markets, thereby enhancing its contribution to our overall ecosystem.

At Escorts Kubota, we remain committed to creating sustainable value through disciplined execution, prudent capital allocation, customer-centric innovation, and operational excellence. Our continued investments in product development, manufacturing capabilities, exports, and sustainability initiatives are steadily strengthening the competitiveness and resilience of the organisation.

With a stronger financial foundations, smarter strategic decisions, and deeper collaboration within the Kubota ecosystem, we believe Escorts Kubota is well positioned to build a future-ready enterprise that is scalable, resilient, and globally competitive.

Best Regards,

Bharat Madan

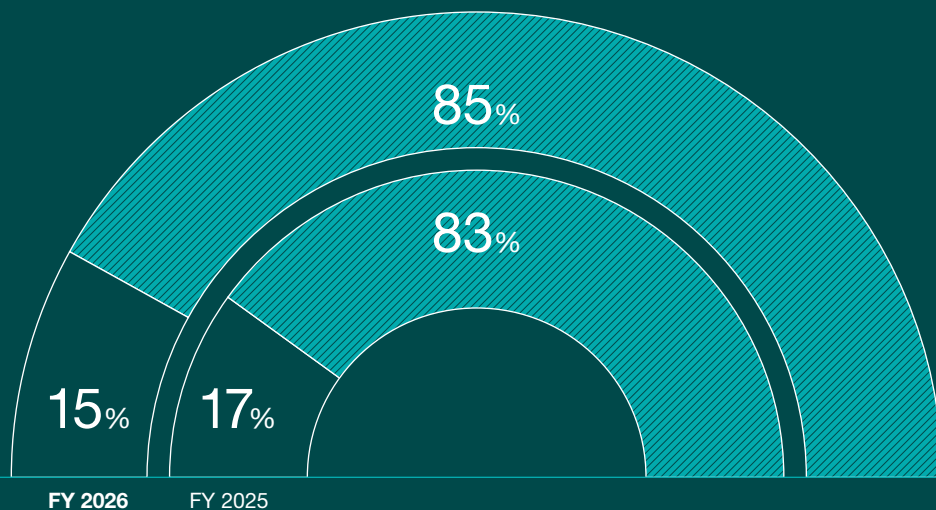
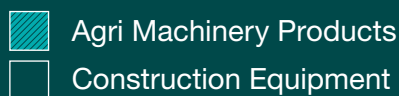
Whole Time Director and Chief Financial Officer



A Year of Balanced Execution

Our Agricultural Machinery business recorded strong momentum and was the primary driver of our overall growth during the year. Robust domestic demand, a surge in exports and improved operating leverage supported higher revenue and profitability in this vertical. In contrast, our Construction Equipment business faced a relatively softer market, with a decline in volumes. To offset this impact, we kept our expenses under control while focusing on consolidating our leadership in pick-and-carry cranes and improving execution efficiencies across key product lines.

Segmental Revenue Contribution





The Agri Machinery Products segment comprises the tractor business and the non-tractor business, including Agri Solutions, Engine Business, and Spare Parts & Services. Through a diversified portfolio of trusted brands, we cater to varied customer requirements across applications, geographies and farming needs. Our strengths are anchored in deep agricultural expertise, product reliability, value engineering, customer-centric innovation and strong execution capabilities.

Our multi-brand portfolio enables us to address diverse customer requirements across geographies, applications and horsepower categories.

Our Manufacturing Competencies

3
Plants for tractors and components manufacturing in Faridabad, Haryana

1
Plant in Pune

1,70,000
Units per annum total tractor assembly capacity

1
Plant in Chennai

77%
Total Capacity Utilisation in FY 2025-26

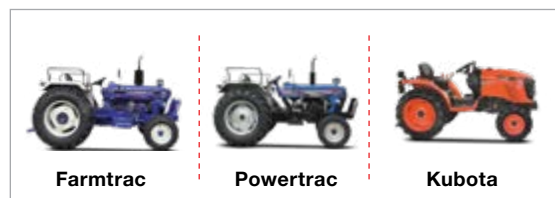
1
Plant in Poland (100% subsidiary)

Agri Machinery Product

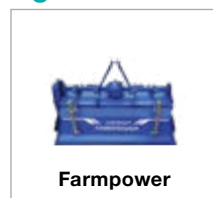


Our Product Portfolio

Tractors



Agri Solutions



Engines



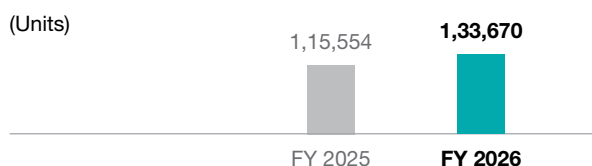
Service and Spare parts



FY 2025-26 Performance Review

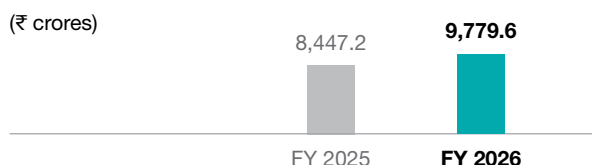
Total Tractor Volume

Favourable industry demand improved rural sentiment, and continued mechanisation trends across key agricultural markets enabled us to record steady growth in this segment.



Segment Revenue

The segment saw strong revenue growth during FY 2025-26, supported by higher tractor volumes, improved product mix and sustained market demand across domestic and export markets. Increased contribution from higher horsepower categories also supported overall value realisation during the year.



Export

Export volumes gained momentum during the year, reflecting stronger international traction and deeper market penetration through the Kubota channel. The export business remains an important strategic growth lever for the segment and continues to strengthen our international presence.

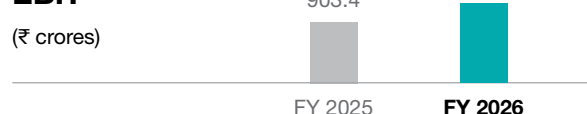
Export Tractor Volumes



Profitability

Operating leverage, disciplined cost management and a favourable product mix contributed to higher profitability during the year. Efficiencies in scale and moderating commodity prices also led to stronger earnings across the segment.

EBIT



Way Forward

Moving ahead, our focus will remain on scaling profitable growth, strengthening our market position and building a more diversified farm mechanisation portfolio.

Our key priorities include:

- Strengthening market share across key geographies and customer segments while expanding export volumes through Kubota-led international channels
- Scaling the Agri Solutions business through wider adoption of implements, harvesting solutions and precision farming equipment

- Expanding the Engine business by deepening OEM relationships and addressing demand across agriculture, infrastructure and allied sectors
- Increasing the contribution of Service & Spare Parts through deeper aftermarket penetration, enhanced service reach and higher customer engagement

Furthermore, we are seeking to capture cross-selling opportunities across tractors, Agri Solutions, engines and spare parts and services to create a comprehensive farm mechanisation ecosystem.

This segment serves the infrastructure, construction and allied sectors through a portfolio of pick-and-carry cranes, backhoe loaders, mini excavators and compactors. Over the years, the business has built a strong presence by delivering reliable, productive and application-oriented equipment catering to diverse material handling and construction requirements.

The segment enables us to participate in India's long-term infrastructure and mechanisation opportunity while further diversifying our business mix beyond agriculture. Backed by our manufacturing strengths, dealer network and engineering capabilities, the business continues to maintain focused positioning across key product categories.

Our Manufacturing Competencies

1

Plant at Ballabhgarh, Haryana, India

47%

Total Capacity Utilisation in
FY 2025-26

10,000

Units per Annum
Total production capacity
(Capacity varies across product
category)

State-of-the-art

manufacturing infrastructure
comprising fabrication shop, shot
blast and paint facilities and stores

Construction Equipment



Our Product Portfolio



Cranes



Backhoe Loaders



Mini Excavators



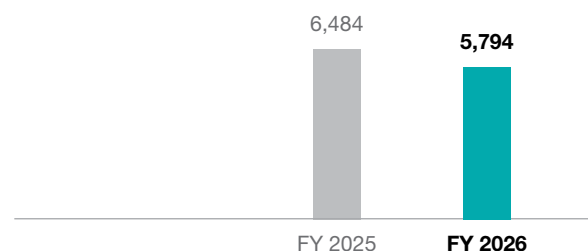
Compactors

FY 2025-26 Performance Review

Construction Equipment revenue declined 2.6% YoY to ₹1,685.9 crores, reflecting muted demand across served industry categories. Segment EBIT margin at 7.9% during the same period.

Volumes declined 10.6% to 5,794 units, primarily due to lower industry activity in select equipment categories. To address this, the business continued to focus on cost discipline, operational efficiency and product mix management to preserve profitability and improve execution quality. The segment also benefited from selective operating leverage across key product lines and improved internal alignment during the year.

Construction Equipment Volumes



Way Forward

Moving ahead, our Construction Equipment business will emphasise strengthening competitiveness across core categories while improving operational efficiency, profitability and execution discipline. A key priority will be to consolidate our leadership position in the pick-and-carry crane segment while selectively strengthening our presence in mini excavators and application-focused equipment categories.

We aim to sharpen our focus on application-led solutions that improve productivity, reliability and operating efficiency for customers across diverse

end-use segments. Continued emphasis on specialised applications and differentiated product offerings is expected to support stronger market positioning over the medium term. At the same time, improving capacity utilisation, strengthening cost absorption and enhancing operational efficiencies will remain key priorities to improve profitability and business resilience. The business is also expected to benefit from improving infrastructure activity, sustained public capital expenditure and a gradual recovery in construction equipment demand.



Value Creation Approach

At EKL, value creation is driven by our ability to transform resources, capabilities, and relationships into meaningful outcomes for stakeholders. Guided by our strategic priorities and supported by a robust business model, we leverage our strengths across agriculture and construction equipment to deliver products and solutions that enhance productivity, support livelihoods, and contribute to economic progress.

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Our Value Creation Model

Inputs

Financial Capital

- Equity: ₹111.8 crores
- Networth: ₹12,169.11 crores
- CAPEX : ₹350 crores

Manufactured Capital

- Agri Machinery: 1,70,000 Tractors
- Construction Equipment: 10,000 Machines
- EKL Plants: 7 plants in India and 1 overseas facility
- R&D and Corporate Centre: 1

Intellectual Capital

- R&D investment: ₹173.15 crores
- Patents, trademarks, and designs filed: 33
- Technology collaborations including with Kubota Corporation
- Brand portfolio Kubota: Farmtrac, Powertrac, E-Kubota, Escorts, Farmpower and Steeltrac

Human Capital

- Employees and workers: 15,897
- Cumulative training hours: 3.06 lakh+
- Employee engagement score: 85%
- Paid Leaves Provided: 39 (Manager Grade), 35 (Workers)

Natural Capital

- Energy consumption: 406.41 TJ
- Water withdrawal: 5,27,798.42 KL
- Waste Generation: 26,526.79 MT
- RE Produced/Procured: 9.47 TJ

Social and Relationship Capital

- Tier-1 suppliers: >500
- Dealer network: 1,600+ across 28 States and 8 Union Territories in India
- International Markets: 70
- Investor Meetings: 700+ Individual Meetings (Excluding Ad Hoc Calls)
- Engagement with industry associations such as CII, FICCI, ICEMA, and TMA, along with government and regulatory stakeholders

Key SDGs Involved - Risks



Two operating segments post-divestment

Core processes

Design and product development

Customer training through EKAFI

Key enablers



Technology Risk



Credit Risk



Compliance Risk

EKL's business model focuses on creating long-term stakeholder value through efficient resource utilisation, strategic growth, innovation and responsible practices. By investing in advanced manufacturing, research, sustainability and workforce development, we enhance quality, resilience and operational excellence. We also foster community trust and environmental stewardship, enabling sustainable progress while adapting to evolving market demands and opportunities.

Business Activities

How we Transform Inputs



Agri Machinery Products
(Tractors and farm mechanisation)



Construction Equipment
(Cranes, Mini Excavators, backhoe loaders, road construction equipment)

Sourcing
and manufacturing

Sales

Financing through
Escorts Kubota
Finance Limited

Distribution and
aftermarket service

- SO1 Pioneer farm mechanisation
- SO2 Contribute to infrastructure
- SO3 Conduct business responsibly and consciously
- SO4 Maintain a healthy, thriving workplace culture
- SO5 Sustain our position as a trusted brand

Outputs

Production

Tractors (Units)

1,31,594

Construction Equipment (Units)

4,740

Services

- Ensures seamless customer engagement through diverse touchpoints, including helplines, digital apps, social media, and email
- Dealer training programmes: **400+**

By-products and Externalities

- Scope 1 & 2 emissions: **51,332.27 tCO₂**
- Air emissions
 - » NO_x: **46.35 MT**
 - » SO_x: **5.65 MT**
 - » PM: **83.44 MT**
 - » VOC: **300.71 MT**

Outcomes

Value Created for Each Stakeholder

- Operating Revenue: **₹11,472.8 crores**
- Net Profit After Tax from Continuing operations: **₹1,381.0 crores**
- Reported Net Profit after Tax: **₹2,408.6 crores**
- Earnings per Share (EPS): **₹218.93 (Basic)**
- ROCE (Return on Capital Employed): **24.54%**
- Return on Equity: **21.15%**
- Special Dividend: **₹18 per Equity Share**
- Proposed Dividend: **₹33 per Equity Share**

Capacity Utilisation of Plants

- Agri Machinery: **~77%**
- Construction Equipment: **~47%**

- Design Grants: **23**
- Patents Grants: **1**
- Trademarks Grants: **8**

- Number of Employees Added: **636**
- Gender Diversity (Employee Category): **8.74%**

- Number, distribution of beneficiaries under CSR focus areas: **~1 lakh+**
- Bio gas Plant installed: **100**

- Water Recycled: **21,120 KL**
- Waste Recycled: **26,115.60 MT**
- Waste Intensity: **2.31 MT/₹ crores**
- Water Intensity: **29.69 KL/₹ crores**



Liquidity and
Funding Risk



Operational
Risk



Climate
Change Risk

The Evolving Indian Tractor Industry



The Indian tractor industry is evolving rapidly, driven by technology integration, alternative fuel solutions, improved rural financing, and the rise of precision agriculture. These shifts are reshaping mechanisation and farm productivity.

At the same time, agriculture is increasingly impacted by climate factors such as monsoon variability, soil health challenges, and land-use changes, highlighting the need for resilient solutions.

In response, EKL is aligning its strategy through innovation and product development to stay relevant to these emerging industries and environmental trends.



India's Infrastructure Growth Catalysing Construction Equipment Demand

The Government of India's sustained infrastructure push, supported by rising government capital expenditure, is driving strong demand in the construction equipment sector. Increasing focus on automation, precision-led execution, and sustainable infrastructure development is further shaping industry requirements, along with a growing preference for energy-efficient and low-emission machinery.

In response, EKL is aligning its strategy to these evolving market dynamics through continued innovation in its product portfolio, including exploration of alternative fuel initiatives, aimed at supporting more efficient and sustainable construction practices.

Macro Risks and Opportunities Shaping the ESG Agenda

The ESG landscape is being shaped by evolving global and domestic regulations, including mechanisms such as CBAM, India's BRSR Core requirements, and expanding supply-chain disclosure expectations driven by frameworks like CSRD. These developments are increasing the focus on transparency, carbon accountability, and end-to-end value chain reporting.

At the same time, the transition towards a net-zero economy is creating new growth opportunities. These include demand for green and energy-efficient agri-machinery, low-carbon construction equipment, and expanded sustainability-linked services, supporting long-term value creation aligned with emerging market needs.



Strategic Expansion and Capacity Building

In alignment with its long-term growth strategy, EKL is progressing with the development of a greenfield manufacturing facility in Uttar Pradesh. The project represents a phased investment exceeding ₹2,500 crores and is aimed at significantly enhancing the Company's production capabilities and supporting future demand growth.

The proposed facility, spanning over 154 acres, will integrate advanced tractor and engine manufacturing operations, with provisions for future scalability. Once fully operational, it is expected to generate substantial annual production revenue and create significant employment, strengthening the Company's manufacturing footprint across domestic and global markets.

A Roadmap for Sustainable Progress

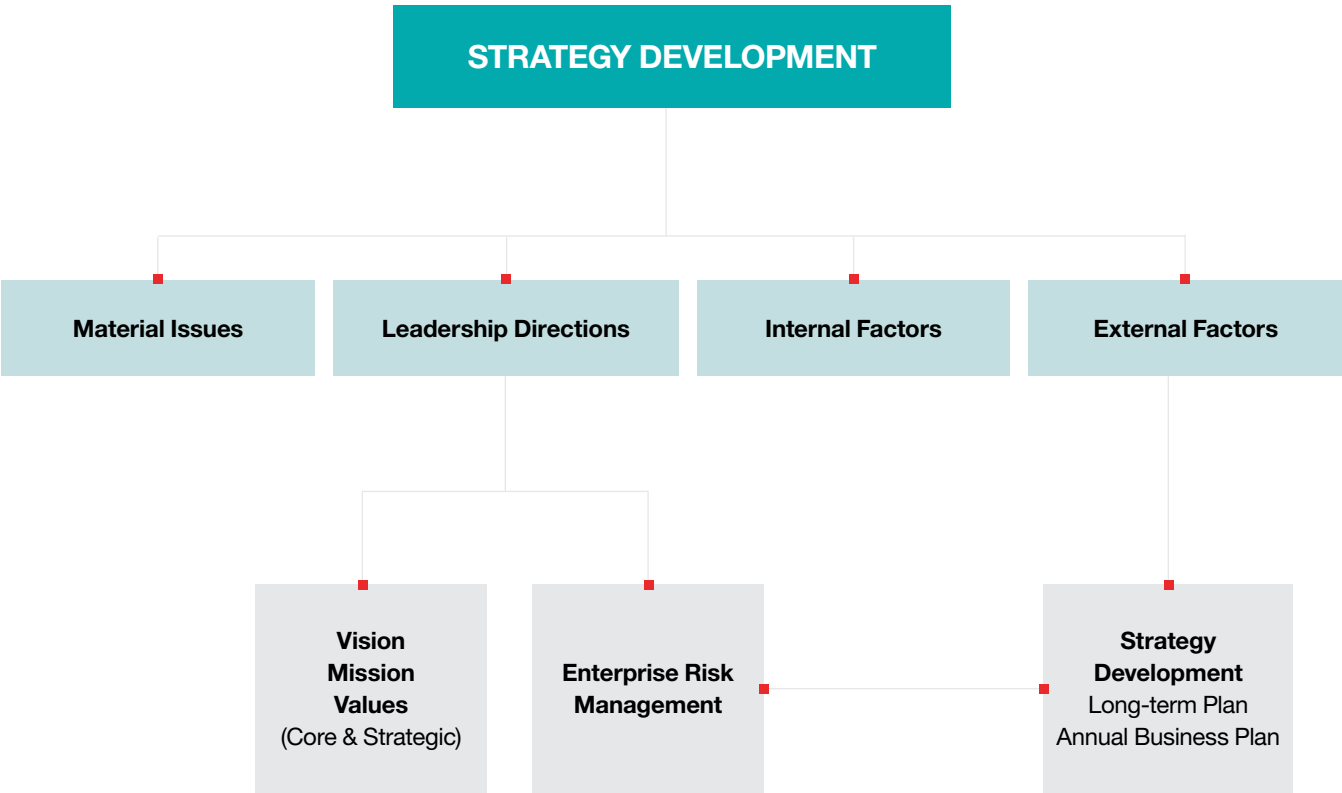
EKL’s strategy is anchored in a forward-looking framework that integrates material sustainability priorities, market dynamics, and internal capabilities to drive long-term value creation. It aligns the Company’s vision, mission, and values with evolving industry trends, stakeholder expectations, and enterprise risk considerations.

Leveraging strengths such as engineering excellence, brand equity, and strategic partnerships, EKL focuses on innovation-led growth, operational efficiency, and responsible business practices. This approach is operationalised through defined strategic objectives that guide both long-term planning and annual execution, ensuring resilience, agility, and sustainable growth.

Global Design Capabilities:
EKL’s India-based Shared Services Centre supports global design and development, enhancing engineering strength in partnership with KBT.

Value Creation: Drives sustained value through innovation, reliability, and customer-centric solutions across key sectors.

Risk Management: Proactively manages risks related to raw materials, competition, and environmental factors.



Our Strategic Roadmap

		Core Areas	SDGs	GRI
SO1	To be a pioneer in farm mechanisation in India F M N I	- Support development of new mechanisation standards - Establish market leadership in farm mechanisation - Introduce clean and alternative energy-powered solutions		201 204 417
SO2	To significantly contribute to India's infrastructure development F M	- Strengthen presence in crane industry - Uphold highest Occupational Health & Safety standards - Prioritise customer health and safety		204 403 416
SO3	To conduct business responsibly and consciously N S	Reduce environmental impact across operations		301 303 306 302 305
SO4	To maintain a healthy, thriving workplace culture H S	Become employer of choice for skilled workforce		401 405 408 403 406 409 404 407 410
SO5	To sustain position as a trusted brand and respected business F M S	- Launch impactful CSR programmes - Uphold highest standards of customer health and safety		413 417 418 416

F Financial Capital M Manufactured Capital I Intellectual Capital H Human Capital N Natural Capital S Social and Relationship Capital

Capital Allocation Strategy

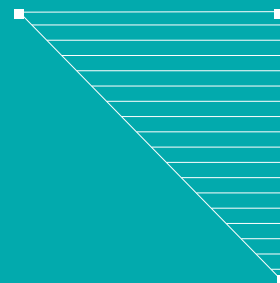
Our capital allocation strategy focuses on supporting sustainable growth and creating long-term stakeholder value. For the upcoming year, the Company plans capital expenditure of approximately ₹300-350 crores, with investments directed towards new product development in the agriculture and construction segments, as well as strengthening and modernising manufacturing capabilities. These initiatives are expected to drive innovation and improve operational efficiency.

In parallel, EKL is progressing with the development of a greenfield manufacturing facility in Uttar Pradesh, with land

allotted by the State Government, subject to necessary approvals. The project involves an estimated investment of over ₹2,500 crores (direct and indirect) and will be executed in phases over three to four years, supporting capacity expansion and future growth.

Backed by a strong, net-debt-free balance sheet, EKL remains committed to disciplined capital allocation, prioritising strategic investments that enhance capabilities, improve efficiency, and deliver sustainable long-term value.

Stakeholder Engagement



EKL believes that sustained business growth and long-term value creation are closely linked to strong and transparent stakeholder relationships. The Company actively engages with its stakeholders to understand their evolving expectations, strengthen collaboration, and incorporate relevant insights into its business strategies and sustainability priorities. Through structured engagement across the value chain, EKL aims to foster trust, enhance responsiveness, and create shared value for all stakeholder groups.



Stakeholder Ecosystem

EKL operates within a diverse stakeholder ecosystem and places strong emphasis on continuous engagement to understand expectations and strengthen relationships across its value chain.

The Company's key stakeholder groups include:

Customers and Dealers

EKL places customers and dealers at the core of its business by designing products and services that are closely aligned with their needs and expectations. The Company emphasises swift grievance redressal, responsiveness to evolving market demands, and continuous value creation through differentiated offerings. This customer-centric approach enables EKL to build strong, long-term relationships and foster a culture focused on trust, satisfaction, and sustainable growth.

Employees and Workers

EKL recognises that engaged employees are key drivers of productivity, innovation, and growth. The Company promotes an inclusive and collaborative workplace culture where individuals feel valued, respected, and empowered. By focusing on continuous learning, fair performance management, and talent development, EKL enhances job satisfaction and retention, while enabling employees to build capabilities and contribute effectively to organisational success.

Investors and Financial Institutions

EKL is committed to delivering sustainable value to investors through a balanced focus on financial and non-financial performance. The Company prioritises transparent disclosures, robust corporate governance, and consistent financial returns. By strengthening credibility, improving communication, and enhancing shareholder value, EKL builds long-term trust with investors and financial institutions.

Government and Regulatory Authorities

EKL maintains strong engagement with government and regulatory authorities by ensuring full compliance with applicable laws and regulations. The Company aligns its growth strategy with national development priorities, while leveraging technology and innovation to support forward-looking initiatives. Through policy engagement, demand creation, and portfolio diversification, EKL contributes to responsible and sustainable economic growth.

Suppliers and Vendors

EKL views suppliers and vendors as strategic partners in delivering operational excellence and sustainability. The Company emphasises transparency, fairness, and accountability in supplier relationships, supported by rigorous evaluation of financial stability, quality, and reputation. By promoting sustainable supply chain practices and encouraging innovation and technology adoption, EKL enhances efficiency, resilience, and overall value creation across its network.

Industry Associations

EKL actively collaborates with industry associations to promote innovation, quality standards, and sectoral growth. Through participation in industry forums, committees, and knowledge-sharing platforms, the Company contributes to shaping industry practices and fostering a competitive yet collaborative environment. This engagement strengthens EKL's role in driving collective progress and technological advancement.

Communities

EKL is committed to creating positive social impact by improving community well-being and addressing development challenges in its areas of operation. Through focused CSR initiatives in areas such as education, healthcare, environment, and livelihoods, the Company works towards sustainable and inclusive development. By adopting scalable and replicable models, EKL enhances its contribution to long-term societal progress.

Through this inclusive engagement approach, EKL aims to create shared value while strengthening trust, transparency, and long-term collaboration across its stakeholder ecosystem.

Engagement Approach by Group

EKL adopts a structured and proactive approach to stakeholder engagement, focused on transparency, inclusivity, and continuous improvement. The key elements of this approach are as follows:

Continuous Stakeholder Communication

Maintaining regular and ongoing communication with stakeholders to gather valuable feedback, insights, and perspectives.

Transparent Information Sharing

Sharing key information related to EKL's strategy, vision, mission, values, and performance to ensure clarity and build trust.

Decentralised Engagement Responsibility

Distributing stakeholder engagement responsibilities across various business functions to ensure comprehensive and effective interactions.

Multi-channel Engagement Mechanisms

Leveraging diverse engagement channels, including surveys, meetings, workshops, conferences, webinars, newsletters, reports, digital platforms, and grievance mechanisms.

Use of Structured Frameworks and Tools

Employing tools and frameworks to systematically identify, prioritise, and address stakeholder concerns.

Integration into Decision-making

Incorporating stakeholder feedback into strategic and operational decision-making processes to improve performance, enhance outcomes, and strengthen business practices.

The stakeholder engagement approach is aligned with global best practices and supports EKL's commitment to responsiveness, accountability, and long-term value creation.



Stakeholder Engagement Framework

	Value Proposition	Engagement Initiatives	Engagement Frequency	Risk
Customers & Dealers  M I S N	Delivering customer-centric products and services aligned with evolving needs, supported by responsive service and strong grievance redressal to build long-term trust and relationships	Customer satisfaction surveys, CARE devices, engineering support, digital platforms, and customer support systems	Continuous/throughout year	 
Employees & Workers  F M I H	Inclusive, growth-oriented workplace focused on learning, well-being, and recognition	Town halls, employee connect sessions, lifecycle surveys, training programmes, rewards and recognition	Continuous/throughout year	 
Investors & Financial Institutions  F N	Consistent returns, profitable growth, and transparent disclosures	AGMs, investor meetings, earnings calls, annual reports, media updates, website disclosures	Monthly + Annual	 
Government & Regulatory Authorities  F M I H S	Regulatory compliance and contribution to a competitive, responsible business environment	Policy advocacy, regulatory compliance, participation in standards and policy development	Continuous	 
Suppliers & Vendors  F M I H S	Growth partnerships driven by safety, innovation, and operational excellence	Supplier conventions, audits, and ongoing engagement with suppliers and contractors	Annual (formal) + Continuous (informal)	 
Industry Associations  F S N	Industry collaboration, innovation, and collective development	Participation in industry conferences, seminars, and committees	Continuous	
Communities  F M N S	Sustainable community development and improved well-being	CSR initiatives in health, education, environment, and livelihoods	Continuous	 

F Financial Capital **M** Manufacturing Capital **I** Intellectual Capital **H** Human Capital **N** Natural Capital **S** Social and Relationship Capital



Operational Risks



Compliance Risks



Strategic Risks



Financial Risks

EKL engages with its stakeholders through regular and structured interactions to understand expectations and address key concerns.

Double Materiality Assessment

During FY 2024-25, EKL conducted a Double Materiality Assessment (DMA) to strengthen its sustainability governance and reporting approach. The assessment provides a comprehensive framework to evaluate sustainability matters through both impact materiality (inside-out) and financial materiality (outside-in) lenses. This approach enables EKL to identify sustainability topics that are not only critical to business continuity and financial performance, but also have significant implications for the environment and society.

Given EKL's operations in agricultural and construction machinery, sustainability issues such as emissions, product responsibility, supply chain resilience, and workforce practices play a critical role in shaping long-term value. The DMA allows EKL to balance regulatory compliance, stakeholder expectations, and strategic growth priorities in a rapidly evolving ESG landscape.

In alignment with CSRD/ESRS requirements, the assessment integrates environmental (E1–E5), social (S1–S4), and governance (G1) dimensions, ensuring transparency and comparability with global sustainability frameworks. This structured approach enables EKL to strengthen risk management, identify opportunities for innovation, and enhance stakeholder trust.

Identifying Material Topics

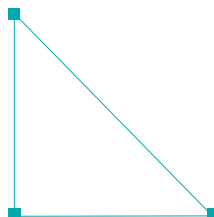
The identification of material ESG topics was based on:

- **ESRS Topic List (CSRD aligned)**
 - Environmental: E1–Climate Change, E2–Pollution, E3–Water, E4–Biodiversity, E5–Resource Use
 - Social: S1–Workforce, S2–Value Chain Workers, S3–Communities, S4–Consumers
 - Governance: G1–Business Conduct
- **GRI Standards (GRI 2021 framework)**
 - To ensure global reporting consistency
- **Industrial Benchmarking (Peer Analysis)**
 - A detailed benchmarking exercise was conducted to identify ESG topics disclosed by leading companies in the automotive, farm equipment, and manufacturing sectors
- **Internal Risk Documents**
 - Risk Control Matrix (RCM) prepared under Enterprise Risk Management (ERM) System

1.2.1 Filtering Criteria

The identified topics were further refined using the following criteria:

- **Relevance to Sector**
Alignment with agriculture, infrastructure, and manufacturing industries
- **Stakeholder Concern**
Importance assigned by key stakeholders including customers, employees, investors, regulators, suppliers, industry bodies, and communities
- **Regulatory Exposure**
Alignment with existing and emerging regulations (e.g., emissions norms, labour laws, supply chain due diligence)





Impact Materiality (Inside-Out Perspective)

For assessing the impacts of EKL's operations on the environment and society, the following criteria were applied:

- **Scope of Impact**
The extent and breadth of the impact across EKL's operations, value chain, and geographies.
- **Scale (Severity of Consequences)**
The magnitude or seriousness of the impact, including environmental degradation, social harm, or reputational implications.
- **Irremediability**
The degree to which the impact can be reversed or mitigated over time.
- **Likelihood of Occurrence**
The probability of the impact occurring, based on historical data, operational exposure, and industry trends.

Financial Materiality (Outside-In Perspective)

To assess how ESG factors affect EKL's financial performance, the following criteria were evaluated:

- **Likelihood of Risk or Opportunity**
The probability of occurrence of ESG-related risks or opportunities.
- **Magnitude of Financial Effect**
The potential financial impact on revenue, costs, assets, liabilities, or reputation.

Risk, Impact and Opportunity Mapping

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

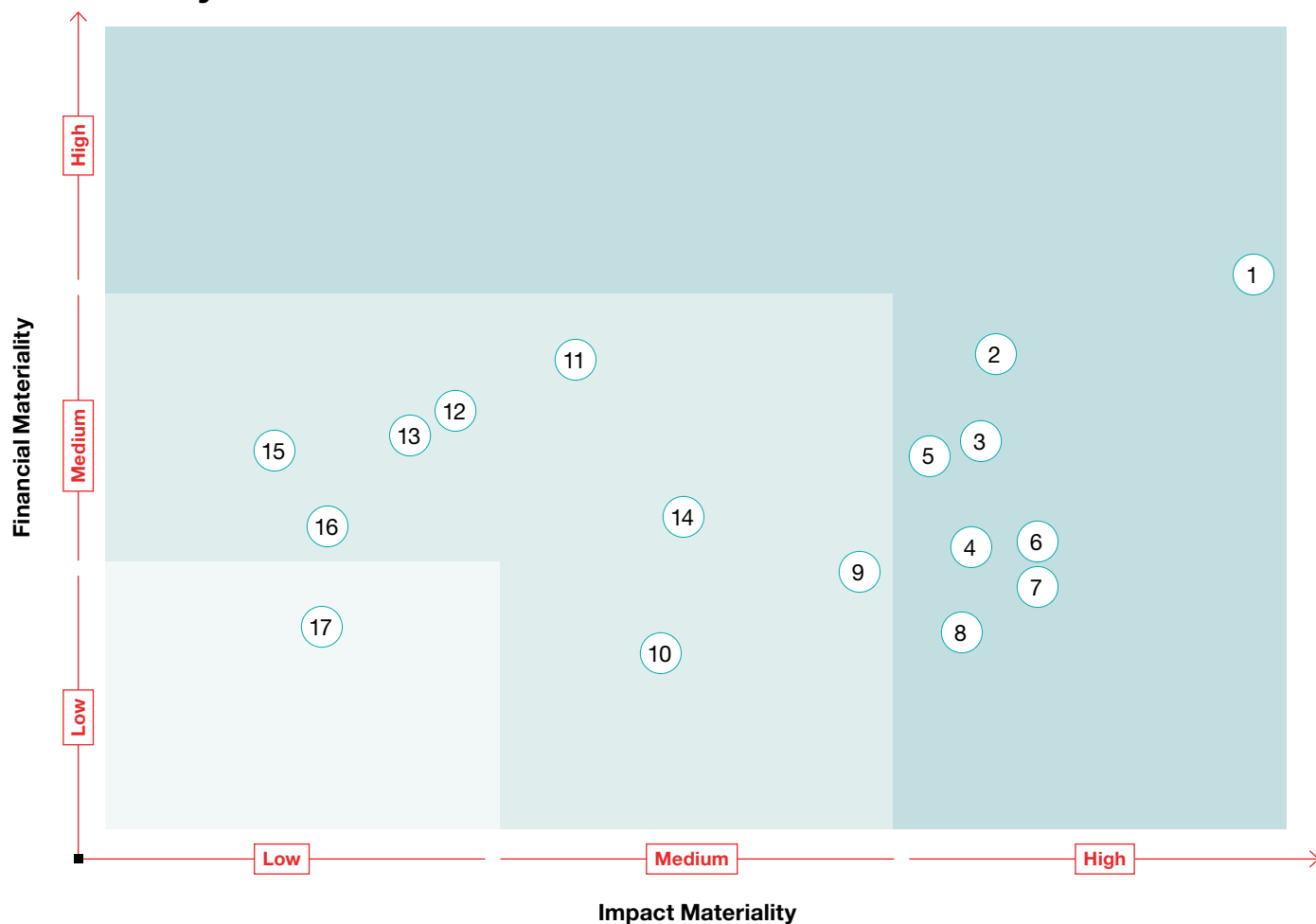
- **Impacts:**
Potential positive or negative effects of our activities on people, the environment, and society.
- **Risks:**
Possible ESG-related challenges that could affect our operations, reputation, or compliance.
- **Opportunities:**
Areas where sustainability initiatives could drive efficiency,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

Methodology—Aligned with ESRS 1/ESRS 2 and GRI 3

EKL's Double Materiality Assessment has been developed in alignment with ESRS 1 & ESRS 2 principles, GRI 3: Material Topics, industrial benchmarking, internal risk documents, ensuring a structured and globally consistent approach to identifying sustainability priorities.

Stage	Description	Key Inputs	Outputs
▼ 01 Identification of Material Topics	A comprehensive list of ESG topics was developed based on global standards, peer analysis, and internal frameworks to capture all relevant sustainability issues.	- ESRS topics (E1–E5, S1–S4, G1) - GRI Standards - Peer disclosures - Internal risk registers	List of identified ESG topics
▼ 02 Identification of IROs (Impacts, Risks, Opportunities)	Each topic was evaluated to identify potential environmental, social, and governance impacts, as well as financial risks and opportunities.	- Operational data - Industry risk trends - ESG frameworks	IRO mapping for each topic
▼ 03 Stakeholder Engagement	Key stakeholders were engaged through structured surveys to assess both impact and financial relevance of each topic.	Stakeholder groups (Customers, Employees, Investors, Regulators, Suppliers, Industry Associations, Communities)	Stakeholder scores and qualitative insights
▼ 04 Assessing Impact and Financial Materiality	Topics were quantitatively scored using ESRS-aligned methodologies for impact and financial materiality, applying weighting, normalisation, and bias adjustment.	- Survey responses - Scoring formulas - Weightages	Final materiality scores (0–5 scale)
▼ 05 Double Materiality Matrix Development	Scores were plotted on a two-dimensional graph to visualise priority topics based on impact and financial significance.	Final scores	Double materiality matrix and prioritised topics

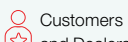
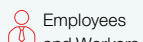
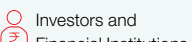
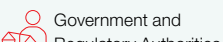
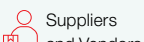
Materiality Matrix



The Double Materiality Matrix provides a visual representation of the relative positioning of ESG topics based on their assessed impact and financial materiality scores. The graph illustrates where each ESG topic lies across the two dimensions, highlighting their degree of severity and strategic importance. Topics located in the upper-right quadrant represent high impact and high financial materiality, and are therefore prioritised as critical areas requiring immediate strategic focus. Conversely, topics in lower quadrants indicate comparatively lower urgency but remain important for long-term sustainability and risk management.

① Product Quality & Safety	⑦ 3R: Reduce, Reuse, Recycle	⑬ Diversified Supply Chain
② Customer Engagement	⑧ Renewable Energy	⑭ Safety Training
③ Human & Labour Rights	⑨ Water Positivity	⑮ Training & Audits
④ Emission Management	⑩ Gender Diversity	⑯ Employee Development & Equal Opportunity
⑤ Energy Efficiency	⑪ Supply Chain Disruptions	⑰ Community Engagement
⑥ Sustainable Products	⑫ Supply Chain Audits	

Material Topic Profiles

	Rationale for Materiality	ESG	SDG	GRI
Product Quality & Safety M 	- Product quality compliance rate - Number of product recalls or safety incidents reported - Product defect rate	G	  	416 102 – 43
Customer Engagement S 	- Customer satisfaction score - Customer retention rate - Average response time to service requests	S	 	102 – 43
Human & Labour Rights H S 	- Percentage of Tier 1 suppliers audited for human rights compliance - Grievance redressal rate - All workforce covered under labour policies	S	 	408 409
Emission Management N 	- Reduction of Scope 1 and 2 carbon emissions (tCO₂e) - Percentage of operations equipped with emissions tracking systems	E		305
Energy Efficiency N F 	- Energy intensity measured in gigajoules per unit produced (GJ/unit) - Percentage of facilities upgraded with efficient lighting - Annual energy savings	E	  	302 305
Sustainable Products M N 	- Percentage of products with eco-design features - R&D investment in sustainable solutions - Customer adoption rate of sustainable products	E	  	301 306
 Customers and Dealers  Employees and Workers  Investors and Financial Institutions  Government and Regulatory Authorities  Suppliers and Vendors  Industry Associations  Communities				

	Rationale for Materiality	ESG	SDG	GRI
The 3Rs: Reduce, Reuse, Recycle N 	- Percentage of materials recycled and reused - Waste diverted from landfill - Efficiency improvements in resource usage	E		301 306
Renewable Energy N 	- Percentage of energy sourced from renewables - Capacity of renewable energy installed in MW - Emission reduction from renewables (tCO₂e)	E	 	302 305
Water Positivity N 	- Percentage of water recycled - Rainwater harvesting capacity - Net water balance improvement	E	 	303
Gender Diversity H S 	- Gender diversity ratio across functions - Percentage of women in leadership roles - Gender sensitivity training coverage	S	 	405
Supply Chain Disruptions and Delays F M 	- Percentage of critical suppliers with risk mitigation plans - Inventory-lead time tracking - Supply chain disruption index	G	 	102 – 9 204
Supply Chain Audits S N 	- Percentage of suppliers assessed annually - Corrective actions implemented for ESG non-compliance - Supplier sustainability ratings	G	 	308 414

Material Topic Profiles

	Rationale for Materiality	ESG	SDG	GRI
Diversified Supply Chain F 	- Percentage spent on local suppliers - Supplier base diversity index - Strategic sourcing initiatives undertaken	G	 	102 – 9 204
Safety Training H 	- Percentage of workforce trained annually - Incident rate improvement - Number of safety drills and mock sessions	S	 	403
Training & Audits H I 	- Number of ESG trainings conducted - Percentage of employees trained on compliance - Internal audit completion rate	G	 	102 – 17 404
Employee Development and Equal Opportunity S 	- Percentage of employees with IDPs - Internal promotion rate - Resolution rate of equal opportunity grievances	S	  	404 405
Community Engagement S 	- Beneficiaries impacted by CSR programmes - Count of community development projects - Annual CSR expenditure as a percentage of profit	S	  	413

 Customers and Dealers

 Government and Regulatory Authorities

 Industry Associations

F Financial Capital

M Manufacturing Capital

I Intellectual Capital

H Human Capital

N Natural Capital

 Employees and Workers

 Suppliers and Vendors

 Communities

S Social and Relationship Capital

 Investors and Financial Institutions

Connecting Materiality to Strategy and Risk

EKL's approach to materiality is closely integrated with its strategic priorities and enterprise risk management framework, ensuring that key ESG issues are systematically aligned with business objectives and risk mitigation efforts. The identified material topics are mapped to specific strategic objectives (SO1–SO5). Simultaneously, these topics are linked to defined risk categories to strengthen resilience and proactive decision-making. This dual mapping ensures that material issues are not addressed in isolation but are embedded within business strategy and governance processes.

Material Topic-to-Strategy Heat Map

Material Topic	Linked Strategic Objectives	Linked Risk Categories
Product Quality & Safety	S05	   
Customer Engagement	S05	 
Human & Labour Rights	S03	 
Emission Management	S03	  
Energy Efficiency	S03	 
Sustainable Products	S01	 
3R: Reduce, Reuse, Recycle	S03	 
Renewable Energy	S03	 
Water Positivity	S03	  
Gender Diversity	S04	 
Supply Chain Disruptions	S02	  
Supply Chain Audits	S02	 
Diversified Supply Chain	S02	 
Safety Training	S04	 
Training & Audits	S03	 
Employee Development & Equal Opportunity	S04	 
Community Engagement	S05	 

 Operational Risks
 Compliance Risks
 Strategic Risks
 Financial Risks

Building Organisational Agility and Resilience

Enterprise Risk Management

Enterprise Risk Management (ERM) at EKL refers to the holistic and continuous process of identifying, assessing, managing, and monitoring risks across the organisation to ensure the achievement of strategic and operational objectives. It is embedded within business decision-making and covers all categories of risks, including strategic, operational, financial, and compliance risks. ERM enables the Company to proactively address uncertainties, improve resilience, and enhance performance by aligning risk-taking with defined risk appetite. Through structured governance involving the Board, Risk Management Committee, Chief Risk Officer, and Risk Owners, ERM ensures accountability, transparency, and integration of risk considerations into everyday operations and long-term planning.

Enterprise Risk Management Framework

The Enterprise Risk Management Framework, on the other hand, represents the structured architecture and methodology through which ERM is implemented within the organisation. It provides the guiding principles, processes, tools, and governance mechanisms that enable systematic risk management. At EKL, the framework—aligned with the COSO model—includes components such as internal environment, objective setting, event identification, risk assessment, risk response, control activities, communication, and monitoring. While ERM defines what the organisation seeks to achieve in managing risks, the framework defines how this is operationalised, ensuring consistency, repeatability, and effectiveness in managing risks across all functions and business units.

EKL adopts a proactive and integrated approach to risk management to strengthen organisational resilience and support long-term value creation. The Company continuously assesses evolving business, operational, financial, technological, and sustainability-related risks to enhance preparedness, improve responsiveness, and ensure business continuity.

Top Enterprise Risks

EKL risk categories include:



Operational Risks



Compliance Risks



Strategic Risks



Financial Risks

Climate-related Risks

- The organisation undertakes scenario analysis across different climate pathways to assess potential financial impacts over the short, medium, and long term, enabling informed risk management and strategic planning.

Cybersecurity and Information Security Risks

- EKL follows a structured cybersecurity and information security framework aligned with ISO 27001 standards and DPDPA supported by defined controls to manage the evolving threat landscape.
- The Company continues to strengthen its cyber security and data privacy framework to ensure secure and resilient digital operations. Key measures include maintaining ISO 27001 certification, ensuring compliance with DPDPA requirements, and implementing robust controls to safeguard data integrity, system security, and protection against data-related risks.
- The Company continuously monitors security incidents and conducts periodic recovery and resilience testing exercises to strengthen response capabilities and ensure operational continuity.

Risk Management Initiatives

Loss of Assets or Profit Owing to Natural Disasters



Equipment failure, infrastructure damage, unexpected geological shifts, extreme weather, and natural disasters may disrupt business activities, reduce production, and increase costs

Mitigation

- Robust crisis management and business continuity plans
- Mock drills for earthquakes and fire safety systems
- Disaster management systems for accident prevention
- Continuous monitoring and periodic security reviews
- Ongoing capability building across workforce

Violation of IT Security Protocols



Increased reliance on digital systems exposes operations to cybersecurity risks such as data theft, leakage, system breaches, and operational disruption, potentially impacting business continuity

Mitigation

- Robust IT security frameworks and policies
- Advanced tools (SOC, NAC, MDM, EDR, DLP)
- Regular vulnerability and penetration testing
- IT governance reviews
- Employee awareness programmes on cybersecurity threats

Supply Chain Disruptions



Disruptions in supply chain and delays in sourcing raw materials may stall operations, affecting profitability, production timelines, and long-term viability

Mitigation

- Cost optimisation and efficiency initiatives
- Supplier financing support for working capital
- Alternative sourcing and localisation strategies
- Financial due diligence for new suppliers
- Improving infrastructure and power security
- Strong management oversight for reliable sourcing

Challenges Related to Intellectual Capital



Risks related to intellectual property protection, information misuse, or employee-related disruptions affecting innovation and operations

Mitigation

- Strong IP policies and governance structures
- NDAs for vendors and confidentiality agreements for employees
- Annual compliance declarations by employees
- Periodic audits to identify gaps
- Training programmes on IP awareness

Fostering and Managing Relationships with Employees



Disputes between employees and management related to safety, grievances, or workplace issues may affect operations and productivity

Mitigation

- Leadership engagement with employees
- Proactive communication with employees and families
- Improved grievance redressal mechanisms
- Employee welfare and development initiatives

Occupational Health and Safety Concerns in Operations



Risk of accidents involving machinery, transport, forklifts, and hazardous operations impacting employee safety and operational continuity

Mitigation

- Compliance with safety laws and standards
- Mandatory use of protective equipment
- Regular safety training and meetings
- Strong site security and access control systems

Talent Management



Challenges in succession planning, retaining top talent, and maintaining a skilled workforce may impact long-term performance

Mitigation

- Identification of critical roles and successors
- Talent pool development through learning programmes
- Monitoring retention rates and addressing root causes

Regulatory and Legal Challenges



Changes in laws and regulations may lead to higher costs, restrictions, and penalties, affecting operations and compliance

Mitigation

- Continuous monitoring of regulatory changes
- Ensuring compliance with legal obligations
- Sustainability and CSR initiatives
- Advanced pollution control technologies
- Employee training on regulatory standards
- Regular compliance audits and safety enforcement



Operational
Risks



Compliance
Risks

Absence of Innovation and Competition Drive



Failure to innovate, develop new products, or adopt advanced technologies may weaken competitive position and growth potential

Mitigation

- Investment in R&D and innovation (RNIL)
- Strategic alliances and partnerships
- Product upgrades and technology adoption
- Development of EV and advanced solutions

Volatility in Commodity Prices



Fluctuations in raw material prices and demand due to economic conditions, climate, or geopolitical factors may impact earnings and cash flow

Mitigation

- Commodity risk management strategies
- Cost re-engineering and value engineering
- Strategic sourcing during price declines

Data Privacy and Information Security

Data Privacy Programme

- EKL ensures compliance with applicable data protection regulations, including the DPDP Act 2023 and relevant international standards such as GDPR where applicable.
- The Company maintains structured processes to safeguard personal data and to manage data-subject rights requests across its operations.

Information Security Management System

- EKL maintains an Information Security Management System aligned with ISO 27001 standards, supported by defined controls, continuous monitoring, and periodic assessment of security risks. The framework includes tracking security incidents and related metrics to strengthen data protection and operational resilience.

Intellectual Property and Innovation Governance

IP Portfolio and Protection

- The organisation actively manages its intellectual property portfolio through structured governance processes, covering the filing and protection of patents, trademarks, and designs to support innovation and safeguard proprietary assets.
- EKL actively manages its intellectual property portfolio through structured governance processes covering the filing, protection, and maintenance of patents, trademarks, and designs. This supports innovation while safeguarding the Company's proprietary assets.

R&D Investment Disclosure

- EKL invests in research and development to drive innovation, with a R&D spend of ₹207.1 crores (including capex excluding depreciation), representing 1.51% of revenue. The Company maintains a strong innovation pipeline aligned with strategic priorities and future product development needs.
- R&D efforts are further supported through partnerships with academic and research institutions, enabling technology development and knowledge sharing.



Strategic
Risks



Financial
Risks

Progressing Responsibly

Dear Stakeholders,

FY 2025–26 has been a year of steady progress for Escorts Kubota Limited, underpinned by our continued commitment to responsible and sustainable value creation. As we navigate an increasingly dynamic environment, we remain guided by the belief that long-term growth must be anchored in strong governance, environmental stewardship, and inclusive development.

At EKL, sustainability is embedded within our governance frameworks, business strategy, and day-to-day operations. We continue to strengthen systems that promote transparency, accountability, and ethical conduct, ensuring that responsible practices remain integral to decision-making across the organisation. We are equally focused on delivering value through safe, reliable, and sustainable products, while enhancing resource efficiency and minimising environmental impact.





Our people remain central to our progress. We continue to prioritise employee health, safety, and well-being, while fostering an inclusive workplace that promotes diversity, equity, and continuous learning.

During the year, we further strengthened our sustainability governance through advanced digital monitoring systems, enabling real-time tracking of key performance indicators and more informed, data-driven decision-making. Environmental stewardship continues to be a core pillar of our strategy. We are committed to achieving carbon neutrality by 2050, reflecting a structured and long-term approach to decarbonisation, with continued improvement in carbon performance observed during the year. We have also made significant progress across our key environmental priorities, including advancement towards water positivity by FY 2029–30 and a sustained increase in the share of renewable energy in our overall energy mix compared to the baseline year. These advancements reflect our focused execution and commitment to reducing environmental impact while aligning our business with global sustainability priorities.

Our people remain central to our progress. We continue to prioritise employee health, safety, and well-being, while fostering an inclusive workplace that promotes diversity, equity, and continuous learning. We are also committed to strengthening gender diversity across our workforce, with a target to achieve 15% female representation in the employee category by 2031, reflecting our commitment to building a more balanced and inclusive organisation.

Beyond business, our commitment to inclusive growth is reflected in our CSR initiatives. Focused on education and skill development, livelihood enhancement for females and socially vulnerable communities, environment conservation,

and advanced farming solutions, these programmes are designed to create meaningful and lasting impact by empowering communities and expanding access to opportunities in the regions where we operate. As part of our advanced farming initiatives, the Escorts Kubota Advanced Farming Institute (EKAFI) serves as a flagship platform to promote sustainable and technology-driven agriculture by upskilling farmers and rural youth through training, model farms, and hands-on demonstrations, enabling the adoption of modern, scientific, and resource-efficient farming practices.

We also recognise the importance of responsible value chains and continue to engage closely with our partners and suppliers to promote ethical practices, respect for human rights, and shared responsibility.

As we move forward, we remain focused on strengthening resilience, deepening sustainability integration across our operations and value chain, and creating enduring value for all stakeholders.

I thank all our stakeholders for their continued trust and support as we progress responsibly together.

Warm Regards,

Nitasha Nanda

Whole-time Director and Chairperson of CSR Committee



Driving Sustainable Impact

EKL's sustainability approach is anchored around a three-pillar ESG framework comprising Planet, People, and Governance. The framework guides the Company's approach towards responsible growth, operational resilience, stakeholder value creation, and long-term sustainability integration across business operations and the value chain.

Our Three-Pillar Framework

The framework is aligned with the Company's Strategic Objectives (SO1–SO5) and linked to identified material sustainability topics (M1–M16), enabling focused action across key ESG priorities.



Planet



People



Governance

Focus Areas

• Climate action • Energy efficiency • Emissions reduction • Water stewardship • Waste management • Circularity	• Employee well-being • Health & safety • Diversity & inclusion • Skilling • Community development • Customer focus	• Business ethics • Compliance • Risk management • Responsible sourcing • ESG oversight • Transparency

Linked Strategic Objectives

SO1

SO2

SO2

SO3

SO4

SO4

SO5

Linked Material Topics

M1

M2

M3

M4

M5

M6

M7

M8

M9

M10

M11

M12

M13

M14

M15

M16



Planet Commitments

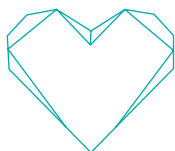
EKL has articulated a comprehensive set of planet-focused commitments aimed at driving long-term environmental sustainability and climate resilience. The Company is advancing its climate neutrality agenda by aligning with the Science Based Targets initiative (SBTi) and the 1.5°C pathway, supported by efforts in decarbonisation, energy efficiency, and renewable energy adoption, with a long-term goal of achieving net-zero emissions by FY 2049-50.

As part of its energy transition strategy, EKL is increasing the share of renewable energy, particularly through solar installations and clean energy initiatives. The Company is also working towards becoming water positive by FY 2029-30, focusing on water efficiency, recycling, and stewardship, while aiming to achieve zero waste to landfill by FY 2026-27 through improved waste management practices.

In addition, EKL is embedding circular economy principles by expanding sustainable and low-carbon product offerings and increasing their contribution to revenue.

Further, EKL is strengthening its focus on biodiversity and nature-related risks, progressing towards structured assessments and alignment with emerging global frameworks. Overall, these commitments reflect a holistic approach to environmental sustainability, integrating climate action, resource efficiency, and nature stewardship into the Company's long-term strategy.

For more details, refer to section 152.



EKL's premises and offices are designed to be accessible to persons with disabilities, in alignment with the Rights of Persons with Disabilities Act, 2016.

People Commitments

EKL's People Commitments focus on building an inclusive, safe, and future-ready workforce while creating meaningful social impact.

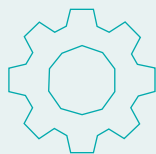
The Company is advancing its diversity, equity and inclusion (DE&I) to 15% by FY 2030-31, while strengthening employee well-being, health and safety, capability development and community engagement. Improving gender diversity in operational roles and advancing ESG integration across the value chain remain key priorities.

EKL maintains a strong commitment to health, safety, and well-being, aiming for zero fatalities while continuously improving occupational safety standards and expanding well-being and mental health initiatives. At the same time, the Company is investing in talent development through structured learning programmes, leadership development initiatives, and global knowledge-sharing platforms to build future-ready capabilities across all levels.

In line with its ethical values, EKL upholds human rights and labour standards across its operations and value chain through a strengthened Human Rights Due Diligence (HRDD) approach aligned with global frameworks such as the UN Guiding Principles and UN Global Compact. The Company continues to expand the scope and effectiveness of these assessments to enhance accountability and responsible business conduct.

Beyond its organisational boundaries, EKL is committed to community empowerment through targeted CSR initiatives focused on livelihoods, water, health, education, and environmental sustainability. Key programmes, including farmer support, women empowerment, youth employability, healthcare support, and environmental initiatives such as large-scale tree plantations, reflect its ongoing efforts to drive inclusive growth and long-term social impact.

▼ For more details, refer to section 164.



Governance Commitments

EKL's Governance Commitments focus on strengthening transparency, ethical conduct, and responsible business practices across all operations. The Company is enhancing its governance and disclosure framework through structured ESG oversight, regular Board-level reporting, and continuous capacity building on key sustainability themes such as climate change, human rights, and business ethics.

EKL upholds a strong culture of ethical conduct and anti-corruption, supported by comprehensive Code of Conduct training for stakeholders and a robust Whistle-Blower Mechanism to ensure transparency and accountability. In parallel, the Company is reinforcing its cybersecurity and data privacy systems, maintaining ISO 27001 certification and implementing necessary controls to ensure compliance, data security, and IT resilience.

Additionally, EKL places significant emphasis on responsible supply chain management, integrating ESG considerations into supplier evaluation, onboarding, and engagement processes. Through structured ESG assessments, risk evaluation frameworks, and targeted training initiatives for value chain partners, the Company is progressively strengthening sustainable sourcing practices and building a more resilient and responsible supply chain.

For more details, refer to section 106

ESG Governance, Policies and Frameworks

ESG Governance Structure

EKL maintains a structured ESG governance framework with Board-level oversight, supported by dedicated committees and executive monitoring to integrate sustainability into strategic decision-making.

ESG Oversight at Executive Level

EKL ensures executive-level oversight of ESG performance through continuous monitoring, risk assessment, and operational integration across business functions.

CSR Committee

Oversees the Company's CSR strategy, programme implementation, and social impact initiatives. Reviews CSR priorities and ensures compliance with applicable regulatory requirements.

Risk Management Committee

The Company has established Board-level oversight through its Risk Management Committee to monitor and manage ESG and enterprise risks.

ESG Policy Landscape

EKL is strengthening its ESG policy landscape through a phased, forward-looking approach to embed sustainability across governance, risk management, and operations.

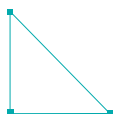
Reporting Frameworks Applied

Frameworks Map

EKL's sustainability reporting is aligned with globally recognised and nationally relevant frameworks to ensure transparency, comparability, and consistency in disclosures.

Voluntary Climate and Sustainability Initiatives

EKL participates in several voluntary sustainability initiatives to support its climate and ESG commitments.



- The Company is progressively aligning with the Science Based Targets initiative (SBTi) approach and engages in environmental disclosures through CDP Climate Change and Water Security programmes. EKL also supports the principles of the United Nations Global Compact (UNGC) in its business practices. EKL further engages with CRISIL ESG assessments and ratings to benchmark its ESG performance against industry peers.
- In addition, EKL is associated with key industry platforms such as CII, GreenCo, ICEMA, and FICCI, which support collaboration on sustainability, policy engagement, and best practice sharing.
- Through these initiatives, EKL continues to strengthen its sustainability approach and align with global and industry standards.

ISO Management Systems and Certification Architecture

EKL maintains robust ISO-aligned management system architecture, encompassing environmental, health and safety, quality, and information security standards across its Agri Machinery and Construction Equipment operations.

Stakeholder Engagement and Advocacy

EKL actively engages with leading industry and sustainability platforms to strengthen its ESG approach and stay aligned with evolving best practices.

- Within India, the Company participates in platforms such as CII, FICCI, TERI, and ICEMA, supporting collaboration on policy dialogue, sustainability and climate change initiatives, and sectoral development.
- At the global level, EKL leverages the Kubota Group network for knowledge sharing and alignment with global sustainability practices. The Company also engages, where applicable, with international initiatives such as UNFCCC-related programmes, IFC-led frameworks, and the We Mean Business Coalition to support broader climate and sustainability commitments.
- These partnerships help EKL enhance its sustainability performance through collaboration, learning, and shared action.

ESG Highlights FY 2025-26

During FY 2025-26, we continued to advance our environmental and social commitments through focused efforts in decarbonisation, renewable energy adoption, water stewardship, workforce development, workplace safety and diversity. The progress achieved during the year reflects EKL's commitment to responsible growth while advancing its long-term ESG ambitions.



Scope 1 + Scope 2 Emissions

51,332.27 tCO₂e

6.28% ↘

Reduction in Scope 1 + Scope 2 Emissions Intensity

Renewable Energy

97.70% ↗

9.47 TJ

Training Hours

3.06 lakh+

Water Consumed

23.1% ↗

340.60 ML

Workplace Safety

Zero Fatality

Gender Diversity (from Employee Category)

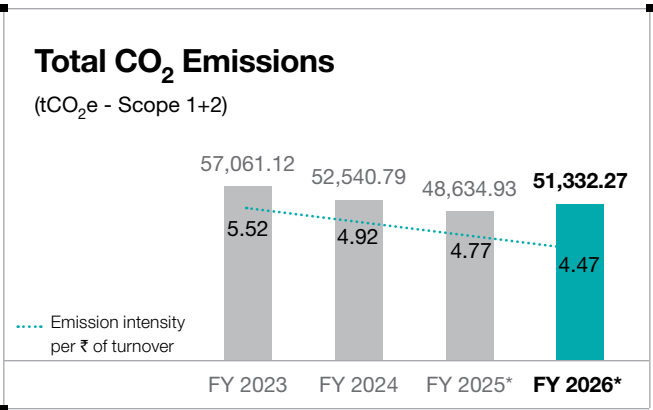
8.74 %

↗ % represent YoY change

Progress Towards Our ESG Commitments

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. The Company is committed to reducing its greenhouse gas (GHG) emissions through energy efficiency and increased adoption of renewable energy.



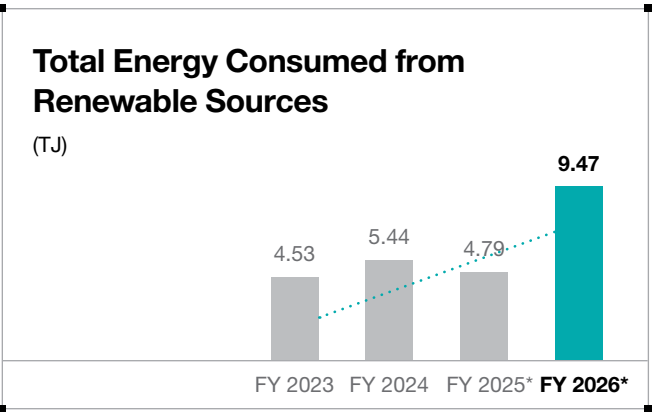
There is a downward trend in total CO₂ emissions from FY 2022-23 to FY 2024-25, followed by a slight increase in FY 2025-26.

Consistent reduction between FY 2022-23 and FY 2024-25 suggests effective emission control measures and improved efficiency. The increase in FY 2025-26 is attributed to higher production volumes. Focused energy optimisation and transition initiatives contributed to a reduction in CO₂ emissions.

* During FY 2025-26, the Company divested its RED business. Consequently, data for FY 2024-25 have been recalculated to exclude the impact of the divested RED business, ensuring alignment with the current organisational boundary.

Renewable Energy Transition

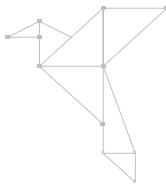
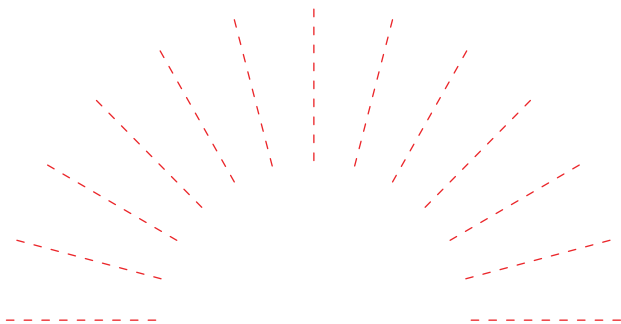
We are working towards tripling the share of renewable energy in our energy mix by FY 2029-30, compared to FY 2022-23 levels.



There is an increasing trend in renewable energy consumption from FY 2022-23 to FY 2025-26. The increase during FY 2023-24 reflects our initial progress towards greater renewable energy adoption, while the temporary decline in FY 2024-25 is due to operational changes particularly the non-functioning solar plant.

During FY 2025-26, increased procurement of renewable energy through the Indian Energy Exchange (IEX), complemented by energy-efficient technologies and process optimisation initiatives, led to higher renewable energy consumption compared to FY 2024-25, reflecting continued progress towards our energy transition and efficiency goals.

Our renewable energy consumption increased from 4.53 TJ in FY 2022-23 to 9.47 TJ in FY 2025-26, representing an overall increase of 109.05% and more than double over the period.



Zero Landfill Waste by 2027

EKL remains committed to achieving its target of zero landfill waste by FY 2026-27. Waste sent to landfill reached 399.82 MT in FY 2025-26, reflecting 13.16% increase over FY 2024-25 and 12.7% increase compared to FY 2022-23. This was primarily driven by enhanced waste traceability, and operational factors such as higher production volumes.

The Company is actively strengthening its waste management practices through improved segregation at source, expansion of recycling and recovery avenues, and deeper engagement with authorised vendors. These initiatives are aimed at accelerating waste diversion and supporting the achievement of EKL’s zero landfill target within the defined timeline.

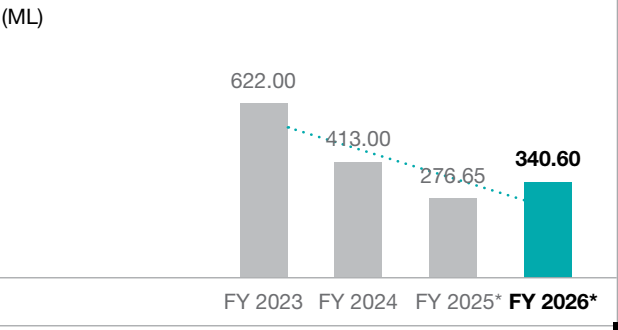
Water Positive by 2030

To become a water positive organisation by FY 2029-30, we are committed to responsible water management, including reducing freshwater consumption and enhancing recycling practices.

There is a declining trend in water consumption from FY 2022-23 to FY 2024-25, followed by a moderate increase in FY 2025-26.



Total Water Consumption



This reflects improvements in water efficiency, process optimisation and recycling measures across our operations.

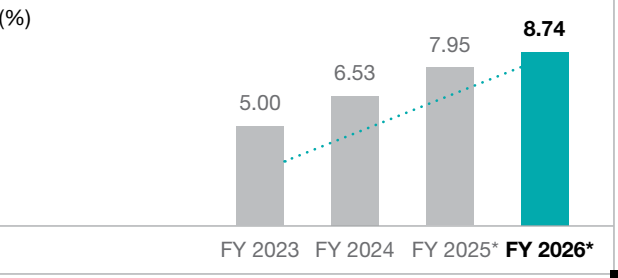
During FY 2025–26, increased production volumes and capacity utilisation led to higher process water requirements, contributing to the rise in overall water consumption. Zero Liquid Discharge (ZLD) remains a key focus area for us.

Our water consumption decreased from 622 ML in FY 2022-23 to 341 ML in FY 2025-26, representing an overall reduction of 45.2%, demonstrating significant progress towards our water stewardship goals.

Enhancing Gender Diversity

EKL Targets 15% gender diversity from employee category by 2031.

Women's Representation in Employee Category



There is steady and consistent increase in women’s representation across all four years. During FY 2025–26, it reached to 8.74% in which various wellness programmes, engagement initiatives, and support systems were

strengthened to promote a positive work environment. We are making consistent and meaningful progress in improving gender diversity in the workforce.

Women's representation rises from baseline year FY 2022-23 (5%) to FY 2025-26 (8.74%). This is an overall 74.8% increase, a substantial improvement over the period.

*Note: We have updated reporting boundaries, operational classifications, and ESG data methodologies to align with the organisational changes, including the amalgamation and the divestment of RED effective June 1, 2025; RED is treated as discontinued operations.



Way Forward FY 2026-27

The Company remains committed to advancing its ESG agenda in FY 2026-27 by adopting an integrated approach toward environmental stewardship, social responsibility, and robust governance practices. It will continue to focus on improving energy efficiency, reducing environmental impact, and strengthening resource management, while simultaneously enhancing employee well-being, safety, diversity, and community engagement initiatives.

At the same time, it will reinforce its governance framework through strong compliance, ethical practices, transparent disclosures, and effective Board oversight, ensuring that sustainability remains embedded in its core strategy and contributes to long-term value creation.

ESG Assurance Journey

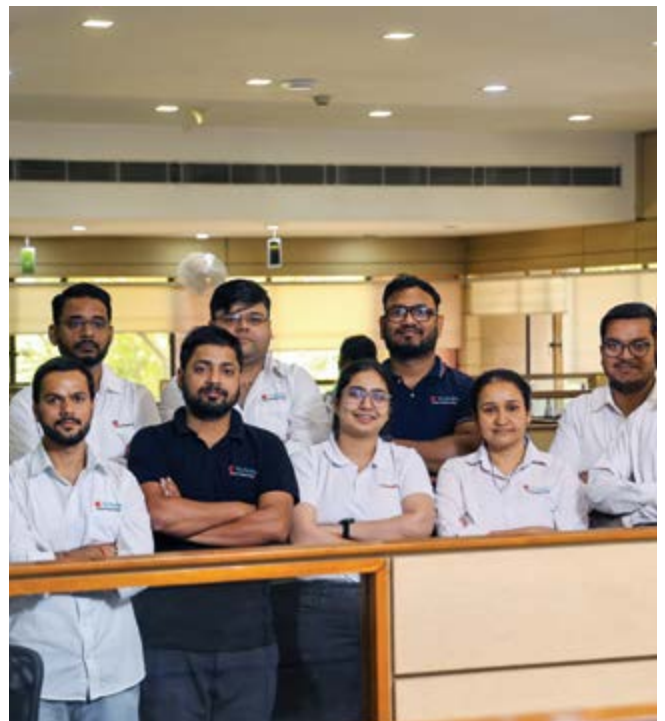
EKL has progressively strengthened its ESG assurance approach in line with evolving regulatory requirements and global best practices.

The journey began in FY 2022-23 with limited assurance on key environmental parameters, including Scope 1 and Scope 2 emissions, enhancing the credibility of disclosures.

From FY 2023-24, the Company transitioned to reasonable assurance for select ESG KPIs, while also expanding its assurance processes and strengthening data systems in alignment with frameworks such as GRI and BRSR.

With the introduction of SEBI's BRSR Core in FY 2024-25, EKL further strengthened its assurance approach, continuing with reasonable assurance through FY 2024-25 and FY 2025-26 for key ESG KPIs covering emissions, energy, water, waste, and critical social metrics.

This evolution reflects EKL's commitment to robust, transparent, and reliable ESG reporting, while reinforcing stakeholder confidence and regulatory alignment.



Creating Value Beyond Business

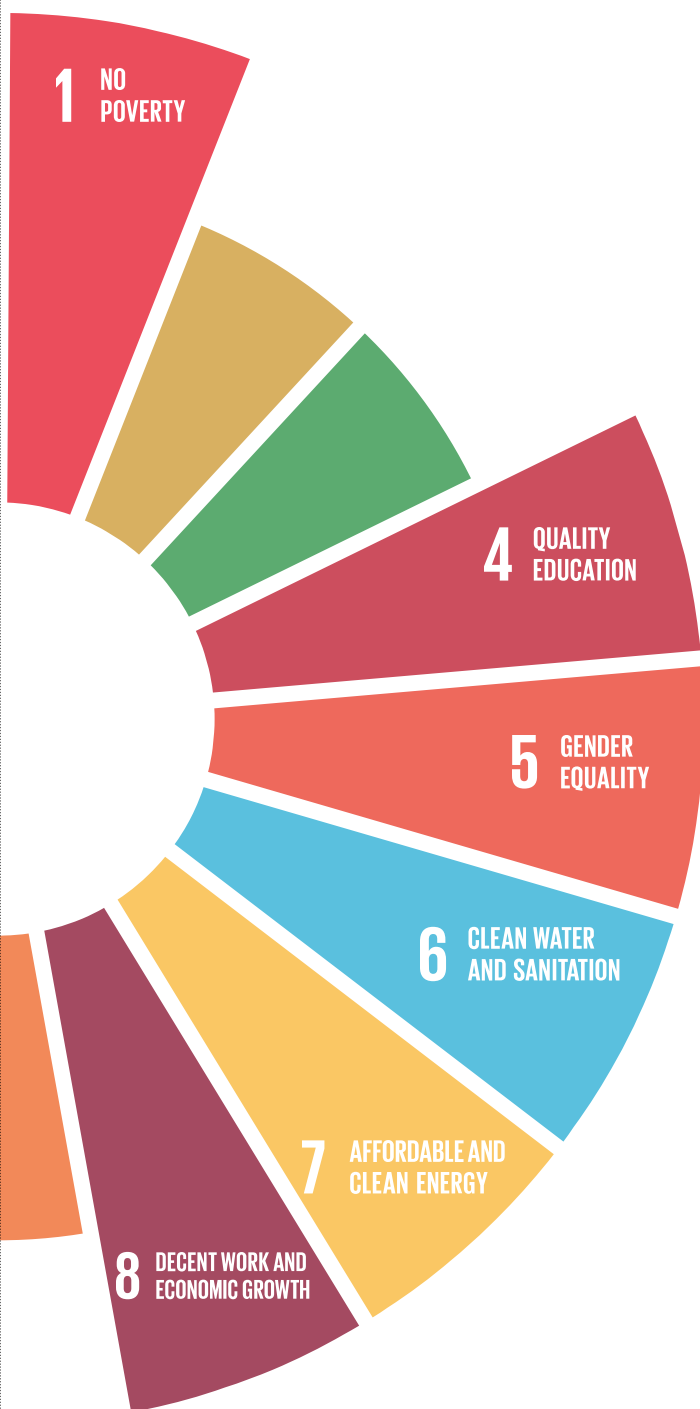
Our ESG activities are aligned to the SDG goals, focusing on eradicating hunger, providing education and supporting sustainable agriculture and healthcare. We strive to manage resources like water and energy sustainably and adhere to eco-friendly production for climate action.

Additionally, we promote safe work practices, gender equality, fair employment, and innovative industrial methods while fostering partnerships to create a sustainable future.

F Financial Capital M Manufacturing Capital
I Intellectual Capital H Human Capital N Natural Capital
S Social and Relationship Capital

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





SO1

SO5

S

F

We support poverty alleviation by strengthening local communities through our CSR initiatives, which promote sustainable livelihoods for farmers. We also deliver soft skills training to underprivileged girls, enabling them to enhance employability and move towards financial independence. Additionally, we empower marginalised women farmers by supporting the creation of sustainable and environmentally responsible livelihood opportunities.

Stakeholders Impacted



SO4

SO5

H

I

We prioritise quality education by delivering training and leadership programmes that strengthen both safety awareness and skill development among our employees. This commitment extends to the communities we engage with, where we conduct skill development initiatives for dealers and local residents, enhancing their employability and supporting inclusive economic growth.

Stakeholders Impacted



5 GENDER EQUALITY



SO4



We are committed to advancing gender equality in the workplace through initiatives such as our 'UDAAN' leadership development programme, which empowers women with the skills and opportunities needed to take on leadership roles. We also aim to increase female representation in our workforce while fostering a culture of inclusivity and diversity.

Stakeholders Impacted



7 AFFORDABLE AND CLEAN ENERGY



SO1

SO3



At EKL, we have recorded 9.47 TJ of energy consumption from renewable sources. We have set a clear target to triple the share of renewable energy in our operations, helping to reduce our carbon footprint while supporting broader efforts toward cleaner energy solutions.

Stakeholders Impacted



6 CLEAN WATER AND SANITATION



SO3



We are focused on enhancing water resource management through initiatives such as the restoration of the Sadpura pond in Faridabad and groundwater recharge efforts in the region. These initiatives help ensure access to sustainable water sources for local communities, while strengthening our commitment to improving water availability and long-term sustainability.

Stakeholders Impacted



8 DECENT WORK AND ECONOMIC GROWTH



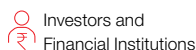
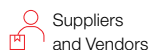
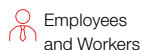
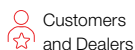
SO1

SO4



EKL actively promotes economic growth by creating meaningful employment opportunities for employees, dealers, and supply chain partners. Our CSR initiatives support stable livelihoods and contribute to local and national economic development.

Stakeholders Impacted



10
REDUCED INEQUALITIES

SO5
SO4

H
S

We are committed to reducing inequalities by fostering an inclusive and accessible workplace for all, irrespective of gender, age, language, or background.

Stakeholders Impacted

12
RESPONSIBLE CONSUMPTION AND PRODUCTION

SO2
SO3
SO5

M
N
F
S

We promote responsible consumption and production by providing clear and transparent information on environmental safety and proper product usage. We enhance resource efficiency across our operations, maintain rigorous quality standards, and conduct regular inspections to ensure safety and sustainability.

Stakeholders Impacted

13
CLIMATE ACTION

SO1
SO3

N
M
S

EKL takes a proactive approach to addressing climate change through focused initiatives aimed at reducing long-term environmental impact. Our commitment to achieving carbon neutrality by 2050, increasing renewable energy adoption, and undertaking afforestation initiatives reflects this vision.

Stakeholders Impacted

16
PEACE, JUSTICE AND STRONG INSTITUTIONS

SO5

S
F

We uphold strong standards of ethics and compliance through our Business Responsibility and Sustainability Policy, aligned with the National Guidelines on Responsible Business Conduct (NGRBC).

Stakeholders Impacted

17
PARTNERSHIPS FOR THE GOALS

SO1
SO5

S
I

We actively pursue strategic partnerships to advance the Sustainable Development Goals (SDGs), engaging with government forums, industry platforms, and multiple trade associations.

Stakeholders Impacted

Leading with Ethics, Integrity and Accountability

Strong governance practices, ethical conduct, and transparent decision-making remain fundamental to EKL's long-term sustainability and value creation approach. The Company continues to strengthen its governance framework through an experienced and diverse Board, robust oversight mechanisms, responsible business practices, and structured risk management processes.

In parallel, EKL continues to enhance cybersecurity, data privacy, and digital governance systems through ISO 27001-certified controls and continuous resilience-building measures.



Board Composition, Independence and Expertise

EKL's Board comprises members with diverse expertise across finance, leadership, governance, risk management, technology, sales, and strategic management. The collective experience and independence of the Board support effective oversight, informed decision-making, and long-term value creation.

Name of Director	Financial	Leadership	M&A	Board/ Governance	Sales & Marketing	Digital/ IT
Mr. Nikhil Nanda, Chairman and Managing Director	●	●	●	● ^{4,5}	●	●
Ms. Nitasha Nanda, Whole-time Director	●	●		● ⁴		
Mr. Akira Kato, Deputy Managing Director (W.e.f. August 04, 2025)	●	●	●	● ^{4,5}	●	●
Mr. Bharat Madan, Whole-time Director & Chief Financial Officer	●	●	●	● ⁵		●
Mr. Hardeep Singh, Director	● ¹	● ²	●	● ^{3,4}	●	
Mr. Nobushige Ichikawa, Nominee Director	●	●	●	●	●	●
Mr. Hitoshi Sasaki, Nominee Director	●	● ²	●	●	●	●
Mr. Satoshi Suzuki, Nominee Director	●	●	●	●	●	●
Mr. Sunil Kant Munjal, Independent Director	● ¹	● ²	●	●	●	●
Ms. Tanya Arvind Dubash, Independent Director		● ²		● ⁴	●	
Mr. Harish Narinder Salve, Independent Director		●		●		
Mr. Ravindra C. Bhargava, Independent Director	●	● ²		●	●	
Mr. Vimal Bhandari, Independent Director	● ¹	● ²	●	● ³		
Ms. Reema Nanavaty, Independent Director		●		● ⁴	●	
Mr. Rupinder Singh Sodhi, Independent Director	● ¹	●		● ^{3,5}	●	●
Mr. Kinji Saito, Independent Director		●		●	●	

1. Being Member of the Audit Committee have financial literacy and Chairman of the Audit Committee have 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 protecting the interests 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.

Executive Compensation and ESG Linkage

EKL follows a structured approach to executive remuneration, with variable compensation for senior leadership aligned to key financial performance indicators such as return on assets, return on equity, and return on invested capital. Compensation is determined by the Nomination, Remuneration and Compensation Committee and approved by the Board, with performance-linked incentives and ESOPs forming part of the overall framework.

ESG considerations are progressively being integrated into performance and governance processes, supporting alignment with broader sustainability priorities. The Company also discloses the CEO pay ratio in line with applicable regulatory requirements.

ESG Governance Structure

EKL oversees its ESG and sustainability performance through a structured Board-level governance framework. Senior Management periodically monitor the Company's Business Responsibility and Sustainability (BRS) performance, while the Board of Directors reviews overall ESG performance on an annual basis.

Specific oversight is exercised through dedicated Board-level committees:

- The Corporate Social Responsibility (CSR) Committee reviews and monitors social performance and community initiatives, providing strategic direction on the Company's CSR and sustainability agenda. The Committee reports directly to the Board of Directors.
- The Risk Management Committee assesses and reviews ESG-related risks as an integral part of the Company's overall enterprise risk management framework.

The Company has a structured Business Continuity and Disaster Management framework as part of its Enterprise Risk Management (ERM) system.

This governance structure ensures that sustainability-related considerations are effectively integrated into decision-making and aligned with the Company's strategic objectives.

ESG Oversight at Executive Level

Charter and Composition

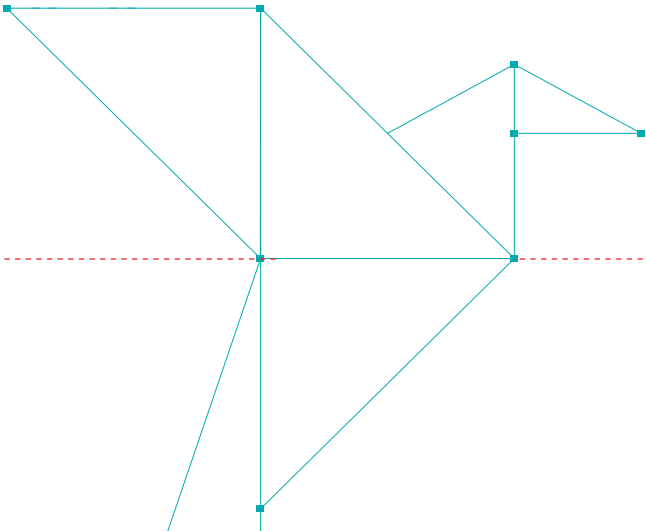
At the executive level, the Directors and Senior Management of EKL collectively assume responsibility for monitoring the Company's Business Responsibility and Sustainability performance on a periodic basis. This ensures that ESG priorities are translated from Board-level direction into operational execution across relevant business functions.

The Board of Directors retains responsibility for the annual review of EKL's overall ESG performance. This includes assessment of progress against sustainability targets, review of material ESG risks and opportunities, and guidance on the Company's long-term sustainability direction.

Roles and Responsibilities

The responsibilities of the executive governance layer include:

- Periodic monitoring of BRSR performance across business functions
- Assessing ESG-related risks within the enterprise risk management framework
- Supporting implementation and tracking of ESG programmes at an operational level
- Ensuring timely escalation of material sustainability matters to the Board and its Committees
- Facilitating cross-functional coordination on ESG disclosures and reporting



CSR Committee

Charter and Composition

The Corporate Social Responsibility (CSR) Committee serves as the primary Board-level body responsible for overseeing EKL's social responsibility and sustainability agenda. Operating under a Board-approved charter, the Committee provides strategic direction on CSR and linked ESG-related initiatives and ensures their alignment with the Company's broader governance framework. The Committee reports directly to the Board of Directors, reinforcing the highest level of institutional accountability as one of the pillars within ESG matters.

The Committee comprises Board members with relevant experience, enabling informed oversight of the Company's sustainability commitments and their effective implementation across business functions.

Roles and Responsibilities

The CSR Committee is responsible for reviewing and monitoring the Company's social performance and community initiatives. Its key responsibilities include:

- Providing strategic direction on CSR and sustainability initiatives
- Reviewing progress on social and community development programmes
- Monitoring the effectiveness of linked ESG-related interventions undertaken by the Company
- Ensuring alignment of CSR activities with stakeholder expectations and regulatory requirements
- Supporting integration of responsible business practices across operations
- Overseeing sustainability disclosures and reporting practices

Risk Management Committee

Charter and Composition

The Risk Management Committee (RMC) of EKL is a Board-level committee responsible for overseeing the Company's enterprise-wide risk management framework and ensuring a structured approach to identifying, assessing, mitigating, and monitoring risks across the organisation. The Committee is chaired by Mr. Nikhil Nanda (Chairman & Managing Director) and comprises members including Mr. Bharat Madan (Whole-Time Director & CFO), Mr. Akira Kato (Deputy Managing Director), Dr. Rupinder Singh Sodhi (Independent Director) supported by the Company Secretary.

The Committee's charter includes formulating and reviewing a comprehensive Risk Management Policy covering financial, operational, strategic, regulatory, ESG, and cyber risks, along with ensuring the implementation of adequate systems and processes for risk evaluation and mitigation. It is also tasked with periodically reviewing the effectiveness of these processes (at least biennially), maintaining oversight of business continuity planning, coordinating with other Board committees on overlapping matters, and keeping the Board informed of key risk assessments, actions, and recommendations. Through this framework, the RMC plays a critical role in strengthening governance, ensuring regulatory compliance, and supporting sustainable business resilience.

Roles and Responsibilities

Complementing the CSR Committee's focus on social performance, the Risk Management Committee assumes oversight responsibility for ESG-related risks. It assesses and reviews these risks as an integral part of the Company's overall enterprise risk management framework, ensuring that environmental, social, and governance risks are identified, evaluated, and managed in a structured and timely manner.

Through this three-tiered governance structure with Board-level oversight by the CSR and Risk Management Committees and periodic monitoring by Senior Management, EKL ensures robust accountability and effective execution of its sustainability commitments.

ESG Landscape

EKL is progressively strengthening its ESG Landscape through a structured and phased approach that aligns sustainability with governance, risk management, and long-term strategy. Building on this foundation, EKL has established policies covering key areas such as climate change, human rights and sustainable procurement, which are embedded within its Code of Conduct and Supplier Code of Conduct to guide ethical and responsible business practices. These policies are aligned with global standards (including IFRS S1 & S2, UNGP, and ILO) and aim to embed climate risk management, responsible sourcing, and low-carbon decision-making into operations.

Further, the Company plans to expand its policy framework in coming year addressing emerging priorities such as biodiversity, water management, circular economy, and sustainable agriculture. Alongside these, EKL's existing policies, including Code of Conduct, Risk Management, EHS, CSR, and data protection frameworks, are aligned with the National Guidelines on Responsible Business Conduct (NGRBC), ensuring comprehensive ESG oversight. Overall, this layered and forward-looking policy landscape reflects EKL's commitment to embedding ESG considerations across its value chain and enhancing sustainable value creation.



Existing Policies

Name of the Policy	NGRBC Principle Covered (As used in BRSR)
Code of Conduct	P1, P3, P5
Supplier Code of Conduct	P2
Board Diversity Policy	P1
Tax Transparency Policy	P7
Anti Bribery Policy	P1
Dividend Distribution Policy	P1
BRSR Policy	P1, P2, P3, P4, P5, P6, P7, P8, P9
Quality Policy	P2, P8
Environment, Occupational Health & Safety Policy	P3, P6
Equal Opportunity Policy	P3
Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other Employees	P3
CSR Policy	P4, P8
Competition Compliance Policy	P7
IPR Policy	P8, P9
Data Privacy Policy	P9
Information Security Policy	P9
Cybersecurity Policy	P7
Investor Grievance Redressal Policy	P9
Whistle-blower Policy	P1
Grievance Redressal Policy	P3
Policy on Risk Management	P1

EKL's Policies can be accessed through the following link:
[Escorts Kubota Corporate Governance | Policies & Ethics](#)

Environment Health and Safety Policy

EKL is committed to ensuring a safe and healthy workplace while minimising environmental impact across all its operations. The Company focuses on the prevention of occupational injuries, ill health, and pollution by adopting safe technologies, responsible practices, and continuous improvement in EHS performance. It complies with all applicable legal and regulatory requirements and strives to exceed standards through robust governance, employee training, and stakeholder engagement. EKL actively promotes resource conservation, energy efficiency, and sustainable practices, while fostering a strong safety culture where every employee is accountable for maintaining high EHS standards.

Equal Opportunity Policy

EKL is committed to providing equal employment opportunities and fostering an inclusive workplace that is free from discrimination, harassment, and victimisation. The Company ensures fairness and equal access to employment, development, and career advancement based solely on merit, qualifications, and performance. It promotes diversity by respecting individuals irrespective of age, gender, disability, caste, religion, ethnicity, sexual orientation, or any other characteristic. EKL actively works towards creating a respectful, safe, and inclusive work environment aligned with applicable laws, encouraging all employees to uphold dignity, mutual respect, and equal opportunity across the organisation.

Supplier Code of Conduct

EKL expects its suppliers to adhere to the highest standards of ethical, social, and environmental responsibility in all business dealings. The Company requires compliance with all applicable laws and regulations, and promotes integrity, transparency, and fair business practices across its supply chain. Suppliers are expected to uphold human rights by prohibiting child and forced labour, ensuring fair wages, non-discrimination, and safe working conditions. EKL emphasises environmental protection through responsible resource use and sustainable practices, while also ensuring quality, reliability, and continuity of supply. The Company encourages suppliers to adopt strong governance, maintain confidentiality of information, and support continuous improvement, thereby fostering responsible and sustainable partnerships.

Information Security Policy

EKL committed to safeguarding its information assets and ensuring the highest standards of information security across its operations. The Company protects data and systems against internal and external threats by maintaining the confidentiality, integrity, and availability of information. It follows a structured Information Security Management System aligned with ISO/IEC 27001, supported by robust governance, risk management, and incident response mechanisms. EKL ensures compliance with all applicable legal, regulatory, and contractual requirements, while promoting awareness and training among employees to strengthen a security-conscious culture. The Company continually enhances its security practices to support business continuity and build trust with customers, partners, and stakeholders.



ISO Management Systems and Certification Architecture

- ISO 14001 — Environmental Management System (all manufacturing sites) for Agri Machinery, for Construction Equipment
- ISO 45001 — Occupational Health & Safety Management System for Agri Machinery, for Construction Equipment
- ISO 9001 — Quality Management System for Agri Machinery, for Construction Equipment
- ISO 27001 — Information Security Management System for Information Security Management System

Business Ethics and Anti-Corruption

Code of Conduct and Ethics Programme

EKL's Code of Conduct and Ethics Programme ensures comprehensive coverage across employees and extends to suppliers through aligned code requirements, reinforcing ethical practices across the value chain. This is supported by periodic refresher trainings and a strong focus on achieving high training completion rates to sustain awareness and compliance. EKL is committed to maintaining the highest standards of integrity and ethical business conduct across its operations, supported by continuous awareness and compliance initiatives.

Anti-Bribery and Anti-Corruption

- EKL maintains a comprehensive Code of Conduct covering employees across the organisation, supported by periodic refresher trainings to reinforce ethical standards and compliance expectations.
- The Code is also linked with supplier requirements to ensure alignment of ethical practices across the value chain. Overall training completion rate is tracked at 100%, reflecting organisation-wide adherence and awareness.
- The Company continues to strengthen awareness and compliance through Code of Conduct training for all sets of stakeholders, reinforcing its commitment to preventing bribery and corruption across operations and the value chain.

Whistle-blower Mechanism

- EKL provides multiple whistle-blower channels to enable employees and stakeholders to report concerns confidentially and without fear of retaliation. The mechanism ensures strong anonymity protections and safeguards for complainants.
- The system tracks key indicators including cases received and cases resolved, supporting timely investigation and resolution of reported issues.
- This formal mechanism further supports transparent reporting and effective resolution of ethical concerns, strengthening trust and accountability across the organisation.



Conflict of Interest Management

- EKL manages conflicts of interest through annual declarations by directors and employees, supported by structured review mechanisms. Oversight is provided by the Nomination and Remuneration Committee (NRC) to ensure transparency and compliance with governance standards.
- The Company also maintains disclosure of related-party transactions, ensuring that all dealings are conducted in a fair, transparent, and accountable manner.

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.

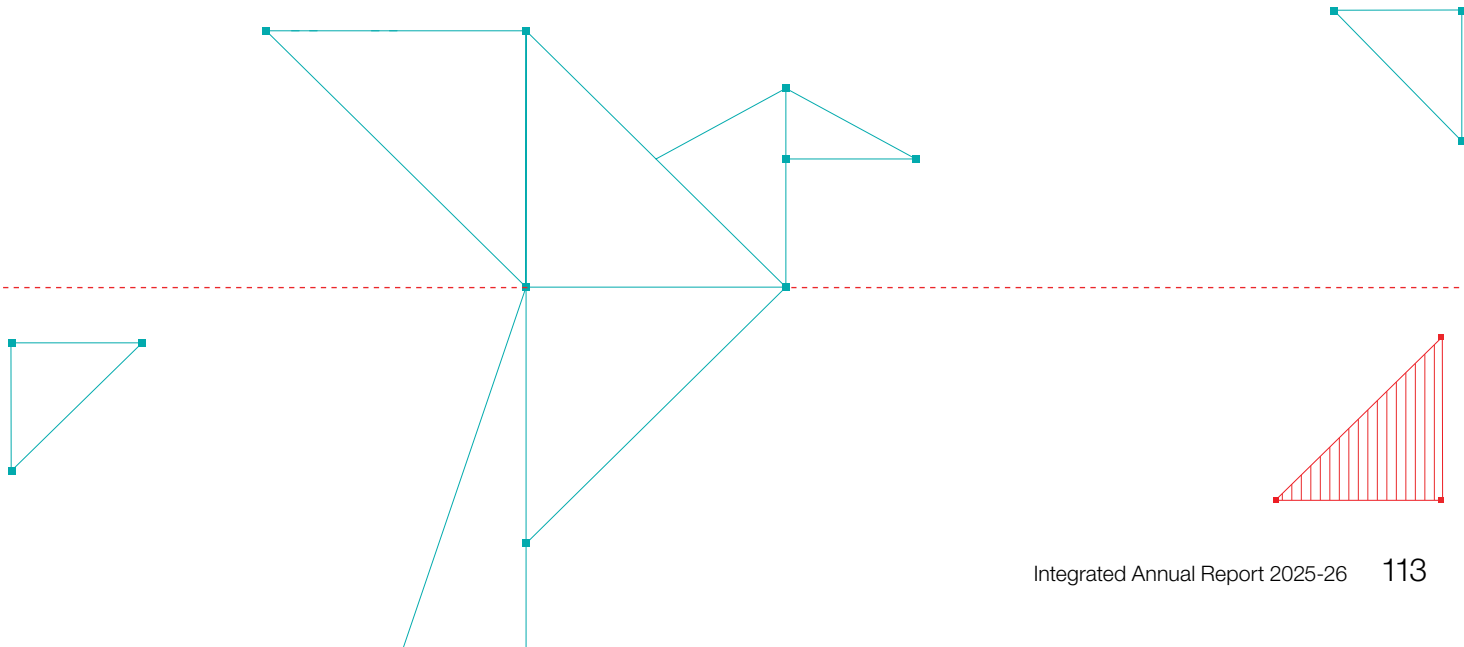
OUR TAX TRANSPARENCY APPROACH

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:

- **Compliances:** 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.
- **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 strive to maintain constructive, transparent relationships with tax authorities, ensuring smooth cooperation and transparency during audits.
- **Responsibility:** We acknowledge our responsibility to integrate environmental and social factors into our tax practices, creating long-term value for our stakeholders.
- **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:

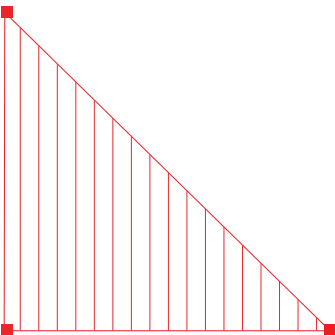
Risk Assessment: We continuously evaluate the impact of potential changes in tax laws, business activities, and compliance requirements.

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

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

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, 2025, to March 31, 2026, 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 Contribution**

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

Other Taxes & 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 Contribution**

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.

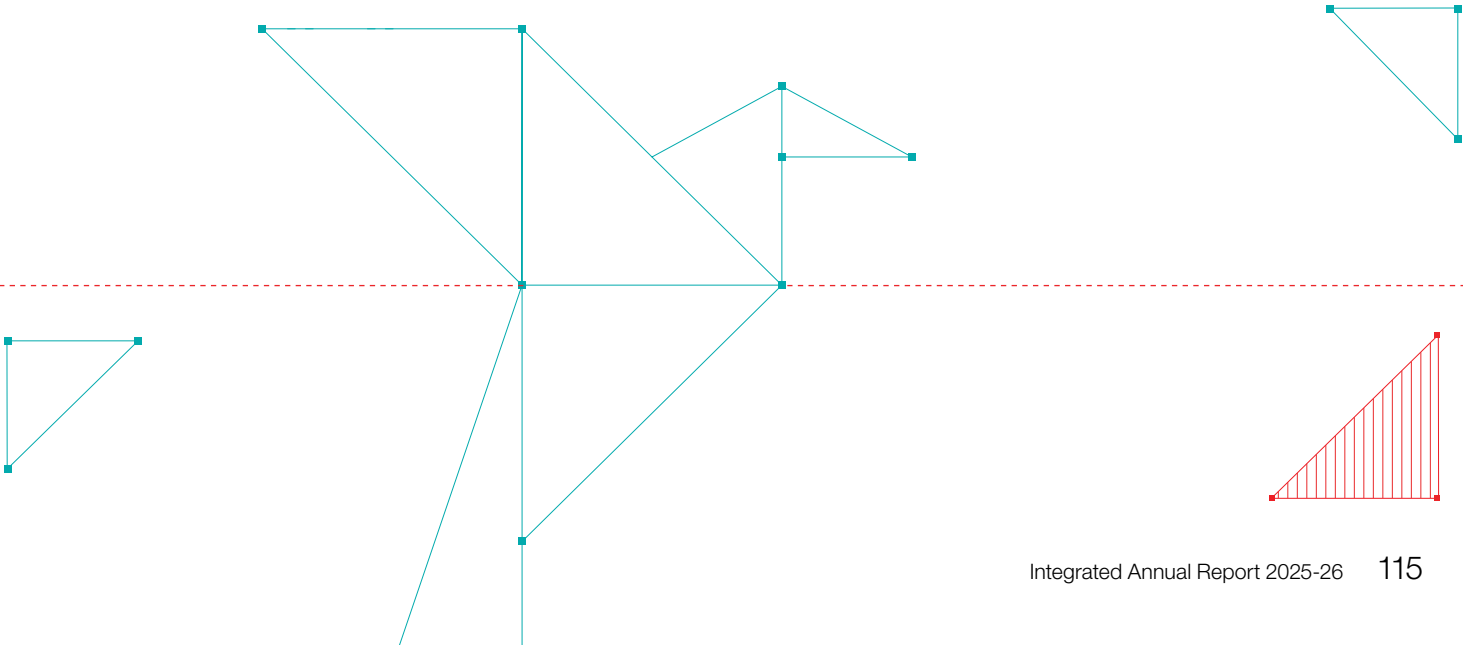
- **Other Contributions**

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.



Our Contribution to the Exchequer

Tax Category	Tax Contribution FY 2025-26 (₹ crores)
Direct Contribution (A)	2,162.28
Corporate Tax	
Corporate Income Tax (including surcharge & cess)	568.07
Other Taxes & Charges	
Stamp Duty	0.02
Property Tax/Municipal Tax	1.18
Water Charges including Water Cess and Water Tax as applicable	0.75
Indirect Taxes	
Goods and Services tax	1,549.93
Custom Duties	42.33
Indirect Contribution (B)	175.91
Withholding and Payroll Taxes	
Withholding taxes from vendor, customers, dealers & shareholders	87.65
Tax Collected at source for sales to customers	6.33
Withholding taxes collected from employees/payroll taxes	81.76
Professional Taxes	0.17
Other Contribution (C)	33.72
Provident Fund (PF)	21.76
Employee Pension Scheme	7.76
Employee State Insurance	0.54
National Pension Scheme	3.07
Deposit linked insurance	0.47
Contribution to welfare commissioner	0.13
Total (A+B+C)	2,371.93

Note: Numbers are rounded off to two decimal places

Public Policy Engagement

In line with the Advocacy Policy, the organisation maintains transparency around its industry association memberships and ensures alignment between its climate positions and those represented through such affiliations, supported by a structured assessment framework.

Supply Chain Management

Responsible and sustainable sourcing is a cornerstone of EKL's operations, reflecting its commitment to global ESG standards. Recognising the importance of sustainability in mitigating risks, strengthening reputation, and meeting stakeholder expectations, EKL evaluates the sustainability performance of its vendors through structured frameworks. These evaluations are undertaken in a phased manner, with a focus on key suppliers and critical value chain partners.

The Company is committed to the effective implementation of supplier ESG (Environmental, Social, and Governance) programmes, ensuring that the supply chain operates in line with its sustainability values. Oversight is defined at appropriate levels, with the Board of Directors providing strategic guidance and periodic review of sourcing practices, ensuring alignment with the Company's Supplier Code of Conduct and ESG expectations. EKL promotes responsible supplier engagement by preferring partners with strong ESG performance, integrating ESG considerations into supplier onboarding and evaluation processes, and enabling awareness through training for internal stakeholders.

During the year, EKL continued to build on its value chain ESG risk assessment framework initiated in the previous year, covering areas such as environmental compliance, labour practices, and ethical sourcing. Engagement efforts were undertaken with over 300 value chain partners, supported by targeted training sessions on ESG and BRSR Core concepts.

In addition, ESG assessments were conducted for approx 15% by value of selected key suppliers through a digital assessment tool, enabling structured evaluation of sustainability practices and identification of improvement areas. These efforts reflect a progressive approach towards strengthening responsible sourcing and enhancing supply chain resilience.

SDGs Impacted

SDG 9, SDG 12, SDG 16, SDG 17

Risks Addressed

- Financial
- Strategic
- Operational
- Compliance

Material Topics Impacted

- Product Quality & Safety
- Supply Chain Disruptions
- Supply Chain Audits
- Diversified Supply Chain
- Training & Audits

GRI Linkage

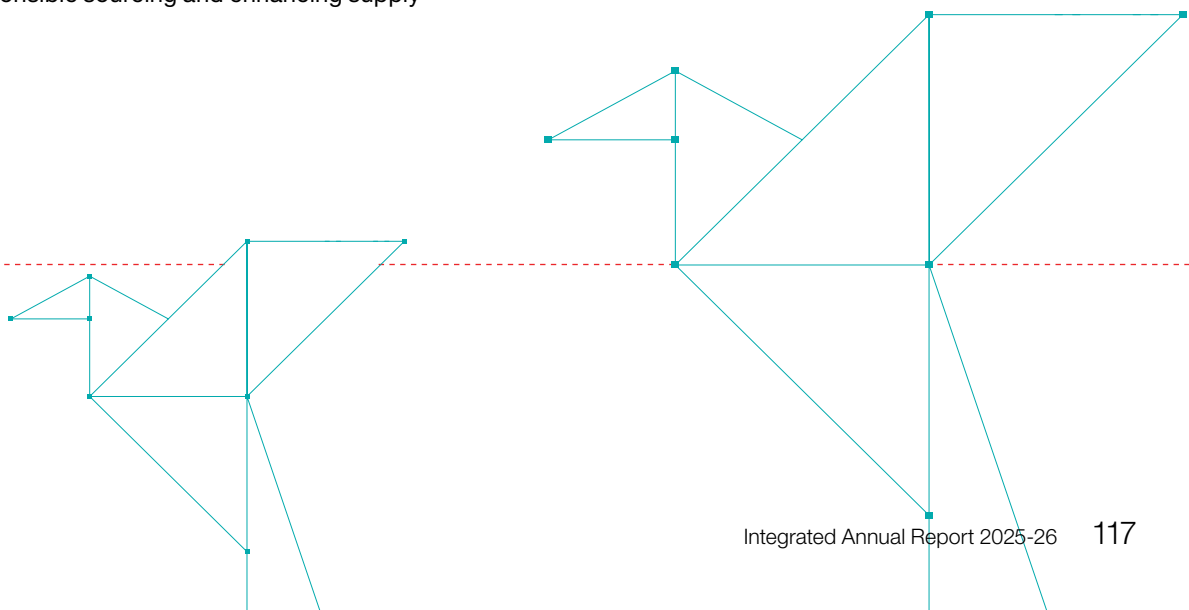
- GRI 308-1, 308-2, 414-1, 414-2

Capitals Impacted

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

Stakeholders Impacted

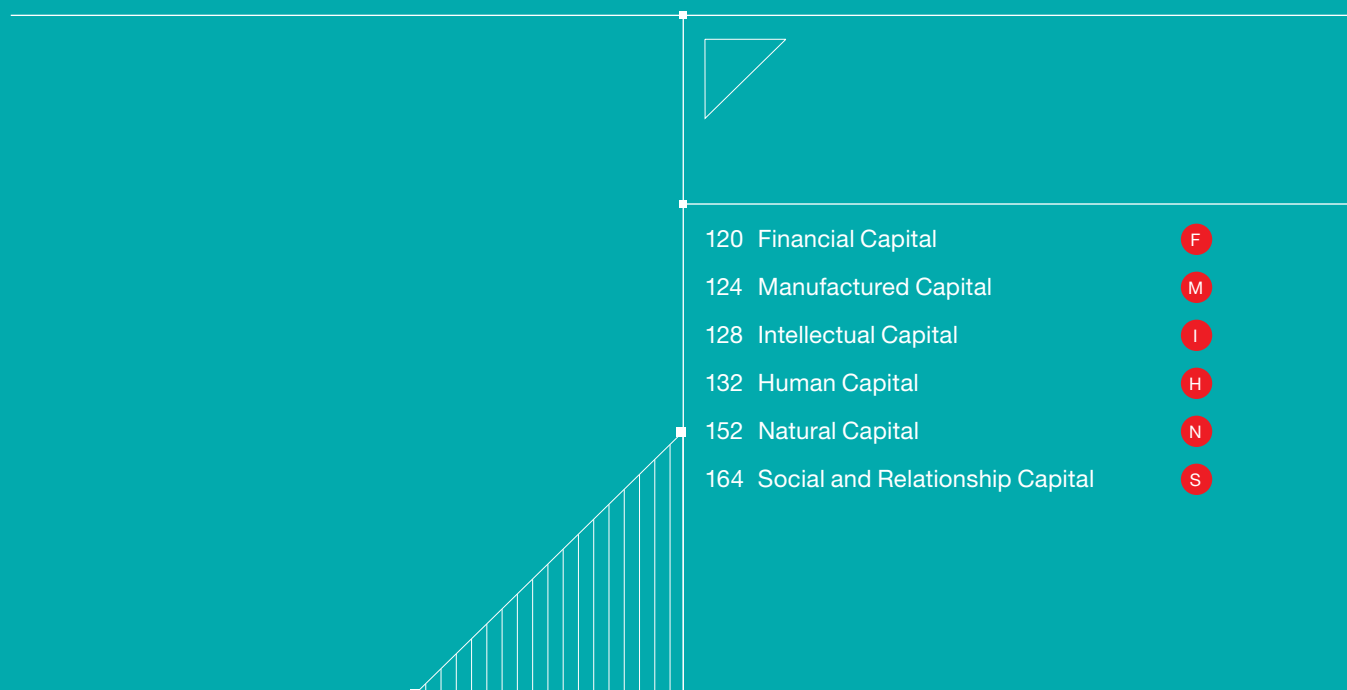
- Customers and Dealers
- Suppliers and Vendors
- Employees and Workers
- Government and Regulatory Authorities
- Investors and Financial Institutions





Capitals

The six capitals represent the resources and relationships that enable us to create value across our Agri Machinery and Construction Equipment businesses. Their effective management supports innovation, manufacturing excellence, customer-centricity, and responsible business practices, helping us strengthen competitiveness while contributing to agricultural productivity, infrastructure development, and sustainable growth.



Financial Capital at EKL is leveraged by a strong, net debt-free balance sheet and disciplined capital allocation to drive profitable growth and financial resilience. Through efficient capital deployment, cost optimisation, and strong cash flow management, we support innovation, enhance operational performance, and create sustained value for stakeholders.



Key Highlights of FY 2025-26*

₹12,037.1 crores
Total Income

13.2%
EBITDA Margin

14.8%
Return on Capital Employed

12.0%
PAT Margin

* Standalone continuing operations

Strategic Objectives

SO1 SO2 SO3 SO5

Capitals Impact

M I H N S

Risks Addressed

Financial
Strategic
Operational
Compliance-related

Material Topics Impacted

Financial Performance

GRI Linkage

GRI 201

Stakeholders Impacted

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

SDGs Impacted



Financial Management Approach

Our financial management approach is designed to drive resilient growth, operational efficiency, and long-term value creation. We focus on disciplined capital allocation, robust risk management, and strong cash flow generation to support sustainable business performance in a dynamic environment.

We prioritise enhancing productivity and capital efficiency while continuing to invest in innovation, digital capabilities, and customer-centric solutions. Our commitment to strong ESG performance remains integral to our financial strategy, reinforcing investor confidence and aligning with evolving stakeholder expectations.

Additionally, we focus on building and strengthening strategic partnerships with organisations that bring specialised expertise across critical areas of our business. This collaborative ecosystem enables us to accelerate innovation, optimise resource utilisation, and strengthen our foundation for sustainable and profitable growth.

We maintain a strong focus on financial discipline through continuous improvement in key return metrics such as Return on Capital Employed (ROCE) and Return on Equity (ROE), alongside optimisation of the working capital cycle to ensure efficient liquidity management.

Business Highlights

For the fiscal year ended March 31, 2026, the Company delivered a strong financial performance. Total Income from continuing operations stood at ₹12,037.08 crores for FY 2025-26, registering a growth of 13.1% over ₹10,645.35 crores in the previous year. EBITDA from continuing operations increased by 28.5% to ₹1,513.0 crores, compared to ₹1,177.8 crores in the prior year. Earnings Per Share (EPS) from continuing operations at ₹125.52, up by 24.3% as compared to ₹100.96 in the previous fiscal.

Standalone Profit After Tax (PAT) from continuing operations rose to ₹1,381.0 crores, reflecting a growth of 24.4% over ₹1,110.0 crores in the previous fiscal. Net Profit after tax including discontinued operations came at ₹2,408.6 crores as against ₹1,250.9 crores in the previous year. This substantial increase was primarily driven by a one-time gain on the sale of discontinued operations. Correspondingly, standalone Earnings Per Share (EPS) at ₹218.93, up by 92.4% compared to ₹113.77 in the previous fiscal. Economic Value Retained during the year at ₹1,272.50 crores.

Overall, this strong performance positions FY 2025-26 as a landmark year for the Company. While the overall profitability reached an all-time high, it was supported in part by the one-time exceptional gain, alongside solid growth in continuing operations.

Economic Value Creation in FY 2025-26 (₹ crores)

Particulars	FY 2025-26	FY 2024-25	FY 2023-24
Direct Economic Value Generated:			
Revenue from Sales	11,318.23	10,023.37	9,549.96
Revenue from Financial Investments and Other Sources	718.85	621.98	572.26
Total (A)	12,037.08	10,645.35	10,122.22
Economic Value Distributed			
Operating Costs	9,132.39	8,232.10	7,885.01
Employee Wage and Benefits	802.24	755.87	687.56
Interest Payment Made to provider of loans	18.91	27.03	38.78
Dividend to all shareholders	396.07	305.46	75.84
Payments to government	394.89	275.75	269.11
Community Investments	20.08	16.42	17.57
Total (B)	10,764.58	9,612.63	8,973.87
Economic value retained (A-B)	1,272.50	1,032.72	1,148.35

Employee Welfare Contribution

We contribute to provident fund and gratuity schemes in line with statutory requirements to support employee compensation and long-term benefits. The table below presents details of these contributions for the year under review, along with comparative figures for the preceding two financial years.

Details of Contribution to Defined Benefit Schemes	FY 2025-26	FY 2024-25	FY 2023-24
Contribution to Provident Fund	29.53	28.83	27.06
Contribution to Superannuation Fund	-	-	-
Contribution to the National Pension Scheme	-	-	-
Contribution to Gratuity Fund*	11.41	12.93	10.85
Others	0.98	0.92	0.89

*Excluding New Wage Code Impact

Strategic Capital Allocation Strategy

Our capital allocation strategy focuses on driving sustainable growth and long-term value creation. For the upcoming year, ₹300-350 crores have been committed towards capital expenditure for new product development in the agriculture and construction segments, and towards strengthening and upgrading manufacturing capabilities. This targeted approach is expected to enhance innovation and improve operational efficiency.

In addition, EKL has initiated the development of a greenfield manufacturing facility in Uttar Pradesh, for which land

has been allocated by the State Government, subject to receipt of necessary approvals and clearances. The project envisages an estimated investment of over ₹2,500 crores (including direct and indirect investments) and will be implemented in phases over the next three to four years, supporting future capacity expansion and driving innovation.

Overall, the Company's capital allocation approach remains focused on strategic investments that enhance operational capabilities, improve efficiency, and create sustainable long-term value for stakeholders.

Dividend Announcement for FY 2025-26

In keeping with our focus on delivering long-term value, we are pleased to announce a total dividend of ₹51 per equity share for FY 2025-26, based on a face value of ₹10. This represents a new benchmark in the Company's eight-decade history.

The payout includes a special dividend of ₹18 per equity share already disbursed during the year and a proposed final dividend of ₹33 per equity share. This strong distribution reflects our robust financial performance and reaffirms our consistent commitment to rewarding our investors.

"Our strong financial discipline and strategic execution enabled us to deliver robust growth during the year, supported by improved operational efficiencies and sustained demand across our core business segments. Our continued focus on portfolio optimisation and strategic business restructuring further strengthened profitability and capital efficiency. We remained committed to enhancing shareholder value through consistent returns and prudent capital allocation decisions. Backed by ongoing investments in capacity expansion, innovation, and sustainability, we are well-positioned to drive long-term value creation and sustain profitable growth."

Manufactured Capital at Escorts Kubota are strengthened through targeted investments in advanced technologies, automation, and efficient processes. Our focus on optimal capital utilisation, supply chain resilience, and resource efficiency enables us to enhance productivity while addressing evolving market needs and sustainability priorities.

By continuously improving asset performance and lifecycle management, we are reinforcing our global competitiveness and supporting long-term growth.



Key Highlights of FY 2025-26

7

Total Number of Plants

1,31,594

Tractors Produced

4,740

Construction Equipment Produced

Strategic Objectives

SO1 SO2 SO3

Capitals Impact

F I H N S

Risks Addressed

Macro-economic and Market Risk
Operational Risk
Safety Risk
Community Risk
Supply Chain and
Commodity Risk
Environment/Climate
Change Risk
Regulatory Risks
ESG and Climate-related
Regulatory Transition Risk

Material Topics Impacted

Product Responsibility
& Association
Resource Efficiency
Sustainable Products
Energy Efficiency
Emission Management

GRI Linkage

GRI 2,3,4,5,6

Stakeholders Impacted

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

SDGs Impacted



Strengthening Our Manufacturing Ecosystem

We continue to strengthen our manufacturing footprint with a focused approach on operational excellence, capacity enhancement, and technology-driven processes across our two core business divisions—Agri Machinery and Construction Equipment. Our manufacturing strategy is aligned with our long-term growth ambitions, enabling us to deliver high-quality, efficient, and reliable products to meet evolving customer and market needs.

Agri Machinery Business Division

Our Agri Machinery division remains the backbone of our manufacturing operations, supported by a strong portfolio of technologically advanced tractors, implements, and components. These products are widely recognised for their durability, efficiency, and performance in diverse agricultural conditions.

We operate multiple manufacturing facilities in India, complemented by our international assembly presence in Europe, enabling us to cater to both domestic and global markets. The integration of advanced manufacturing processes, automation, and Kubota's global expertise has significantly enhanced our production capabilities and product quality.

Our continued focus on innovation, localisation, and precision manufacturing enables us to deliver value-driven solutions to farmers while improving operational efficiencies and cost competitiveness.

The Agri Machinery division contributed 85% to total revenue during the year, maintaining its position as the primary driver of manufacturing output.

Non-tractor businesses—including agri solutions, engines, services, and spare parts—enhanced resilience, stability, and earnings quality. A three-tier brand strategy addressed value, mid, and premium segments, supported by expanded distribution and stronger customer outreach to balance regional demand.



Construction Equipment Business Division

Our Construction Equipment division plays a key role in supporting infrastructure and industrial development. We manufacture a range of high-performance equipment including cranes, hydra cranes, and compactors, designed to meet the demanding requirements of the sector.

This division operates through a modern, integrated manufacturing facility in Haryana, equipped with advanced production technologies and quality control systems. Our emphasis on design efficiency, reliability, and safety ensures that our products meet evolving regulatory and customer expectations.

We continue to enhance manufacturing processes through digitisation, improved product engineering, and lean practices to drive productivity and responsiveness to market demand.

The Construction Equipment division contributed 15% to overall revenue/manufacturing output during FY 2025–26.

Advancing Capacity and Future Readiness

In line with our long-term growth strategy, we are progressing towards the development of a large-scale, next-generation manufacturing facility in North India. This integrated and highly automated facility is being designed to consolidate multiple manufacturing processes, enhance efficiencies, and support future product expansion.

The proposed facility will strengthen our ability to scale production, improve supply chain integration, and serve both domestic and global markets more effectively. It reflects our commitment to building future-ready manufacturing capabilities aligned with global standards.

Operational Excellence and Quality Assurance

We maintain a strong focus on quality, safety, and environmental stewardship across all manufacturing operations. Our facilities operate under globally recognised management systems, ensuring consistent adherence to best practices in:

**ISO 14001:2015 for
Agri Machinery**



**ISO 45001:2018 for
Agri Machinery**



**ISO 45001:2018 for
Construction Equipment**



**ISO 14001:2015 for
Construction Equipment**



**ISO/IEC 27001:2022 for
Information Security
Management System**



Our rigorous testing protocols, continuous process improvements, and adoption of advanced manufacturing technologies enable us to deliver reliable, high-performance products while ensuring workplace safety and operational sustainability.

Driving Sustainable Manufacturing

Sustainability remains integral to our manufacturing philosophy. We are actively working towards improving energy efficiency, increasing the share of renewable energy, reducing emissions, and optimising resource utilisation across our facilities.

Through continuous investments in cleaner technologies and sustainable practices, we aim to build environmentally responsible manufacturing operations while enhancing long-term value creation.

Outlook

As demand for mechanisation and infrastructure development continues to grow, we remain focused on strengthening our manufacturing capabilities through innovation, digitalisation, and strategic investments. Our partnership with Kubota further enhances our access to global technologies and best practices.

With a strong foundation in manufacturing excellence and a clear roadmap for expansion, we are well-positioned to support future growth while delivering superior value to customers and stakeholders.

Intellectual Capital at EKL continues to be the cornerstone of our ability to innovate, adapt, and create enduring value. In FY 2025-26, we have strengthened our focus on integrating knowledge, digital intelligence, and customer insights to drive next-generation product development and operational excellence.



Key Highlights of FY 2025-26

₹207.12^{*} crores
R&D Investment

1

Patents Granted

23

Designs Granted

8

Trademarks Granted

^{*}Including capex excluding depreciation

Strategic Objectives

SO1 SO5

Capitals Impact

F I H N S

Risks Addressed

Information Technology/
Cybersecurity Risk

Material Topics Impacted

Product Responsibility
& Association

GRI Linkage

GRI 401, 413

Stakeholders Impacted

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

SDGs Impacted



New Product Introduction Programme (NPIP)

Building on our NPIP, we have enhanced our innovation ecosystem through deeper collaboration across R&D, manufacturing, and customer-facing teams. This integrated approach enables faster prototyping, improved product customisation, and superior lifecycle performance while maintaining cost efficiency.

Our ongoing investments in advanced engineering, automation, and data analytics have further strengthened our ability to convert knowledge into actionable outcomes. By leveraging digital tools and smart design methodologies, we are creating solutions that are not only high-performing but also aligned with sustainability and ESG principles.

We continue to foster a culture of continuous learning and knowledge-sharing, empowering our teams to develop innovative processes, secure intellectual property, and deliver differentiated products. This has enabled us to build a resilient and future-ready innovation framework that responds effectively to evolving market needs.

Through this strategic focus on intellectual capital, EKL remains committed to delivering value-driven innovation, reinforcing our position as a responsible and forward-looking organisation.

Accelerating Smart, Sustainable & Application-led Innovation

In FY 2025-26, we strengthened our innovation pipeline with a sharp focus on application-led tractor development, delivering solutions tailored to regional and segment-specific needs. A key highlight was the launch of the Powertrac Shaurya series, a dedicated 'South Special' tractor platform engineered for wetland paddy cultivation. Designed for waterlogged conditions, the range brings enhanced durability, manoeuvrability, and operational efficiency to one of India's most mechanisation-intensive farming regions.

We also continued to expand our segment coverage through platform-led innovations, including the introduction of newer models in the mid-horsepower category such as the Kubota MU4201, offering improved comfort, versatility, and premium engineering in the 41–44 HP segment.

Alongside, our ongoing efforts across digital-first tractor platforms like Digitrac and advancements across Farmtrac and Powertrac portfolios reflect our commitment to building a comprehensive, future-ready tractor ecosystem.

Building on this momentum, we advanced our focus on intelligent, connected, and sustainable product ecosystems across construction equipment. By integrating telematics, machine controls, and advanced safety systems, we are enabling real-time insights, predictive performance, and enhanced customer decision-making.

A key milestone during the year was the transition to TREM V emission-compliant construction equipment, reinforcing our commitment to environmental responsibility while enhancing machine efficiency, operator safety, and digital control systems.

In Construction Equipment we unveiled our next-generation construction equipment portfolio, including the Kubota U22-6 mini excavator, BLX 75 with EKL Engine, BLX75K backhoe loader prototype, Hydra 15 Mining variant, and the Hydra 72 crane concept—each engineered for application-specific productivity, reduced total cost of ownership, and improved lifecycle performance.

Reimagining Regional Mechanisation: Powertrac Shaurya

In FY 2025-26, we launched the Powertrac Shaurya series, a 'South Special' tractor platform tailored for wetland paddy cultivation.

Designed for key southern markets, the series spans 39 HP to 52 HP and incorporates features such as sealed aggregates for water resistance, compact manoeuvrability, and versatile PTO configurations ensuring reliable performance in waterlogged conditions.

By aligning engineering with crop-specific and regional requirements, Shaurya represents a shift towards precision-led, application-driven mechanisation.

Expanding Tractor Platforms with Targeted Innovation

We further strengthened our tractor portfolio with segment-focused product development.

The introduction of the Kubota MU4201 in the 41–44 HP segment positioned as a premium, yet accessible solution enhances our offering with superior comfort, versatility, and advanced engineering.

This was complemented by continued advancements across Farmtrac and Powertrac platforms, enabling broader coverage across premium, entry-premium, and value segments.

Strengthening Global Design and Engineering Capabilities

Our Global Design Centre continues to scale as a strategic hub supporting Kubota's global innovation initiatives. With expanding capabilities across engineering, simulation, and product development, the centre is accelerating design cycles and strengthening cross-border collaboration.

Over time, this capability will play a pivotal role in delivering globally benchmarked products tailored for diverse markets.

Driving Innovation in Agriculture Solutions

In Agri-solutions, we continued to advance mechanisation through precision-led and crop-focused technologies.

Our collaboration with Kubota Japan remains central to co-developing implements and platforms suited to Indian conditions, while partnerships with agricultural institutions and model farms are helping drive mechanisation awareness, skill development, and adoption of best practices.

Building Predictive Ecosystems in Services & Spare Parts

We are transitioning towards predictive service models by combining IoT-enabled devices with advanced data analytics. Leveraging real-time machine data alongside historical service records, we are enhancing fault prediction, parts availability, and service readiness.

This shift is reducing downtime, improving operational efficiency, and enabling a more seamless customer experience.

Advancing Future-ready and Sustainable Power Technologies

We continue to invest in clean, intelligent powertrain solutions to support decarbonisation and long-term sustainability. We are evaluating next-generation technologies, including alternative fuels.

Leveraging Kubota's global advancements, our focus remains on improving energy efficiency, reducing lifecycle emissions, and enhancing resource optimisation, while introducing these technologies in line with market readiness and evolving environmental regulations.

Serving Smarter, Faster and Sustainably through Digital Platforms

We are transforming customer service through AI-led, digitally connected ecosystems that enable faster, more efficient, and resource-optimised support at the customer's doorstep.

Our Humdum App and platforms like Serve Geni enable seamless service access, real-time tracking, and rapid connection with nearby service partners—minimising travel, reducing fuel consumption, and improving service turnaround.

By leveraging AI and advanced analytics, we are transitioning to predictive service models that enhance machine uptime, optimise parts usage, and reduce waste across the service lifecycle.

Through these initiatives, we are building a connected, responsive, and environmentally responsible service ecosystem that delivers superior customer experience while supporting our ESG commitments.

Human Capital forms the foundation of our long-term success. At EKL, we are committed to strengthening the employee lifecycle through strategic talent acquisition, continuous capability development, and performance-driven practices. By fostering an inclusive, equitable, and supportive workplace, while prioritising employee well-being and future-ready skills, we seek to build a resilient, agile, and high-performing workforce that supports our growth ambitions and creates lasting value.



Escorts Kubota





a Limited

Key Highlights of FY 2025-26

85%
Employee Engagement Score

8.74%
Gender Diversity (Employee Category)

84%+
Middle Management and Above Positions Filled Internally

100%
Unionised permanent workforce covered under collective bargaining agreements

Strategic Objectives

SO4

Capitals Impact

F S I N M

Risks Addressed

Operational Risk
Compliance Risk
Financial Risk
Strategic Risk

Material Topics Impacted

Employment
Diversity & Inclusion
Operations Environment, Health & Safety
Resource Efficiency
Value, Ethics & Compliance

GRI Linkage

GRI 401, 402, 403, 404, 405, 406, 407, 408, 409, 410

Stakeholders Impacted

Employees and Workers
Government & Regulatory Authorities

SDGs Impacted



Nurturing Talent Through Strategic Initiatives

Our talent management strategy for FY 2025-26 builds firmly on the foundation set in earlier years. 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, Thailand, North America and Europe. These engagements foster continuous improvement and skill upgradation. Learning sessions on 'On Your Side' and 'Indo-Japanese Culture' enable the understanding of different cultures and 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. Our 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 2025-26, we intensified our focus on building a diverse and inclusive workplace, with particular emphasis on women and young talent. Gradually, we have increased the intake of young professionals from campuses, along with improving gender diversity achieving more than 40% female representation within this group, supporting the company's focused efforts towards enhancing women's participation in operational role. Overall gender diversity among permanent and contractual white-collar employees improved from 8.0% to 8.74%.

Diversity Indicator	Percentage
Share of women in total workforce (as % of total workforce)	3.7%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	6.8%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	7.9%
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)	2.6%
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.)	4.6%
Share of women in STEM-related positions (as % of total STEM positions)	6.2%

Nationality		
Indian	Japanese	Polish
15,854	43	51*

*FTES Poland is included under consolidated reporting

Our approach to empowering women in the workplace is anchored on three key pillars:

Building Confidence

Nearly 80% of the women who participated in Women's leadership development programme have progressed into higher roles or taken on new responsibilities.

Empowering Courage

Accelerated Capability advancement platforms like UDAAN and EKCAP 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.

Employee Diversity

EKL reports its workforce across categories including permanent, fixed-term, and contractual employees, along with key diversity indicators such as gender, age and geographies.

This classification helps provide a clear view of workforce composition and supports monitoring of diversity, inclusion, and workforce planning across the organisation.



Particulars	Total(A)	Male		Female	
		No.(B)	%(B/A)	No.(C)	%(C/A)
Employees					
Permanent (D)	3,391	3,159	93.16	232	6.84
Other than Permanent (E)	1,049	893	85.13	156	14.87
Total Employees (D + E)	4,440	4,052	91.26	388	8.74
Workers					
Permanent (F)	932	927	99.46	5	0.54
Other than Permanent (G)	10,525	10,324	98.09	201	1.91
Total Workers (F + G)	11,457	11,251	98.20	206	1.80

Category	<30 Years		30-50 Years		>50 Years		Grand Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior Management	-	-	40	1	35	1	75	2
Middle Management	-	-	473	16	115	1	588	17
Junior Management	575	118	1,867	89	54	6	2,496	213
Other Employees	431	94	420	61	42	1	893	156
Permanent Workmen	22	-	607	-	298	5	927	5
Other Workmen	6,598	165	3,328	34	398	2	10,324	201
Total	7,626	377	6,735	201	942	16	15,303	594

Category	<30 Years		30-50 Years		>50 Years	
	Male	Female	Male	Female	Male	Female
Employees	1,006	212	2,800	167	246	9
Workers	6,620	165	3,935	34	696	7
Total Employees (D + E)	7,626	377	6,735	201	942	16

Board Diversity

Board Diversity	Male	Female
<30 Years	0	0
30-50 Years	0	0
>50 Years	13	3

Average Tenure of Board Members

5.5 years

Case Study

Diversity & Inclusion Strategy FY 2025-2026

Title:

Advancing Inclusion through Equal Opportunity and Representation

Overview:

EKL continues to invest in building an inclusive workplace where every individual feels respected and empowered. Focused initiatives on women and early career talent have improved workforce diversity and strengthened the leadership pipeline. Structured programmes, equal opportunity practices, and supportive infrastructure like crèche facilities reinforce EKL's commitment to inclusion and work-life balance.

Key Results:

- Campus Hires Contribution: 14.67% of FY 2025-26 intake
- Female Representation in Early Career Talent: 48%+
- Improvement in Gender Diversity (White Collar - Permanent & Contractual): +8.74%
- Women Leadership Advancement (UDAAN Programme): 80% participants progressed

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 right balance of young and experienced talent, nurturing existing employees, and fostering an inclusive, engaging environment where everyone can thrive.

We believe in growing our people from within. Over 84%+ of middle management and above roles were filled internally in FY 2025-26. 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 Programme for campus hires has been instrumental in helping them transition smoothly into their job roles.

EKL continues to strengthen its position as an employer of choice by prioritising local hiring, inclusive recruitment, and capability development, ensuring a skilled and regionally integrated workforce aligned with business and community needs.

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 1.2% 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 ~85%, reflecting strong employee involvement and satisfaction.

New Joinee Details

Employee Category	FY 2025-26			FY 2024-25		
	Male	Female	Total	Male	Female	Total
Senior Management	7	-	7	4	-	4
Middle Management	54	-	54	56	-	56
Junior Management	507	66	573	534	72	606
Permanent Workers	2	-	2	2	-	2

Age Category of New Joinee

Age	Male	Female	Total
<30 Years	219	58	277
30-50 Years	342	8	350
>50 Years	9	-	9

EKL continues to strengthen its human capital framework through responsible recruitment, early talent development, future-ready capabilities, and improved diversity outcomes. Recruitment follows a formal, transparent, and non-discriminatory policy across campus and lateral hiring, with all decisions based on functional competencies, qualifications, and role fit anchored in structured evaluation processes.

Diverse sourcing channels, bias-free role design, and transparent assessment mechanisms ensure consistency, objectivity, and equal opportunity for all candidates, irrespective of gender or background. Early talent continues to be a key strategic pillar, bringing innovation, digital fluency, and adaptability to support long-term organisational resilience.

Campus hiring is a strategic channel to enhance workforce diversity, particularly gender representation, while maintaining a merit-based and competence driven selection approach. Over the past two years, EKL has onboarded an average of 80+ graduates annually, with female representation increasing from 42% in FY 2024-25 to 48%+ in FY 2025-26.

Campus Outreach is designed to attract a diverse and balanced talent pool across Bachelor's and Master's

programmes across core engineering disciplines— Mechanical, Agricultural, Electronics & Communication, Industrial & Production, Computer Science, Metallurgy, and HSE. Hiring for functional domains including Marketing, Agribusiness, Finance, HR, and Operations ensures strong integration of technical and domain expertise.

To support sustainable talent development, EKL has implemented a structured one-year early career capability building programme covering onboarding, campus-to-corporate transition, technical and product training, mentorship, cross-functional exposure, and continuous learning. This enables employees to build strong technical foundations, business understanding, and practical skills, creating a robust and future ready talent pipeline.

EKL continues to build a future-ready workforce through inclusive recruitment practices, competency-driven hiring, targeted campus engagement for improved diversity, inclusive and supported equitable talent management systems. These efforts are supported by digital onboarding, feedback mechanisms, and engagement platforms, enabling employees to contribute effectively from the outset while strengthening long-term organisational capability and performance.

Workforce Turnover (including VRS, Retirement, Death, Repatriation, and Contract End)

Employee Turnover	<30 Years		30-50 Years		>50 Years	
	Male	Female	Male	Female	Male	Female
Senior Management	0	0	2	0	5	0
Middle Management	0	0	34	0	13	1
Junior Management	107	26	250	2	9	0
Permanent Workers	0	0	3	0	78	-

Attrition Rate (%)	FY 2025-26	FY 2024-25
Permanent Employees	13.6%	17.4%
Permanent Workers	8.3%	7.1%

Pay Equity

EKL discloses pay equity indicators in line with GRI and BRSR requirements, including **mean and median gender pay gap across employee levels**. This helps assess fairness and consistency in compensation practices across the organisation.

Gender Pay Indicators (in Health & Wellness)

Employee Level	Average Women Salary	Average Men Salary
Executive level (base salary only)	-	32,76,949
Executive level (base salary + other cash incentives)	-	1,22,40,939
Management level (base salary only)	3,98,477	4,98,456
Management level (base salary + other cash incentives)	11,78,244	16,19,703
Non-management level	13,20,889	11,57,671

*Less than 5 employees so the data is not shared

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 social security to work-life balance and inclusive practices, our benefits framework is designed to support our employees holistically. We periodically benchmark against industry standards and refine service conditions and benefits framework based on employee feedback and evolving workforce needs.

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.

Parental Support and Childcare Facility

We support women employees through their motherhood phase by providing maternity leave as outlined in the Maternity Benefit Act. We have established a comprehensive wellness framework to support through reserved parking places for expecting mothers, health awareness session, medical insurance cover, creche facility with lactation facilities. HR policy supports the flexible work arrangements including remote options for all employees, employee HR policy support and flexible work arrangements including remote options. These provisions are designed to help our employees balance their personal and professional responsibilities with greater ease.

Employee Support Programmes, Health & Sports Initiatives

EKL has institutionalised structured processes to promote preventive healthcare and holistic employee wellbeing. We have deployed a digital health portal for seamless management of annual health checks helping employees access the benefits seamlessly. Regular health and wellness webinars and interactive sessions are conducted by qualified professionals on various areas including stress management, nutrition and fitness, mental health awareness.

All the Employees are covered under comprehensive insurance plans including medical, accident as well as term life insurance plans, ensuring the access to quality medical care whenever required and psychological safety in times of need.

Regular sports activities are organised across functions, encompassing both indoor and outdoor disciplines such as chess, carrom, badminton, volleyball, and cricket tournaments. Participation is encouraged across all employee categories, promoting inclusivity and engagement.

Feedback from employees indicates that these initiatives are highly valued, as they provide opportunities for relaxation, team bonding, and informal interaction beyond the workplace. Employees have highlighted that such activities help strengthen cross-functional relationships, enhance collaboration, and contribute to a positive and cohesive work culture.

Collective Bargaining

We uphold the right to freedom of association and collective bargaining. Structured monthly meetings between employee relations team and union representatives ensure transparent dialogue, continued engagement and timely concern addressal. Senior management remains actively involved in these interactions, resolving concerns swiftly and nurturing a workplace built on mutual respect and collaboration.

Employees and Workers Covered under Collective Bargaining Agreements

100%

FY 2025-26	Maternity Leave*
No. of employees entitled to parental leave	594
No. of employees that took parental leave	10
No. of Employees who returned to work after the leave	14
No. of employees still employed 12 months after returning	2
Return to Work Rate (%)	100.00%
Retention Rate (%)	50.00%
No. of employees who took parental leave in FY 2024-25	10

* All category of employees

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.



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.

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 that 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 strengthens retention and helps embed safety awareness into everyday work.

Continuous Evaluation and Improvement: Regular assessments are conducted to evaluate health and safety practices, with plant-level EHS teams maintaining detailed records. This ongoing monitoring helps us identify gaps and enhance our safety framework.

Safety Observation Tours: Routine safety observation tours are carried out at our facilities to verify compliance and encourage the consistent application of safe behaviours.

Management Visits: Senior leaders regularly visit sites to reinforce safety norms and ensure that every workplace remains secure and compliant.

Reward Systems: We operate an incentive system that recognises the reporting of open cases and near-miss incidents, motivating employees to remain vigilant and proactive in maintaining safety standards.

Managerial Training: Our managerial workforce accesses targeted training through the digital E-Star platform, covering key subjects such as Personal Protective Equipment (PPE) usage and compliance.

Safety Metrics

Description	FY 2025-26	FY 2024-25
The number of fatalities as a result of work-related injury	0	0
The rate of high-consequence work-related injuries (excluding fatalities) LTIFR: Lost Time Injury Frequency Rate	0.03	0.05
The number of recordable work-related injuries	1	2
High consequence work-related injury or ill-health (excluding fatalities)	0	0



Employee Engagement

EKL has institutionalised multiple structured engagement and communication mechanisms to ensure transparency, alignment, and employee voice. Leadership connect forums, town halls, focused group discussions, and 1:1 HR interactions ensure strong continuous listening architecture across the employee lifecycle. Digital first communication through engagement platform covering pre-joining and onboarding surveys and 30-day and 90-day structured check-ins enable real time access and connectivity. We have also strengthened the adoption of data-driven engagement through BI dashboards, fortnightly sentiment tracking tools and real time communication through WhatsApp-enabled HR connect platform. These mechanisms enable proactive identification of concerns and timely interventions to improve employee experience and reduce early attrition.

EKL conducts periodic employee engagement surveys to assess workplace sentiment and overall organisational health. The **engagement score 85% and response rate (90%+)** are tracked to measure participation and satisfaction levels.

Results are benchmarked against industry standards, and key qualitative themes are analysed to identify areas of strength and improvement, supporting continuous enhancement of employee experience.

Case Study

Employee Engagement Strategy FY 2025–2026

Title:

**Strengthening a High-Trust,
High-Engagement Workplace**

Overview:

Escorts Kubota Limited continues to foster a workplace where employees feel valued, inspired, and empowered, as reflected in its certification as a Great Place to Work® for two consecutive years by Great Place To Work® India. With employee satisfaction consistently above 80% for three consecutive years and participation crossing 90%, the organisation demonstrates a strong culture of trust and engagement.

Key Results:

- Employee Satisfaction: Above 80 for three consecutive years
- Participation Rate: Over 90%
- Code of Conduct Training Participation: 99%



Continuous improvement is powered by everyone. EKL promotes a participative and innovation-driven work environment through centralised digital portals for idea management—formal Suggestion Schemes open to all employees, including frontline and contractual workforce and the Quality Circles framework to translate ideas into measurable outcomes. These initiatives foster ownership, transparency, collaborative problem-solving and shared purpose as we shape EKL's future together.

Recognition and appreciation is more than practice at EKL, it's part of who we are. Our digital, in-house Rewards & Recognition platform makes it easy to recognise each other in real time, turning everyday appreciation into a shared tradition. Adding to this, our Excellence Awards, now in its fifth successful year, continue to celebrate team achievements and bring our cultural DNA of 'On Your Side' to life. Embedding organisational values through continuous recognition practices and institutionalisation of performance-linked recognition platforms have helped us continuously steer the organisation culture and performance ahead.



Engagement and Participation for Safer Workplace

- EKL promotes active employee participation in health and safety through toolbox talks, daily safety briefings, safety observation tours, management safety visits, road safety training programmes, and on-the-job training sessions. These programmes are designed based on structured Training Need Identification (TNI) assessments conducted with EHS teams, line managers, and factory heads to align training with workplace safety and operational requirements.
 - Dedicated communication channels, including WhatsApp groups, are used for timely safety updates and awareness. The Company also encourages proactive reporting of near misses and potential hazards to strengthen preventive safety culture across operations.
 - Safety committees with worker and union representation support collaborative decision-making and on-ground safety management. Employee-driven Kaizen initiatives further promote continuous improvement in workplace safety, operational practices, and hazard identification.
- a) Documentation of safety meetings:
'Minutes of Meetings (MoMs) for safety committee reviews and engagement sessions are systematically documented to track follow-ups'
- b) Healthcare infrastructure details:
- Presence of Occupational Health Centres (OHCs)
 - Availability of on-site ambulance facilities
- EKL also conducts regular health check-ups led by qualified medical professionals to support employee well-being and early identification of health risks. Health and wellness communication is delivered in regional languages to improve accessibility and participation.
 - Aligned with its 'Zero Health Hazard' objective, EKL conducts regular safety reviews and OHS impact monitoring through a centralised Management Information System (MIS), enabling timely corrective actions and continuous improvement across operations.
 - EKL follows a structured approach to identify work-related hazards and assess risks across routine and non-routine activities through defined processes such as Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA) for critical tasks, structured incident reporting and investigation, and Management of Change (MOC) assessments prior to operational changes.

OHS Training & Awareness

EKL reports OHS training coverage using both an all-employee approach and a structured module-based system to capture safety training across different roles and functions. This combined methodology provides a more complete view of training participation and ensures consistent monitoring of occupational health and safety learning across the organisation.

OHS Training Related Data	FY 2025-26	FY 2024-25
Employees Trained for OHS (%)	56.94%	22.84%
Workers Trained for OHS (%)	97.21%	35.72%

Note: Safety awareness covers all employees, however this data is based on classroom/online module sessions

- The Company maintains robust health and safety practices aimed at safeguarding employees and ensuring a secure working environment.
- Systematic evaluations are carried out to identify potential workplace risks, with suitable controls embedded into operations, including readiness for unforeseen situations.
- Clearly defined protocols are followed to review and address any job-related injuries or health concerns, enabling timely corrective measures.
- Ongoing training initiatives are conducted to build awareness, encourage safe behaviours, and continuously reinforce a strong safety-oriented culture across the organisation.



Performance Appraisal and Career Discussions

EKL performance management framework is anchored in its mid-term business plan and rolling annual operating plans, which provide clear and transparent direction to employees. Following a structured management by objectives approach, clearly defined organisational goals are systematically cascaded across all functions, ensuring that individual key performance indicators and result areas are aligned with organisation priorities.

Performance objectives are reviewed periodically at the organisational level. At the individual level, a formalised appraisal cycle is conducted twice annually, ensuring consistent monitoring, accountability, and development. Mid-year reviews are primarily focused on performance feedback to enable course correction. Annual appraisal process integrates both performance evaluation and career development discussions. These conversations provide employees with actionable feedback while also supporting long-term career planning.

This integrated approach ensures that performance management not only drives business outcomes but also fosters employee engagement, capability building, and sustainable talent development in line with organisational strategy.

Capability Building

EKL further strengthened its commitment to building a future-ready workforce by advancing its talent development agenda. A wide spectrum of learning interventions was rolled out across functions, focused on enhancing core functional and behavioural capabilities as well as leadership and interpersonal effectiveness. These efforts are designed not only to support employees in their current roles but also to prepare them for evolving business demands, ensuring agility, adaptability, and sustained engagement across the organisation.

At EKL, we approach development as an ongoing and integrated journey closely aligned with strategic priorities. Our learning framework brings together structured programmes, digital platforms, coaching, mentoring and hands-on project experiences to drive holistic growth. A key shift this year was our sharper focus on outcome-driven learning, supported by active leadership oversight and strong alignment with business metrics, ensuring that capability building delivers measurable impact and sustained performance gains.

Flagship Development Programmes

EKL runs structured development programmes to build leadership capability and future-ready skills across the organisation.

Escorts Kubota Capability Advancement Programme (EKCAP)

This year, we strengthened our flagship EKCAP programme by expanding it beyond front-end Sales and Service to include Backend Sales & Service for different products, Manufacturing, R&D, and HR covering 500+ employees in FY 2025-26. As a structured, role-based certification framework, EKCAP enhances job readiness, performance excellence, and capability leadership across key functions.



Going beyond traditional training, EKCAP integrates knowledge validation, on-the-job application, and behavioural competencies through a certification-led approach aligned with business outcomes. It ensures employees are not just trained but certified for their roles, driving higher productivity, engagement, and future readiness.

EKCAP follows an end-to-end capability-building framework, including blended learning in classroom sessions, digital learning to augment the learning, assessments to validate concept application, action learning projects to solve real business problems, coaching and support for course correction with a structured platform to showcase their learning application and knowledge sharing.

A key shift this year was a sharper focus on identifying current and future skill gaps through analysis of workforce capabilities, industry benchmarks, and evolving business

needs. These insights informed defined capability themes and measurable outcomes, forming the foundation of EKCAP.

By embedding certification into the talent lifecycle and linking it to capability building and KPI-driven outcomes, EKCAP is fostering accountability, continuous learning, and sustained performance improvement.

EKCAP delivered measurable outcomes through projects in cost optimisation, productivity improvement, digitisation, and innovation across R&D, HR, and Operations. In Sales and Service, initiatives improved post-service feedback, increased sales volumes, and strengthened field effectiveness.

Building functional expertise remained a key focus this year, with targeted learning interventions for Sales teams across Tractor and Construction businesses, emphasising dealer network effectiveness. Group-level product knowledge initiatives further strengthened engagement with our key stakeholders—dealers, distributors, and channel partners, improving market responsiveness and business performance.

Additionally, structured programmes such as First-time Manager sessions and workshops on various business tools enhanced managerial capability and operational efficiency. Together, these efforts helped employees build stronger functional expertise, make better decisions, and contribute more effectively to organisational goals.

UDAAN (Women's Leadership Development Programme)

UDAAN reflects EKL's commitment to strengthening diversity and building an inclusive leadership pipeline. The programme is designed to support high-potential women employees through focused development in leadership, business acumen, and professional growth.

This initiative continues to empower participants to take on expanded responsibilities and leadership roles across the organisation. Through leadership interactions, strategic projects, and regular capability-building interventions, contributing to both individual growth and stronger business outcomes.



During FY 2025–26, the UDAAN programme was further strengthened through expanded participation enabled by a multi-parameter selection approach, ensuring both scale and quality of talent identification. The learning journey placed increased emphasis on experiential and application-based learning, covering areas such as executive presence, emotional intelligence, and change management. Business-impact projects undertaken by participants reinforced on-the-job application, resulting in enhanced leadership readiness and a stronger pipeline of women leaders across the organisation.

Leadership Development with Premium Indian Management Institute

EKL continues to further strengthen the leadership capabilities through a focused Management Development Programme for our mid-level leaders in collaboration with premium Indian Management Institute. The programme combines strategic management learning, leadership development, and cross-functional collaboration through on campus workshops, virtual sessions, and business-focused projects.



This integrated learning and application e-initiative supports the development of future-ready leaders by enhancing strategic thinking, decision-making, and practical business applications aligned with EKL's long-term growth priorities.

During FY 2025–26, EKL further deepened its partnership with IIM Lucknow to advance leadership capability building, with an enhanced focus on strategic mindset, disruptive thinking, commercial acumen, and data-driven leadership. The programme also enabled strengthened cross-functional collaboration through group-based business projects.

Global Learning and Cultural Collaboration

EKL continues to foster a robust culture of continuous learning and collaboration through active knowledge exchange between EKL, Kubota Japan and its global subsidiaries. EKL leaders' participation in the Global Talent Development Programme (GTDP) strengthened the global leadership pipeline and enhanced their exposure to international best practices. Participation in global learning initiatives supports leadership development, cross-functional collaboration, and broader business understanding. Cross-border knowledge-sharing engagements with Kubota teams in Japan and Thailand, along with learning sessions such as 'On Your Side' and 'Indo-Japanese Culture' programmes, further enhance customer centricity, quality, responsiveness, and collaborative workplace culture.



These initiatives collectively support the development of future-ready leadership, strengthen global capabilities, and drive continuous improvement across the organisation.

Case Study

Global Collaboration and Capability Building

Title:

Driving Global Synergies through Talent and Knowledge Exchange

Overview:

Through structured collaboration with Kubota Japan and global subsidiaries, EKL has strengthened cross-border learning, innovation, and operational excellence. Establishment of shared service platforms in IT, R&D, and technical services showcases the organisation's capability to contribute to global transformation while enabling employee skill enhancement and exposure.

Key Results:

- IT Shared Services: Indian engineers specialising in Artificial Intelligence and Machine Learning collaborate on global projects alongside their counterparts in North America, delivering cutting-edge digital solutions
- R&D Shared Services: Indian design professionals contribute to product development for international markets, ensuring our innovations meet global standards and customer expectations
- Service and Spare Parts: Technical Service Centre: Indian technical service professionals contribute to strengthened global service quality with robust standards, streamlined processes and in house expertise

The Company also conducts focused programmes such as On Your Side, along with cultural understanding and language learning initiatives, to strengthen customer-centricity, collaboration, and alignment across its India-Japan operations.

During FY 2025-26, EKL further strengthened these efforts by introducing targeted language learning programmes in foreign languages for International Business and R&D teams. These initiatives enhanced employees' communication effectiveness and cross-cultural

sensitivity, leading to improved collaboration across global stakeholders. Complemented by focused Indo-Japanese cultural orientation, these programmes also strengthened global mobility and international business readiness across teams.

Through the Global mobility programme, EKL is reinforcing its commitment to becoming globally integrated, future ready organisation and also investing in its people capability building.

These initiatives are laying the foundation for a unified Kubota Group by nurturing cross border communication and collaboration, knowledge exchange and leadership development.

Case Study

Compliance and Ethical Workforce Development

Title:

Embedding Governance and Ethics through Continuous Learning

Overview:

EKL continues to build a compliance-ready workforce by integrating learning across ESG, quality, cybersecurity, intellectual property, and safety domains. Regular training on Code of Conduct, anti-bribery, POSH, and human rights ensures alignment with organisational values and global standards, fostering accountability and ethical behaviour across the organisation.

Key Results:

- Comprehensive coverage across ESG and compliance training areas
- Enhanced employee awareness on governance and ethical practices
- Strengthened culture of accountability and risk awareness

Case Study**Digital Learning Enablement****Title:**

Driving Learning Accessibility through Digital Platforms

Overview:

The Learning Management System (LMS), accessible via a mobile-enabled platform, offers flexible and self-paced learning through curated modules, webinars, and structured pathways. Focused learning journeys for R&D and Operations strengthen technical expertise in areas such as manufacturing excellence, quality tools, and IoT, enabling continuous capability enhancement aligned with business priorities.

Key Results:

- Organisation-wide access to digital learning platform
- Deployment of functional learning journeys for R&D and operations
- Enhanced adoption of self-paced and role-based learning modules

Knowledge Sharing Culture**Title:**

Building Organisational Capability through Internal Expertise

Overview:

EKL strengthened its internal Subject Matter Expert (SME) network to promote knowledge sharing and peer learning. This initiative has been particularly impactful in R&D, enabling faster knowledge transfer, collaborative problem-solving, and fostering innovation through internal expertise.

Key Results:

- Expanded SME-led learning initiatives
- Reduced dependency on external learning resources
- Strengthened innovation and collaborative learning culture

Case Study**Early Talent Development****Title:**

Shaping Future Leaders through Campus Talent Programmes

Overview:

Structured development pathways for young talent (GET, MT, PGET) enabled integration of functional, behavioural, and professional skills. Through blended learning, mentoring, and leadership interactions, these programmes built confidence, agility, and readiness for future managerial roles.

Key Results:

- Strengthened early career capability development
- Improved workplace readiness and performance
- Enhanced leadership pipeline for future roles

Talent Management Strategy

At EKL, talent is not just managed—it is nurtured, empowered and invested in. Our approach goes beyond filling roles to unlock potential, shaping future leaders and enabling every individual to grow with clarity, purpose and confidence. Through our integrated, people-first talent philosophy, we focus on nurturing the talent from within the organisation through building the right capabilities at the right time by creating a resilient, agile and future-ready organisation.

We begin early by investing in young talent. Our mentorship programmes for campus hires encourage early-career professionals to stretch beyond their core roles, explore new responsibilities and accelerate learning laying a strong foundation for long-term growth. Mentorship programmes for early and mid-career talent further strengthen learning agility and career progression. Together, Succession Planning, 360-Degree Assessments and Individual Development Plans form the backbone of EKL's Talent Management philosophy by creating a culture where learning is continuous, leadership is built from within.

Leadership readiness is strengthened through structured assessments, targeted development interventions and meaningful leadership exposure. 360-degree feedback for senior management and leadership team offers a balanced and holistic view of strengths and opportunities. This feedback-led approach enhances leadership effectiveness,

sharpens behavioural impact and empowers individuals to take charge of their own development.

Individual Development Plans (IDPs) place employees at the centre of their growth. IDPs encourage ownership of development while aligning personal aspirations with organisational goals. Through clear objectives, focused skill-building actions, curated learning interventions and ongoing manager conversations, potential is translated into performance.

Ensuring leadership continuity is central to our strategy, through a robust Succession Planning framework, we proactively identify and develop internal talent for critical roles. This focus has enabled us to successfully fill more than 84% of middle-management and senior leadership roles internally, reinforcing our belief in growing leaders from within.



Human Rights

Strengthening Human Rights Governance

EKL remains committed to upholding human rights, ethical labour practices, and responsible business conduct across its operations and value chain. During FY 2025-26, the Company advanced its human rights governance journey by progressing towards a formal Human Rights Policy aligned with leading global frameworks, including the UN Guiding Principles, OECD guidelines and ILO Core Conventions.

These efforts are supported by established governance mechanisms that promote ethical practices, non-discrimination, and protection of fundamental rights for all stakeholders, reinforcing EKL's commitment to responsible and transparent business practices.

Human Rights Due Diligence (HRDD)

Building on the Human Rights Due Diligence (HRDD) process initiated earlier, EKL strengthened its framework in

FY 2025-26 to systematically identify, assess, and address potential human rights risks across operations and key value chain partners.

The assessment followed a risk-based approach covering employees, workers, and suppliers across locations, using policy reviews, stakeholder consultations, focus group discussions. Key areas assessed included fair wages, workplace safety, non-discrimination, grievance mechanisms, and prevention of child and forced labour.

The insights from the assessment have informed targeted actions, including enhanced awareness programmes, supplier engagement initiatives, and digital learning modules, supporting continuous improvement in human rights awareness and practices.

HRDD Indicators	FY 2025-26
Operational Locations Covered	All Plants & Locations covering Employee, Workers, KMPs, Board Members
Value Chain Partners Covered under Assessment	~10%
Assessment Methodology	Policy Reviews, Focus Group Discussions & Digital Surveys
Key Human Rights Areas Assessed	Wages, Workplace Safety, Non-discrimination & Labour Practices
Awareness & Corrective Actions Initiated	Yes
E-learning Support through E-Star Platform	Yes

Grievance Mechanisms and Ethical Conduct

EKL maintains structured and accessible grievance redressal mechanisms for employees and workers across categories, supported by dedicated committees and defined processes. These systems enable timely, fair, and transparent resolution of concerns while upholding confidentiality and non-retaliation.

An Ethics Committee and formal grievance frameworks ensure accountability and reinforce a safe, respectful, and inclusive workplace culture.

Commitment to Responsible Labour Practices

The Company follows a zero-tolerance approach towards child labour, forced labour, and modern slavery across its operations and value chain. Supplier adherence is reinforced through code of conduct, ongoing engagement, and monitoring mechanisms, ensuring alignment with ethical labour standards.

Industrial Relations and Workforce Practices

The Company is committed to fostering a harmonious and inclusive work environment through strong employee relations practices, with a special focus on shopfloor safety, engagement, skill development, and transparent communication mechanisms. Our approach aligns with the principles of responsible business conduct and emphasises trust, collaboration, and continuous dialogue with employees and worker representatives.

Our shopfloor ecosystem comprises a diverse workforce, including unionised employees, diploma trainees, ITI apprentices, and contractual manpower. We believe that inclusive engagement across all categories is critical to achieving operational excellence and responsible growth. Workforce transitions, where applicable, are managed through structured programmes with a focus on transparency, fairness, and employee support.

Engagement on the Shopfloor

We actively nurture a culture of open dialogue and participation through structured engagement platforms such as shopfloor interactions, open forums, and feedback mechanisms. These initiatives ensure that every employee segment has a voice in shaping workplace outcomes.

Leadership visibility remains a cornerstone of our engagement model. Through regular Gemba rounds, senior leaders connect directly with employees at their workplace, reinforcing safety, quality, and wellbeing as shared priorities.

Strengthening Industrial Harmony

In alignment with principles on human rights and fair labour practices, we uphold freedom of association and constructive collective bargaining. Our engagement with recognised union representatives is guided by

transparency, mutual respect, and a shared commitment to long-term value creation. Regular union meetings are conducted to discuss workplace matters, productivity initiatives, and employee welfare through a collaborative approach.

A robust grievance redressal mechanism is in place to ensure timely and fair resolution of employee concerns. Employees are encouraged to raise issues through formal channels, which are addressed transparently and without bias. All the reported grievances' resolution is reviewed regularly to ensure timely resolution. This mechanism reinforces a culture of openness, accountability, and industrial harmony across the organisation. We continue to prioritise employee wellbeing through safe working conditions, inclusive policies, and engagement initiatives.

Building Future-Ready Skill

We continue to invest in building a future-ready workforce through structured development programmes. This includes engagement of diploma trainees and ITI apprentices to build technical capabilities, structured training programmes for unionised employees to enhance skills and productivity.

In addition to upskilling unionised employees, we extend training, safety awareness, and compliance practices to contractual manpower, ensuring consistent standards across operations. These initiatives contribute to both employee growth and organisational competitiveness as well as enhances their employability and supports inclusive growth.

Driving Innovation through Inclusion

We have implemented a digital suggestion scheme accessible to all employees, including trainees and contractual workforce. The platform promotes grassroots innovation, empowering employees to contribute ideas on productivity, cost efficiency, safety, and sustainability. This initiative strengthens a culture of ownership, continuous improvement, and inclusive participation.

Through continuous engagement, inclusive development, and responsible labour practices, we are strengthening our social impact while enhancing organisational resilience. Our employee relations framework reflects our commitment to employee welfare, stakeholder trust, and sustainable business practices.

Case Study

Digital HR Transformation

Title:

Enabling Connected and Data-driven Employee Experiences

Overview:

EKL's digital HR ecosystem enhances employee engagement, learning, and performance through integrated platforms. Regular Internal Job Postings, digital recognition systems, real-time feedback mechanisms, and structured learning platforms create a connected, inclusive, high performance and growth-oriented workplace.

The ecosystem is designed to enhance employee experience, career growth, engagement, and data-driven decision-making, while reinforcing fairness, transparency, and equal opportunity.

Internal career mobility is enabled through a structured Internal Job Posting (IJP) framework, providing equitable access to growth opportunities across roles and geographies. A strong culture of recognition is institutionalised through digitally enabled mechanisms, including real-time appreciation, leaderboard-driven visibility and quarterly awards fostering engagement and a performance-driven culture.

Continuous listening remains central to this ecosystem, with embedded tools such as monthly pulse surveys, mentor feedback surveys, 270-degree and 360-degree behavioural assessments and exit surveys. These are integrated with HR analytics dashboards to generate real-time insights, enabling proactive and data-driven interventions to enhance employee experience and retention.

Digital learning platforms such as New eStar further support capability development through structured, role-based learning pathways, simulation-based

training, gamified learning experiences, and continuous assessment mechanisms—ensuring alignment with evolving business and industry needs.

Together, these initiatives enable a scalable, inclusive, and insight-driven HR model, combining digital efficiency with a strong human touch to create a future-ready workforce.

Key Results:

- Quarterly Star Awards, real-time recognition, and leaderboard-based visibility enhanced employee engagement and performance culture
- Internal Job Postings enabled career mobility and strengthened internal talent progression
- Digital learning platforms (LMS & New eStar) strengthened capability building through structured and scalable learning interventions
- Monthly pulse surveys, mentor feedback, and 270-degree and 360-degree feedback enabled continuous listening and data-driven decision-making
- Improved employee engagement, participation, and retention through integrated digital HR interventions
- Enhanced visibility of opportunities, recognition, and career pathways across the organisation
- Strengthened adoption of data-driven HR practices through analytics dashboards and real-time insights
- Enabled a more agile, inclusive, and future-ready workforce through digital HR transformation

Natural Capital is integral to our long-term resilience and sustainable growth. As environmental challenges continue to evolve, we remain committed to responsible resource management, climate resilience and operational sustainability. We integrate environmental considerations into strategic decision-making and day-to-day operations, with a focus on reducing our environmental footprint and enhancing resource efficiency.

Key Highlights of FY 2025-26

21,120.5 KL
Water Recycled

29.69×10^{-7} KL/₹ of Turnover
Water Intensity

9.47 TJ
Renewable Energy Used

5.65%
Reduction in Energy intensity per ₹ of turnover

Our efforts are centred on climate action and decarbonisation, adoption of clean and renewable energy, responsible water and waste management, and conservation of natural resources and biodiversity, enabling us to create long-term value while supporting a more sustainable future.

Strategic Objectives

SO1 SO6

Capitals Impact

F M I H S

Risks Addressed

Financial Risk
Strategic Risk
Operational Risk
Compliance Risk

Material Topics Impacted

Emission Management
Energy Efficiency
3Rs (Reduce, Reuse, Recycle),
Renewable Energy
Water positivity the development of Sustainable Products.
Energy & Climate Change
Operations Environment,
Health & Safety

GRI Linkage

GRI 301, 302, 303, 304, 305, 306

Stakeholders Impacted

Customers & Dealers
Government &
Regulatory Authorities
Suppliers/Vendors
Communities
Investors & Financial Institutions
Industry Associations

SDGs Impacted



Commitment to Decarbonisation

Climate action is central to EKL's strategy. We pursue energy efficiency, increased use of renewables, and procurement of green electricity across operations and target carbon neutrality by 2050 with baseline of FY 2022-23. R&D investments target more energy-efficient products and lower lifecycle emissions. To address remaining emissions, we are investing in nature-based solutions, including structured green-belt development at operational sites.

Environmental Management System

EKL operates an Environmental Management System aligned to ISO 14001 across its manufacturing footprint. Most key facilities are certified, ensuring consistent management of energy, emissions, water and waste, and a framework for continuous improvement and regulatory compliance.

Emissions Performance

EKL prepares its annual GHG inventory in line with the GHG Protocol. We are reducing Scope 1 and 2 emissions through fuel optimisation, energy efficiency measures and process improvements. Green design principles are applied to operations such as painting and waste management to lower emissions.

GHG Emissions (tCO₂e)

GHG Emissions	FY 2025-26	FY 2024-25
Scope 1	11,965.74	11,493.78
Scope 2	39,366.53	37,141.15
Scope 1 + 2	51,332.27	48,634.93

GHG Emissions	FY 2025-26	FY 2024-25
Scope 3	1,45,77,803.92	1,30,76,508.88
Total GHG Emissions	1,46,29,136.19	1,31,25,143.81
(Scope 1 + 2 + 3)		
Reported Scope 3 as % of Total reported GHG Emissions	99.65	99.63

Scope 1 + 2	FY 2025-26	FY 2024-25
Emission Intensity (tCO ₂ e/ ₹ of turnover)	4.47x10 ⁻⁷	4.77x10 ⁻⁷

Key Environmental Priorities

EKL focuses on material environmental topics identified through operations and stakeholder inputs. Core areas include emission management, energy efficiency, 3Rs (reduce, reuse, recycle), renewable energy, water positivity, and sustainable product development—integrated into operational practices and long-term sustainability strategy.

Scope 3 Emissions (tCO₂e) Category reported in FY 2025-26

Category	Scope 3	FY 2025-26	FY 2024-25
C3	Fuel and Energy Not Included in Scope 1 and 2	358.50	143.81
C5	Waste Generated in Operations	112.82	96.61
C6	Business Travel	3,805.50	4,437.82
C7	Employee Commute	15,325.05	16,049.57
C11	Use of Sold Products	1,45,58,202.06	1,30,55,781.07

In addition to Scope 1 and Scope 2 emissions, the Company has progressively expanded its Scope 3 disclosures. Up to FY 2024–25, emissions were reported across Categories 3, 5, 6, 7. From FY 2025–26, the Company has further enhanced its reporting by including Category 11: Use of Sold Products (From Tractor and Construction Equipment), strengthening the coverage and transparency of its value chain emissions. The Company remains committed to progressively expanding disclosure to other relevant Scope 3 categories in the future.

Case Study

Advancing Emission-Compliant Technologies in Engines

- EKL transitioned from BS IV to BS V emission standards in its construction equipment portfolio, strengthening compliance with evolving environmental regulations.
- The Company introduced Diesel Particulate Filter (DPF) systems, co-developed with Kubota engineers, to reduce emissions and meet regulatory norms.
- EKL also launched CPCB4+ compliant engines for the genset market, transitioning from mechanical to electronic control systems.
- These advancements enhance emission performance while enabling future integration of smart diagnostics and engine control technologies.

EKL is advancing hybrid and electric solutions, including diesel-CNG hybrid cranes and electric tractor pilots, with plans to scale adoption over the next 2–5 years in line with market and environmental readiness.

We also transitioned to BS5 emission standards, introducing significant upgrades in emission control, operator safety, noise and vibration management, and electronic safeguards.

These initiatives form part of EKL's broader climate strategy to support its medium-term ambition of progressing towards carbon neutrality.

Climate Governance, Risk and Strategy (IFRS S1 & S2 aligned)

Governance

Climate strategy is overseen at Board level and integrated into EKL's Enterprise Risk Management framework. Climate risks and opportunities are incorporated into business planning and operational decision-making, with Key Risk Indicators monitored regularly.

Strategy—Risks, Opportunities and Scenario Analysis

Physical risks: Heat stress, floods, and water scarcity that may affect manufacturing sites and supply chains.

Transition risks: Regulatory shifts (e.g., carbon mechanisms), market changes and customer demand for low-carbon solutions.

Opportunities: Low-carbon agricultural equipment, hybrid/electric construction machinery and energy-related service offerings.

Decarbonisation Levers

We are deploying a range of energy and process interventions:

- Daylighting and transparent roofing to reduce daytime lighting demand.
- Temperature set-points and automatic controls for HVAC, LED lighting and timers for fans and AHUs.
- Process improvements such as gravity chutes to reduce material-handling energy.
- Upgrades to generation and motor systems, including synchronised GG sets and energy-efficient EOT motors.
- Replacing LPG with PNG in canteens to reduce emissions.
- Scaling solar installations and evaluating green power procurement options, including open access and renewable energy service agreements.

Energy and Renewable Share

Renewable and non-renewable energy consumption figures show ongoing adoption of clean energy, with solar installations across multiple sites. Detailed consumption and intensity numbers are captured in internal disclosures and summarised in the report tables.

Renewable Energy Consumption (TJ)

	FY 2025-26	FY 2024-25
Total Electricity Consumption (A)	9.47	4.79
Total Fuel Consumption (B)	0.00	0.00
Total Energy Consumed (A+B)	9.47	4.79

Non-renewable Energy Consumption (TJ)

	FY 2025-26	FY 2024-25
Total Electricity Consumption (A)	194.94	183.92
Total Fuel Consumption (B)	202.00	193.77
Total Energy Consumed (A+B)	396.94	377.68

Energy Intensity

	FY 2025-26	FY 2024-25
Energy Intensity (TJ/ ₹ of turnover)	35.42 x 10 ⁻¹⁰	37.55 x 10 ⁻¹⁰

Air Quality and Other Emissions

Stack emissions and other air pollutants are monitored and reported to ensure compliance and continual improvement:

Parameter	Unit	FY 2025-26	FY 2024-25
NO _x	MT	46.35	16.47
SO _x	MT	5.65	1.24
PM	MT	83.44	40.27
VOC	MT	300.71	263.83

NO_x, SO_x, PM, VOCs are measured and managed at facility level through process controls and abatement systems.

Ozone-depleting Substances (ODS)

The Company is committed to minimising environmental impacts associated with ozone-depleting substances (ODS). The use of ODS, where applicable, is limited to specific legacy applications such as refrigerant systems, fire suppression equipment, and certain industrial processes. EKL follows a structured approach to progressively phase out such substances in line with regulatory requirements and international environmental protocols.

Ongoing efforts include the adoption of alternative technologies, transition to non-ODS and low-global-warming-potential refrigerants, and continuous monitoring of systems to ensure compliance and environmental safety. The Company remains focused on reducing dependency on ODS through modernisation of infrastructure, technological upgrades, and responsible chemical management practices.



Water Stewardship

Water strategy rests on three pillars: Efficiency, Replenishment and Collaboration.

Efficiency	Replenishment	Collaboration
Reduce and optimise water use	Rainwater harvesting and groundwater recharge	Work with stakeholders to strengthen shared water resilience

Water risk assessments using recognised frameworks have informed site-level Water Risk Management Plans for water-stressed locations. EKL tracks withdrawals, consumption, discharge and recycling across facilities, with the ambition of achieving water positivity by FY 2029-30.

Water Withdrawal, Consumption, Discharge and Recycling

EKL tracks water use across operations using standard reporting classifications aligned with CDP taxonomy. Water is sourced from groundwater, third-party supply, and rainwater harvesting. The Company monitors withdrawal, consumption, discharge, and recycling across its facilities to improve efficiency and transparency.

EKL is progressing towards its ambition of achieving water positivity by FY 2029–30, supported by ongoing initiatives focused on improving water use efficiency, enhancing recycling and reuse, and strengthening water stewardship practices.

EKL has also set a long-term aspiration to move towards a water-positive balance (ratio of 1.0), supported by ongoing conservation and reuse initiatives. Zero Liquid Discharge (ZLD) is a key focus for us. No wastewater is discharged outside the premises without treatment, except for rainwater.

Water indicators (KL)

Water Indicators (in KL)	FY 2025-26	FY 2024-25
Total Water Withdrawal	5,27,798.42	4,80,540.79
Total Water Consumption	3,40,602.16	2,76,650.66
Total Water Discharged	1,87,196.26	2,03,890.13

Note: Water-related data for all reported years includes consumption, withdrawal, and discharge from R&D facilities, in addition to manufacturing operations.

Water recycled

21,120.5 KL

Water Pollution Management

EKL minimises water pollution through effective wastewater treatment, real-time monitoring, and enhanced recycling. All sites operate STPs/ETPs to ensure compliant discharge, supported by in-house testing, infrastructure upgrades, and employee awareness to strengthen conservation and reduce contamination risks.

Community Water Programmes

EKL undertakes community initiatives to enhance water availability and ecosystem health, including pond rejuvenation and groundwater recharge efforts that strengthen local water resilience.

Circular business model

EKL embeds circularity into product and material strategies—designing for durability and recyclability, and increasing use of secondary materials where feasible. We are scaling low-carbon and sustainable product solutions to grow revenue from such offerings.

Waste Generation, Recovery and Diversion

- EKL tracks both hazardous and non-hazardous waste across its operations, with defined disposal pathways including recycling, co-processing, incineration, and landfill, supported by structured waste management procedures and dedicated storage facilities. Hazardous waste includes used oil, industrial sludge, e-waste, and biomedical waste, while non-hazardous waste comprises metal scrap, rubber, plastic, and packaging materials. Waste segregation is implemented using colour-coded bins, with environmentally compliant disposal ensured through authorised vendors approved by the State Pollution Control Board.
- All plastic waste generated within plant premises is disposed of through authorised recyclers approved by the Central Pollution Control Board or State Pollution Control Boards. E-waste is disposed of through certified third-party agencies in accordance with E-waste Management Rules, 2022. Hazardous waste is recycled, incinerated, or disposed of in landfills through authorised third parties in line with Pollution Control Board regulations and EPR requirements, while all other non-hazardous waste is directed to recyclers.
- The Company focuses on improving waste recovery and reducing landfill dependency through enhanced segregation and resource recovery practices, aligned with its goal of zero waste to landfill. Performance is tracked across sites to support continuous improvement. Initiatives such as replacing wooden pallets with returnable metal alternatives are helping reduce waste generation at source.
- Additional measures include oil filtration systems to extend lubricant life, composting of food waste for gardening, replacement of asbestos sheets with GI sheets, and promotion of digitalisation and paper recycling practices. These efforts contribute to waste reduction, improved resource efficiency, and environmentally responsible operations. We have implemented comprehensive waste management procedures and established dedicated storage facilities for hazardous and non-hazardous wastes, considering both environmental impacts and commercial viability. Hazardous waste streams include used oil, industrial sludge, e-waste, and biomedical waste, while non-hazardous waste includes metal scrap, rubber, plastic, and packaging waste. We have also started waste segregation using color-coded bins and storage from pilot areas and ensure environmentally sound disposal through partnerships with authorised vendors approved by the State Pollution Control Board.
- The Company focuses on enhancing waste recovery and minimising landfill dependency through improved segregation and resource recovery practices, supporting its progress towards achieving zero waste to landfill. Waste management performance is regularly tracked across sites to monitor progress and identify opportunities for continuous improvement. To further strengthen waste management, we have initiated improvements in packaging by replacing wooden pallets with returnable metal ones in pilot areas, thereby reducing wooden waste.
- EKL is working towards achieving zero waste to landfill across its manufacturing operations through enhanced waste segregation, recycling, and recovery practices. The objective is to minimise waste sent to landfill in line with widely accepted industry thresholds and certification standards.
- The Company does not reclaim products at the end of their lifecycle due to the nature of product use; however, all waste generated during production is managed responsibly through recycling, incineration, or authorised landfill disposal via third-party agencies, ensuring compliance with regulatory frameworks and environmental standards.

Zero Waste to Landfill by

2027



Waste Generation

Parameter	Unit	FY 2025-26	FY 2024-25
Plastic Waste (A)	MT	293.27	209.70
E Waste (B)	MT	19.49	6.12
Bio-medical Waste (C)	MT	0.13	0.14
Construction and Demolition Waste (D)	MT	0	0
Battery Waste (E)	MT	46.29	59.50
Other Hazardous Waste (F) (Refer BRSR Principle 6 for Details)	MT	12,142.72	7,846.75
Total Hazardous Waste Generated (G=A+B+C+D+E+F)	MT	12,501.90	8,122.21
Total Non-Hazardous Waste Generated (H)	MT	14,024.89	14,977.24
Total Waste Generated (G+H)	MT	26,526.79	23,099.43

Note: The figures for total waste generated, waste disposal, and waste recovered (including recycling, re-use, and other recovery operations) for the previous year have been restated during the current reporting period. The restatement is due to the omission of certain waste categories in the earlier disclosure and refinements in the methodology adopted for data compilation. Accordingly, prior year figures have been revised to ensure completeness, accuracy, and comparability with the current year disclosures.

Waste Recovered Through

	FY 2025-26	FY 2024-25
Recycling (MT)	26,115.60	22,745.99
Re-Used (MT)	11.24	-

The Company is actively strengthening its waste management practices through improved segregation at source, expansion of recycling and recovery avenues, and deeper engagement with authorised vendors. These initiatives are aimed at accelerating waste diversion and supporting the achievement of EKL's zero landfill target within the defined timeline.

Waste Disposed by Nature

Waste Disposal and Treatment Method	FY 2025-26	FY 2024-25
Incineration (MT)	0.13	0.14
Landfill (MT)	399.82	353.30
Other Disposal Operations	-	-

While EKL remains committed to achieving its target of zero landfill waste by FY 2026–27, waste sent to landfill increased during FY 2025–26. This was primarily driven by enhanced waste traceability, inclusion of additional waste streams within the reporting boundary, and operational factors such as higher production volumes.



Case Study

Waste Paper Recycling Initiative

Title:
Driving Circular Economy through Paper Recycling

Overview:
Escorts Kubota Limited partnered with Green Globecare to recycle waste paper generated across its Faridabad facilities during April 2025-March 2026. This initiative aligns with the Environment (Protection) Act, 1986 and supports the company’s ESG commitments.

- Key Results:
- Total Waste Paper Recycled: 11,240 kg
 - Trees Saved: 191.08
 - Water Conserved: 78,680 litres
 - Energy Saved: 44,960 kWh
 - GHG Emission Reduced: 16,860 kg
 - Carbon Credit Equivalent: 16.86 metric tons CO₂ reduction

- Strategic Impact:
- Strengthens waste management practices under sustainability reporting.
 - Demonstrates measurable progress toward carbon reduction goals.
 - Reinforces commitment to circular economy principles.
 - Enhances transparency in ESG disclosures for stakeholders.



Extended Producer Responsibility Compliance

- EKL complies with applicable Extended Producer Responsibility (EPR) regulations for plastic waste and battery waste.
- The Company ensures proper collection, channelisation, and environmentally sound disposal through certified third parties, authorised recyclers and compliance partners. The waste collection plan is in line with the EPR plan filed with CPCB, and the Company continues to comply with regulatory requirements and directions issued by the authorities. EPR certificates are obtained and maintained as required, along with tracking of material volumes handled under each waste stream.
- This structured approach ensures regulatory compliance and supports responsible end-of-life management of products and packaging materials.

Biodiversity and Nature (TNFD-aligned)

Biodiversity Policy and Governance

- EKL follows a structured approach to biodiversity and ecosystem conservation, guided by a no-net-loss principle, with a focus on minimising ecological impact and supporting restoration where feasible. These principles are integrated into sustainability decision-making and extended across the value chain.
- This approach is embedded within EKL's broader environmental stewardship, encompassing carbon reduction, clean energy use, water and waste management, and responsible natural resource use, supported by engagement across stakeholders.
- EKL is further strengthening its biodiversity management by aligning with evolving global frameworks and advancing nature-related disclosures. Efforts are underway to establish a biodiversity baseline through structured assessments and group-level alignment with emerging standards.
- With respect to ecologically sensitive areas, the Company does not have operations in or around such regions. Accordingly, there are no significant direct or indirect impacts on biodiversity requiring specific prevention or remediation measures.
- On-ground initiatives include tree plantations and urban forestation programmes in partnership with government authorities. In FY 2025–26, projects such as Namo Van led to the plantation of 1,00,000 saplings, supported by ongoing maintenance and monitoring to enhance ecological outcomes.

Afforestation and Habitat Restoration

- EKL undertakes afforestation and habitat restoration initiatives to support ecological balance and environmental improvement.
- The Company reports tree plantation activities across its operational and community programmes and collaborates with partners on forest and wetland restoration projects. These initiatives are often implemented in coordination with local communities to strengthen ecological outcomes and shared environmental benefits.
- Through these efforts, EKL contributes to habitat restoration and supports long-term environmental sustainability.



Sustainable Products and Innovation

EKL integrates eco-design principles into its product development lifecycle, reinforcing its commitment to sustainability and responsible manufacturing. Environmental considerations are embedded at the design stage, enabling the Company to minimise the ecological footprint of its products throughout their lifecycle.

Key focus areas include recyclability, fuel efficiency, durability, and ease of repair, which are systematically incorporated into product specifications. This approach not only reduces environmental impact but also enhances product longevity, resource efficiency, and customer value.

The Company's Research & Development (R&D) ecosystem is supported through a combination of in-house capabilities and selective global collaborations, facilitating access to advanced technologies, innovation frameworks, and industry best practices. This enables EKL to continuously improve product performance while aligning with global sustainability trends.

EKL has defined its low-carbon product portfolio as products and solutions designed to reduce emissions and enhance energy efficiency during the use phase. Key initiatives in this space include:

- BS-V compliant engines with improved emission standards
- Exploration of alternative fuel platforms and cleaner technologies

The Company actively monitors the revenue contribution from low-carbon products and is progressively working to increase their share in the overall portfolio. This strategic focus supports EKL's transition towards a sustainable, climate-resilient, and future-ready product mix, aligned with its broader environmental and business objectives.

Extended Producer Responsibility

EKL complies with all applicable Extended Producer Responsibility (EPR) regulations pertaining to plastic waste and battery waste, in accordance with the guidelines issued by the Central Pollution Control Board (CPCB) and relevant regulatory authorities. The Company has established robust systems and processes to ensure adherence to these regulatory requirements across its operations. To fulfil its EPR obligations, EKL ensures the systematic collection, channelisation, and environmentally sound disposal of waste through authorised recyclers, certified third-party agencies, and compliance partners. The waste management approach is aligned with the EPR plans submitted to CPCB, and periodic reviews are undertaken to ensure ongoing compliance with evolving regulatory frameworks, directives, and advisories.

The Company maintains a structured mechanism for tracking and monitoring waste volumes across different categories, including plastic and battery waste. Necessary EPR certificates are obtained, verified, and retained in accordance with regulatory requirements, ensuring transparency and auditability. Additionally, EKL works closely with its partners to ensure that all recycling and disposal activities are carried out in an environmentally responsible manner, adhering to prescribed standards. Through this comprehensive and structured approach, EKL not only ensures regulatory compliance but also contributes to sustainable waste management practices by promoting the responsible end-of-life handling of products and packaging materials. This reflects the Company's commitment to environmental stewardship and circular economy principles.

Environmental Compliance

Category	FY 2025-26
Total Monetary Value of Environmental Fines/Penalties	0
Total Monetary Value of Significant Environmental Fines/Penalties	0
Number of Significant Environmental Fines/Penalties	0
Non-monetary Sanctions (Cases)	0

Engineering Energy Efficiency into Operations

We continue to transition generation systems to cleaner gas-based units, deploy real-time energy monitoring and analytics, and adopt high-efficiency motors, lighting and compressed air systems to reduce energy intensity.

Powering a Renewable Future

Solar installations and renewable procurement are being scaled with a target to significantly increase renewable share. We are exploring green procurement routes to expand clean energy across sites.

Managing and Offsetting Emissions Responsibly

Alongside operational reductions, EKL is implementing nature-based offsets and a green-belt programme. Over 25,000 saplings have been planned as part of our carbon management and offsetting approach.

Resource Management and Supply Chain

EKL's Agri and Construction Equipment businesses follow strict quality and environmental criteria in procurement, ensuring materials meet regulatory and performance standards. Supplier engagement—through quarterly reviews and digital platforms—enhances transparency, strengthens compliance with EU and US regulations, and aligns partners with EKL's sustainability goals.

This integrated approach supports responsible sourcing, improved traceability, and a more resilient, sustainability-driven supply chain.

Products Quantity in MT/10 ⁵	FY 2025-26	FY 2024-25	FY 2023-24
Casting	1.02	0.86	0.85
Forging	0.41	0.34	0.34
Hot Rolled Steel	0.17	0.14	0.14
Cold Rolled Steel	0.18	0.15	0.15
Flat Steel	0.03	0.02	0.02
Electric Resistance welded pipes	0.006	0.005	0.005
RIM	0.15	0.13	0.13
Oil	0.10	0.08	0.08
Battery (Lead)	0.02	0.01	0.01
Tyre & tube	0.14	0.11	0.11
Scrap	-0.12	-0.10	-0.10
Other (Alternator, Steering, pump)	0.13	0.11	0.11

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

EKL's natural capital strategy integrates robust governance, measurable targets, operational actions and stakeholder collaboration. Our FY 2025-26 progress demonstrates continued commitment to decarbonisation, water

stewardship, circularity and biodiversity conservation. We will continue to report transparently on investments, performance and outcomes as we advance toward long-term sustainability ambitions. EKL will continue to strengthen its structured approach to environmental sustainability, supported by a clear roadmap, performance tracking, and robust governance. The Company aims to enhance plant-level accountability through its Sustainability Index, deepen supplier engagement on sustainability, and expand environmental considerations across the value chain.

Social and Relationship Capital reflects our commitment to creating long-term value through trusted and collaborative relationships across our stakeholder ecosystem. Guided by our philosophy of inclusive growth, we engage proactively with shareholders, customers, suppliers, employees and workers, regulators and communities to foster mutual trust, transparency and shared progress. These enduring partnerships strengthen our resilience, enhance stakeholder confidence and enable us to respond effectively to evolving opportunities and challenges while creating sustainable value for all.



Key Highlights of FY 2025-26

1 lakh+
Lives Touched

100
Biogas Plants Installed

23
Candidates under the Prime Minister Internship Programme

Strategic Objectives

SO3 SO4 SO5 SO6

Capitals Impact

F M I N H

Risks Addressed

Operational Risk
Compliance Risk
Financial Risk
Strategic Risk

Material Topics Impacted

Community Engagement &
Local Employment
Customer Satisfaction
Supply Chain Sustainability

GRI Linkage

GRI 203, 308, 411, 413, 414,
416, 417, 418

Stakeholders Impacted

Customers & Dealers
Suppliers/Vendors
Government &
Regulatory Authorities
Communities
Industry Associations

SDGs Impacted



Driving Community Impact with Purpose

At Escorts Kubota, our CSR philosophy is rooted in our role as a catalyst for agricultural advancement and inclusive community development. We believe sustainable growth is defined not only by business performance but by the positive impact we create for farmers, women, and underserved communities.

In FY 2025-26, we continue to build on our long-term commitments through focused, scalable interventions that deepen community engagement, strengthen livelihoods, and deliver meaningful, lasting impact.

Communities—Flagship CSR Programmes

EKAFI - Escorts Kubota Advanced Farming Institute

Through EKAFI, EKL continued to strengthen farmer awareness and capability-building initiatives across key agricultural regions in FY 2025–26. The programme provides hands-on exposure to scientific and sustainable agriculture practices, with focused training on farm mechanisation, soil health management, water stewardship, crop diversification, and efficient farming techniques.

In FY 2025–26, the programme trained around 4,228 farmers through structured, seasonal, and advanced agriculture training modules across centres in Kurukshetra and Bengaluru. The Company also organised a three-day Capacity Building Programme for 234 Farmer Producer Organisations (FPOs) from various states at EKAFI, Kurukshetra and Bengaluru with participation from 443 directors, promoters, key staff, and progressive farmer members.

EKL also strengthened outreach through refresher programmes, peer-learning initiatives, model farm demonstrations, renewable energy interventions, and mechanisation-focused programmes to support wider adoption of sustainable and climate-resilient agricultural practices.

FY 2025–26 Impact Snapshot	Performance
Total Farmers Trained Since Inception	18,908
Total Farmers Trained in FY 2025–26	4,228
Farmers Adopted & Trained on Advanced Agriculture Practices Since Inception	1,105
Farmers Adopted & Trained on Advanced Agriculture Practices in FY 2025-26	491
Youth Trained on Tractor Service Mechanic	94
FPOs covered through Capacity Building Programme	234
Participants in FPO Capacity Building Programme	443

Prime Minister Internship Programme

EKL continued to support employability and workforce readiness through participation in the Prime Minister Internship Programme, aligned with the guidance of the Ministry of Corporate Affairs, Government of India. Under the initiative, the Company aims to provide one-year internship opportunities to candidates, supported through monthly stipends, structured training, and assistance for incidental expenses such as accommodation, food, and travel.

During FY 2025–26, candidates were inducted under the programme with Direct Benefit Transfer (DBT) support enabled as part of the implementation process. The initiative provides participants with industry exposure, practical learning opportunities, and workplace experience to support future career development.

23

Youth Candidates Onboarded under the Prime Minister Internship Programme

Project Nimaya—Skilling Women for Economic Freedom

Project Nimaya continues to support women empowerment and livelihood generation through focused skill development and employability enhancement initiatives. The programme is designed to equip young women with industry-relevant capabilities, digital awareness, financial literacy, communication skills, and career-readiness training to improve long-term economic independence and self-reliance.

The programme delivers certified training modules across soft skills, employability development, and Generative AI awareness through community colleges, vocational training centres, and partner institutions supported by mentorship and guided learning interventions.

In FY 2025–26, Project Nimaya expanded its outreach across Faridabad and Kurukshetra, strengthening engagement with local training partners and community institutions to enhance accessibility and participation among women beneficiaries.

FY 2025–26 Impact Snapshot	Performance
Women Trained	882
Training Centres/Partner Institutions	15
Regions Covered	Faridabad and Kurukshetra
Training Focus Areas	Soft Skills and Generative AI



Project Swachh Akash—Green Livelihoods for Climate Action

Project Swachh Akash continues to promote climate awareness, green livelihoods, and community-led climate action by empowering rural women through climate education and entrepreneurship development. The programme focuses on building local climate resilience by training women as Climate Educators and enabling wider community-level awareness and livelihood generation opportunities.

The initiative provides training on climate science, clean energy, green products and services, installation and repair practices, and sustainable community engagement models. Through this approach, the programme aims to strengthen climate literacy while supporting livelihood creation and behavioural change at the grassroots level.

In FY 2025–26, the programme continued its implementation across Anand district, Gujarat, with trained Climate Entrepreneurs further supporting the development of Climate Entrepreneurs and community outreach initiatives. The Company also continued efforts towards expanding the programme’s scale and long-term regional impact.

FY 2025–26 Impact Snapshot	Performance
Climate Entrepreneurs Trained*	82
Regions Covered	Anand District, Gujarat

*26,442 persons were benefitted



Pond Rejuvenation in Sadpura

EKL continued its efforts towards strengthening community water resilience and public infrastructure through focused interventions in water conservation and access enhancement projects. The initiatives aim to support groundwater recharge, improve water accessibility, and promote long-term environmental and community well-being.

The Company undertook restoration and ecosystem improvement efforts at the Sadpura pond site through activities such as desilting, embankment strengthening, filtration enhancement, and biodiversity-supportive interventions. In addition, EKL initiated a three-year maintenance programme for the site, with maintenance activities planned through FY 2028–29 to support long-term sustainability and ecosystem preservation.

These initiatives continue to contribute towards local water conservation, improved micro-climatic conditions, and community-level environmental resilience.



Tree Plantation Drive and Urban Biodiversity Initiatives

EKL strengthened its environmental stewardship efforts through large-scale tree plantation and urban biodiversity enhancement initiatives undertaken in partnership with government authorities. The initiatives aim to enhance green cover, support ecosystem restoration, improve biodiversity, and contribute towards long-term environmental resilience.

In FY 2025–26, the Company implemented plantation initiatives under the Namo Van project and urban forestation programmes to strengthen long-term ecological impact.

FY 2025–26 Impact Snapshot	Performance
Total Saplings Planned	1,00,000
Locations Covered	Faridabad & Bengaluru
Saplings Planned under Namo Van Project	50,000
Urban Forestation & Biodiversity Saplings	50,000
Project Duration & Maintenance Period	2 Years

Healthcare Infrastructure Support

EKL supported healthcare infrastructure strengthening initiatives through equipment assistance to Government Civil Hospital, Faridabad, in collaboration with the Red Cross Society. During FY 2025–26, the Company provided support for a Shockwave and Multi-Scan Combine Machine to enhance diagnostic and medical support capabilities at the hospital and improve access to healthcare services for the community.

Flood Relief and Rehabilitation Initiative

EKL supported relief and rehabilitation efforts in flood-affected districts of Punjab through a two-year community rehabilitation project. During FY 2025–26, the Company completed construction of 131 houses to support affected families and contribute towards long-term community recovery and resilience.

Hygiene and Public Infrastructure Development

EKL continued to support community well-being and public infrastructure enhancement through targeted interventions focused on sanitation, hygiene, and access to essential public utilities. The initiatives aim to improve living conditions, strengthen public health outcomes, promote dignified access to sanitation and safe water, and support inclusive community development.

In FY 2025–26, the Company continued infrastructure support initiatives across identified community locations, including sanitation and water-access facilities for underserved communities and high-footfall public areas. The interventions included support towards public hygiene infrastructure, drinking-water accessibility, and community utility enhancement projects, including initiatives at public and heritage linked locations to improve accessibility and visitor convenience.

These initiatives continue to contribute towards improved hygiene conditions, better public utility access, enhanced community well-being, and strengthened community infrastructure across the regions served.

Communities Empowered

EKL continues to focus on creating meaningful social impact through its CSR initiatives aimed at improving livelihoods, community well-being, and environmental resilience. Key programmes during FY 2025–26 included farmer support initiatives, women empowerment programmes, community water projects, youth employability initiatives, healthcare infrastructure support, rehabilitation efforts in flood-affected regions, and large-scale tree plantation drives.

The Company also strengthened community engagement and impact awareness through focused CSR communication initiatives. As part of the Champions of Change series, multiple videos featuring farmer beneficiaries were released during the year. EKL also planned an Agriculture Knowledge Podcast Series in partnership with Krishi Vigyan Kendras (KVKs) and Meghdoot to promote agricultural awareness and knowledge sharing.

FY 2025–26 Impact Snapshot	Performance
Saplings Planned	1,00,000*
Houses Supported under Flood Rehabilitation Initiative	131**
Youth Candidates Onboarded under PM Internship Programme	23
Healthcare Infrastructure Support	Govt Civil Hospital, Faridabad
Key CSR Focus Areas	Livelihoods, Water, Health, Women Empowerment & Environment

* Planted till date of this Report

**300 people were benefitted

Biogas Initiative—Clean Energy for Women Farmers

The Biogas Initiative continues to support clean energy access and sustainable rural livelihoods for women farmers across Kurukshetra and Kaithal districts in Haryana. The programme promotes the adoption of compact domestic biogas plants that convert organic waste into clean cooking fuel, reducing dependence on conventional fuels such as firewood and LPG.

The initiative supports women-led dairy farming households by improving access to cleaner energy solutions while also contributing towards reduced indoor air pollution, improved resource efficiency, and decentralised circular economy practices at the community level.

In FY 2025–26, the Company continued implementation and monitoring of installed biogas systems while evaluating opportunities for programme expansion across additional rural clusters and beneficiary communities.

FY 2025–26 Impact Snapshot	Performance
Biogas Plants Installed	100
Districts/Regions Covered	02
Women Farmer Households Benefitted	100
Estimated LPG / Firewood Displacement	150 LPG Cylinders annually
Estimated Emissions Avoided	600 tCO ₂ e
Planned Expansion Coverage	600 Households



Looking Ahead—From Philanthropy to Purposeful Impact

Our CSR approach continues to evolve from traditional philanthropy towards a more impact-oriented model built on long-term partnerships. In FY 2025–26, the focus remains on scaling interventions, strengthening alignment with core capabilities, and expanding the use of third-party evaluations for key projects. Ongoing assessments track changes in community behaviour, livelihood enhancement, and environmental outcomes with greater rigour.

During the year, the Company also undertook initiatives in relief and rehabilitation, along with tree plantation drives, further strengthening its commitment to community resilience and environmental stewardship.

We are also enhancing employee engagement through expanded volunteering initiatives, encouraging active participation in field-level activities. These include capacity-building programmes at EKAFL, mentoring support for women, and contributions to community water conservation efforts.

Advancing Customer-centric Innovation

Our customer-first approach continues to evolve from delivering products to co-creating value-led solutions. Customer insights remain central to our innovation, design, and service delivery, supported by structured feedback tools such as the Customer Empathy Index and Service Quality Index.

We are committed to delivering seamless experiences across the lifecycle—from transparent onboarding and doorstep service to responsive after-sales support—ensuring convenience, reliability, and trust at every touchpoint. As we move forward, we are integrating product health and safety considerations more deeply into our service framework, reinforcing responsible customer care.

Enabling Customer Success across Business Verticals

Agri Machinery: While farmers remain our core customers, the expanding application of our tractors across infrastructure, landscaping, and industrial segments continues to shape our product innovation and versatility.

Construction Equipment: We serve a diverse customer base including government bodies, EPC players, contractors, miners, and rental operators, delivering durable, high-performance equipment tailored to demanding operational needs.

Sustainable Value Chain

Supplier Code of Conduct and ESG Standards

EKL continues to strengthen responsible sourcing through its Supplier Code of Conduct, which outlines expectations on ethics, labour practices, environmental responsibility, and compliance. Supplier assessments are undertaken in a phased manner, focusing on key value chain partners, while a preference for local sourcing supports regional ecosystems and operational efficiency. ESG considerations, including responsible sourcing requirements such as conflict minerals compliance, are increasingly integrated into supplier engagement and evaluation processes.

Escorts Kubota Limited has established processes to ensure that statutory dues are duly deducted and deposited by its value chain partners. As part of governance framework, the Company conducts internal and statutory audits, which include verification of compliance with applicable statutory requirements. Value chain partners, particularly manpower contractors, are required to submit periodic proof of statutory payments, including ESI/PF challans and electronic payment receipts. These documents are systematically reviewed and validated by the Company's Employee Relations/HR team, including cross-verification with wage records and bank transfer statements to ensure accuracy and completeness. The Company maintains a strong focus on transparency, accountability, and compliance, and continues to engage with its value chain partners to uphold responsible business practices and adherence to statutory obligations.

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

Supplier Engagement and Capability Building

EKL actively partners with its value chain stakeholders to strengthen ESG awareness and performance across the supply chain. The Company conducts BRSR Core training, supports supplier capability-building initiatives, and facilitates the adoption of digital tools for ESG reporting and monitoring. These efforts enhance supplier readiness, drive compliance, and deepen the integration of ESG principles across the supplier ecosystem.

Supplier Sustainability Approach

EKL is working towards strengthening supplier engagement by encouraging adoption of improved environmental practices and greater alignment with sustainability considerations across the value chain. The Company aims to progressively enhance its engagement with suppliers demonstrating alignment with these practices over time.

Local Sourcing and MSME Inclusion

- EKL prioritises local sourcing and engagement with MSMEs as part of its procurement strategy, supporting inclusive economic growth and strengthening local ecosystems.
- The Company also implements supplier diversity initiatives to encourage participation of small and diverse businesses, contributing to a more resilient and sustainable value chain.



Management Discussion and Analysis



Global Economy

Global economic growth remained resilient at 3.4% in 2025, supported by accommodative financial conditions, selective fiscal support, and strong technology-led investments, particularly in artificial intelligence. This resilience was achieved despite elevated uncertainty arising from shifting trade policies, geopolitical developments, and evolving macroeconomic conditions through the year.

Growth trends remained uneven across regions. The United States maintained relatively strong momentum, supported by domestic demand and productivity gains, while the Euro Area experienced subdued industrial activity and continued to face energy-related pressures. China's growth moderated amid structural adjustments and softer domestic demand, whereas emerging markets and developing economies demonstrated resilience, supported by stable financial conditions and adaptive policy responses. Overall, global activity remained steady, although the underlying momentum reflected a balance between supportive demand conditions and emerging structural headwinds.

Trade dynamics played a central role in shaping the macroeconomic environment. Elevated tariff measures, with effective rates in the United States remaining around 18–19%, contributed to persistent policy uncertainty and influenced global trade flows. While the immediate impact on growth remained contained, supported by front-loading of imports, supply chain diversification, and trade rerouting; the medium-term effects are becoming more visible. As supply chains realign and trade structures evolve, efficiency losses and gradual cost pass-through are emerging, contributing to a modest drag on productivity.

Inflation remained elevated but showed early signs of moderation, with global headline inflation estimated at ~4.1% in 2025. While goods inflation began to firm up in certain economies, services inflation remained relatively sticky, and currency movements added complexity to price pass-through. As the year progressed, underlying pressures strengthened due to gradual cost transmission, labour market conditions in select regions, and persistent policy uncertainty.



Monetary policy settings began to ease selectively during the year, with central banks initiating measured rate reductions as inflation moderated, while maintaining a cautious stance. Policy actions remained data-dependent, with further easing contingent on sustained disinflation and well-anchored inflation expectations. Financial conditions remained broadly supportive, although the transmission of policy changes to credit and investment cycles continued to be gradual.

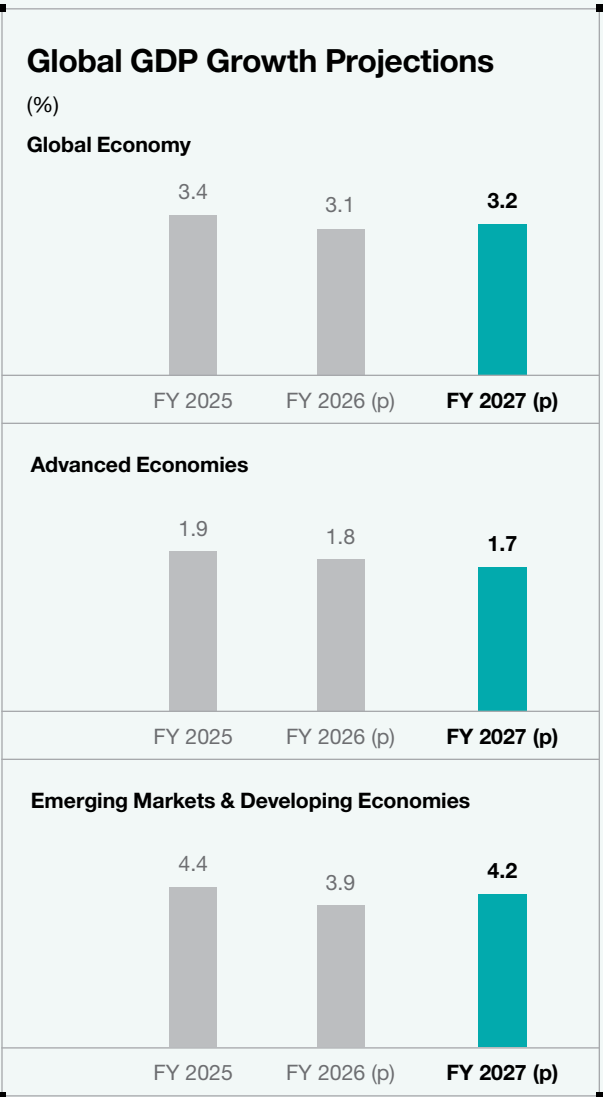
Commodity markets remained relatively stable through most of the year. While the global commodity environment remained relatively balanced during most of the year, emerging geopolitical developments began to reintroduce volatility into commodity prices, inflation expectations, and global supply chains.

Supply chains continued to recalibrate amid evolving trade dynamics and policy uncertainty. The initial disruption from higher tariffs was mitigated by the agility of the private sector through sourcing diversification, import front-loading, and trade reconfiguration. Over time, however, these adjustments are leading to structural inefficiencies, increasing operational complexity and input costs. The gradual pass-through of these costs is contributing to a more persistent inflationary bias while moderating productivity gains. At the same time, supply chain dynamics are increasingly influenced by technology investments, labour market shifts, and commodity price movements, creating a more complex operating environment.



Outlook

The global growth outlook indicates a modest moderation over the medium term, reflecting the combined impact of evolving trade dynamics, policy adjustments, and geopolitical developments. Growth is expected to remain supported by technology-led investments and relatively stable financial conditions, although momentum is likely to remain uneven across regions.



Source: IMF World Economic Outlook

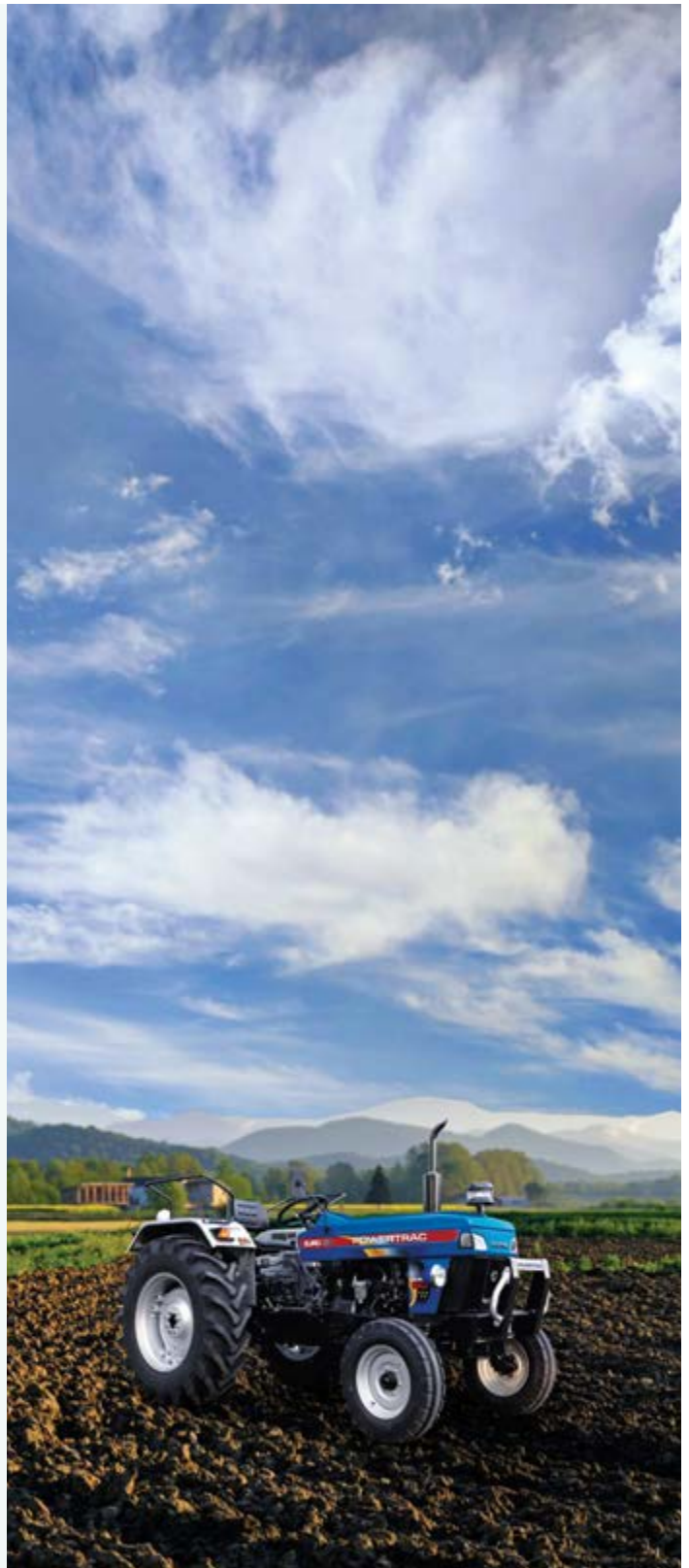


The projected trajectory reflects continued divergence in global growth patterns, with advanced economies expected to experience relatively moderate expansion, while emerging markets maintain comparatively stronger, though gradually stabilising, growth momentum.

Looking ahead, the global economic environment remains subject to multiple risks. Trade policy uncertainty and elevated tariff levels continue to influence investment decisions and cross-border trade flows, while geopolitical tensions, particularly in energy-producing regions, may contribute to commodity price volatility and supply disruptions. In parallel, the gradual realignment of supply chains is expected to introduce structural inefficiencies, influencing cost structures and productivity over time.

Additionally, climate-related factors, including evolving El Niño conditions, may impact agricultural output, food prices, and energy demand, particularly in climate-sensitive regions. These developments could add to inflation volatility and affect demand conditions across economies.

(Source: IMF World Economic Outlook)



Indian Economy

Amid a volatile global environment, the Indian economy remained among the fastest-growing major economies in FY 2025-26, with real GDP growth estimated at 7.6% compared to 7.1% in FY 2024-25. The growth was supported by robust domestic demand, sustained public capital expenditure, and a gradual recovery in private investment activity. The growth structure remains consumption-led, with private consumption accounting for a significant share of overall economic activity, supported by stable inflation, improving real incomes, and steady employment conditions.

Investment activity remained firm during the year. Gross Fixed Capital Formation recorded healthy growth, reflecting sustained investment momentum in infrastructure, manufacturing and allied sectors. Strong public capex has continued to play a catalytic role in crowding in private investment.

From a sectoral perspective, services continued to be the key growth driver, while manufacturing and construction recorded steady expansion supported by domestic demand recovery, policy support, and improving capacity utilisation. The agriculture sector remained stable, supported by favourable production conditions and healthy output levels, which in turn supported rural demand.



Financial sector stability remained supportive of economic activity, with healthy balance sheets and improved credit conditions aiding investment and consumption. Structural reforms, including supply-side measures, improved compliance, and production-linked incentives, continued to support manufacturing and formalisation of the economy.

[Source: PIB - MOSPI]

Inflation Dynamics

Inflation in India moderated significantly during FY 2025-26, with headline CPI inflation averaging around 2%–3% for most of the year, before settling at 3.4% in March 2026. Inflation remained significantly lower compared to previous years, supported by easing food and fuel prices during the first half of the fiscal year.

Food inflation showed a sharper correction during the year, turning negative in several months of FY 2025-26 due to strong agricultural output and improved supply conditions, before normalising towards year-end. By March 2026, food inflation had risen to around 3.9%, reflecting partial price recovery.

Overall, the inflation environment remained contained for most of the year, supporting real income stability and consumption demand, particularly in rural areas. The year witnessed a clear trend of low inflation in the first half followed by gradual normalisation towards the end of the fiscal year.

[Source: PIB - MOSPI]

Fiscal Position and Public Investment

The fiscal position remained stable during FY 2025–26, supported by strong revenue mobilisation and continued focus on capital expenditure. Goods and Services Tax (GST) collections remained robust, with gross collections at approximately ₹22.27 lakh crores, reflecting sustained expansion in formal economic activity and improving compliance.

A key policy development during the year was the rationalisation of GST rates on agriculture-related equipment, including tractors and farm machinery, with rates reduced from 12% to 5%, improving affordability and supporting mechanisation demand in rural areas.

Public capital expenditure remained elevated to support infrastructure development across roads, railways, logistics and rural connectivity.

[Source: PIB – Ministry of Agriculture & Farmers Welfare]



Sectoral Performance

Agriculture remained a stabilising force in the economy, supported by favourable monsoon conditions and healthy production levels. Rural demand conditions remained supported by stable output, improved price realisation in select crops, and sustained government support through income transfer schemes and rural infrastructure development.

The industrial sector demonstrated steady recovery during the year. Manufacturing activity strengthened on the back of improved domestic demand, better capacity utilisation, and easing input cost pressures. Construction activity remained robust, supported by continued government capital expenditure in roads, railways, energy, and urban infrastructure.

Mining and utilities sectors remained stable, ensuring consistent supply-side support to overall industrial growth. The production-linked incentive framework and infrastructure push continued to provide structural support to industrial expansion.

The services sector remained the dominant contributor to overall economic growth, driven by financial services, trade, transport, communications, and digital services. Strong performance in financial intermediation and business services, along with sustained expansion in technology-led services, reinforced India's position as a global services hub.

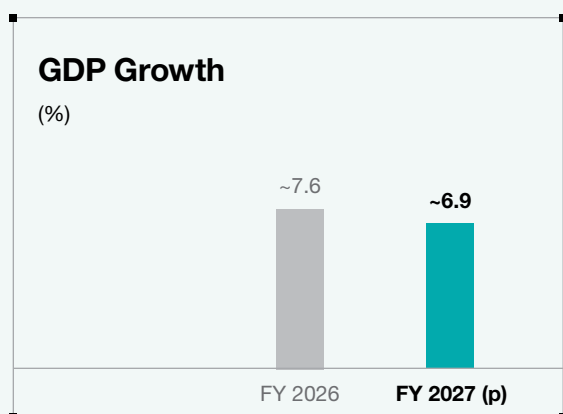
The external sector remained resilient despite global volatility. Foreign exchange reserves remained at comfortable levels, providing strong import cover and reinforcing external stability.

[Source: RBI Minutes of Monetary Policy]

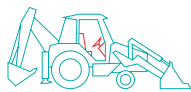
Outlook

India's macroeconomic outlook remains resilient, supported by strong domestic demand, sustained investment activity, and stable inflation conditions. Growth is expected to moderate to around 6.9% in FY 2026–27, reflecting base normalisation and evolving global uncertainties, while remaining structurally supported by domestic consumption and investment activity. Inflation is expected gradually moving towards a more normalised range of around 4.4% in FY 2026–27, in line with medium-term targets.

The growth outlook continues to be underpinned by resilient household consumption, supported by stable inflation and improving real incomes, along with sustained public capital expenditure and gradual recovery in private investment cycles. Continued infrastructure spending and policy support for manufacturing are expected to provide medium-term growth visibility.



Industry Overview



Global Tractor Industry

The global tractor market represents a core segment of agricultural machinery, with tractors serving as essential equipment across land preparation, sowing, harvesting, and transport activities. The market continues to be structurally supported by rising mechanisation in agriculture and ongoing adoption of advanced farming technologies with IOT such as GPS-enabled systems, precision farming tools and telematics-based monitoring.

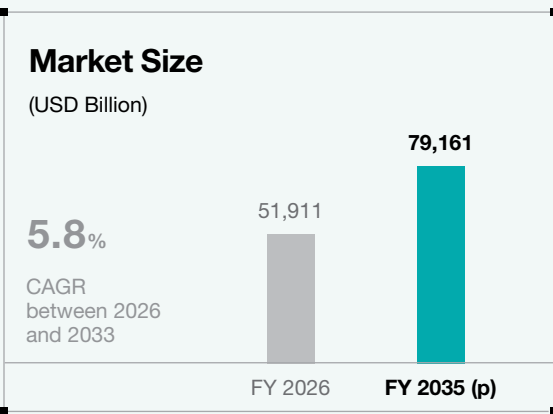
In 2025, the industry continued to reflect a steady demand environment, supported by sustained agricultural mechanisation across key regions. Demand remained particularly strong in Asia-Pacific, where large-scale agricultural activity and increasing adoption of mechanised farming practices continued to drive volumes. Mature markets such as North America and Europe were characterised by replacement-led demand and higher adoption of technology-enabled tractors.

A key structural characteristic of the industry remains its linkage with agricultural productivity requirements. With increasing emphasis on improving farm efficiency and reducing labour dependency, tractors continue to play a central role in modern farming systems globally.

The market is also increasingly shaped by product preferences, with utility tractors and mid-range horsepower segments (40–100 HP) forming a significant share of global demand, driven by their versatility across farming applications.

Outlook

The global agricultural tractor market was valued at USD 67.53 billion in 2025 and is projected to reach USD 105.54 billion by 2033, growing at a CAGR of 5.8% between 2026 and 2033. Growth is being driven by increasing farm mechanisation, expansion of commercial farming operations, and the need to enhance agricultural productivity and operational efficiency. Rising labour shortages and wage pressures across several regions are accelerating the shift from labour-intensive practices to mechanised farming. In parallel, the adoption of advanced technologies such as GPS guidance, automation systems, smart sensors, and precision farming tools is transforming tractor capabilities, enabling higher productivity, improved resource utilisation, and lower operating costs. As agriculture becomes increasingly commercialised and technology-driven, demand for modern, high-performance tractors is expected to remain strong across both developed and emerging markets.



[Source:
<https://www.marketreportsworld.com/market-reports/tractor-market-14714789>]

Key Growth Drivers

Government Support and Subsidies

Government subsidies and policy support continue to drive agricultural machinery demand by improving affordability and accelerating mechanisation. In India, direct subsidies for farm equipment and rising distribution of subsidised machinery have supported tractor adoption, aided further by improving rural credit access. Globally, development financing support, including World Bank Group commitments to agriculture and food systems, is also strengthening investment in farm productivity and mechanisation.

Rising Need for Agricultural Productivity

The need to improve agricultural productivity to meet rising global food demand remains a key structural factor shaping the market. With increasing population pressures and declining arable land per capita, mechanisation has become essential to enhance yield efficiency and reduce dependence on manual labour.

Technology Integration in Farm Equipment

The adoption of precision agriculture technologies such as GPS guidance, telematics, IoT-based monitoring, and semi-autonomous operations is reshaping tractor functionality. This shift is improving efficiency, reducing input costs, and enhancing farm-level decision-making.

Shift Towards Sustainable and Fuel-efficient Solutions

Environmental regulations and increasing fuel efficiency concerns globally are driving interest in hybrid and electric tractors. Although still at an early stage, this segment is expected to gain relevance over the medium term.

Expansion of Non-agricultural Applications

Tractors are increasingly being deployed beyond agriculture, particularly in construction, infrastructure development, forestry and municipal services, adding a diversification layer to demand.

[Source:
<https://www.industryarc.com/Report/18653/agricultural-machinery-market.html>]

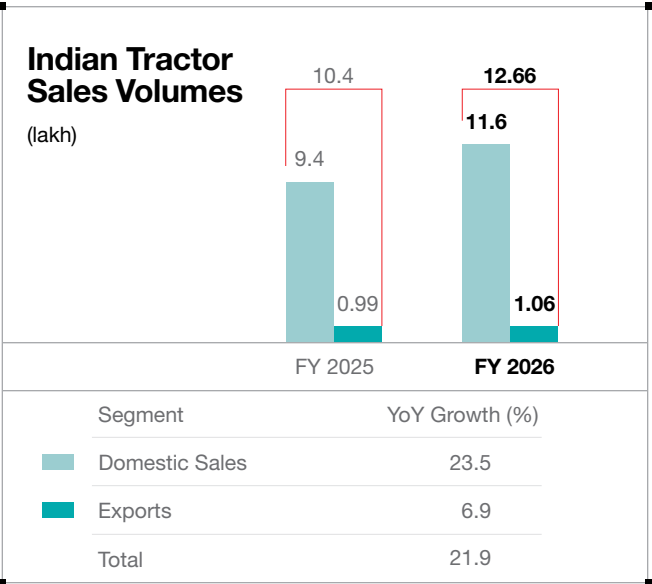


Indian Tractor Industry

India remains the largest tractor markets globally in terms of sales volume. Domestic tractor demand has remained strong, supported by the scale and structure of Indian farming and the continued need for productivity enhancement. The Indian tractor industry recorded a strong performance in FY 2025-26, with wholesale volumes reaching an all-time high and crossing the one-million-unit mark for the first time. The growth was supported by favourable monsoon conditions, improved rural liquidity, and sustained policy support to the agriculture sector, including reduction in GST on tractors and key farm inputs, which improved affordability.

Demand remained broad-based across regions, supported by higher farm cash flows, easy availability of financing, and continued mechanisation of agricultural operations. Replacement demand also contributed to volumes, aided by tractors entering the replacement cycle from earlier strong production years. In addition, increasing deployment of tractors in non-agricultural applications such as haulage and rural infrastructure activities supported incremental demand.

Structurally, the industry continues to benefit from rising mechanisation needs driven by labour shortages and the need to improve productivity. The market is witnessing a gradual shift towards higher horsepower tractors, alongside growing adoption of custom hiring models, which is improving access to mechanisation among small and marginal farmers.



[Source: TMA]

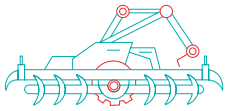
Outlook

Indian Tractor Industry

The Indian tractor industry is expected to witness a phase of moderated growth in the near term following the exceptionally strong performance recorded in FY 2025-26. Demand fundamentals, however, remain structurally favourable, supported by increasing farm mechanisation, rising rural income levels, higher MSPs, improved access to financing, and continued government focus on strengthening the agricultural ecosystem. Softer interest rate expectations and sustained rural sentiment are also expected to support demand across key markets.

At the same time, evolving weather patterns, particularly emerging El Niño conditions, remain a key monitorable for the sector due to their potential impact on monsoon patterns, farm output, and rural cash flows. In addition, geopolitical developments, supply chain disruptions, currency volatility, and rising input costs may create short-term pressure on industry growth and farmer affordability. However, the long-term outlook for the Indian tractor industry remains positive, supported by low mechanisation penetration relative to global benchmarks and the increasing adoption of mechanised farming practices across agricultural and non-agricultural applications.





Agri Solutions Industry

The agri solutions industry in India, comprising farm implements and allied agricultural machinery, represents a key component of the broader mechanisation ecosystem beyond tractors. The segment includes equipment such as rotavators, seed drills, super seeders, straw reapers, cultivators, and harvesting solutions, which are increasingly used across critical farming operations including land preparation, sowing, crop residue management, and harvesting.

Agricultural mechanisation in India continues to progress through policy support and structural interventions. Under the Sub-Mission on Agricultural Mechanisation, a cumulative 25,000+ Custom Hiring Centres (CHCs) have been established, improving access to farm machinery through shared and rental-based usage models and enhancing affordability for small and marginal farmers.

This transition is supported by a broader improvement in agricultural productivity enablers. The Government has expanded seed availability and quality assurance systems through 6.85 lakh seed villages, while over 25.55 crores soil health cards have been issued to promote balanced nutrient management and improved farm output efficiency. These initiatives contribute to higher cropping intensity and increased requirement for mechanised farm operations across agricultural cycles.

Financial and institutional support has further strengthened the adoption environment. Agricultural credit flows reached ₹28.69 lakh crores in FY 2024-25, while PM-KISAN has cumulatively transferred over ₹4.09 lakh crores to more than 11 crores farmers, supporting rural liquidity and investment capacity in farm inputs and machinery.

At the structural level, India continues to demonstrate a transition towards higher irrigation intensity, with the gross irrigated area rising from 41.7% to 55.8% of gross cropped area, supporting multi-cropping patterns and increasing the demand for mechanised farm operations.

Outlook

Agri Solutions Industry

The outlook for the agri solutions industry remains structurally positive, supported by continued expansion of mechanisation access, rising cropping intensity, and increasing adoption of shared usage models through CHCs. Demand is expected to remain supported by ongoing improvements in agricultural productivity systems, institutional credit availability, and rural income support mechanisms.

In the near term, demand will continue to be influenced by monsoon performance, crop price realisation, and rural liquidity conditions, which typically result in cyclical variations. However, the medium-term trajectory remains anchored in structural drivers of mechanisation penetration and efficiency improvement across farming operations.

[Source: PIB - Ministry of Agriculture & Farmers Welfare, PIB - Ministry of Finance]





Diesel Engine Industry

The Indian diesel engine industry continued to witness steady demand in FY 2025–26, supported by applications across construction, agriculture, industrial operations and backup power generation. Industry growth remained driven by infrastructure development, increasing mechanisation and continued demand for equipment-based power solutions across sectors. At the same time, the industry is undergoing a structural transition led by stricter emission norms, evolving efficiency requirements and improving fuel quality standards.

The implementation of tighter emission regulations has accelerated the adoption of advanced combustion technologies, electronic controls and fuel-efficient engine systems, while also increasing product development and compliance costs. The industry is also witnessing higher investments in technologies aimed at improving fuel economy, reliability and operational efficiency. However, rising input costs, elevated R&D expenditure and the gradual emergence of electric and hybrid alternatives in select applications continue to remain key challenges for the sector.



Outlook

Diesel Engine Industry

Looking ahead, the diesel engine industry in India is expected to grow moderately but consistently, supported by infrastructure and industrialisation, while being increasingly shaped by tighter regulations, energy transition policies, and the gradual diffusion of hybrid and electric technologies.

[Source: Renub Research]



Service & Spare Parts Industry

The service and spare parts ecosystem in the agricultural equipment industry is structurally driven by the expanding base and utilisation intensity of farm machinery in India. Demand in this segment is inherently recurring in nature and arises from the need for regular maintenance, replacement of wear-and-tear components, and ensuring operational reliability of equipment used across agricultural cycles.

Higher utilisation of agricultural machinery across land preparation, sowing, harvesting and allied activities naturally leads to greater wear and tear of components, thereby driving recurring demand for spare parts, lubricants and maintenance services. The cyclical nature of agricultural operations further reinforces periodic service requirements, particularly during peak sowing and harvesting seasons.

The segment continues to remain fragmented, with a mix of OEM-backed authorised service networks and a wide base of independent local service providers. However, increasing equipment sophistication, greater focus on machine uptime, and rising preference for reliability and performance consistency are gradually supporting a shift towards more organised and OEM-led service ecosystems.



Outlook

Spare Parts & Service Industry

The outlook for the spare parts and service industry in FY 2026-27 remains stable, supported by the expanding installed base of agricultural equipment, increasing machine utilisation, stable rural income and credit conditions, and the gradual formalisation of service and maintenance networks. In addition, the rising technological complexity of farm machinery is expected to drive greater demand for OEM-grade servicing and genuine spare parts. However, near-term demand patterns may remain influenced by fluctuations in farm income, monsoon outcomes, and input cost cycles.

[Source: PIB – Ministry of Finance, Economic Survey]

EKL Business Overview

Agri Machinery Products Segment

The Agri Machinery Products segment is the core operating and revenue engine of Escorts Kubota Limited. This business provides a comprehensive ecosystem that supports mechanisation across the entire farm value chain from land preparation and sowing to harvesting, post harvest operations, and allied power solutions.

In FY 2025-26, the segment continued to demonstrate structural resilience and growth, driven by a confluence of favourable agrarian conditions, policy support, and rising mechanisation intensity in Indian agriculture, while simultaneously expanding its footprint beyond tractors into implements, diesel engines, and organised after market services.

At the strategic level, the segment is structured around two broad sub segments:

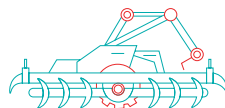
Tractor Business

Forms the traditional backbone of the Company's agri machinery portfolio.



Non-Tractor Business

Comprising Agri Solutions, Engine business, and Service & Spare Parts, which together are being positioned as a key growth pillar to diversify the segment's revenue mix and reduce dependence on pure tractor cycle volatility.



EKL Tractor Business

The Tractor Business Division was the largest contributor to the Agri Machinery segment during FY 2025-26, operating in a broadly stable market that remained increasingly differentiated across regions and product segments.

The business demonstrated robust volume growth, supported by strong domestic demand and an expanding export footprint, even as the Company managed input cost and margin pressures through product mix optimisation and operational efficiency.

Plants in India for Tractors and Components Manufacturing in Faridabad, Haryana

3

Plant in Pune

1

Plant in Poland
(100% Subsidiary)

1

Plant in Chennai

1

Total Capacity Utilisation
in FY 2025-26

77%

Units/Annum Total Tractor Assembly Capacity

1,70,000

Volumes and Market Position

- Total tractor sales reached 1,33,670 units in FY 2025-26, an increase of 15.7% YoY over 1,15,554 units in FY 2024-25.
- Domestic sales accounted for 1,26,994 units (up 14.9% YoY), reflecting healthy demand across multiple geographies, supported by favourable monsoon conditions, higher water availability, and improving rural credit access.
- Exports grew sharply by 33.8% YoY to around 6,676 units, signalling an expanding international presence under the Farmtrac, Powertrac, and Kubota brands, particularly in South Asia, Africa, and select CIS markets.

Particulars (in Nos.)	FY 2024-25	FY 2025-26
EKL Total Tractor Sales	1,15,554	1,33,670
Domestic Sales	1,10,563	1,26,994
Export Sales	4,991	6,676
Industry Domestic Volume	9.40 lakh	11.60 lakh

[Source: Company disclosures; TMA]

Product Mix and Segmentation

- The product portfolio spans light, utility, and mid-range tractors across key horsepower categories, aligned with industry demand trends where the above 40 HP segment contributed nearly 66% of total tractor sales in FY 2025-26, driven primarily by the 41–50 HP category.
- The company has focused on technology enabled tractors, including models with improved fuel efficiency, higher drawbar pull, and enhanced operator comfort, which helped capture share in the mid-range and higher horsepower segments.

Key Drivers

- Favourable monsoon and farm income conditions improved cropping intensity and investment appetite for mechanisation.
- Policy support and GST-related benefits on tractors and farm inputs enhanced affordability, while easy financing and strong dealer network performance improved distribution effectiveness.
- Replacement cycle demand also contributed, as tractors sold in earlier high-demand years entered their typical replacement window, supporting incremental wholesale volumes.

Challenges

- The business remains cyclical and sensitive to monsoon patterns, farm income volatility, and input cost fluctuations.
- Intense competition in the tractor segment, both domestic and global, requires continuous investment in technology, branding, and financing incentives to maintain volume leadership and margin stability.

Products and New Launches

The Tractor Business continued to operate through its multi-brand portfolio comprising Kubota, Farmtrac and Powertrac tractors, catering to a broad spectrum of customer requirements—ranging from small landholding farmers to large-scale commercial agricultural operators.

Kubota



Compact & advanced technology tractors

Positioning:
Premium, precision farming segment

Farmtrac



Promaxx Series (39, 42, 45, 47 HP), Multi-Utility tractors

Positioning:
Mid to entry-premium HP segment, multi-utility use

Powertrac



Mid-range tractors across 25-60 HP

Positioning:
Core farming applications, value segment

During FY 2025-26, the product strategy focused on making existing platforms more efficient, durable and versatile, rather than adding new products. Engineering integration with Kubota remained a key enabler in enhancing product quality, particularly in terms of fuel efficiency, transmission optimisation and operator ergonomics.

The Farmtrac Promaxx series remained a major contributor in the 30-50 HP category, which continues to represent the most structurally significant segment of the Indian tractor market. This range has gained traction in both agricultural and non-agricultural applications, especially in regions where mechanisation intensity is higher and tractors are deployed across multi-purpose usage cycles.

Expanding our Product Range through New Launches

During FY 2025–26, a series of product launches was undertaken across different tractor series to strengthen the overall portfolio and address diverse application needs.

1.

The Shaurya series under Powertrac was introduced in the 39–52 HP range, developed for wetland and paddy applications in southern markets, overall portfolio and address diverse application needs.



2.

The MU 4201 tractor under Kubota technology was also added, integrating Japanese engineering to improve efficiency, reliability, and productivity for Indian agricultural conditions.



3.

The Farmtrac PROMAXX series was launched in the 31–50 HP segment in FY 2024-25, enhancing performance, comfort, and versatility across multiple farming applications.



Outlook

Tractor Business

The outlook for the Tractor Business Division remains positive, supported by continued product interventions, channel strengthening initiatives and sustained market development efforts. Escorts Kubota has undertaken multiple product launches across brands, with additional launches and product upgrades planned over the coming quarters. The Company has also strengthened channel development, retail conversion and market responsiveness across regions, while addressing key product gaps, including the introduction of paddy-special tractors for southern markets.

These initiatives are expected to support gradual market share improvement and strengthen growth prospects despite a relatively stable industry outlook for FY 2026–27, with industry growth expected to remain broadly flattish within a range of around (-2%) to (+2%). While geopolitical developments, supply chain disruptions, input cost pressures and evolving weather patterns, including emerging El Niño conditions, remain key challenges, the Company continues to focus on product innovation, localisation and agri mechanisation solutions to strengthen long-term competitiveness.



Non-Tractor Business

In FY 2025-26, the Non-tractor vertical-comprising Agri Solutions, the Engine business, and Service & Spare Parts contributed approximately 20% to the Agri Machinery segment. Despite its relatively smaller share, it holds significant strategic importance.

Agri Solutions Business

The Agri Solutions business is focused on implements and allied machinery that extend the utility of the tractor platform across the farm value chain. The segment offers a broad portfolio of rotavators, harvesters, sprayers, rice transplanters, balers, loader backhoes, and other special purpose machines under the Farmpower and Kubota brands, supporting operations from land preparation to sowing, spraying, harvesting, and post-harvest material handling.

EKL's Product Range

The Agri Solutions portfolio covers a wide range of farm mechanisation equipment required across key stages of farming, including rotavators, seed drills, MB ploughs, straw reapers, super seeders, rice transplanters, and harvesting solutions.

Rotavators

Rotary tillage implements with multi-blade rotors for efficient soil pulverisation across diverse field conditions.



Straw Reaper + Super Seeder + MB Plough

Integrated implement set for stubble management, zero till sowing, and primary tillage in residue-eco friendly-field operations.



KNP-6W 6-row Walk-Behind Model

6-row walk-behind planter-cum-cultivator for precise row-spacing and reduced manual labour in small-farm operations.



MistTrac 600 Tractor

60 HP-class utility tractor with advanced fuel efficiency, high torque, and digital ready architecture for farm and non-farm use.



KA6 6-row Model

6-row tractor mounted planter with adjustable row width and depth control for high throughput sowing of cereals and legumes.



Trailed Orchard Sprayer

Trailed boom-type sprayer with high-capacity tank and adjustable boom for precise pesticide and nutrient application in orchards.



Paddy Harvester Ride-on Model

Ride-on paddy harvester combining cutting, threshing, and grain collection in a single pass with operator comfort features.



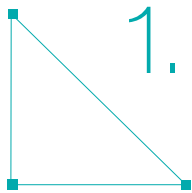
Rice transplanters

Mechanical rice transplanters ensuring uniform plant spacing and depth for improved yield and labour efficiency over manual transplanting.

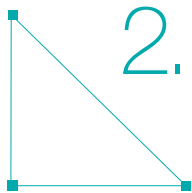


New Launches

During FY 2025-26, product innovation was focused on improving field efficiency, reducing operational time and enhancing compatibility across diverse soil and cropping conditions. Closer alignment with Kubota's global platforms further strengthened reliability, durability, and performance consistency.



Within the Agri Solutions business, we expanded the portfolio with the launch of the PRO588i-G combine harvester, enhancing harvesting efficiency and grain quality through advanced technology.



We further strengthened the offering with the introduction of KA6 and KA8 rice transplanters, improving precision planting, operational efficiency, and ease of use in paddy applications.

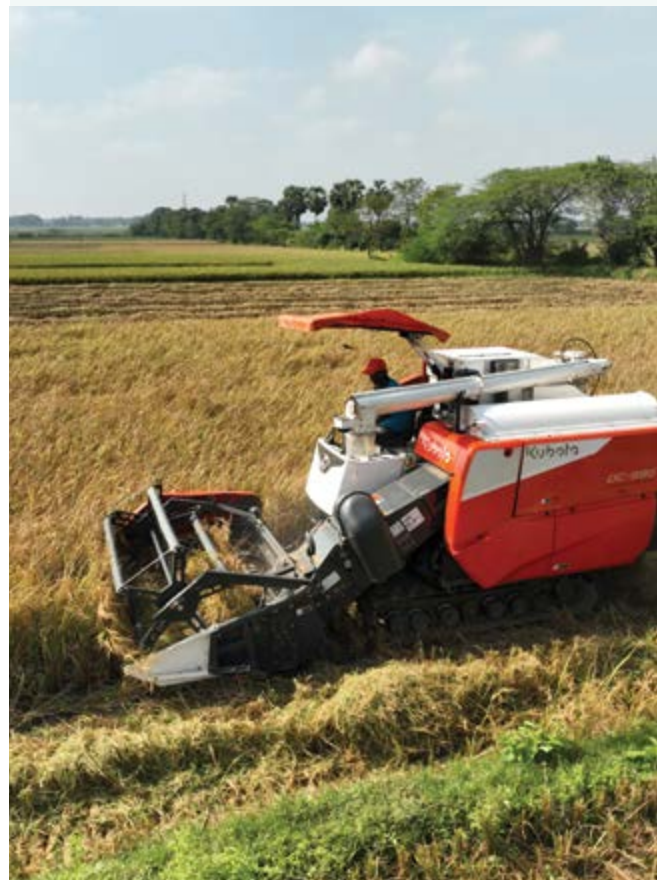


A notable trend during the year was the increasing preference for multi-utility and higher productivity implements, reflecting the growing complexity of crop cycles and increasing emphasis on time-sensitive farming operations.

Outlook

Agri Solutions Business

Looking ahead, growth in the Agri Solutions Business will be driven by rising implement-tractor ratios, expanding coverage of technology-enabled implements (including precision-seeding and residue-management solutions) and targeted expansion into high-value-crop and orchard related applications, such as trailed orchard sprayers and specialised tillage and harvesting tools. The Company also expects to benefit from continued government-backed mechanisation schemes, improved access through Custom Hiring Centres, and a growing preference for complete mechanisation packages over standalone tractor purchases, which should support both volume growth and value-per-tractor in the Agri Solutions portfolio.



Engine Business

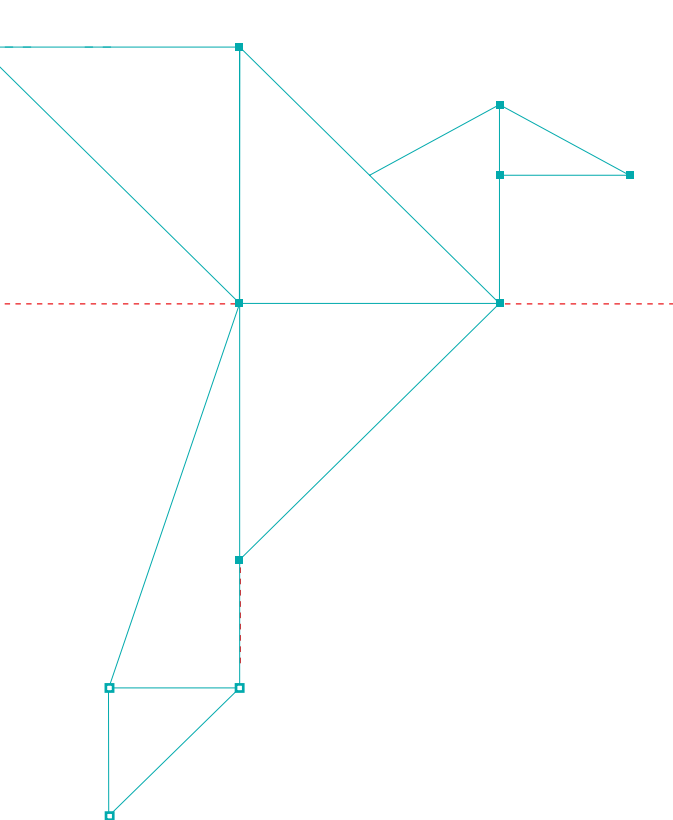
The Engine business forms part of the Company’s broader Agri Machinery Products Segment, catering to internal requirements as well as select OEM applications across agriculture, construction equipment and power generation segments. The business primarily supplies diesel engines for genset applications, compact construction equipment, material handling equipment and allied machinery platforms.

During FY 2025-26, the business benefited from continued infrastructure activity, stable demand from equipment-led applications and ongoing transition toward tighter emission-compliant technologies. Demand was supported by replacement requirements in backup power solutions, construction-linked equipment usage and continued mechanisation across end-use sectors. The business also remained focused on improving fuel efficiency, reliability and compliance with evolving emission standards.

Outlook

Engine Business

The outlook for the Engine business remains steady, supported by continued infrastructure development, increasing equipment usage across agriculture and construction-related applications, and stable demand for backup power solutions. Growth is expected to be driven by ongoing transition toward emission-compliant engines, improving equipment utilisation and continued demand from OEM partners. However, input cost volatility, evolving regulatory requirements and gradual adoption of alternative technologies in select applications may continue to influence the operating environment over the medium term.



Service & Spare Parts

The Service & Spare Parts business is an inherently recurring and utilisation-driven component of the company's after-market ecosystem, supported by the installed base of tractors, implements, engines and allied equipment.

Product Range

The division continues to offer a comprehensive range of OEM-certified spare parts and service solutions, such as tractors, engines and farm equipment systems.

Category	Components/Solutions
Engine Systems	Filters, pumps, engine assemblies
Transmission & Powertrain	Gear parts, clutch systems
Hydraulics	Hydraulic pumps, cylinders
Consumables	Lubricants, oils, service kits
Aftermarket Solutions	Genuine spare parts, service kits, maintenance packages

During FY 2025-26, the Company focused on strengthening the availability of spare parts in rural markets, improving service turnaround time and enhancing customer engagement through a more structured service ecosystem. The transition towards organised OEM-led servicing has continued to gain momentum as farmers increasingly prioritise reliability, uptime assurance and durability.

The Company has been expanding its authorised service centre network and enhancing spare parts logistics, with plans to establish a consolidated spares warehouse to improve stock availability, reduce lead-times, and strengthen the efficiency of the after-market supply chain.

Short-term demand remains linked to monsoon-linked agricultural activity, farm income cycles, and periodic maintenance requirements, while the medium-term outlook is supported by the expanding tractor and implement base, higher utilisation of machinery, and the company's focus on organised, OEM-delivered service and genuine spare parts distribution.

Outlook

Service & Spare Parts

The outlook for the Service and Spare Parts Business remains stable and structurally positive, supported by an expansion in the installed equipment base, rising utilisation intensity, and increasing complexity of modern agricultural machinery requiring specialised maintenance solutions.



SCOT Analysis – Agri-Machinery Business

Strengths		Opportunities	
Heritage and Brand Equity	Over eight decades of presence in agri and construction machinery have built strong farmer and dealer trust, reinforcing Escorts Kubota as a leading domestic OEM and preferred supplier of reliable, high-uptime equipment.	Expanding Global Footprint for Agri Machinery	With Kubota backing and an improving product mix, the Company has scope to expand overseas sales of tractors, implements, and agri-linked engine solutions into emerging market geographies.
Strong Global Ecosystem Support	Integration with Kubota's global ecosystem enhances technology access, manufacturing capabilities, supply chain efficiencies, and market reach.	Government backed Agri-Mechanisation and Infrastructure Push	Ongoing government schemes for mechanisation, custom hiring centres, and large scale infrastructure projects support sustainable demand for tractors, implements, and agri-linked engines.
Broad Distribution and Service Network	A well-established dealer cum service network enables deep rural penetration and efficient after market support, improving accessibility and uptime for farmers and contractors.	Technology-led and Digital-Ready Agri Machinery	By investing in precision enablement, telematics, and digital-service platforms, the Company can improve tractor and implement utilisation, uptime, and after market value capture.
Integrated Product Ecosystem	The Company's integrated offering of tractors, implements, engines, and service and spare parts strengthens value capture across the farm-value chain and supports higher lifetime value per customer.	Non-Tractor Growth within Agri Machinery	The Agri Solutions, Engine business, and Service & Spare Parts divisions offer a meaningful path to diversify Agri Machinery revenue beyond tractors, helping to stabilise earnings over the cycle.
Management Execution	The ability to manage supply chain complexity, regulatory compliance cycles, and seasonal demand has helped sustain production and meet market requirements without major disruption.	Rising Rural and Semi urban Affluence	Improving farm income visibility and greater access to formal credit are likely to support demand for higher horsepower and feature-rich machinery across agri and allied applications.
Challenges		Threats	
Policy and Subsidy Uncertainties	Shifts in agricultural subsidy designed infrastructure-incentive structures can create short term uncertainty and influence demand timing and intensity.	Intensifying Price based Competition	Competitive responses focused on promotions, financing incentives, and bundled-product deals may compress margins even as overall volumes grow.
Supply Chain and Input-Cost Volatility	Dependence on critical raw materials and imported components, along with global supply chain headwinds, can strain cost management and pressure margins.	Monsoon and Climate-related Risks	Erratic rainfall patterns and extreme weather events can disrupt cropping cycles, affect farm-incomes, and delay tractor and implement purchases in key seasons.
Intensifying Domestic Competition	The agri-machinery and implement space remains highly competitive, with both global OEMs and regional players increasing product-mix and finance oriented offers, leading to price sensitivity and margin pressure.	Geopolitical and Trade-level Disruptions	Evolving trade-regime dynamics and regional tensions can impact component-supply flows and overseas-market-access conditions, affecting both imported content and export-oriented growth.
Regulatory and Emission Compliance Burden	The ongoing shift to tighter emission and safety norms (e.g., TREM-V) requires continuous R&D and product life cycle investments, raising development and validation costs.		

Construction Equipment Industry Overview

The Indian construction equipment industry witnessed a year of moderation in FY 2025-26 following the exceptionally strong performance recorded in FY 2024-25, which had benefited from pre-buying activity ahead of the transition to revised emission norms. Industry performance during the year was impacted by extended monsoon conditions, slower project mobilisation during the first half, and broader demand normalisation after the sharp growth witnessed in the previous year.

As a result, the served industry across cranes, backhoe loaders, mini excavators, and compactors declined by approximately 7% year-on-year. The decline was primarily led by a ~13% reduction in crane volumes and ~10% decline in backhoe loader volumes, while mini excavators and compactors continued to demonstrate resilience, recording growth of ~38% and ~5%, respectively.



Outlook

Construction Equipment Industry

Despite near-term moderation, the long-term outlook for the industry remains favourable, supported by sustained government focus on infrastructure development, urbanisation, mining activity, industrial expansion, and logistics infrastructure. Increasing emphasis on faster project execution, advanced construction technologies, and mechanisation is expected to support medium-term demand across key equipment categories. The mini excavator segment is expected to witness strong long-term growth, with industry size projected to increase nearly threefold by 2030.

At the same time, geopolitical developments and supply chain disruptions continue to remain key monitorable for the sector. Volatility in commodity prices, particularly base metals such as steel, copper, aluminium, and magnesium, along with rising energy and processing costs, may continue to exert pressure on input costs and project economics in the near term. Nevertheless, improving infrastructure visibility and continued public capital expenditure are expected to support long-term industry fundamentals.

Construction Equipment Business Segment

The Construction Equipment (CE) Business of Escorts Kubota Limited plays an important role in its diversified portfolio, contributing to India's infrastructure development through a range of backhoe loaders, cranes, compactors, and material handling solutions under the E-Kubota brand. The business operates from its manufacturing facility at Faridabad, Haryana, which is equipped with multi-shift production capability and is equipped to deliver products aligned with evolving emission and performance standards.

The past year saw the construction equipment industry undergo a transition phase shaped by regulatory change and cyclical demand moderation, particularly due to the implementation of CEV Stage V emission norms. The shift led to temporary pricing adjustments across the industry, influencing near-term retail demand as customers adjusted to higher acquisition costs and OEMs realigned inventory levels across dealer channels.

At the same time, infrastructure execution activity remained strong, supported by sustained government capital expenditure across roads, railways, urban infrastructure and logistics development. However, the conversion of demand into equipment sales remained gradual, as purchases were aligned with project execution timelines and impacted by channel inventory adjustments after the transition to new emission standards.



Performance Overview

During FY 2025-26, Escorts Kubota Limited's Construction Equipment business operated in a relatively subdued industry environment while maintaining focus on operational discipline, product development, and long-term competitiveness. The business recorded sales volume of 5,794 machines during the year, reflecting a decline of 10.6% year-on-year amid softer industry demand and delayed project activity during the first half of the year. As market conditions gradually stabilised, industry demand improved sequentially during the latter part of the year.

Looking ahead, the business remains focused on improving operational efficiencies, strengthening market competitiveness, expanding product offerings, and leveraging long-term infrastructure opportunities, while closely monitoring commodity inflation, geopolitical developments, and supply chain risks.

Construction and Material Handling Equipment Plant

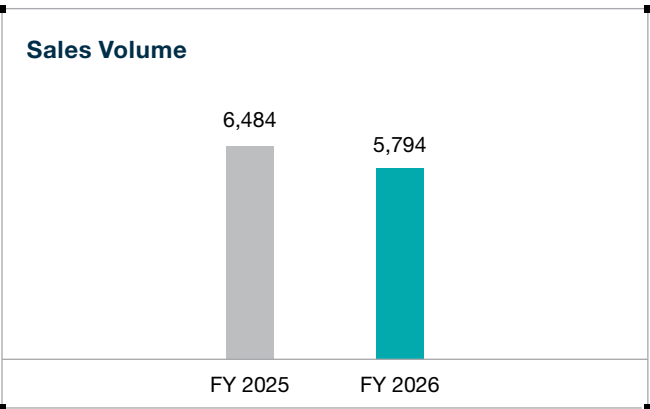
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Units Capacity in Multi-shift Operations

10,000

Capacity Utilisation in FY 2025-26

47%



Product Portfolio and Developments

The Construction Equipment Business offers a comprehensive portfolio comprising backhoe loaders, cranes, compactors, and related material handling equipment under the E-Kubota brand. The portfolio caters to diverse infrastructure applications, ranging from road construction and earthmoving to urban infrastructure development.

The Company continued to strengthen its product portfolio during the year with the introduction of the Kubota U22-3 mini excavator for urban and confined-space applications. In addition, the Company showcased the Hydra 12 mining crane, BLX75 backhoe loader, and the Hydra 72 crane

concept featuring a 72-foot boom and enhanced safety systems, reinforcing its continued focus on engineering innovation and portfolio expansion.

The Company also strengthened its position in strategic product categories during the year, maintaining leadership in the mini excavator segment while gaining market share in cranes. Export presence continued to expand across Africa, Southeast Asia, and SAARC markets, with exports increasing from nearly 3–3.5% of segment revenue earlier to approximately 5–6%, with the Company targeting further growth over the medium term.



BLX75- Blackhoe Loader



Hydra 72



Hydra 12



Kubota U22-3 - Mini Excavator

Outlook

Construction Equipment Business

Looking ahead, the business remains focused on improving operational efficiencies, strengthening market competitiveness, expanding product offerings, and leveraging long-term infrastructure opportunities, while closely monitoring commodity inflation, geopolitical developments, and supply chain risks.



SCOT Analysis – Construction Equipment Business

Strengths		Opportunities	
Affordable and Skilled Labour Availability	The industry benefits from a relatively large pool of affordable and increasingly skilled labour, supported by ongoing training and upskilling initiatives, which helps OEMs and contractors manage workforce cost pressures and meet growing project execution requirements.	Improved Financial Assistance and Credit-Easing	Government backed credit-enhancement schemes, infrastructure finance frameworks, and easier access to project finance are helping contractors and developers better manage working-capital and capital expenditure cycles, supporting more stable equipment demand.
Government Incentives & NIP-led Infrastructure Push	The National Infrastructure Pipeline (NIP) and continued government CAPEX in roads, railways, urban infrastructure, housing, and logistics are underpinning long-term demand for construction equipment, providing a stable macro backdrop for the CE sector.	Renewable Energy and Green Infrastructure Expansion	Massive investments in renewable energy projects (solar, wind, transmission corridors) are driving demand for specialised earthmoving, compaction, and material-handling equipment, particularly in remote and under developed terrain.
Abundant Natural Resources & Raw-Material Access	India's access to key raw materials and components, coupled with a growing domestic manufacturing ecosystem, supports cost efficient and timely production of construction equipment, including earthmoving and road construction machinery.	PLI like and Infrastructure -linked Manufacturing Incentives	Production-Linked and infrastructure-linked schemes are encouraging domestic manufacturing, technology-upgrades, and export expansion, which support the CE sector's shift toward higher-value, more complex equipment platforms.
Robust R&D and Technology-Upskilling	The CE industry has been investing in R&D and product engineering, particularly to meet CEV Stage V emission standards, improve fuel efficiency, and introduce telematics and digital service platforms, which enhance product quality and customer value perception.	Rising Private and Public Investments in Infrastructure	Increased participation from both domestic and foreign investors in highways, logistics parks, metros, and industrial corridors is expanding the project pipeline, thereby sustaining mid-to-long term demand for construction equipment.
		Education and Healthcare -Related Infrastructure Push	Government-led expansion of schools, universities, hospitals, and medical infrastructure projects is driving incremental demand for urban scale and compact construction equipment, including mini excavators and specialised cranes.
Challenges		Threats	
Rising Labour and Input-Cost Pressure	Increasing demand for skilled labour, alongside volatile input costs and component price inflation, is putting pressure on project cost structures and OEM margins, even as social-stability-linked wage-norms rise.	Demand-Side Cyclical Volatility	Demand for CE remains closely tied to project-execution and credit-cycle-linked triggers, so any slowdown in capex, delays in awarding projects, or fiscal-policy-shifts can lead to sudden demand-dips and inventory-overhangs.
High Capital Intensity and Project-Cycle Risk	Large-scale infrastructure projects require significant upfront capital, and any delays in project award, execution, or financing can lead to cyclical demand dips and inventory overhangs for CE OEMs.	Intensifying Price-based Competition and Capacity-Addition Pressure	The sector has seen entry and expansion of both domestic and global OEMs, leading to aggressive pricing, higher discounting, and the need to add new production capacity, which can compress margins and capital-efficiency.
Regulatory and Transition-Related Uncertainty	The rollout of CEV Stage V norms, along with evolving safety and emission related requirements, has increased compliance costs and project timeline uncertainty, requiring continuous product life cycle and validation investments from OEMs.	Geopolitical and Supply-Chain Disruptions	Dependence on certain regions for critical components and inputs, along with evolving trade-regime dynamics, can disrupt supply-flows, increase landed-costs, and affect both domestic-production and export-performance.
		Environmental and Climate-Linked Regulatory Risks	Growing focus on sustainability and emission compliance may accelerate the shift toward hybrid and alternative fuel-based equipment, pressuring OEMs with legacy platform heavy portfolios to invest early in new-propulsion-technology platforms.

Human Resources

As of March 31, 2026, Escorts Kubota Limited had a workforce of 15,897 employees across permanent, fixed term, and contractual roles. The year witnessed a continued phase of organisational integration following the merger of legacy entities, with a focused effort on building a cohesive workforce aligned to 'One EKL' philosophy.

This integration has enabled the Company to leverage diverse capabilities, strengthen cross-functional collaboration and align human capital with a shared strategic vision. This transition has been supported by an enhanced Human Resources framework, with a strong emphasis on capability building, leadership development and employee engagement.

The Company, during the year, further continued to advance a high-performance and learning-oriented culture through structured interventions in training, skill enhancement and functional excellence. Talent development programmes were progressively aligned to address and incorporate evolving technological requirements across manufacturing, engineering and customer-facing functions.

Employee well-being continued to remain a key priority, with sustained efforts aimed at promoting workplace safety, inclusion and long-term engagement. The Company remains committed to fostering a work environment that is agile, performance-driven and aligned with its broader long term innovation and sustainability objectives.



Community Engagement and CSR

As a responsible corporate citizen, Escorts Kubota continues to consider community engagement an integral part of its long-term value creation strategy. During FY 2025-26, the Company advanced its CSR initiatives with focused interventions in healthcare, education, skill development and environmental sustainability. These initiatives aim to make a tangible difference in the communities where the Company operates, while also contributing to broader socio-economic development.

A detailed overview of these initiatives is presented in the CSR section of the Integrated Annual Report.

Investor Relations

Escorts Kubota maintains open dialogue and provides 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 effective and insightful. Under the guidance of the Chairman & Managing Director, Deputy Managing Director, Whole-time Director and Chief Financial Officer and the Investor Relations Team, global investors engage meaningfully with the Company.

To help investors make well-informed decisions, Escorts Kubota makes critical company information readily available on stock exchanges and its official website, www.escortskubota.com. The 'Investor Information' section serves as a comprehensive hub, offering shareholders access to director profiles, shareholding patterns, financial reports, press updates and unclaimed dividend details. Interactive earnings calls, along with transcripts and audio recordings, are also made available for convenient access.

The Company prioritises timely communication by promptly sharing important developments with stock exchanges and updating its website with any information that could impact quarterly earnings or revenue. Investors can access a wide range of information, including regulatory filings, quarterly reports, investor presentations, and details of scheduled analyst interactions. A shareholder handbook addressing frequently asked questions is available in the 'Governance' section, along with regular updates on unpaid dividends.

For queries or feedback, please write to investor.relation@escortskubota.com

Information Technology

Strengthening the Digital Core. Advancing Intelligent Enterprise Capabilities

During FY 2025-26, Escorts Kubota Limited (EKL) continued to strengthen its digital foundation with a focus on enterprise stability, scalability, security, and long term value creation. Building on the transformation milestones achieved in the previous year, IT initiatives were directed towards consolidating gains, improving governance, and supporting sustained business performance.

A key priority during the year was enhancing operational resilience. Core enterprise platforms across ERP, manufacturing, supply chain, sales and dealer systems were further stabilised and optimised to support scale, performance and audit readiness. The unified IT landscape across EKL, EKI, KAI and group entities enabled improved data integrity, transparency and consistency across operations.

Cybersecurity and digital risk management remained a strong focus area. Security controls, monitoring frameworks and access governance were meaningfully strengthened across networks, applications and endpoints, reinforcing business continuity and safeguarding sensitive information in line with global security and compliance standards.

FY 2025-26 also saw continued progress in data, analytics and automation. Enhancements to enterprise reporting, forecasting and operational analytics improved decision support across functions. Select process automation and intelligent workflows reduced manual effort, improved accuracy and accelerated turnaround times. Foundational work was undertaken to enable a structured and responsible adoption of advanced analytics and artificial intelligence, with a clear focus on governance and business value.

The dealer and customer ecosystem remained a key area of engagement. Upgrades to the Dealer Management System and connected digital platforms supported improved dealer collaboration, service effectiveness and data-driven decision-making across sales and after-sales operations.

In parallel, IT governance, delivery discipline and cost optimisation were further strengthened. Improved prioritisation, vendor rationalisation and standardised delivery frameworks enhanced alignment between technology investments and business objectives, while improving predictability and returns.

At the infrastructure level, continued investments were made to enhance network performance, system availability and disaster recovery readiness across plants, offices and subsidiaries, ensuring reliable and secure digital operations.

Overall, FY 2025-26 IT initiatives reflect EKL's continued commitment to building a secure, resilient and future ready digital enterprise. The technology roadmap remains closely aligned with the Company's strategic priorities, supporting operational excellence, innovation and sustainable long-term value creation.





Internal Control Systems

The Company's robust internal control framework monitors operations, safeguards assets, prevents fraud, maintains accurate accounting controls, ensures compliance with applicable laws and regulations, and promotes overall productivity.

The Company upholds high standards of corporate governance, with internal audits conducted by both the in-house internal audit team and independent auditors, including Ernst & Young (EY). These audits, along with regular management reviews, are overseen by the Audit Committee to ensure that transactions are properly recorded and that operational efficiency is not compromised.

The internal control system is further strengthened by well-defined policies and procedures that reinforce accountability, transparency, and reliability in financial reporting. This diligent approach not only safeguards the Company's assets and financial integrity but also enhances stakeholder trust.

Risk Management

The Company has established a robust risk management framework to effectively identify, assess, monitor and mitigate potential risks that could impact its operations.

A dedicated Risk Management Committee is in place, which, in collaboration with the senior management, prioritises key risks based on their severity and likelihood and develops appropriate mitigation strategies. The Company risk management framework facilitates early identification and resolution of potential risks through regular assessments and a probability-based methodology, ensuring stability in business operations.

At the Board level, EKL has implemented a comprehensive Risk Management Policy that enables the proactive identification and mitigation of key risks. By evaluating risks based on their likelihood, the Company is able to devise effective mitigation strategies in advance, navigating uncertainties with greater confidence and agility.

Strong governance practices provide an additional layer of resilience, enabling the Company to effectively manage financial, operational, and strategic risks.

For more information, refer to the Risk section of the Integrated Annual Report on Page 86.

Discussion on Financial Performance with Respect to Operational Performance (FY 2025-26)

During FY 2025-26, Escorts Kubota Limited delivered a steady operating performance, supported by stable demand across its core agricultural and construction equipment businesses. Continued emphasis on cost discipline, operational efficiencies, and benefits derived from ongoing integration initiatives contributed positively to overall performance. The year also reflected improved clarity in the Company's business structure following the resolution of earlier amalgamation-related impacts, allowing sharper managerial focus on its primary operating segments.

On October 23, 2024, the Board of Directors approved the sale/transfer of the division engaged in the manufacturing, assembly, sales, servicing, research, and development of railway equipment products, including parts ('RED Business'), through a slump sale in accordance with Section 2(42C) of the Income-tax Act, 1961. Subsequently, on June 1, 2025, the Company successfully completed the transfer of the RED Business to Sona Comstar, upon fulfilment of all conditions precedent as stipulated in the Business Transfer Agreement (BTA). The Railway Equipment Division ('RED') was classified as a discontinued operation.

The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended. Comparative figures include prior-period adjustments arising from the amalgamation. The results of operations relating to the Railway Equipment Division, disposed of during the year, have been disclosed as discontinued operations in accordance with Ind AS 105, ensuring improved transparency and comparability of continuing operations.



Consolidated Financial Performance

Consolidated revenue from continuing operations stood at ₹11,540.3 crores, up 12.7% YoY reflecting stable growth over the previous year, supported by consistent demand across core business segments and selective price realisation improvements.

EBITDA stood at ₹1,496.4 crores, reflecting benefits from operational leverage and improved product mix, partially offset by elevated input costs, particularly in raw materials and traded goods.

Profit before tax and exceptional items from continuing operations at ₹1,787.2 crores, driven by steady operating performance and controlled costs. Profit after tax from continuing operations at ₹1,366.4 crores, owing to stable operational execution and improved cost management. Earnings per share from continuing operations at ₹124.2.

Consolidated Net Profit after tax including discontinued operations came at ₹2,394.1 crores as against ₹1,265.0 crores in the previous year. Earnings per share (EPS) for year ended March 2026 at ₹217.61 as against ₹115.04 in the previous year.

Segmental Performance

Agri Machinery Segment

The Agri Machinery segment remained the main contributor to revenue, supported by steady tractor demand, improving rural sentiment and replacement-led demand in select markets.

Segment revenue stood at ₹9,779.6 crores, registering a 15.8% year-on-year growth compared with ₹8,447.2 crores in the previous year. The performance was supported by a stronger product mix, enhanced operational efficiencies, and targeted pricing actions. As a result, the EBIT margin for the year ended March 2026 improved to 12.6%, an expansion of 190 basis points over 10.7% recorded in the previous year.

The segment continues to benefit from long-term structural drivers, including increasing mechanisation of agriculture, the need for improved productivity and a gradual shift towards higher-horsepower tractors.

Construction Equipment Segment

The Construction Equipment segment recorded revenue of approximately ₹1,685.9 crores during the year, compared with ₹1,730.1 crores in the previous year. The segment witnessed stable demand conditions, supported by sustained infrastructure activity and continued public capital expenditure in roads, railways, and urban infrastructure, although some variability was observed in project execution timelines.

EBIT margins stood at 7.9% for the year ended March 2026, as against 9.9% in the previous year, reflecting margin pressures during the period. Infrastructure-led demand continues to remain a key structural driver for the segment, particularly across government-led capital expenditure programs.

Dividend

Reflecting the Company's strong financial performance and continued commitment to shareholder value creation, the Board has recommended a final dividend of 330% for FY 2025-26, equivalent to ₹33.0 per share. Including the special dividend of ₹18.0 per share already paid during the year, the total dividend payout for FY 2025-26 amounts to ₹51.0 per equity share of face value ₹10 each.

Balance Sheet Strength

The Company continues to maintain a strong and conservative balance sheet, characterised by minimal leverage and a robust net worth base. The debt-equity ratio remains close to zero, reflecting a self-sustaining growth model supported by internal accruals.

Working capital efficiency remained stable throughout the year, backed by disciplined inventory and receivable management. This financial strength provides the Company with greater flexibility to navigate cyclical demand variations and pursue strategic growth opportunities.

Outlook

The Company's financial performance during FY 2025-26 reflects steady execution despite a mixed demand environment, supported by disciplined operations and benefits from structural integration.

Going forward, the Company's performance will continue to be shaped by the following:

- Rural demand trends and agricultural income cycles
- Infrastructure investment momentum
- Commodity price movements
- Global macroeconomic and trade conditions

While near-term visibility relies on external factors, the Company's strong balance sheet, diversified product portfolio, and continued focus on operational efficiency are expected to support sustained performance over the medium term.



Key Ratios

In ₹ Crore (Unless otherwise stated)	Standalone		Consolidated	
	FY 2026	FY 2025	FY 2026	FY 2025
Revenue from Operations	11,472.78	10,186.96	11,540.26	10,243.88
Material Costs	7,994.23	7,216.24	8,035.20	7,255.14
PAT	1,380.95	1,110.03	1,366.42	1,124.06
Revenue Growth	12.62%	4.69%	12.66%	4.49%
EBITDA	1,512.96	1,177.84	1,496.52	1,165.30
Operating Profit Margin	13.19%	11.56%	12.97%	11.38%
Net Profit Margin	12.04%	10.90%	11.84%	10.97%
Basic EPS	125.52	100.96	124.2	102.23
Trade Receivables(Avg Basis)	1,307.02	1,421.57	1,267.20	1,379.88
Trade Receivable Days	42	51	40	49
Trade Payables (Avg Basis)	1,900.54	1,629.10	1,916.61	1,645.14
Purchases	8,050.61	7,602.18	7,999.66	7,633.53
Trade Payable Days	86	78	87	79
Inventory	1,401.26	1,343.89	1,472.26	1,398.99
Inventory Turnover	64	68	67	70
EBIT	1,824.44	1,393.62	1,807.66	1,382.96
Interest Expense	18.91	27.03	20.43	29.17
Interest Coverage Ratio	96.48	51.56	88.48	47.41
Debt	-	-	36.21	2.25
Equity	12,399.76	10,380.22	12,368.89	10,362.90
Debt Equity Ratio	-	-	0.29%	0.02%
Networth	12,399.76	10,380.22	12,368.89	10,362.90
Return on net worth/Equity	11.14%	10.69%	11.05%	10.85%
No of Shares O/S	11,18,77,754	11,18,77,754	11,18,77,754	11,18,77,754
Share Price- NSE	2,764.03	3,271.00	2,764.03	3,271.00
Share Price- BSE	2,738.65	3,245.50	2,738.65	3,245.50
M Cap (As per BSE)	30,639.40	36,309.93	30,639.40	36,309.93
Revenue Multiple	2.67	3.56	2.66	3.54
PE Multiple	21.82	32.15	22.05	31.75

Note: Balance sheet items include discontinued operations; all other items pertain to continuing operations unless otherwise specified.

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. 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.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Place: Faridabad

Nikhil Nanda

Akira Kato

Date: May 07, 2026

Chairman & Managing Director

Deputy Managing Director

Directors' Report ■

Dear Members,

Your Directors have pleasure in presenting this Integrated Annual Report/Annual Report ('IAR'/'AR') of Escorts Kubota Limited ('Escorts' or 'EKL' or 'Company') along with the Company's audited financial statements (standalone and consolidated) for the Financial Year ('FY') ended on March 31, 2026.

Financial Results

Particulars	Standalone		Consolidated	
	Year ended on March 31, 2026	Year ended on March 31, 2025	Year ended on March 31, 2026	Year ended on March 31, 2025
Revenue from operations	11,472.78	10,186.96	11,540.26	10,243.88
Other income	564.30	458.39	566.36	461.31
Total Income	12,037.08	10,645.35	12,106.62	10,705.19
Profit from operations before Interest, Depreciation, Exceptional Items & Tax	2,077.26	1,636.23	2,062.72	1,625.50
Finance Cost	18.91	27.03	20.43	29.17
Profit from operations before Depreciation, Exceptional Items & Tax	2,058.35	1,609.20	2,042.29	1,596.33
Depreciation & Amortisation	252.82	242.61	255.06	243.65
Profit from operations before Tax and Exceptional Items	1,805.53	1,366.59	1,787.23	1,352.68
Exceptional Items	23.53	(27.08)	23.53	(1.67)
Profit before Tax from Continuing Operations	1,829.06	1,339.51	1,810.76	1,351.01
Tax Expense from Continuing Operations	448.11	229.48	444.34	226.95
Net Profit for the period from Continuing Operations	1,380.95	1,110.03	1,366.42	1,124.06
Net Profit for the period from Discontinued Operations	1,027.63	140.89	1,027.63	140.89
Net Profit for the period	2,408.58	1,250.92	2,394.05	1,264.95

Financial Performance/State of Company Affairs

The brief highlights of the Company's performance (Standalone) for the FY ended March 31, 2026 are:

₹12,037.08 crores

Total income of the Company for FY 2025-26 stood at ₹ 12,037.08 crores (₹ 10,645.35 crores in FY 2024-25).

₹2,077.26 crores

Profit from operations before Interest, Depreciation, Exceptional Items & Tax stood at ₹ 2,077.26 crores.

₹1,805.53 crores

Profit from operations before Tax (PBT) and exceptional items stood at ₹ 1,805.53 crores. Net profit for the period from continuing operations stood at ₹ 1,380.95 crores.

Our Company sold 1,33,670 tractors during the year under review as against 1,15,554 tractors sold during the last FY.

The brief highlights of the Company's performance (Consolidated) for the FY ended March 31, 2026 are:

- Total income of the Company for FY 2025-26 stood at ₹ 12,106.62 crores (₹ 10,705.19 crores in FY 2024-25)
- Profit from operations before Interest, Depreciation, Exceptional Items & Tax stood at ₹ 2,062.72 crores.
- Profit from operations before Tax (PBT) and exceptional items stood at ₹ 1,787.23 crores. Net profit for the period from continuing operations stood at ₹ 1,366.42 crores.

The details on the individual businesses of the Company are provided in the Management Discussion & Analysis section in this Annual Report.

Management Discussion & Analysis ('MDA')

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 MDA forms an integral part of this Annual Report and provides a detailed analysis on the performance of individual businesses and their outlook.

Dividend

During the FY 2025-26, the Board of Directors of the Company, at its meeting held on February 10, 2026, declared a Special Dividend @ 180% per share of face value of ₹ 10/- each (i.e. ₹ 18/- per share) for the FY ended March 31, 2026 and the record date for that purpose was February 16, 2026.

Further, based on the Company's performance, your Directors are pleased to recommend, the Final Dividend @ 330% per share of face value of ₹ 10/- each (i.e. ₹ 33/- per share) for the FY ended March 31, 2026, payable on all outstanding shares after deducting applicable tax thereon.

The said dividend payout is subject to the approval of members at the ensuing Annual General Meeting ('AGM').

The record date for the said purpose (i.e. Final Dividend) will be July 03, 2026.

Accordingly, the total dividend for the FY ended March 31, 2026 is 510% per share of face value of ₹ 10/- each (i.e. ₹ 51 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 at https://www.escortskubota.com/new/pdf/reg-46-sebi/24-02-2025/2024_05_09_Dividend-Distribution-Policy.pdf.

Transfer to Reserves

During the FY ended March 31, 2026, no amount (previous year: nil) was transferred to the general reserve.

However, the movement in Reserves and Surplus during the FY ended March 31, 2026, please refer the Statement of Changes in Equity and note 16 of standalone and note 17 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 37 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 and there is no material change in the scheme. The Secretarial Auditors Certificate in this regard, would be available during the AGM 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/new/pdf/other-documents/2026/EKL_2026_ESOP_Disclosure_Reg_14.pdf

Change in Share Capital

During the FY 2025-26, there is no change in the share capital of the Company.

Divestment

Pursuant to the Business Transfer Agreement, executed on October 23, 2024 for transferring the existing Railway Equipment Business Division ('RED') as going concern on slump sale basis among and between Sona BLW Precision Forgings Limited ('Sona Comstar') and the Company, the transaction for sale/transfer of RED Business has been closed on June 01, 2025.

Greenfield Project

With the intent to increase the production capacity of tractors, construction equipment and other products offered by the Company, the approval of Board was sought during the year, to purchase/acquire land in Yamuna Expressway Industrial Development Authority (YEIDA) Industrial area, Uttar Pradesh, for setting up a Greenfield Project.

Subsequently on March 24, 2026, YEIDA has allotted approx. 154 acres of land to the Company to set up the aforesaid project.

Directors' Report ■

Utilisation of Funds

The details of utilisation of funds of ₹ 1872.745 crore raised on February 18, 2022 on a preferential basis, as on March 31, 2026, 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	₹ 545.219 crore	Nil	-

*Net proceeds post deduction of expenditure of ₹ 17.440 crores incurred towards preferential issue and allotment.

Directors and Key Managerial Personnel ('KMP')

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Nobushige Ichikawa (DIN: 09570234) and Mr. Hardeep Singh (DIN: 00088096) Directors of the Company, retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

Mr. Yasukazu Kamada (DIN: 09634701), Mr. Shingo Hanada (DIN: 10484929) and Mr. Dai Watanabe (DIN: 08736520), Non-Executive Nominee Directors had resigned, due to their pre-occupation and other personal commitments and withdrawal of their nominations by Kubota Corporation, effective from January 31, 2026, January 31, 2026 and October 31, 2025 respectively. Subsequently, the shareholders, on the recommendation of Nomination, Remuneration and Compensation Committee ('NRC') and the Board vide Postal Ballot Notice dated March 20, 2026, have approved the appointment of Mr. Hitoshi Sasaki (DIN: 11464326) and Mr. Satoshi Suzuki (DIN: 06527098) as Non-Executive Nominee Director, liable to retire by rotation, effective from February 10, 2026.

In compliance with the Shareholders Agreement dated November 18, 2021 executed between 'Kubota Corporation', 'the Company' and 'specified promoters' as defined therein, the Company has received consent/waiver letter from Kubota Corporation and specified promoters, to continue with the optimised Board size of 16 Directors.

Further, based on the recommendation of the NRC and the Board, the shareholders of the Company through Postal

Ballot process had approved the appointment of Mr. Akira Kato (DIN: 07543672), nominee of Kubota Corporation, as a Whole-time Director designated as "Deputy Managing Director" of the Company, not liable to retire by rotation, effective from August 04, 2025 in place of Mr. Seiji Fukuoka (DIN: 08786470) who had resigned due to his pre-occupation in other professional assignments and withdrawal of his nomination by Kubota Corporation.

Mr. Manish Sharma (DIN: 06549914), Independent Director, had resigned with effect from August 21, 2025 due to his pre-occupation and other personal commitments/ assignments.

The shareholders at the AGM held on July 16, 2025 had re-appointed Mr. Harish Narinder Salve (DIN: 01399172) as an Independent Director for a second term of 5 years commencing from July 16, 2025 to July 15, 2030.

The Company had 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.
- they have registered their names in the Independent Directors data bank and passed/exempt from 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, have relevant experience (including proficiency) and fulfil the conditions as per the applicable laws and are independent of the management of the Company.

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 on Appointment and Removal of Director's and Members of Senior Management. The process followed by the Board, for evaluation of its own performance and its committees and individual directors including Independent Directors and Chairman of the Company, and the result of such performance evaluation are given in Corporate Governance Report.

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, organisation strategies and 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 at <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 & industry experience, cultural & 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 under the provisions of the SEBI Listing Regulations/Secretarial Standard are given in the Annexure to the Notice of the 80th AGM.

As on March 31, 2026, the following person(s) were the KMP of the Company, pursuant to Section 2(51) read with Section 203 of the Act and the Rules made thereunder:-

1. Mr. Nikhil Nanda – Chairman & Managing Director
2. Mr. Akira Kato – Whole-Time Director (Designated as Deputy Managing Director)
3. Mr. Bharat Madan - Whole-Time Director & Chief Financial Officer
4. Mr. Arvind Kumar – Company Secretary & Compliance Officer

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 the 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 and also put best 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, Report on Corporate Governance along with 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 society. The initiatives aim at enhancing welfare measures of the society based on the immediate and long term social and environmental activities and also 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 ₹ 16.72 crores out of total CSR obligation of ₹ 20.25 crore for FY 2025-26. Further, the remaining balance ₹ 3.53 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 28 of the standalone financial statement read with Annual Report on CSR Activities.

For constitution and other details of the CSR Committee, please refer to the Report on Corporate Governance enclosed as **Annexure D** to this Report.

The Annual Report on CSR activities, which includes the salient features of the CSR Policy and change therein, the details of projects and status of impact assessment, 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 Investments in Associates and Joint

The complete list of subsidiaries, joint venture and associate companies as on March 31, 2026, in terms of the Act and/or IND-AS is provided herein below:

S. No.	Name of the subsidiaries, joint venture and associate companies	Relationship	% of shares/ Interest
1.	Escorts Crop Solutions Limited	Subsidiary	100%
2.	EKL CSR Foundation	Subsidiary	100%
3.	Escorts Kubota Finance Limited	Subsidiary	100%
4.	Farmtrac Tractors Europe Spolka Z.o.o.	Subsidiary	100%
5.	Escorts Benefit and Welfare Trust	Subsidiary	100%*
6.	Invigorated Business Consulting Limited	Subsidiary	67.87%**
7.	Adico Escorts Agri Equipments Private Limited	Joint Venture	40%
8.	Escorts Consumer Credit Limited	Associate	29.41%

*Beneficial interest

** Held directly and through Escorts Benefit and Welfare Trust

Ventures and IND AS - 111 on Joint Arrangements, issued as per Section 133 of the Act. The Audited Consolidated Financial Statement along with the Auditors' Report thereon are annexed to this Annual Report.

Subsidiaries 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), associate(s) companies and joint venture(s) in Form AOC - 1 is provided in this Report. The statement also provides details of performance and financial position of each of the subsidiaries, associates and joint venture(s) and their contribution to the overall performance of the Company during the period under report. Audited financial statement(s) 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 FY ended March 31, 2026, 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 FY.

Further, during the FY 2025-26, Escorts Benefit Trust (Subsidiary) was extinguished. Apart from this, there is no cessation of any subsidiary, joint venture or associate.

The details of the above investments/disinvestment are provided in note 6 of the notes to accounts of Standalone Financial Statement of the Company.

Downstream Investment

During the FY 2025-26, the Company has made total downstream investment of ₹ 70 crores to subscribe equity shares offered under right issue(s) by Escorts Kubota Finance Limited ('EKFL'), wholly-owned subsidiary company of the Company, in compliance with the applicable provisions of the laws, rules and regulations. The requisite filing/intimation has been duly completed and auditor's certificate in this regard has also been obtained.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the FY 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, except the transaction with Kubota Corporation (holding company) which was approved by the shareholders in the last AGM, 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 45 in the notes to accounts in the standalone financial statement and to note 46 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 Chandio & Co LLP, Chartered Accountants, New Delhi (Firm Registration No. 001076N/N500013) as Statutory Auditors of

the Company for a period of 5 years i.e. upto the conclusion of AGM to be held in the year 2027.

Pursuant to provisions of 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, except that the Statutory Auditors vide their letter dated February 14, 2026, based on the internal audit report, informed the Audit Committee regarding the irregularities in coupon redemptions, including bulk redemptions, and circulation of already-redeemed coupons, involving certain employees and vendors. The Audit Committee has taken appropriate action thereon.

Cost Auditors

Pursuant to the Section 148 of the Act read with rules thereunder, the 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 2026-27.

The due date of filing the Cost Audit Report for the year ended on March 31, 2025 was September 30, 2025 and the same had been filed on August 29, 2025.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with Regulation 24A of SEBI Listing Regulations, the shareholders of the Company at the 79th AGM held on July 16, 2025 had appointed 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 up to the conclusion of the AGM to be held in the year 2030.

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 comments given by the Statutory Auditors, Cost Auditors and Secretarial Auditors in their respective report(s) for the FY ended March 31, 2026 are self-explanatory and hence, do not call for any further explanations or comments under Section 134, 148 and 204(3) of the Act respectively.

Secretarial Audit of Material Unlisted Indian Subsidiary

There is no material unlisted Indian subsidiary of the Company as on March 31, 2026 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 2025-26.

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 the 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 to the Report on Corporate Governance enclosed as **Annexure D** to this Report.

Audit Committee

For constitution and other details of the Audit Committee, please refer to the 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 to the Report on Corporate Governance enclosed as **Annexure D** to this Report.

Annual Return

The Annual Return for FY 2025-26* is available on the weblink at https://static.escortskubota.com/new/pdf/other-documents/2026/EKL_2026_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 of the Company at the following address:

M/s. KFin Technologies Limited
Selenium Building, Tower B, Plot No. 31-32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddy,
Telangana – 500 032
Toll Free No.: 1800 309 4001;
E-mail: evoting@kfintech.com

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 second 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.

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 at the end of FY 2025-26.

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 IEPF 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 ₹ 15.81 lakhs, pertaining to unclaimed dividend, during the period under review, to IEPF Authority.

Further, according to the IEPF 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 34,881 shares, during the period under review, to IEPF Authority. The detailed information is available at our website at <https://www.escortskubota.com/investors/policies-and-documents>.

As on March 31, 2026, no unclaimed deposits are pending which are required to be transferred to IEPF.

Credit Rating

During the FY 2025-26, CRISIL Ratings Limited revised its rating outlook on the long-term bank facilities to 'Positive' from 'Stable' while reaffirming the rating at 'Crisil AA+', whereas the rating on short term facilities was reaffirmed as CRISIL A1+

Material Changes and Commitment affecting the financial position

There are no material changes affecting the financial position of the Company subsequent to the closure of the FY 2025-26 till the date of this report. However, the Company has subscribed to the Right Issue of 7,00,000 equity shares of ₹ 100 each amounting to ₹ 70 crores, offered by EKFL in the month of April 2026.

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 ('POSH Policy') in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder ('POSH Act') 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 POSH 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 as per the POSH Act.

Directors' Report ■

No case was filed or disposed off during the year under review and accordingly no case is pending for more than 90 days, pursuant to POSH Act.

Maternity Benefit

During the year under review, the Company has complied with the provisions of Maternity Benefit Act, 1961 and no complaint has been received in this regard from any employee.

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 organisation's 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 & relationship capital and natural capital as per International <IR> framework.

Business Responsibility and Sustainability Report ('BRSR')

Pursuant to Regulation 34 of SEBI Listing Regulations, the BRSR is mandatory for the top 1,000 listed companies (based on market capitalisation). The BRSR seeks disclosures on the Company's performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGRBCs) and is intended towards having quantitative and standardized disclosures on Environment, Social and Governance ('ESG') parameters.

The BRSR (including BRSR Core disclosures) for FY 2025-26 have been prepared in accordance with SEBI Master Circular dated January 30, 2026 read with Industry Standards on BRSR Core as prescribed by SEBI. Prescribed by SEBI is enclosed as **Annexure-I** and forms an integral part of this Report.

The Company has undertaken reasonable assurance on BRSR Core indicators and limited assurance and Type 2 Moderate assurance on identified non-financial information other than BRSR Core indicators.

Application made or any proceeding pending under the Insolvency and Bankruptcy Code ('IBC')

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 2025-26.

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/DDHS- RACPOD1/P/CIR/2023/172 dated October 19, 2023, accordingly 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 FY 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, 2026, 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, 2026 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, 2026 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 the following, who are drawing remuneration from the holding company:

a. Mr. Seiji Fukuoka, Whole-Time Director designated as 'Deputy Managing Director' upto August 04, 2025.

b. Mr. Akira Kato, Whole-Time Director designated as Deputy Managing Director w.e.f. August 04, 2025.

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 31 in the notes to accounts in the standalone financial statement and to note 33 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 was 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, Uttar Pradesh, 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/-

Nikhil Nanda

Chairman and Managing Director

Sd/-

Akira Kato

Deputy Managing Director

Place: Faridabad

Date: May 07, 2026

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 intends to enter into;
 - (f) experience in accounting and finance, secretarial, administration, corporate, engineering and strategic planning or fund management;
 - (g) demonstrable ability to work effectively with the Board;
 - (h) excellent interpersonal, communication and representational skills;
 - (i) demonstrable leadership skills;
 - (j) strong influencing and negotiating skills; and
 - (k) continuous professional development to update knowledge and skills.
- (iii) The criteria to be considered when assessing prospective candidates for a Senior Management position shall include the following:
- (a) highest levels of personal and professional ethics and integrity;
 - (b) demonstrable leadership skills;
 - (c) specialist knowledge and/or experience required for the Senior Management position in question;
 - (d) good interpersonal relationships;
 - (e) demonstrating intelligence, maturity and wisdom;
 - (f) possesses managerial abilities such as effective communication skills, action focus, people engagement, cultural sensitivity, flexibility, team player, strategic thinking, etc.;
 - (g) sharing and demonstrating the values of EKL;
 - (h) ability to significantly contribute towards achievement of the strategic and business objectives of the Company.
- (iv) Every person proposed to be appointed as a Director or a member of Senior Management should be able to give sufficient time and attention to the Company's affairs.
 - (v) The Policy is aimed to engage Directors (including Non-Executive Directors and Independent Directors) and Members of Senior Management, who are highly skilled, competent, and experienced persons within the fields of business, finance, accounting, management, sales, marketing, administration, research, corporate governance, technical operations, law or other disciplines related to the Company's business and operations.
 - (vi) In addition to such requirements as may be specified under this Policy and the provisions of the Articles of Association of the Company, the Independent Directors shall also 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

Annexure – A

to the Directors' Report

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, incase 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

Annexure – A

to the Directors' Report

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

Place: Faridabad
Date: May 07, 2026

Sd/-
Nikhil Nanda
Chairman and Managing Director

Sd/-
Akira Kato
Deputy Managing Director

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).

Annexure – B

to the Directors' Report

- (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

Place: Faridabad
Date: May 07, 2026

Sd/-
Nikhil Nanda
Chairman and Managing Director

Sd/-
Akira Kato
Deputy Managing Director

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

A. Conservation of Energy

I. The Steps taken or impact on conservation of energy

The following energy conservation initiatives have been taken during the year under review:

- Transparent roof sheets were installed at Plants for better sunlight, thereby avoiding high bay electrical lights in daytime.
- The temperature of ACs were set at 25 degrees at various plants to save electricity consumption.
- Kaizens for compressed air circuit efficiency improvement.
- Installation/use of LED lighting for energy efficiency.
- Introduction of gravity chute for material unloading from G+1 and G+2 mezzanine floors to ground for eliminating the need for electricity.
- Installation of automatic clock timers to switch on-off the lights/fan/AHU DB's with defined timing in the office area.
- Replacement of LPG Cylinders with PNG connection for the canteen kitchen area.
- Gas Genset installation with synchronization panel for better load sharing.
- Installed Energy Efficient Motors (11 Nos.) in Electric Overhead Travelling ('EOT') cranes.

II. Steps taken by the Company for utilising alternate source of energy

Green power sourced from Indian Energy Exchange for Plants 1 & 2.

III. Capital Investment on Energy Conservation Equipments

₹ 0.45 crores (approx.) had been spent on various initiatives like Kaizen, Renewable Energy Procurement and replacement of fixed speed ACs.

B. Technology Absorption

I. The efforts made towards technology absorption

- Introduction of 35 HP (9+9) shuttle with stage 3A engine for ROW market.
- Expansion of Escorts Kubota series in Republic of South Africa (RSA) market with 26hp EK1-261 compact model.
- Implementation of 1SA DCV feature in 38-42 hp Champion for haulage application and in FT 50 Powermaxx (50% Splitter Speed) for super-seeder application.
- FT 6055 Classic (50% Splitter Speed) with lower gear speeds and reduction in splitter speed from 19% to 50% for super seeder application.
- Introduction of EURO 45 Plus with single clutch & side shift for enhanced customer comfort.
- Introduction of PT 439 RDX 38hp DC with Dual Clutch & MRPTO for high productivity & to cater major applications.
- Introduction of PT 439 Plus DS with Power Steering & Bend Axle to achieve efficient turning radius.
- Introduction of EURO 439 SPB with Single Piece Bonnet & Side Shift for better aesthetics & improved ergonomics.
- Introduction of EK3-501 with bend axle, enhanced speeds & sealing for paddy areas.
- Introduction of New series i.e. SHAURYA in 39 to 52hp 2WD series with bend axle, enhanced speeds & sealing for southern paddy special market.
- Expansion of Digitrac portfolio i.e. 41i, 43+i, 46i in different Hp segment with 12+3 transmission & 4WD to cater the market needs.
- Introduction of EURO 434 SPB with Single Piece Bonnet for better aesthetics & lesser vibrations for comfort enhancement.
- Introduction of MU4201 to expand the MU lineup in India by entering in 42 HP segment with 2WD & 4WD.

Annexure – C

to the Directors' Report

- Implementation of New POMPA lift feature in MU5502 2WD & 4WD and MU4501 in 2WD & 4WD for better customer experience.
- Introduction of BLX 75 Backhoe Loader CEV 5 with best-in-class cabin, and a BS5 EKL engine that delivers performance at par with the market leader.
- Introduction of New Highend crane (F15 55 hp High End Crane CEV 5) in 15 Ton Category with 55 hp engine and best in class creep speed 1.3 Kmph.
- Introduction of Hydra 12 2P Boom in 50HP engine coupled with 36 ft. maximum lift height in 2 Part Boom.
- Introduction of Highest payload High end crane (F 23 2WD) in 23 Ton capacity with 137hp VECV engine and 66 ft. maximum lift height.

II. Benefits derived like product improvement, cost reduction, product development or import substitution

- Delivering new projects that align with emerging trends and customer

expectations through feature innovation, enhanced product reliability, and the development of next-generation platforms.

- Utilizing modular transmission technology to serve both farming and commercial sectors.
- Driving innovation in engine, transmission, and hydraulic technologies through virtual simulation software and high-performance computing.
- Driving global market expansion through R&D initiatives, with a strategic focus on specialized segments such as wetland farming, super seeders, 4WD technology, and commercial loaders.
- Introduction of next-generation technologies, including autonomous systems, digital connectivity, and advanced emission controls.
- Introduction of Advance emission compliance through the development of Stage-V for export tractor.
- Implementation of BS-V for Construction equipment market.

III. 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

IV. Expenditure incurred on Research & Development

	For the financial year ended on March 31, 2026	For the financial year ended on March 31, 2025
a) Capital Expenditure*	43.63	47.95
b) Recurring Expenditure (excluding depreciation)	163.49	146.65
Total R&D Expenditure	207.12	194.60
Total R&D Expenditure as a percentage of total turnover	1.81%	1.91%

*Does not include capital advance/capital work in progress

C. 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

	For the financial year ended on March 31, 2026	For the financial year ended on March 31, 2025
₹ crores		
a) Foreign exchange outgo:		
- Imports (including capital goods)	1,168.11	1,010.85
- Others	40.10	33.57
Total	1,208.21	1,044.42
b) Foreign Exchange earned	575.11	510.44

For and on behalf of the Board of Directors

Sd/-

Nikhil Nanda

Chairman and Managing Director

Sd/-

Akira Kato

Deputy Managing Director

Place: Faridabad

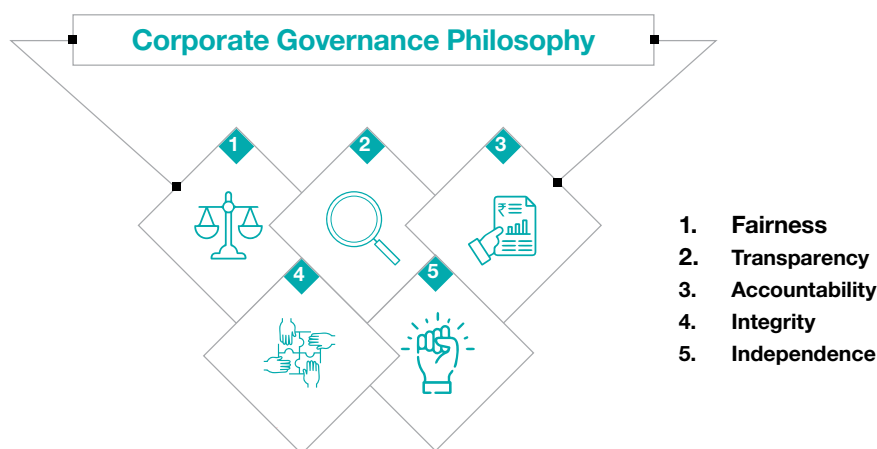
Date: May 07, 2026

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 endeavour 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. Escorts Code of Conduct to Regulate, Monitor and Report Trading by Insiders
2. EKL - Code of Conduct
3. Escorts 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 Records of Escorts Kubota Limited
7. Policy for Determining Material Subsidiaries
8. Policy on Materiality of Related Party Transactions ('RPT') and on 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 Blowing Policy
14. Policy for Determination of Materiality of Events/ Information
15. Risk Management Policy
16. Policy on Succession Planning
17. Board 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 16 directors including 3 women directors constituting 18.75% 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, 2026, 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. Akira Kato, '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. Nobushige Ichikawa Mr. Hitoshi Sasaki Mr. Satoshi Suzuki
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 Dr. Rupinder Singh Sodhi Mr. Kinji Saito

There is 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 Report ('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 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. Manish Sharma, Independent Director, who had resigned w.e.f. August 21, 2025 due to his pre-occupation and other personal commitments and whose resignation letter also stated that there was no material reason to resign other than that stated in his resignation.
- The Independent Directors of the Company meet at least once 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 Board Meeting(s) which familiarise the Independent Directors with the Organisation's Structure and its vision. A meeting of the Independent Directors was held during the FY 2025-26.

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, is posted on the website of the Company and can be accessed at https://static.escortskubota.com/new/pdf/other-documents/2026/Certificate-on-Non-Disqualification-of-Directors_EKL_2026.pdf.

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 recognizes 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 are 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, 2025 to March 31, 2026		Whether attended the last AGM held on July 16, 2025	No. of directorships held in Public Limited Companies as on March 31, 2026 ^(#)		No. of committee Memberships/ Chairpersonship held in Public Companies ^(*) as on March 31, 2026	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	2	-	1/0	1,93,422
Mr. Akira Kato%	07543672	DMD	-	6	5	NA	2	-	1/0	Nil
Mr. Bharat Madan	00944660	ED & CFO	-	6	6	Y	3	-	1/0	10
Mr. Hardeep Singh	00088096	NENID	UPL Limited, Director	6	5	Y	3	-	3/1	500
Mr. Nobushige Ichikawa%	09570234	NEND	-	6	6	Y	1	-	-	Nil
Mr. Hitoshi Sasaki%	11464326	NEND	-	6	1	NA	1	-	-	Nil
Mr. Satoshi Suzuki%	06527098	NEND	-	6	2	NA	1	-	-	Nil
Mr. Sunil Kant Munjal	00003902	NEID	-	6	5	Y	3	-	2/0	26,270
Ms. Tanya Arvind Dubash	00026028	NEID	Godrej Agrovat 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 JK Lakshmi Cement Limited Independent Director	6	6	Y	5	-	5/3	Nil
Ms. Reema Nanavaty	00690270	NEID	-	6	6	Y	2	-	-	Nil
Dr. Rupinder Singh Sodhi	03179002	NEID	-	6	6	Y	1	-	2/0	50
Mr. Kinji Saito	00049067	NEID	-	6	6	Y	1	-	-	Nil

Annexure – D

to the Directors' Report

Mr. Akira Kato was eligible to attend 5 board meetings and attended the same. Mr. Hitoshi Sasaki and Mr. Satoshi Suzuki were eligible to attend 2 board meetings and attended 1 and 2 board meetings respectively. Mr. Seiji Fukuoka was eligible for 2 board meetings and attended the same and he resigned from his office w.e.f. August 04, 2025. Mr. Manish Sharma was eligible to attend 2 board meetings and attended the same and he resigned from his office w.e.f. August 21, 2025. Mr. Dai Watanabe was eligible to attend 2 board meetings and attended the same and he resigned from his office w.e.f. October 31, 2025. Mr. Yasukazu Kamada and Mr. Shingo Hanada were eligible to attend 4 board meetings and attended 3 and both resigned from their office w.e.f. January 31, 2026.

*EPCMD - Executive Promoter Chairman and Managing Director, EPD - Executive Promoter Group Director, DMD – Deputy Managing Director (Executive), 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 Members holding Directorships on the Board of the Company, as on March 31, 2026 is 5.5 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.



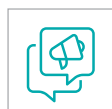
Mergers and Acquisitions

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. Akira Kato, Deputy Managing Director (W.e.f. August 04, 2025)	Y	Y	Y	Y ^{4 & 5}	Y	Y
Mr. Bharat Madan, Whole-Time Director & Chief Financial Officer	Y	Y	Y	Y ⁵	-	Y
Mr. Hardeep Singh, Director	Y ¹	Y ²	Y	Y ^{3 & 4}	Y	-
Mr. Nobushige Ichikawa, Nominee Director	Y	Y	Y	Y	Y	Y
Mr. Hitoshi Sasaki, Nominee Director	Y	Y ²	Y	Y	Y	Y
Mr. Satoshi Suzuki, Nominee Director	Y	Y	Y	Y	Y	Y

Annexure – D

to the Directors' Report

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	-
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). Further, they have also confirmed that they are not holding the directorships in more than seven listed companies.

i) Board Meetings

Six (6) Board Meetings were held during the FY ended March 31, 2026 i.e. on May 08, 2025, August 04, 2025, November 04, 2025, January 27, 2026, February 10, 2026 (including adjourned Meeting held on February 12, 2026), and March 10, 2026.

The gap between any two consecutive Board Meetings did not exceed 120 days. All the recommendations 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, 2026 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. Sunil Kant Munjal	– Independent Director (Member)
4.	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.

*Mr. Manish Sharma, Independent Director and member of the Audit Committee resigned effective from August 21, 2025 and vacated his office.

b) Meetings & Attendance

Six (6) meetings of the Audit committee were held during the FY ended March 31, 2026 i.e. on May 08, 2025, August 04, 2025, October 15, 2025, November 04, 2025, February 10, 2026 and March 03, 2026.

The attendance of the Audit Committee Members is as under:

Mr. Vimal Bhandari (Chairman)	■ ■ ■ ■ ■ ■ ■ ■
Mr. Hardeep Singh	■ ■ ■ ■ ■ ■ ■ ■
Mr. Sunil Kant Munjal	■ ■ ■ ■ ■ ■ ■ ■
Dr. Rupinder Singh Sodhi	■ ■ ■ ■ ■ ■ ■ ■

■ Meeting attended ■ Meeting not attended

Mr. Manish Sharma was eligible to attend 2 Committee meetings and attended the same.

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 (including Secretarial & Cost 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. 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.
23. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
24. 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).
25. 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.

Annexure – D

to the Directors' Report



IV. Nomination, Remuneration and Compensation Committee ('NRC')

a) Composition of NRC*

As on March 31, 2026, the NRC 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. Sunil Kant Munjal	–	Independent Director (Member)
4.	Ms. Tanya Arvind Dubash	–	Independent Director (Member)
5.	Mr. Ravindra Chandra Bhargava	–	Independent Director (Member)
6.	Mr. Hitoshi Sasaki	–	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.

*Committee was re-constituted on February 10, 2026, by inducting Mr. Hitoshi Sasaki in place of Mr. Dai Watanabe.

b) Meetings & Attendance

Four (4) meetings of the NRC were held during the FY ended March 31, 2026 - i.e. on May 07, 2025, August 04, 2025, October 14, 2025, and February 06, 2026. The attendance of the NRC Members is as under:

Mr. Vimal Bhandari (Chairman) 	Ms. Tanya Arvind Dubash
Mr. Hardeep Singh 	Mr. Ravindra Chandra Bhargava
Mr. Sunil Kant Munjal 	Mr. Hitoshi Sasaki*

Meeting attended Meeting not attended

*Not eligible to attend meeting during his tenure.

Mr. Dai Watanabe was eligible for 3 meetings and attended the same.

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 of 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, 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.

Annexure – D

to the Directors' Report

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	4.8
Board of Directors	4.7
Audit Committee	4.5
Nomination, Remuneration and Compensation Committee	4.4
Stakeholders' Relationship Committee	4.6
Corporate Social Responsibility Committee	5.0
Risk Management Committee	4.7

*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 attributes 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 personnel, 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, 2026 to the Directors are as under

- i. There was no pecuniary relationship or transaction(s) between the Non-Executive Directors and the Company during the FY 2025-26 except sitting fee and commission paid to the Non-Executive Directors as permitted under the Act read with SEBI Listing Regulations and the same is detailed out in below table.
- ii. Criteria for making payments to Non-Executive Directors:- The Independent Directors may receive remuneration by way of sitting 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 and is aligned to the requirement of the Company.

Non-Executive Directors can also be paid a commission based on performance of the Company apart from sitting fee.

In this connection, the shareholders of the Company have approved the payment of commission to the Non-Executive Directors in the AGM held on July 18, 2024, for a period of five years. Accordingly, the Board has approved the commission to Non-Executive Directors (including Independent Directors) subject to 1% of the net profits of the Company, for the FY 2025-26, calculated in terms of Section 198 of the Act, except the Directors (i.e. Mr. Nobushige Ichikawa, Mr. Hitoshi Sasaki, Mr. Satoshi Suzuki, Mr. Dai Watanabe, Mr. Yasukazu Kamada and Mr. Shingo Hanada) who have waived their right to receive the commission.

Except the above, no other payments were made to the Non-Executive Directors of the Company.

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	1.58	0.11	3.17
Mr. Seiji Fukuoka (Upto August 04, 2025)	DMD	-	-	0.27	0.41	-	0.68
Mr. Akira Kato (w.e.f. August 04, 2025)	DMD	-	-	0.32	0.59	-	0.91
Mr. Bharat Madan	ED & CFO	-	-	1.26	3.28	0.15	4.69
Mr. Hardeep Singh	NENID	0.14	0.16	-	-	-	0.30
Mr. Dai Watanabe (Upto October 31, 2025)	NEND	-	-	-	-	-	-
Mr. Yasukazu Kamada (Upto January 31, 2026)	NEND	-	-	-	-	-	-
Mr. Nobushige Ichikawa	NEND	-	-	-	-	-	-
Mr. Shingo Hanada (Upto January 31, 2026)	NEND	-	-	-	-	-	-
Mr. Hitoshi Sasaki (w.e.f. February 10, 2026)	NEND	-	-	-	-	-	-
Mr. Satoshi Suzuki (w.e.f. February 10, 2026)	NEND	-	-	-	-	-	-
Mr. Sunil Kant Munjal	NEID	0.08	0.16	-	-	-	0.24
Ms. Tanya Arvind Dubash	NEID	0.07	0.16	-	-	-	0.23
Mr. Harish Narinder Salve	NEID	0.01	0.16	-	-	-	0.17
Mr. Ravindra Chandra Bhargava	NEID	0.09	0.16	-	-	-	0.25
Mr. Vimal Bhandari	NEID	0.15	0.16	-	-	-	0.31
Ms. Reema Nanavaty	NEID	0.07	0.16	-	-	-	0.23
Mr. Manish Sharma (Upto August 21, 2025)	NEID	0.04	-	-	-	-	0.04
Dr. Rupinder Singh Sodhi	NEID	0.12	0.16	-	-	-	0.28
Mr. Kinji Saito	NEID	0.04	0.16	-	-	-	0.20
Grand Total		0.81	6.00	5.72	11.15	0.61	24.29

*Commission /Performance Linked Incentives are based on the profits for FY 2025-26

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 years from the date of her appointment. The services of said directors can be terminated as per the terms of their resolution/service contract, 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 2025-26.



VI. Stakeholders' Relationship Committee ('SRC')

a) Composition of the SRC

As on March 31, 2026, 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, 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, 2026 i.e. May 07, 2025, August 04, 2025, November 04, 2025, and February 10, 2026.

Mr. Hardeep Singh	■ ■ ■ ■ ■
Mr. Vimal Bhandari	■ ■ ■ ■ ■
Dr. Rupinder Singh Sodhi	■ ■ ■ ■ ■

■ Meeting attended ■ Meeting not attended

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) Details of Complaints/queries received/resolved

During the period under review, 1,585 complaints/queries were received from investors which were replied/resolved to the satisfaction of investors except 23 complaint/queries pending as on March 31, 2026 and the same have now been resolved/replied.

e) Transfer of Shares in Dematerialised form

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, 2026.

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.

g) Compliance Officer

Mr. Arvind Kumar is the Compliance Officer of the Company.



VII. Risk Management Committee ('RMC')

a) Composition of the RMC*

As on March 31, 2026, 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. Akira Kato	–	Executive Director (Member)
4.	Dr. Rupinder Singh Sodhi	–	Independent Director (Member)

Mr. Arvind Kumar, Company Secretary, acts as Secretary to the RMC.

*Committee was re-constituted during the year, due to vacation of office by Mr. Seiji Fukuoka and Mr. Keisuke Yasue and by inducting Mr. Akira Kato.

b) Meetings & Attendance

Two (2) meetings of the RMC were held during the financial year ended March 31, 2026 i.e. July 11, 2025 and January 21, 2026.

Mr. Nikhil Nanda 	Dr. Rupinder Singh Sodhi
Mr. Bharat Madan 	Mr. Akira Kato

Meeting attended Meeting not attended

Mr. Seiji Fukuoka was eligible to attend one meeting but could not attend the same.

Annexure – D

to the Directors' Report

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, 2026, 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. Akira Kato	–	Executive Director (Member)
6.	Ms. Reema Nanavaty	–	Independent Director (Member)

Mr. Arvind Kumar, Company Secretary, acts as Secretary to the CSR Committee.

*Committee was re-constituted on August 04, 2025, by inducting Mr. Akira Kato and Mr. Seiji Fukuoka vacated his office.

b) Meetings & Attendance

Three (3) meetings of the CSR were held during the FY ended March 31, 2026 i.e. May 07, 2025, October 14, 2025 and February 06, 2026.

Ms. Nitasha Nanda 	Ms. Tanya Arvind Dubash 
Mr. Nikhil Nanda 	Mr. Akira Kato* 
Mr. Hardeep Singh 	Ms. Reema Nanavaty 

 Meeting attended
  Meeting not attended

*Eligible to attend 2 meetings.

Mr. Seiji Fukuoka was eligible to attend only one meeting and attended the same.

c) Terms of Reference of the CSR Committee

The terms of reference of the committee shall *inter-alia* include the following:

- 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.
- Review and oversight the company's programmes, policies, practices and strategy related to ESG including:
 - Climate change
 - Sustainable sourcing
 - Water conservation and management
 - Energy Consumption
 - Waste disposal
 - GHG reduction
- 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.
- Work in conjunction with the Risk Management Committee to oversee the identification and mitigation of risks relating to ESG, as well as the identification of opportunities related to ESG matters.
- Periodically review regulatory, governance, market and other trends pertaining to ESG and accordingly make recommendations to Board in relations to updated requirements.
- Work and liaise as necessary with all other Board committees.

Annexure – D

to the Directors' Report

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 may 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, 2026, 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. Takayuki Okada*	Chief Officer – Quality Assurance Division
2.	Mr. Shinya Yamada*	Deputy Chief Officer – Construction Equipment Business Division
3.	Mr. Anish Dhir*	Deputy Chief Officer – R&D Division
4.	Mr. Sanjeev Mahajan*	Deputy Chief Officer – Operation Division
5.	Mr. Vivek Kumar Singh*	Deputy Chief Officer – Quality Assurance Division
6.	Mr. Neeraj Mehra	Chief Officer – Tractor Business Division
7.	Mr. Yuki Amano	Chief Officer – Tractor Business Division
8.	Mr. Rajan Chugh	Chief Officer – Agri Solutions Business Division; Chief Officer – Tractor Business Division (Kubota Brand)**
9.	Mr. Dhiraj Tiwari	Chief Officer – Service & Spare Parts Business Division
10.	Mr. Sanjeev Bajaj	Chief Officer – Construction Equipment Business Division
11.	Mr. Amit Singhal	Chief Officer – Human Resources & General Affairs Division
12.	Mr. Hisashi Tsukatani	Chief Officer – Research & Development Division
13.	Mr. Kenji Ennyu	Chief Officer – Operation Division
14.	Mr. Kohei Kawabe	Chief Officer – Engine Business Division
15.	Mr. Arvind Kumar	Company Secretary & Compliance Officer ('KMP')

*Appointed during the year.

** Given additional charge during the year.

The following Senior Management Personnel ('SMP') resigned/retired during the year:

S. No.	Name of SMP
1.	Mr. Keisuke Yasue, Chief Officer – Corporate Planning Division
2.	Mr. Ankur Dev, Chief Officer – Railway Equipment Business Division
3.	Mr. Bundo Ryo, Chief Officer – Quality Assurance Division
4.	Mr. Gurmeet Singh Grewal, Chief Officer – Tractor Business Division (Kubota Brand)

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 Resolutions passed thereat were as under:

Financial Year - 2024-25



July 16, 2025



Through Video Conferencing/Other Audio-Visual Means.
Deemed Venue was the registered office of the Company



12:00 Noon



Special Resolution:

To approve the re-appointment of Mr. Harish Narinder Salve as a Non-Executive Independent Director

Financial Year - 2023-24



July 18, 2024



Through Video Conferencing/Other Audio-Visual Means.
Deemed Venue was the registered office of the Company



12:00 Noon



Special Resolution:

1. To approve the re-appointment of Mr. Sunil Kant Munjal as a Non-Executive Independent Director
2. To approve the re-appointment of Ms. Tanya Arvind Dubash as a Non-Executive Independent Director
3. To approve the appointment of Mr. Kinji Saito as a Non-Executive Independent Director

Financial Year - 2022-23



July 14, 2023



Through Video Conferencing/Other Audio-Visual Means.
Deemed Venue was the registered office of the Company



12:00 Noon



Special Resolution:

To appoint Dr. Rupinder Singh Sodhi as a Non-Executive, Independent Director



Date



Time



Location



No. of Special Resolutions Passed at AGM

Annexure – D

to the Directors' Report

b) Extraordinary General Meetings

No Extraordinary General Meeting was held during the last FY 2025-26.

c) Special Resolutions passed through Postal Ballot

One special resolution was passed during the year under review through the exercise of postal ballot:

S. No.	Postal Ballot Notice	Particulars of Special Resolution	Details of Voting	
			Votes casted in favour	Votes casted against
1.	August 04, 2025*	To approve the remuneration of Mr. Akira Kato, DIN: 07543672 as Whole-Time Director, designated as 'Deputy Managing Director' of the Company	99.8527%	0.1472%

*Passed on October 30, 2025.

Ms. Neelam Gupta was appointed as Scrutiniser to conduct the postal ballot process.

Another postal ballot notice dated March 20, 2026 was also circulated to the members, seeking their approval by way of Ordinary Resolution(s) for the appointment of Mr. Hitoshi Sasaki and Mr. Satoshi Suzuki as Non-Executive Nominee Directors. Further, to clarify there is no business proposed to be conducted, which require special resolution to be passed through the Postal Ballot.

d) Procedure for Postal Ballot

One postal ballot was carried out during FY 2025-26 as per the applicable provisions of the Act read with the relevant rules and circulars issued by the Ministry of Corporate Affairs.

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 2024-25 were sent to the shareholders only through e-mail, however, for those shareholders, whose e-mail addresses are not registered, letters were sent through ordinary post, providing the weblink and QR Code in order to access the Annual Report of FY 2024-25. Further, in terms of Circulars of the MCA and SEBI, the Notice and Annual Report for the FY 2025-26

are also being sent through e-mail only and letters, containing the weblink & QR Code to access the Annual Report for FY 2025-26, are being sent through ordinary post to those shareholders whose e-mail addresses are not registered. Notice and Annual Report shall also be available on the website of the Company at <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), Jansatta (Hindi). Quarterly and Annual Financial Results, along with segment reporting, if any, and quarterly shareholding pattern are posted on the Company's website at www.escortskubota.com and intimated to stock exchanges.

The presentation made to investors/analysts and others, including official news release are also posted on the Company's website and intimated to stock exchanges. All periodical and other filings 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/or as permitted under single filing platform and are also 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 15, 2026
	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 Year

The Financial Year is April 1st to March 31st every year and for the FY 2026-27, 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, 2026	First fortnight of August 2026
Financial results for Quarter ended September 30, 2026	First fortnight of November 2026
Financial results for Quarter ended December 31, 2026	First fortnight of February 2027
Financial results for Quarter/Year ended March 31, 2027	First fortnight of May 2027
Annual General Meeting for the FY ending March, 2027	July/August 2027

c) Cut-off Date for e-voting

July 08, 2026 has been fixed as the cut-off date to record entitlement of the shareholders 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 04, 2026 to Wednesday, July 15, 2026 (both days inclusive) for the purpose of payment of Dividend for the FY 2025-26 and for the purpose of the 80th AGM.

e) Dividend Payment Date

1. The Board of Directors of the Company at its meeting held on February 10, 2026, declared special dividend @ 180% per share of Face Value of ₹ 10/- each (i.e. ₹ 18.00 per share), for the FY 2025-26 and the record date for this purpose was February 16, 2026. The special dividend was paid on March 02, 2026.
2. The Board of Directors of the Company have also recommended final dividend @ 330% per share of Face Value of ₹ 10/- each (i.e. ₹ 33 per share), payable on all outstanding shares, for the FY ended March 31, 2026, subject to the approval of the shareholders in this AGM. The total dividend (including the special dividend) for the financial year 2025-26 would be ₹ 51/- (510%) per fully paid-up equity share of ₹ 10/- each.
3. The final dividend, if declared at the AGM, would be paid within 30 days from the date of declaration to those persons:-
 - a) whose names appear as beneficial owners as at the end of the business hours on July 03, 2026 (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 03, 2026.
4. The final dividend amount shall be credited in the shareholders bank account directly only in electronic mode through NECS.

The intimation for credit of final dividend amount through NECS shall also be sent to the shareholders through e-mail/ordinary post thereafter.

Annexure – D

to the Directors' Report

Dividend Payment History for Ten Years

Year	Rate	Date of Payment
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)	July 18, 2025
2025-26	180% (Special)	March 02, 2026
2025-26	330% (Final)	Will 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
National Stock Exchange of India Limited ('NSE') Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra East, Mumbai – 400051
BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

The Company has paid annual listing fees for the FY 2026-27 to the Stock Exchanges.

Celebrated 30 years of listing at NSE

A ceremonial bell ringing event was organized by the NSE on December 09, 2025 at its premises in Mumbai to commemorate 30 years of listing of the Company.

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 |
<https://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 is carried out by KFin. The authority relating to share transfer has been delegated to RTA. The Stakeholder's Relationship Committee of the Company takes 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 21 days from their receipt and also processing of valid Demat request within 15 days.
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.

However, SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025, opened a special window for re-lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019, for a period of six (6) months from July 07, 2025, to January 06, 2026.

The special window has been re-opened by SEBI from **February 05, 2026 to February 04, 2027** vide its circular dated January 30, 2026 for facilitating transfer and dematerialisation ("demat") of physical securities, which were sold/purchased prior to April 01, 2019. The window is also open for the

transfer requests which were earlier rejected or returned or not attended due to deficiency in documents/process or otherwise, however, the securities under dispute and securities transferred to IEPF are not being considered for processing under this window. Further, as per the circular, the securities transferred, if any, would be mandatorily credited to the transferee only in demat mode and shall be under lock-in for a period of 1 year from the date of registration of transfer.

The above information is publicized by the Company in print and electronic media from time to time for the benefit of stakeholders.

4. 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, 2026

S. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 5000	134603	99.77	99,92,880	8.93
2	5001 - 10000	116	0.09	8,22,963	0.74
3	10001 - 20000	61	0.05	8,91,824	0.80
4	20001 - 30000	25	0.02	6,25,798	0.56
5	30001 - 40000	19	0.01	6,45,207	0.58
6	40001 - 50000	6	0.00	2,65,157	0.24
7	50001 - 100000	24	0.02	16,92,582	1.51
8	100001 and above	54	0.04	9,69,41,343	86.65
	Total	1,34,908	100.00	11,18,77,754	100.00

I) Dematerialization of Shares and Liquidity

The Company's shares are available for dematerialization with both the Depositories i.e. NSDL and CDSL. Total 11,13,36,413 of equity shares of the Company, as detailed below, have been dematerialised as on March 31, 2026. Trading in Equity Shares of the Company is permitted only in dematerialized 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

Dematerialization of shares as on March 31, 2026			
S. No.	Mode of holding	No. of shares	%
1.	NSDL	10,77,72,590	96.33
2.	CDSL	35,63,823	3.19
3.	Physical	5,41,341	0.48
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, 2025	60,431	19.77	20,63,410	676.28
May, 2025	138,342	47.02	50,65,950	1,729.54
June, 2025	156,936	50.95	38,43,452	1,251.76
July, 2025	97,921	33.25	19,72,208	668.45
August, 2025	138,008	48.58	24,89,404	875.53
September, 2025	299,278	113.06	62,61,996	2,362.80
October, 2025	130,153	47.47	30,24,932	1,099.26
November, 2025	242,858	88.50	22,02,172	815.21
December, 2025	79,293	29.41	15,02,710	556.29
January, 2026	157,546	56.75	20,17,367	737.26
February, 2026	116,626	42.07	3,177,698	1,150.05
March, 2026	1,30,804	39.76	30,41,587	929.73
Total	17,48,196	616.59	3,66,62,886	12,852.18

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, 2026, out of the options granted to the employees, please refer note 37 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

During FY 2025-26, the Company neither traded in nor had any exposure in commodities markets.

The details of foreign currency exposure and hedging are disclosed in Note 34 of the Standalone Financial Statement and Note 34 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. 219, Sector - 58, Ballabhgarh, Faridabad - 121004, Haryana
6. B 500 A & C, Indospace Industrial Park, 104 Polivakkam Village, Sriperumbudur, Thiruvallur Main Road, Thiruvallur - 602002, Tamil Nadu
7. Gate 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. 265 of the Business Responsibility and Sustainability Report for no. of 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. However, the shareholders of the Company had approved Material related party transaction(s) with Kubota Corporation in the AGM held in the year 2025, the details of which are provided in the notes to the Financial Statements.

Further, all the related party transactions (RPTs) entered, during the FY ended on March 31, 2026, were as per the "Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions".

- b) The Company has implemented a comprehensive legal compliance application, to ensure compliance

Annexure – D

to the Directors' Report

of all laws applicable to the Company, through which specific compliance tasks have been duly assigned to the respective function(s) and Board reviews the compliance report periodically.

- c) 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 were imposed by Stock Exchanges or SEBI or any Statutory Authority.
- d) 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 it is affirmed that, during the year under review, no personnel has 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.
- e) The Company has complied with the mandatory requirement of SEBI Listing Regulations. Further, the Company has also put its best endeavour to comply with non-mandatory requirement(s).
- f) Policy for determining 'Material Subsidiaries'

Your Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of SEBI Listing Regulations. The Policy for determining Material Subsidiaries is available on the following weblink: https://static.escortskubota.com/new/pdf/reg-46-sebi/24-02-2025/EKL_2025_02_10_Policy_for_Determining_Material_Subsiadiaries.pdf

- g) Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

Your Company has formulated a Policy on Materiality of Related Party Transactions and on Dealing with the Related Party Transactions ('RPT Policy') which specifies the manner of entering into related party transactions.

During the year, the RPT Policy was reviewed and amended in alignment with the amendments made to the SEBI Listing Regulations.

The updated RPT Policy is available on the following weblink: <https://static.escortskubota.com/new/>

[pdf/reg-46-sebi/09-05-2025/EKL_2025_05_08_Policy_on_Materiality_of_RPT.pdf](https://static.escortskubota.com/new/pdf/reg-46-sebi/09-05-2025/EKL_2025_05_08_Policy_on_Materiality_of_RPT.pdf)

- h) 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.
- i) 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, 2025	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, 2026	Nil	Nil

The voting right on the shares outstanding in the aforesaid suspense account as on March 31, 2026, 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.

- j) 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.
- k) The Board has accepted all the recommendations of the Board Committee(s) which are mandatorily required in relevant financial year.

- l) 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	0
2.	Number of complaints disposed of during the financial year	0
3.	Number of complaints pending as on end of the financial year	0

- m) The details of fee paid by the Company and its subsidiaries for the financial year ended March 31, 2026, on a consolidated basis, to M/s. Walker Chandio & Co LLP, Chartered Accountants, Statutory Auditor of the Company and to all entities in the network firm/network entity of which the Statutory Auditor of the Company is a part, are as follows:

(in crores)	
Particulars	Amount* (without Tax)
Audit Fee	1.75
Certification Fees	0.20
Total fee	1.95

*excluding reimbursement of out of pocket expenses

- n) 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)		
S. No.	Particulars	Amount in ₹
1.	Given by the Company	
	Name of the Firm/Companies in which directors are interested	NIL
2.	Given by subsidiary company of the Company	
	Name of the Firm/Companies in which directors are interested	NIL

- o) There has been no instance of non-compliance of any requirement of Corporate Governance report as prescribed under SEBI Listing Regulations.
- p) Details of top 10 shareholders of the Company as at end of each quarter and as well as year ended March 31, 2026 are available on the website at <https://www.escortskubota.com/investors/governance> under the tab List of Top 10 Shareholders.
- q) 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.

Annexure – D

to the Directors' Report

S. No.	Non-Mandatory Provisions	Status
6.	Reporting of Internal Auditor	The Internal Auditor's report to the Audit Committee from time to time.
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 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

Place: Faridabad
Date: May 07, 2026

Sd/-
Nikhil Nanda
Chairman and Managing Director

Sd/-
Akira Kato
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 and Deputy Managing Director under Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Nikhil Nanda, Chairman and Managing Director and Akira Kato, Deputy Managing Director of the Company, to the best of our 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, 2026.

Place: Faridabad

Date: May 07, 2026

Sd/-

Nikhil Nanda

Chairman and Managing Director

Sd/-

Akira Kato

Deputy Managing Director

CEO/CFO Certification

To,
The Board of Directors,
Escorts Kubota Limited

Dear Sir/Ma'am,

We, Nikhil Nanda, Chairman & Managing Director, Akira Kato, 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, 2026 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	Akira Kato	Bharat Madan
Date: May 07, 2026	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, 2026, 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, 2026.

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: F003135H000298309

Place: Ghaziabad

Date: May 07, 2026

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 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 monitor/review the CSR implementation periodically.

The Company has included in its Annual Report the CSR activities/project undertaken by the Company including the progress thereof.

The CSR Committee will get the Project Appraisal of its CSR projects/activities from third party agency, as and when required.

Utilization Certificate(s) along with statement of expenditure duly certified is obtained from the organization/Implementation Agency/Institution to whom CSR fund is allocated.

Committee delegates the power of execution of its CSR Activities to various authorized persons/Internal CSR Committee from time to time.

2. Composition of CSR Committee

The composition of the CSR Committee as on March 31, 2026 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 Arvind Dubash	Member/Independent Director	3	2
5	Ms. Reema Nanavaty	Member/Independent Director	3	3
6	*Mr. Akira Kato	Member/Deputy Managing Director	3	2

*Mr. Akira Kato was appointed as a member of CSR Committee effective from August 04, 2025. Mr. Kato was eligible to attend 2 Meetings and he attended the same.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

- Composition of CSR Committee: https://static.escortskubota.com/new/pdf/2026/february/Composition_of_Various_Committees_of_Board_of_Directors.pdf
- CSR Policy: https://static.escortskubota.com/new/pdf/2025/november/EKL_2025_11_04_CSR_Policy.pdf
- CSR Projects: https://static.escortskubota.com/new/pdf/2026/april/CSR_Programme_2025-26.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: Impact Assessment of the Project(s) completed by March 31, 2025 is under process.

5. (a) Average net profit of the Company as per section 135(5): ₹ 10,04,13,94,275/-
 (b) Two percent of average net profit of the Company as per section 135(5): ₹ 20,08,27,884/-
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹ 16,94,043/- (inclusive of income of ₹ 15,85,702 generated out of a CSR Project and Interest income of ₹ 1,08,341)
 (d) Amount required to be set off for the financial year, if any: Nil
 (e) Total CSR obligation for the financial year (2025-2026) (b+c-d): ₹ 20,25,21,927/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and Other): ₹ 16,64,62,711/-
 (b) Amount spent in Administration Overheads: Nil
 (c) Amount spent on Impact Assessment, if applicable: ₹ 7,70,000/-
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 16,72,32,711/-
 (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.
₹ 16,72,32,711	₹ 3,52,90,000	April 28, 2026	NA	NA	NA

- (f) Excess amount for set-off, if any: ₹ 784

S. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	₹ 20,25,21,927*
(ii)	Total amount spent for the Financial Year	₹ 20,25,22,711**
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 784***
(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)]	₹ 784

*Includes total obligation i.e. 2% of Average Net Profits as per section 135(5) of Companies Act, 2013 and the surplus of ₹ 16,94,043 arising out of the projects the CSR projects or programmes or activities.

** Includes the amount deposited in separate Bank account for multi-year projects i.e. ₹ 3,52,90,000.

*** Excess amount deposited in the unspent CSR Account for rounding off purpose.

No excess amount spent will be claimed for set-off. Further, the income arising out of CSR Activities are provided in clause 5 (c) of the Report.

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.	2022-23	13,10,00,000	-	13,10,00,000	-	-	0	-
2.	2023-24	-	-	-	-	-	-	-
3.	2024-25	6,13,22,708	-	2,62,00,000	-	-	3,51,22,708	-

Annexure – E

to the Directors' Report

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: 2025-26

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 Rupees)	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
1.	Office Equipment's such as Millton Stellar 10 Thermosteel water jug, Desktop, Almirah, Racks, Towel Rods, curtains, plastic blowers, chairs, study table, study chair, sofa and cloth stand Complete Address and Location: Escorts Training and Development Centre- Ramakrishnapura Anekal Road, Chandapera post, Bangalore-560081	136119	During the FY 2025-26	8,02,496	CSR000001566	EKL CSR Foundation	Regd. Office address of the entity: 15/5, Mathura Road, Faridabad, Haryana-121003
2	Plant & Machinery's such as as Ladders, assembly set, rickshaw tractor mounted fly wheel assembly, spare parts of various instruments, single disc machine, vacuum cleaner, water cooler, cylinder bore gauge, rear alex stand, trolley, soil testing machine, plastic tray for paddy, sowing machine, nut runner, filter, regulator white board, multimeter etc. Location: EKL CSR Foundation- Dhand Road, next to Bharat Petrol Pump Village Kamoda, Tehsil Pehowa, Distt- Kurukshetra-136119, Haryana.	136119	During the FY 2025-26	53,56,313	CSR000001566	EKL CSR Foundation	Regd. Office address of the entity: 15/5, Mathura Road, Faridabad, Haryana-121003
3	Office Equipments such as desktops, monitor, FHD Monitors etc. Complete Address and Location: Escorts Training and Development Centre- Ramakrishnapura Anekal Road, Chandapera post, Bangalore-560081	560081	August 2025 – November 2025	2,99,060	CSR000001566	EKL CSR Foundation	Regd. Office address of the entity: 15/5, Mathura Road, Faridabad, Haryana-121003
4	Plant and Machinery such as tractor trailer, honda brush cutter model, face meters, plastic tray for paddy, soil testing machine Location: Escorts Training and Development Centre- Ramakrishnapura Anekal Road, Chandapera post, Bangalore-560081	560081	June 2025- March 2026	13,87,768	CSR000001566	EKL CSR Foundation	Regd. Office address of the entity: 15/5, Mathura Road, Faridabad, Haryana-121003

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, 2026, the Company has spent ₹ 16,64,62,711 (including surplus generated from existing project) on various projects. The remaining balance of ₹ 3,52,89,216 towards ongoing projects has been transferred to the unspent CSR account of “M/s Escorts Kubota Limited Unspent Corporate Social Responsibility Account FY 2025-26” along with excess voluntary deposit of ₹ 784 i.e. total amount deposited and ₹ 3,52,90,000 and the same 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 07, 2026

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	Kubota Corporation (Holding company of the Company)	
(b)	Nature of contracts/arrangements/transactions	EKL has entered into following transactions with Kubota Corporation:	
		Nature of Transaction	₹ crores
		Sale of Goods	5.00
		Rendering of services	13.47
		Purchase of Goods	883.38
		Receiving of Services	23.32
		Royalty paid	5.27
(c)	Duration of the contracts/arrangements/transactions	Financial Year 2025-26	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Please Refer 2(b) above for transactions entered by the Company with the Kubota Corporation against the approval given by the shareholder in the AGM held on July 16, 2025 upto ₹ 1,250 crores.	
(e)	Date(s) of approval by the Board, if any:	May 08, 2025	
(f)	Amount paid as advances, if any:	Nil	

*The transactions entered into, with Kubota Corporation during FY 2025-26, pursuant to shareholder approval in AGM held on July 16, 2025, are unparalleled in the market and provide the Company with a competitive edge that is vital for Company's success. Also, Kubota's extensive global expertise plays a crucial role in refining the production systems and enhancing technical capabilities.

For and on behalf of the Board of Directors

Sd/-

Nikhil Nanda

Chairman and Managing Director

DIN: 00043432

Sd/-

Akira Kato

Deputy Managing Director

DIN: 00032660

Place: Faridabad

Date: May 07, 2026

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

(For the Financial Year ended March 31, 2026)

[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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the **Financial Year ended March 31, 2026**, 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, 2026 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 **(Not applicable to the Company during the Audit Period)**;
 - (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, as confirmed and certified by the Management, following laws are specifically applicable to the company based on the Sector(s)/Business(s):
 - (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 except in one instance i.e. the amount of ₹0.16 crores due to be transferred to Investor Education and Protection Fund under section 124(5) of the Companies Act, 2013 was transferred on 27th November, 2025 as against the due date of 13th November, 2025.

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. During the year, 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 crore without values being assigned to the individual assets and liabilities in such sale/transfer, to Sona BLW Precision Forgings Limited has been closed on June 01, 2025, in terms of the Business Transfer Agreement (BTA) which was executed pursuant to Board approval on October 23, 2024.

2. The Company paid final dividend of ₹ 18/- (Rupees Eighteen only) per equity share for the Financial Year 2024-25.
3. The Company paid interim dividend termed as 'Special Dividend' of ₹ 18/- (Rupees Eighteen only) per equity share for the Financial Year 2025-26.
4. The Board of Directors of the Company at their meeting held on February 10, 2026 (*adjourned meeting held on February 12, 2026*), *inter-alia*, approved:
 - a. Investment of the funds of the Company, in phases, for purchasing/acquiring the land in YEIDA (Yamuna Expressway Industrial Development Authority) Industrial area, Sector-10, Gautam Buddha Nagar, Uttar Pradesh, for setting up the Greenfield Project for the construction of new plant, in order to increase production capacity for tractors, construction equipment and other products of the Company; and
 - b. Further investment, of ₹ 500 crores in the securities of Escorts Kubota Finance Limited, wholly owned subsidiary, in one or more tranches.

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.: 6760/2025

UDIN: F003135H000298320

Place: Ghaziabad

Date: 07/05/2026

**Annexure to Secretarial Audit Report of Escorts Kubota Limited for
financial year ended March 31, 2026**

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.: 6760/2025

UDIN: F003135H000298320

Place: Ghaziabad

Date: 07/05/2026

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

- (l) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2025-26 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year (FY) 2025-26 are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for FY 2025-26 (₹ in crores)	% Increase in Remuneration in FY 2025-26	Ratio of remuneration of each Director/to the median remuneration of the employees
1.	Mr. Nikhil Nanda, Chairman & Managing Director	12.59	0.01	109.59
2.	Ms. Nitasha Nanda, Whole-Time Director	3.17	5.44	27.61
3.	Mr. Seiji Fukuoka, Deputy Managing Director	0.68	(71.96)*	5.96
4.	Mr. Akira Kato, Deputy Managing Director	0.91	NA%	7.93
5.	Mr. Bharat Madan, Whole-Time Director and Chief Financial Officer	4.69	10.84	40.80
6.	Mr. Hardeep Singh, Non-Executive Director	0.30	(1.01)^	2.57
7.	Mr. Dai Watanabe, Non-Executive Director	#	NA#	NA
8.	Mr. Yasukazu Kamada, Non-Executive Director	#	NA#	NA
9.	Mr. Nobushige Ichikawa, Non-Executive Director	#	NA#	NA
10.	Mr. Shingo Hanada, Non-Executive Director	#	NA#	NA
11.	Mr. Sunil Kant Munjal, Independent Director	0.24	(8.57)^	2.09
12.	Ms. Tanya Arvind Dubash, Independent Director	0.23	4.52	2.01
13.	Mr. Harish Narinder Salve, Independent Director	0.17	6.25	1.48
14.	Mr. Ravindra Chandra Bhargava, Independent Director	0.25	11.11	2.18
15.	Mr. Vimal Bhandari, Independent Director	0.31	6.04	2.67
16.	Ms. Reema Nanavaty, Independent Director	0.23	4.57	1.99
17.	Mr. Manish Sharma, Independent Director	0.04	(85.71)§	0.30
18.	Dr. Rupinder Singh Sodhi, Independent Director	0.28	1.98	2.46
19.	Mr. Kinji Saito, Independent Director	0.20	NA®	1.74
20.	Mr. Hitoshi Sasaki, Non-Executive Director	#	NA#	NA
21.	Mr. Satoshi Suzuki, Non-Executive Director	#	NA#	NA
22.	Mr. Arvind Kumar, Company Secretary	0.66	8.08	5.77

*Mr. Seiji Fukuoka held the position of Deputy Managing Director upto August 04, 2025 and his remuneration is inclusive of tax liability on his global income borne by the Company for that period.

§Mr. Akira Kato was appointed during the FY 2025-26, thus percentage increased/decreased in his remuneration for FY 2024-25 is not applicable.

^The overall percentage is negative due to lesser number of meetings attended during the FY 2025-26.

#Mr. Dai Watanabe (held office upto October 31, 2025), Mr. Yasukazu Kamada (held office upto January 31, 2026), Mr. Shingo Hanada (held office upto January 31, 2026), Mr. Nobushige Ichikawa, Mr. Hitoshi Sasaki (appointment effective from February 10, 2026) and Mr. Satoshi Suzuki (appointment effective from February 10, 2026) are Nominee Directors of M/s Kubota Corporation and have waived their respective right(s) to receive the sitting fees during their respective tenure(s). Accordingly, they have not been paid any sitting fee or commission, thus there is no percentage increase/decrease in their remuneration for FY 2025-26.

§Mr. Manish Sharma held office upto August 21, 2025.

®Mr. Kinji Saito waived his right to receive Commission and sitting fee in FY 2024-25, however, during the FY 2025-26 he opted to receive commission and sitting fees effective from the Board Meeting held on November 04, 2025. Accordingly, percentage increase/decrease in their remuneration for FY 2025-26 is not applicable.

Annexure – H

to the Directors' Report

- (II) The percentage increase in median remuneration of employees in the Financial Year: 7.83%
- (III) There were 4,323 permanent employees on the rolls of the Company as on March 31, 2026.
- (IV) Average percentile/percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year: 10.3%**
- (V) Comparison of increase made in the salaries of employees (other than managerial personnel) with the percentile/percentage increase in the managerial remuneration in the last financial year 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 2025-26 is in terms of the performance of the Company during FY 2025-26.
- (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.

**Excludes increase for 43 Expats as their remuneration is governed by guidelines of Kubota Corporation and excludes remuneration of 932 Workmen (including trainees) since their remuneration is as per Long Term Settlement ('LTS') which is signed every 3 years.

For and on behalf of the Board of Directors

Place: Faridabad
Date: May 07, 2026

Sd/-
Nikhil Nanda
Chairman and Managing Director

Sd/-
Akira Kato
Deputy Managing Director

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

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 (*)

On October 23, 2024, the Company's Board of Directors approved the sale/transfer of its division engaged in the manufacturing, assembly, sales, servicing, research, and development of railway equipment products, including parts (the "RED Business"), through a slump sale as defined under Section 2(42C) of the Income-tax Act, 1961. Subsequently, on June 1, 2025, the Company completed the transfer of the RED Business to Sona Comstar, following the satisfaction of the conditions precedent outlined in the Business Transfer Agreement (BTA). For financial reporting purposes, the RED Business has been classified under discontinued operations. Accordingly, all disclosures and performance metrics presented in the BRSR for the current FY 2026 and the previous fiscal year will exclude the RED Business and pertain solely to the Company's continuing operations, unless otherwise specified.

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	Date/Year of incorporation	17-10-1944
4	Registered office address	15/5, Mathura Road, Faridabad, Haryana, India - 121003.
5	Corporate address	15/5, Mathura Road, Faridabad, Haryana, India - 121003.
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	01-04-2025 to 31-03-2026
10	Name of the Stock Exchange(s) where shares are listed	1) Bombay Stock Exchange Ltd. (BSE) 2) National Stock Exchange of India Ltd. (NSE)
11	Paid-up Capital (In ₹)	₹ 111,87,77,540
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 E-mail: 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)	Standalone Basis and Refer to * Paragraph above
14	Name of assessment or assurance provider	Grant Thornton Bharat LLP
15	Type of assessment or assurance obtained	Reasonable assurance on BRSR Core indicators and limited assurance and Type 2 Moderate assurance on identified non-financial information other than BRSR Core indicators.

Annexure – I

to the Directors' Report

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 and Trading of a comprehensive range of Agri-machinery and Construction equipment. Agri-machinery portfolio includes tractors, harvesters, farm implements, engines, spare parts, and oils & lubricants, etc., addressing the evolving mechanization requirements of the agricultural sector. Construction Equipment portfolio comprises material handling cranes, road compaction machinery, and earthmoving equipment, contributing to infrastructure and industrial development.	99.94

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	85.24
2	Construction Equipment	2824	14.70

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	7	53*	60
2	International	1	1	2

* includes Regional Offices and Depot

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)	71

b. What is the contribution of exports as a percentage of the total turnover of the entity?

5.54

c. A brief on types of customers

Escorts Kubota Limited (EKL) serves a diverse customer base across agriculture and construction sectors, focusing on delivering reliable, safe, and accessible solutions that enhance productivity and support sustainable development. The Company adopts a customer-centric approach by addressing varied needs across geographies, income segments, and end-use applications.

1. Customer in Agri Machinery Product Segment

EKL caters to stakeholders across the agricultural value chain, including small and marginal farmers, large farm owners, farmer producer organizations (FPOs), cooperatives, rural entrepreneurs, and institutional customers in domestic and international markets. The Company provides end-to-end farm mechanization solutions spanning the crop cycle from land preparation to harvesting.

Its product portfolio includes tractors, transplanter, harvesters, implements, engines, and related components under Kubota, Farmtrac, Powertrac, Escorts, Steeltrac, Farmpower, and E Kubota brands, designed to suit

diverse agro-climatic conditions and farm sizes across more than 60 countries. EKL supports inclusive access through a wide dealer and service network, ensuring last-mile connectivity, after-sales service, and customer awareness, thereby contributing to improved farm productivity and rural livelihoods.

2. Customer in Construction Equipment Segment

EKL serves a diverse set of customers engaged in infrastructure and industrial development, including construction and engineering companies, government and public sector agencies, mining operators, rental and leasing companies, and individual contractors. The Company's construction equipment portfolio are marketed under the Escorts and Kubota brands; comprises material handling cranes, road compaction machinery, and earthmoving equipment, contributing to the development of critical sectors such as infrastructure, mining, cement, power, etc. With over 250 customer touchpoints across India and a presence in more than 30 countries, EKL ensures strong product accessibility, service support, and continuous customer engagement. The Company places a strong emphasis on safety, reliability, and lifecycle performance, while systematically integrating customer feedback to enhance product quality, operational efficiency, and overall customer experience.

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)	3,391	3,159	93.16%	232	6.84%
2	Other than Permanent (E)	1,049	893	85.13%	156	14.87%
3	Total employees (D + E)	4,440	4,052	91.26%	388	8.74%
Workers						
4	Permanent (F)	932	927	99.46%	5	0.54%
5	Other than Permanent (G)	10,525	10,324	98.09%	201	1.91%
6	Total workers (F + G)	11,457	11,251	98.20%	206	1.80%

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%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	1	1	100.00%	0	0.00%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%
6	Total differently abled workers (F + G)	1	1	100.00%	0	0.00%

Annexure – I

to the Directors' Report

21. Participation/Inclusion/Representation of women:

	Total(A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	16*	3	18.75
Key Management Personnel	4**	0	0

*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 2026			FY 2025			FY 2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.18	10.77	13.02	16.47	21.29	16.74	21.81	15.64	21.50
Permanent Workers	8.32	0.00	8.28	7.05	18.18	7.11	7.85	28.57	7.98

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*	0.00	No
2	Escorts Crop Solutions Limited	Subsidiary	100.00	No
3	EKL CSR Foundation	Subsidiary	100.00	No
4	Farmtrac Tractors Europe sp. z.o.o., Poland	Subsidiary	100.00	No
5	Escorts Kubota Finance Limited	Subsidiary	100.00	No
6	Invigorated Business Consulting Limited (Formerly Escorts Finance limited)	Subsidiary	67.87	No
7	Adico Escorts Agri Equipments Private Limited	Joint ventures	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 2025-26: ₹ 1,14,72,77,62,959.00

FY 2024-25 (Restated): ₹ 1,01,86,96,27,837.00

iii. Net worth (in ₹)

FY 2025-26: ₹ 1,21,69,10,57,092.00

FY 2024-25 (Restated): ₹ 1,01,472,982,065.00

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 2026 (Current Financial Year)			FY 2025 (Previous Financial Year)			If NA, then provide the reason
		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	1,585	23	Complaints/ Request are relate to routine operational matters (e.g., non-receipt of shares, dividends, annual reports) and as on May 7th, 2026 that is date of report all are resolved	1,502	14	Complaints/ requests relate to routine operational matters (e.g., non-receipt of shares, dividends, and annual reports), and all have been resolved as of the reporting date.	
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	288	1	Includes complaints received from all category of employees and workers	89	5	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	1,66,824	101	Include complaints and queries received from various platform and as on report date 22 Complaints were open	1,39,720	162	Includes complaints and queries received from various platforms	
Value Chain Partners	Yes Partners can raise any concerns or grievances via Whistle Blower Policy that can be accessed at https://static.escortskubota.com/new/pdf/reg-46-sebi/24-02-2025/2024-02-08-Whistle-Blower-Policy.pdf and also call/e-mail/ letter on contact details mentioned at http://www.escortskubota.com/contact-us	4	2	-	4	1		
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 issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Operations – EHS Impact (including Emission Management, Energy Efficiency, Renewable Energy, Safety Training, Water Positivity, Product Quality & Safety)	R	Environmental, Health and Safety (EHS) risks have a significant impact on EKL's operations and long-term sustainability. Non-compliance with applicable regulations related to emissions, energy usage, water management, and product safety can result in regulatory actions, penalties, and increased scrutiny. EHS incidents may lead to injuries, occupational health issues, and operational disruptions, affecting productivity and delivery timelines. Additionally, inefficiencies in energy consumption and a lack of focus on renewable energy and water stewardship may increase operational costs and environmental footprint. Product quality and safety lapses can impact customer trust, brand reputation, and market competitiveness. Collectively, these factors can lead to financial losses, reputational damage, and reduced stakeholder confidence.	EKL has implemented a comprehensive EHS management system across all facilities, certified under ISO 14001 and ISO 45001 standards. The Company adopts an integrated approach covering emission management, energy efficiency, renewable energy adoption, water conservation, and product safety. Key initiatives include: - Emission Management Systems to monitor and control air emissions and ensure regulatory compliance. - Energy Efficiency and Renewable Energy initiatives to optimize consumption and reduce carbon footprint. - Water Management practices with a focus on conservation, recycling, and progressing towards water positivity. - Robust Product Quality & Safety protocols embedded across the product lifecycle. - Regular Safety Trainings, awareness programs, and behavior-based safety initiatives for employees. - Use of PPE, machine safeguarding, safety interlocks, and emergency preparedness drills across plants. - Periodic audits, inspections, and risk assessments to identify and mitigate hazards. A dedicated EHS team oversees implementation, compliance, and continuous improvement, supported by structured monitoring, reporting mechanisms, and grievance redressal systems. The organization ensures compliance with applicable EHS laws and international standards, supported by a dedicated EHS team and a structured grievance mechanism to address safety concerns, thereby fostering a safe, healthy, and compliant work environment.	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

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)
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
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

Annexure – I

to the Directors' Report

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 behaviour 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 Disruptions and Delays (including Supply Chain Disruptions and Diversified Supply Chain)	R	Business disruptions arising from natural disasters, supply chain interruptions, geopolitical tensions, pandemics, cyberattacks, or regulatory actions can significantly impact the Company's operations, profitability, and reputation. Disruptions in the supply chain may lead to delays in procurement of critical raw materials, production slowdowns, and delayed delivery of products. In an increasingly globalized and interconnected supply chain environment, climate-related events, energy shortages, and geopolitical uncertainties further elevate the risk of interruptions. Such delays may result in increased operational costs, customer dissatisfaction, and potential breach of contractual obligations, thereby affecting stakeholder confidence and market competitiveness.	The Company follows a proactive and structured approach to enhance supply chain resilience and minimize disruptions. Key measures include: • Diversified Sourcing Strategy: Reducing dependency on single suppliers or geographies by developing alternate vendor bases. • Alternate Supply Chain Planning: Establishing contingency plans and backup supply arrangements for critical materials. • Inventory Management: Maintaining buffer stock for key inputs to ensure continuity of operations. • Digital Monitoring Systems: Leveraging ERP systems and digital tools for real-time tracking, early risk identification, and response planning. • Supplier Engagement: Collaborating with suppliers to ensure compliance with regulatory, environmental, labour, and ethical standards to avoid disruptions due to non-compliance. These measures collectively strengthen operational continuity and improve preparedness against unforeseen disruptions.	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

Policy and Management Processes

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web-link Of the Policies, if available	- BRSR Policy	- BRSR Policy	- BRSR Policy	- BRSR Policy	- BRSR Policy	- BRSR Policy	- BRSR Policy	- BRSR Policy
Below Policies are approved by the Management/ Board/ Department Head									
	- Code of Conduct (Including Gift and Hospitality Compliance Policy) - Board Diversity Policy - Anti Bribery Policy - Code of Conduct for Board Members and Senior Management of the Company - Competition Compliance Policy - Director's Appointment and Fit Proper Policy - Dividend Distribution Policy - Information Security Policy - Policy on Materiality of Related Party Transaction (RPT) and dealing with RPT - POSH - Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other Employees - Risk Management Policy - Whistle Blower Policy - Tax Transparency Policy - Supplier code of conduct	- Supplier code of Conduct - Quality Policy	- Code of Conduct - Environment, Occupational Health & Safety Policy - Equal Opportunity Policy - Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other Employees - Whistle Blower Policy - Grievance Policy	- CSR Policy - Dividend Distribution Policy - Grievance Policy - Anti Bribery Policy - Code of Conduct - Environmental, Occupational Health & Safety Policy	- Code of Conduct - Environment, Occupational Health & Safety Policy - Equal Opportunity Policy - POSH - Supplier Code of Conduct	- Code of Conduct - CSR Policy - Risk Management Policy - Environment, Occupational Health & Safety Policy	- Anti Bribery Policy - CSR Policy - Code Of Conduct	- CSR Policy - Equal Opportunity Policy	- Data Privacy Policy - Information Security Policy - Quality Policy - IPR Policy - Privacy Policy - Code of Conduct - Interest Rate Policy
Business Responsibility and Sustainability Policy (BRSR), can be accessed by visiting the following link: https://www.escortskubota.com/templates/escortsgroup_home/images/pdf/EKL-2023-05-10-Business-Responsibility-and-Sustainability-Policy.pdf And other related policies: https://www.escortskubota.com/investors/governance.html									
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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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	At EKL we are committed to
P2	• Uphold strong governance through transparent disclosures, ethical practices, and adherence to the Code of Conduct,
P3	while strengthening ESG integration.
P4	• Ensure sustainable products and services by prioritizing safety, quality, and resource efficiency across the value chain.
P5	• Promote employee well-being by fostering a safe, inclusive workplace and targeting 15% gender diversity by 2031 in employee category.
P6	• Environmental goals under the ESG strategy:
P7	– Carbon neutrality by 2049-50, with a 25% CO ₂ reduction by 2029-30 for Scope 1 + 2
P8	– Zero waste to landfill by 2026-27
P9	– Water positivity by 2029-30
	– Triple renewable energy share by FY 2029–30

6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

P1	• The Company continues to make steady progress against its stated commitments.
P2	• Governance practices remain robust, with adherence to the Code of Conduct and enhanced transparency in disclosures.
P3	• Efforts towards integrating ESG considerations into business operations are ongoing.
P4	• In line with its sustainability commitment, the Company has strengthened product design and manufacturing processes to improve safety, quality, and resource efficiency across the value chain.
P5	• Employee well-being initiatives have been actively implemented, including efforts to foster an inclusive workplace. The Company is progressing towards its target of achieving 15% gender diversity in the employee category by 2031, with 8.74% achieved in FY26 through focused hiring and retention initiatives.
P6	During the reporting period, EKL demonstrated measurable progress against its environmental targets through focused operational initiatives:
P7	• GHG Emissions: The Company achieved a reduction of 6.3% in Scope 1 and Scope 2 emissions intensity as compared to FY25, driven by energy efficiency measures, process optimization, and cleaner fuel adoption.
P8	• Renewable Energy: The share of renewable energy in the overall energy mix increased to 2.3% (vs. 1.3% in the previous year), supported by on-site installations and Generation along with green power procurement.
P9	• Waste Management: Waste diversion from landfill remains an area of improvement, impacted by higher production volumes leading to increased waste generation. The Company is strengthening segregation, recycling partnerships, and circularity initiatives to improve performance.
	• Water Management: Water intensity increased during the year, primarily due to higher production-driven water demand. EKL is implementing recycling, reuse, and process optimization measures to improve efficiency over time.

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 Escorts Kubota Limited (EKL), sustainability is embedded in our core philosophy and integrated into our business strategy in alignment with the principles of the National Guidelines on Responsible Business Conduct (NGRBC). We recognise that responsible growth must address material environmental, social, and governance (ESG) challenges while creating long-term value for all stakeholders. Through our materiality assessment, we have identified key ESG priorities including reducing greenhouse gas emissions, responsible water stewardship, waste minimisation and circularity, strengthening diversity and inclusion, enhancing responsible value chain practices, and fostering meaningful community engagement.

To address these priorities, we have set clear targets, including achieving carbon neutrality by 2050, becoming water positive by 2030, and attaining zero landfill waste by 2027, alongside increasing renewable energy adoption and enhancing workforce diversity.

During the year, the Company delivered measurable progress across key environmental parameters. Renewable energy adoption increased to 2.3%, contributing to a 6.3% reduction in Scope 1 and Scope 2 emissions intensity, driven by focused energy efficiency and decarbonisation initiatives. We also strengthened ESG integration across our operations and value chain, while advancing our diversity and community engagement efforts.

At the same time, higher production levels presented operational challenges, resulting in an increase in water intensity and a rise in waste generation, including landfill disposal. Addressing these remains a priority, and we are accelerating actions through enhanced water recycling and reuse systems, along with strengthened waste segregation, recycling partnerships, and circularity initiatives.

Going forward, EKL remains firmly committed to its sustainability agenda. We have adopted a phased roadmap with clearly defined milestones and continue to closely monitor performance to ensure accountable, transparent, and responsible growth in line with our stated goals.

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 of Escorts Kubota Limited periodically monitor the Business Responsibility and Sustainability performance of the Company. The Board of Directors reviews the Company's ESG performance on an annual basis.

Specific oversight is exercised through Board-level committees, wherein:

- The **Corporate Social Responsibility (CSR)** Committee reviews and monitors social performance and community initiatives.
- The **Risk Management Committee** assesses and reviews ESG-related risks as part of the Company's overall risk management framework.

This governance structure ensures that sustainability-related considerations are effectively integrated into decision-making and aligned with the Company's strategic objectives. Refer to CGR report at page number 224 for committee details.

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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	Director and Senior Management									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Director and Senior Management									Quarterly								

The Company's Directors review annually and Senior Management review periodically, the Business Responsibility and Sustainability policies to ensure their relevance, effectiveness, and alignment with regulatory requirements/compliance and best practices. Necessary updates and improvements are made based on such reviews.

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	P2	P3	P4	P5	P6	P7	P8	P9
Yes. The Company periodically engages independent third-party agencies to assess, assure, and verify the effectiveness of its policies and procedures. Non-financial disclosures/Policies are independently reviewed by the Internal Audit team along with Ernst & Young LLP. Additionally, external agencies are engaged from time to time to evaluate the effectiveness of key management systems, including Quality, Environmental, Occupational Health & Safety, and Information Security Management Systems.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	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)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA=Not Applicable

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 programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6	Topics - Update on Business and operations, strategy - Corporate Governance laws & Practices - BRSR & ESG Awareness (including CSR) - Enterprise Risk Management (ERM) - Cyber Security Awareness Impact: - Enhanced Board oversight on business performance, strategy formulation, and long-term value creation - Strengthened governance practices and regulatory compliance through improved understanding of corporate governance frameworks - Increased integration of ESG and BRSR considerations (including CSR) into strategic decision-making - Improved risk identification, assessment, and mitigation through stronger Enterprise Risk Management (ERM) oversight - Heightened preparedness and resilience against cybersecurity risks at the governance level - More informed, timely, and effective decision-making by the Board, aligned with stakeholder expectations and sustainability objectives	100
Key Managerial Personnel	14	Various Topic covering - POSH - Prevention of Sexual Harassment - COC - Code of Conduct - Leadership culture workshop - Competitive strategy for Business growth - Management Development Programme - Collaboration & Quality Mindset - Sustainability in Business strategy aligned with NGRBC principles. Impact These initiatives have strengthened ethical conduct, improved decision-making, enhanced workforce engagement, and embedded sustainability into business strategy, thereby contributing to long-term responsible growth.	100

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Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	389	Various topics covering • BRSR awareness, • Code of Conduct and ethics • Occupational Health & safety • Human rights, POSH, diversity & inclusion, • Sustainability, • Cybersecurity, • Role-specific areas such as technical skills, behavioural competencies, leadership, project management, digital technologies, and data analytics. • Online learning • For more details please refer to Human capital Section on page 132. Impact: • Improved awareness and adherence to ethical and regulatory requirements • Strengthened safety practices and inclusive workplace culture • Enhanced employee capability and role effectiveness • Increased productivity and quality of decision-making • Higher participation and completion rates in training programs • Measurable improvement in compliance scores, safety indicators, and employee performance metrics	99.94
Workers	7	Various topics covering • POSH - Prevention of Sexual harassment • COC - Code of Conduct • Safety • New Joinee orientation • First Aid • Technical Trainings Impact • Enhance operational efficiency • Ensure safety compliance, • Promote ethical behaviour, and • Contribute to improved product quality and employee well-being	98.07

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):

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	P1	Principal Commissioner of Customs IGI Airport, Delhi	38,15,014	Order passed by the Commissioner of Customs confirming the demand of ₹ 38,15,014 along with equivalent penalty and applicable interest on the issue of concessional rate of duty benefit under Customs	Yes
	P1	Commissioner of GST, Mathura, Uttar Pradesh	7,78,612	Order passed confirming Penalty of ₹ 7,78,612/- on account of Detention of goods due to clerical issue in documentation	Yes
	P1	Assistant Excise and Taxation officer, Haryana	6,79,716	Order passed confirming Penalty of ₹ 6,79,716/- on account of Detention of goods due to clerical issue in documentation	Yes
	P1	Assistant Commissioner of GST, Chennai, Tamil Nadu	9,188	Order passed by the Assistant Commissioner of Customs confirming the demand of ₹ 7,188/- along with redemption fine of ₹ 2,000/- & penalty of ₹ 7,188/- and applicable interest on the classification issue of imported goods	Demand paid and matter closed
	P1	Commissioner of GST, Faridabad, Haryana	50,000	Order passed by the Commissioner of GST confirming the demand of ₹ 79,26,140/- along with applicable interest and Penalty of ₹ 50,000/- on the issue of taxability of Freight charges collected on the sale proceeds and taxability on import of service.	Yes
	P1	Joint Commissioner of Customs, Mumbai, Maharashtra	13,12,400	Order passed by the Joint Commissioner of Customs confirming the demand of ₹ 9,82,400/- along with redemption fine of ₹ 3,30,000/- & penalty of ₹ 9,82,400/- and applicable interest on the classification issue of imported goods	Yes
	P1	Superintendent of CGST and Central Excise, Odisha	40,000	Order passed by the Superintendent of CGST and Central Excise, Odisha confirming the demand of ₹ 75,222/- along with penalty of ₹ 40,000/- and applicable interest on the eligibility of Input tax credit	Demand paid and matter closed
	P1	Assistant Commissioner of Customs, Chennai	94,733	Order passed by the Assistant Commissioner of Customs confirming the demand of ₹ 94,733/- along with along with applicable interest & equivalent penalty on the classification issue of imported goods	Demand paid and matter closed
	P1	Superintendent of GST & Central Excise, Guwahati, Assam	15,886	Order passed by the Superintendent of GST & Central Excise, Guwahati, Assam confirming the tax demand of ₹ 15,886/- (Paid in full) along with applicable interest & penalty of ₹ 15,886/- (Paid ₹ 3,972/-) and quantified interest of ₹ 13,86,135/- (Paid ₹ 1,59,701/-) on the issue of eligibility of Input tax credit	Yes
	P1	Commercial tax officer of GST, Bengaluru, Karnataka.	20,000	Order passed by the Commercial tax officer of GST, Bengaluru, Karnataka confirming the tax demand of ₹ 1,37,226/- along with interest of ₹ 1,09,094/- and penalty of ₹ 20,000/- on the issue of eligibility of Input tax credit.	Yes
	P1	Assistant Commissioner (ST) Inspection, Chengalpattu Intelligence Division, Tamil Nadu	20,000	Order passed by the Assistant Commissioner (ST) Inspection confirming the tax demand of ₹ 5,220/- along with interest of ₹ 6,288/- & penalty of ₹ 20,000/- on the issue of short payment of tax under Reverse charge mechanism.	Demand paid and matter closed
	P1	Assistant Commissioner (ST) Porur Assessment Circle, Chennai, Tamil Nadu	20,000	Order passed by the Assistant Commissioner (ST) Porur Assessment Circle, Chennai, Tamil Nadu confirming the tax demand of ₹ 1,07,422/- along with interest of ₹ 88,310/- & penalty of ₹ 20,000/- on the issue of eligibility of Input tax credit	Demand paid and matter closed

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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	P1	Deputy Commissioner (ST) STU-1, Begumpet division, Telangana	15,784	Deputy Commissioner (ST) STU-1, Begumpet division, Telangana has confirmed the tax demand of ₹ 1,57,841/- along with applicable interest and penalty of ₹ 15,784/- on the issue of eligibility of Input tax credit	Yes
	P1	Assistant Commissioner/GSTO, Delhi	4,62,778	Assistant Commissioner/GSTO, Delhi has confirmed the tax demand of ₹ 46,27,792/- along with interest of ₹ 31,28,894/- and penalty of ₹ 4,62,778/- on the issue of eligibility of Input tax credit.	Yes
	P1	Assistant Commissioner, Ranchi West, Jharkhand	1,06,601	Assistant Commissioner, Ranchi West, Jharkhand has confirmed the tax demand of ₹ 10,66,017/- along with interest of ₹ 6,39,610/- and penalty of ₹ 1,06,601/- on the issue of eligibility of Input tax credit.	Yes
	P1	Assistant Commissioner of State Tax, Pune South, Maharashtra	17,62,985	Assistant Commissioner of State Tax, Pune South, Maharashtra has confirmed the tax demand of ₹ 1,76,29,853/- along with interest of ₹ 1,46,58,378/- and penalty of ₹ 17,62,985/- on the issue of eligibility of Input tax credit.	Yes
	P1	Office of the Superintendent, Range-II, Division-IV, Chakan, Pune, Maharashtra	6,40,438	Superintendent of State Tax, Pune, Maharashtra has confirmed the tax demand of ₹ 6,40,438/- along with applicable interest and penalty of ₹ 6,40,438/- on the issue generation of duplicate e-way bills due to technical bug at the portal.	Yes
	P1	Office of the Superintendent, Mohali, Punjab	3,51,702	Superintendent of GST, Punjab has confirmed the tax demand of ₹ 3,51,702/- along with interest of ₹ 50,238/- and penalty of ₹ 3,51,702/- on the issue of eligibility of ITC.	Yes
	P1	Excise & Taxation officer, Faridabad	3,600	Excise & Taxation officer, Faridabad, Haryana has confirmed the tax demand of ₹ 3,600/- along with interest of ₹ 3,922/- and penalty of ₹ 3,600/- on the issue of payment of tax under Reverse charge mechanism.	Demand paid and matter closed
	P1	Assistant Commissioner (ST) Inspection, Chengalpattu Intelligence Division, Tamil Nadu	13,188	Order passed by the Assistant Commissioner (ST) Inspection confirming the tax demand of ₹ 13,188/- along with interest of ₹ 14,106/- & penalty of ₹ 13,188/- on the issue of taxability of certain transactions	Demand paid and matter closed
	P1	State Tax Officer of GST, Bhopal Division-1, Madhya Pradesh	10,02,652	State Tax Officer of GST, Bhopal Division-1, Madhya Pradesh has confirmed the tax demand of ₹ 10,02,652/- along with applicable interest and penalty of ₹ 10,02,652/- on the issue of generation of duplicate E-way bills due to technical bug at the portal	Appeal under process
	P1	Assistant Commissioner, Commercial Tax office, Bangalore, Karnataka	5,000	Assistant Commissioner, Commercial Tax office, Bangalore, Karnataka has confirmed the professional tax demand of ₹ 10,000/- along with interest of ₹ 35,100/- and penalty of ₹ 5,000/- on the issue of payment of professional tax.	Rectification application filed
Settlement	P1	NA	NA	NA	NA
Compounding Fee	P1	NA	NA	NA	NA

Non-Monetary

Nature	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	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 by the Commissioner of Customs confirming the demand of ₹ 38,15,014 along with equivalent penalty and applicable interest on the issue of concessional rate of duty benefit under Customs	Appeal filed before Appellate Authority
Order passed confirming Penalty of ₹ 7,78,612/- on account of Detention of goods due to clerical issue in documentation	Appeal filed before Appellate Authority
Order passed confirming Penalty of ₹ 6,79,716/- on account of Detention of goods due to clerical issue in documentation	Appeal filed before Appellate Authority
Order passed by the Commissioner of GST confirming the demand of ₹ 79,26,140/- along with applicable interest and Penalty of ₹ 50,000/- on the issue of taxability of Freight charges collected on the sale proceeds and taxability on import of service.	Appeal filed before Appellate Authority
Order passed by the Joint Commissioner of Customs confirming the demand of ₹ 9,82,400/- along with redemption fine of ₹ 3,30,000/- & penalty of ₹ 9,82,400/- and applicable interest on the classification issue of imported goods	Appeal filed before Appellate Authority
Order passed by the Superintendent of GST & Central Excise, Guwahati, Assam confirming the tax demand of ₹ 15,886/- (Paid in full) along with applicable interest & penalty of ₹ 15,886/- (Paid ₹ 3,972/-) and quantified interest of ₹ 13,86,135/- (Paid ₹ 1,59,701/-) on the issue of eligibility of Input tax credit	Appeal filed before Appellate Authority
Order passed by the Commercial tax officer of GST, Bengaluru, Karnataka confirming the tax demand of ₹ 1,37,226/- along with interest of ₹ 1,09,094/- and penalty of ₹ 20,000/- on the issue of eligibility of Input tax credit.	Appeal filed before Appellate Authority
Deputy Commissioner (ST) STU-1, Begumpet division, Telangana has confirmed the tax demand of ₹ 1,57,841/- along with applicable interest and penalty of ₹ 15,784/- on the issue of eligibility of Input tax credit	Appeal filed before Appellate Authority
Assistant Commissioner/GSTO, Delhi has confirmed the tax demand of ₹ 46,27,792/- along with interest of ₹ 31,28,894/- and penalty of ₹ 4,62,778/- on the issue of eligibility of Input tax credit.	Appeal filed before Appellate Authority
Assistant Commissioner, Ranchi West, Jharkhand has confirmed the tax demand of ₹ 10,66,017/- along with interest of ₹ 6,39,610/- and penalty of ₹ 1,06,601/- on the issue of eligibility of Input tax credit.	Appeal filed before Appellate Authority
Assistant Commissioner of State Tax, Pune South, Maharashtra has confirmed the tax demand of ₹ 1,76,29,853/- along with interest of ₹ 1,46,58,378/- and penalty of ₹ 17,62,985/- on the issue of eligibility of Input tax credit.	Appeal filed before Appellate Authority
Superintendent of State Tax, Pune, Maharashtra has confirmed the tax demand of ₹ 6,40,438/- along with applicable interest and penalty of ₹ 6,40,438/- on the issue generation of duplicate e-way bills due to technical bug at the portal.	Appeal filed before Appellate Authority
Superintendent of GST, Punjab has confirmed the tax demand of ₹ 3,51,702/- along with interest of ₹ 50,238/- and penalty of ₹ 3,51,702/- on the issue of eligibility of ITC.	Appeal filed before Appellate Authority
State Tax Officer of GST, Bhopal Division-1, Madhya Pradesh has confirmed the tax demand of ₹ 10,02,652/- along with applicable interest and penalty of ₹ 10,02,652/- on the issue of generation of duplicate E-way bills due to technical bug at the portal	Appeal under process
Assistant Commissioner, Commercial Tax office, Bangalore, Karnataka has confirmed the professional tax demand of ₹ 10,000/- along with interest of ₹ 35,100/- and penalty of ₹ 5,000/- on the issue of payment of professional tax.	Rectification application filed

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, the Company has an Anti-Corruption/Anti-Bribery Policy in place.

The policy reflects the Company's commitment to the highest standards of ethics, integrity, and transparency in all business dealings. It prohibits all forms of bribery and corruption, including offering, giving, receiving, or soliciting any undue advantage. The policy also covers key areas such as gifts and hospitality, conflicts of interest, dealings with third parties, and reporting of unethical practices through established mechanisms.

The policy is applicable to all employees, directors, and associated Value chain partners and is reviewed periodically to ensure alignment with regulatory requirements and best governance practices.

Web-link to the policy: 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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Nil	0	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Nil	0	Nil

7. Provide details of any corrective action taken or underway on issues related to fines /penalties /action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Number of days of accounts payables	86	78

Accounts Payables Days = Accounts Payable Days has been computed as (Trade Payable ÷ average Cost of Goods/ Services procured) x 365. For the Purpose of calculation, the Cost of Goods/Services procured includes purchases pertaining to goods only.

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 2026 (Current Financial Year)	FY 2025 (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	92.49%	89.80%
	b. Number of dealers /distributors to whom sales are made	2,072	2,156
	c. Sales to top 10 dealers /distributors as % of total sales to dealers /distributors	8.20%	9.02%
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	18.02%	15.64%
	b. Sales (Sales to related parties /Total Sales)	3.83%	3.43%
	c. Loans & advances (Loans & advances given to related parties /Total loans & advances)*	5.62%	2.80%
	d. Investments (Investments in related parties /Total Investments made)	1.73%	1.34%

Note - 1. Advances comprise advances to suppliers, capital advances, other advances, and other recoverables, as presented in the underlying financial records.

2. 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 and Purchases refers to Purchase of Goods only.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

S. No.	Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	400	A comprehensive training program covering company introduction, product portfolio, Governance principles, financial and commercial frameworks, service processes, digital tools, and leadership interaction to enable holistic business understanding.	32
2	4	Kaizen Community program	93

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, the Company has processes in place to manage conflict of interests involving Board members. Directors are required to disclose any conflicts to the Chairman of the Audit Committee/Board and recuse themselves from related discussions and decisions. The framework is governed by the Company's Code of Conduct, which mandates acting in the best interest of the Company and prohibits misuse of position for personal gain.

Policy links:

- <https://www.escortskubota.com/images/pdf/EKL-2023-05-10-Code-of-Conduct.pdf>
- https://www.escortskubota.com/templates/escortsgroup_home/images/pdf/EKL-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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	84.32	86.08	EKL continues to enhance its environmental and social performance through initiatives focused on resource efficiency, energy optimization, waste reduction, and responsible sourcing. Social impact improvements include strengthened health and safety practices, employee well-being programs, and increased engagement with local communities and value chain partners. These efforts are reviewed periodically to drive continuous improvement and align with sustainability goals.
Capex	15.41	19.77	

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?

20

The Company has established procedures for sustainable sourcing, including adherence to a Supplier Code of Conduct, implementation of a Supplier Quality Manual, and promotion of green/returnable packaging. Suppliers are required to comply with applicable laws, ethical standards, and quality requirements. Sustainability considerations such as waste reduction, improved logistics efficiency, and responsible sourcing practices are integrated into procurement processes. The Company also collaborates with suppliers to enhance adoption of returnable packaging, contributing to reduced packaging waste and improved operational efficiency.

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) Rules, 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, Extended Producer Responsibility (EPR) is applicable to the Company's activities. The Company is registered with the **Central Pollution Control Board (CPCB)** under:

- **Plastic Waste EPR** as a *Brand Owner/Importer*
- **Battery Waste EPR** as a *Producer*

The Company has submitted the required details on the CPCB portal in accordance with applicable regulations and guidelines. The waste collection plan is in line with the EPR plan filed with CPCB, and the Company continues to comply with regulatory requirements and directions issued by the authorities.

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.

The Company has not conducted Life Cycle Assessment (LCA) for its products during the reporting period. However, as part of its ongoing commitment to sustainability and environmental responsibility, the Company plans to undertake such assessments in the coming year.

S. No.	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	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, the Company has not identified any significant social or environmental concerns or risks through Life Cycle Assessment (LCA), as such assessments have not yet been conducted. The Company, however, continues to evaluate potential risks through its existing environmental, health, and safety frameworks and remains committed to undertaking LCA studies in future to further strengthen risk identification and mitigation measures.

S. No.	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

S. No.	Indicate input material	Recycled or re-used input material to total material	
		FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
		Nil	Nil

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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:

The Company does not reclaim its products at the end of their life cycle due to the nature and usage of its products. Accordingly, disclosure on the quantity of products and packaging reused, recycled, or safely disposed at end of life is not applicable.

However, the Company ensures that **hazardous and other wastes generated during the manufacturing process are managed and disposed of responsibly** in compliance with applicable environmental regulations.

	FY 2026 (Current Financial Year)			FY 2025 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	150*	0	0	374*	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other	0	0	0	0	0	0

*Post-consumer plastic waste under the Plastic waste EPR (Extended Producer Responsibility) obligation

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

The Company does not reclaim its products at the end of their life cycle due to the nature and usage of its products. Accordingly, disclosure of Reclaimed products and their packing Materials is not applicable.

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Nil	Nil

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

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	3,159	3,158	99.97%	3,159	100.00%	NA	NA	-	-	3,159	100.00%
Female	232	230	99.14%	232	100.00%	232	100.00%	NA	NA	232	100.00%
Total	3,391	3,388	99.91%	3,391	100.00%	232	100.00%	-	-	3,391	100.00%
Other than Permanent employees											
Male	893	893	100.00%	889	99.55%	NA	NA	-	-	889	100.00%
Female	156	156	100.00%	156	100.00%	156	100.00%	NA	NA	156	100.00%
Total	1,049	1,049	100.00%	1,045	99.62%	156	100.00%	-	-	1,045	100.00%

* Coverage is not 100% due to exclusion of FTTs, who are covered under the Workmen Compensation Policy instead of health insurance.

** as per the NSE circular: NSE/CML/2024/11, we have not included male in the total figure.

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	927	927	100.00%	927	100.00%	NA	NA	-	-	927	100.00%
Female	5	5	100.00%	5	100.00%	5	100.00%	NA	NA	5	100.00%
Total	932	932	100.00%	932	100.00%	5	100.00%	-	-	932	100.00%
Other than Permanent workers											
Male	10,324	10,251	99.29%	10,324	100.00%	NA	NA	-	-	10,324	100.00%
Female	201	201	100.00%	201	100.00%	201	100.00%	NA	NA	201	100.00%
Total	10,525	10,452	99.31%	10,525	100.00%	201	100.00%	-	-	10,525	100.00%

*Apprentice are covered under workmen compensation policy excluding health insurance

**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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.26%	0.27%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

S. No.	Benefits	FY 2026 (Current Financial Year)			FY 2025 (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	99.9%	100.0%	Yes	99.7%	100.0%	Yes
2	Gratuity	99.9%	100.0%	Yes	99.7%	100.0%	Yes
3	ESI	0.0%	99.5%	Yes	0.0%	99.7%	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, the Company's premises and offices are designed to be accessible to differently abled employees and workers, in line with the requirements of the **Rights of Persons with Disabilities Act, 2016**. Necessary infrastructure and support systems are in place to facilitate ease of access and mobility.

The Company also ensures that appropriate assistance is provided to employees, visitors, and other stakeholders with disabilities to enable comfortable and inclusive access to its facilities.

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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, the Company has an Equal Opportunity Policy in place in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016. The policy underscores the Company's commitment to providing equal employment opportunities and fostering an inclusive workplace environment.

The policy is available at: https://www.escortskubota.com/templates/escortsgroup_home/images/pdf/Equal-Opportunity-Policy.pdf

In addition, the Company's Code of Business Conduct reinforces its commitment to diversity and inclusion, ensuring equal opportunities for all individuals irrespective of gender, age, language, cultural background, sexual orientation, gender identity, health or medical condition, religious beliefs, physical ability, marital status, or any other characteristic.

Code of Conduct link: https://www.escortskubota.com/templates/escortsgroup_home/images/pdf/EKL-Code-of-Conduct.pdf

The Company continues to promote a workplace that values diversity, equity, and inclusion across all levels.

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	33.33	-	-
Total	100.00	33.33	-	-

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 , Grievance Redressal Committees are constituted at each plant location, which meet on a periodic basis (monthly) to address and resolve workmen grievances in a structured and time-bound manner.
Other than Permanent Workers	Yes , Grievances, if any, are primarily addressed by the respective contractors in line with agreed contractual obligations. The Company also maintains oversight to ensure fair and timely resolution.
Permanent Employees	Yes , A formal grievance redressal mechanism is defined under the Grievance Redressal Policy as part of the HR Policy Manual, enabling employees to raise concerns and seek resolution through a structured process.
Other than Permanent Employees	Yes , Grievances are handled by the respective contractors/employers, with the Company ensuring necessary monitoring and compliance.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2026 (Current Financial Year)			FY 2025 (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	3,391	-	0.00%	3,214	-	0.00%
Male	3,159	-	0.00%	3,019	-	0.00%
Female	232	-	0.00%	195	-	0.00%
Total Permanent Workers	932	932	100.00%	1,019	1,019	100.00%
Male	927	927	100.00%	1,014	1,014	100.00%
Female	5	5	100.00%	5	5	100.00%

8. Details of training given to employees and workers:

Category	FY 2026 (Current Financial Year)					FY 2025 (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	3,159	1,791	56.70%	2,689	85.12%	3,019	673	22.29%	2,959	98.01%
Female	232	140	60.34%	202	87.07%	195	61	31.28%	195	100.00%
Total	3,391	1,931	56.94%	2,891	85.26%	3,214	734	22.84%	3,165	98.46%
Workers										
Male	927	901	97.20%	927	100.00%	1,014	363	35.80%	0	0.00%
Female	5	5	100.00%	5	100.00%	5	1	20.00%	0	0.00%
Total	932	906	97.21%	932	100.00%	1,019	364	35.72%	0	0.00%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2026 (Current Financial Year)			FY 2025 (Previous Financial Year)		
	Total (A)	No.(B)	% B/A	Total (C)	No.(D)	% D/C
Employees						
Male	3,159	3,159	100.00%	3,019	3,019	100.00%
Female	232	232	100.00%	195	195	100.00%
Total	3,391	3,391	100.00%	3,214	3,214	100.00%
Workers						
Male	927	927	100.00%	1,014	1,014	100.00%
Female	5	5	100.00%	5	5	100.00%
Total	932	932	100.00%	1,019	1,019	100.00%

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, the Company has implemented a comprehensive Occupational Health and Safety Management System across its operations.

All operational facilities are certified under ISO 45001 (Occupational Health & Safety) and ISO 14001 (Environmental Management Systems), ensuring adherence to globally recognized standards. The system covers all employees, workers, and operations across manufacturing locations.

The Company has a well-defined EHS Policy, supported by structured processes and controls aimed at identifying hazards, mitigating risks, and promoting a safe and healthy work environment.

The policies are available at:

- https://www.escortskubota.com/templates/escortsgroup_home/images/pdf/EHS-Policy-Full-Version-2023.pdf
- <https://static.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?

The Company follows a structured approach to identify work-related hazards and assess risks on both routine and non-routine basis, in line with its ISO 45001-certified Occupational Health and Safety Management System.

Key processes include:

- **Hazard Identification and Risk Assessment (HIRA):** Conducted periodically for routine operations and prior to undertaking any new or non-routine activities
- **Job Safety Analysis (JSA):** Performed for critical tasks to identify step-wise risks and define control measures
- **Safety Inspections and Audits:** Regular plant-level inspections and internal/external audits to identify potential hazards
- **Incident Reporting and Investigation:** Analysis of incidents, near-misses, and unsafe conditions to prevent recurrence
- **Management of Change (MOC):** Risk assessment carried out before implementing any process, equipment, or layout changes
- **Employee Training and Awareness:** Regular training programs to sensitise employees and workers on hazard identification and safe work practices

These processes are supported by a centralized EHS framework with periodic reviews and continuous improvement to ensure a safe and healthy workplace.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)

Yes, the Company has established processes enabling workers to report work-related hazards and remove themselves from unsafe conditions.

All sites are equipped with structured **incident and hazard reporting mechanisms**, including online reporting platforms and **Safety Observation Tours (SOTs)**, where line managers actively engage with workers to identify and address safety concerns. Workers are encouraged to report unsafe conditions and are empowered to stop work and move away from situations posing immediate risk.

Additionally, regular **safety trainings, mock drills**, and **monthly Safety Committee meetings** involving worker participation are conducted to strengthen awareness and ensure continuous improvement in workplace safety.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, employees and workers have access to non-occupational medical and healthcare services.

All manufacturing locations are equipped with Occupational Health Centres that provide round-the-clock medical support to employees and workers. Qualified medical professionals, including full-time doctors, are available to offer general healthcare services, routine check-ups, and necessary medication.

In cases requiring advanced care, appropriate referrals and support for external medical treatment are also facilitated by the Company.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	0	0
	Workers	0.03	0.05
Total recordable work-related injuries	Employees	0	0
	Workers	1	2
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

* Including in the contract workforce.

Reasonable assurance has been carried out by Grant Thornton Bharat LLP.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Escorts Kubota Limited is committed to ensuring a safe and healthy workplace across all its operations. All manufacturing facilities are certified under **ISO 45001 (Occupational Health & Safety)** and **ISO 14001 (Environmental Management)**, demonstrating adherence to globally recognized standards.

A structured **EHS governance framework** is in place, including clearly defined policies, standard operating procedures, and a robust accountability mechanism. Safety, environment, and compliance performance are **monitored regularly**, with monthly reviews to drive continuous improvement.

The Company undertakes **periodic risk assessments and hazard identification exercises**, and ensures provision and usage of appropriate **personal protective equipment (PPE)**. Regular **training programs** are conducted covering workplace safety, first aid, fire safety, emergency response, and safe machine handling.

Dedicated **plant-level safety committees**, with representation from both workers and management, ensure active participation and effective implementation of safety initiatives. A **central safety committee** provides oversight and standardization across locations. An **annual Environment, Health & Safety (EHS) plan**, supported by monthly tracking, guides strategic focus areas.

To strengthen safety culture, the Company conducts **awareness campaigns and engagement initiatives** such as National Safety Week and Environment Week. A structured **reward, recognition, and consequence management system** is also in place to reinforce safe behaviours and ensure accountability.

The Company continues to strive towards its goal of **zero harm**, supported by inherently safe systems, continuous training, and proactive risk management.

13. Number of Complaints on the following made by employees and workers:

	FY 2026 (Current Financial Year)			FY 2025 (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	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

Note:- The previous year complaint figures included SOT (Safety Observation Tool) entries. Based on a revised methodology aligning with BRSR definitions, only formal complaints are now considered. Accordingly, prior year figures have been restated to nil.

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

Including assessments done by Escorts Kubota Limited and third parties

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks /concerns arising from assessments of health & safety practices and working conditions.

EKL has established a structured process for addressing safety-related incidents and mitigating risks identified through health and safety assessments.

All incidents, including near-misses, are **systematically investigated** to identify root causes, following which **corrective and preventive actions (CAPA)** are implemented to avoid recurrence. Learnings from such incidents are communicated across sites to strengthen overall safety practices.

Based on regular **safety audits, inspections, and risk assessments**, necessary improvements in processes, controls, and workplace conditions are undertaken on an ongoing basis. This includes enhancement of safety procedures, reinforcement of engineering controls, and strengthening of training and awareness programs.

Site leadership teams take **prompt and appropriate action** to address identified risks and concerns, supported by continuous monitoring and periodic reviews. The Company remains committed to continuous improvement in safety performance and strives to maintain a safe working environment across all its operations.

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.

The Company has established systems and controls to monitor and promote compliance with statutory requirements by its value chain partners.

All value chain partners, including vendors, contractors, and service providers, are contractually obligated to comply with applicable statutory laws and regulations, including labour laws, taxation requirements, and social security contributions.

The Company obtains periodic compliance confirmations and supporting documents (such as statutory challans, returns, and payment proofs) from relevant partners, particularly those engaged in manpower-intensive services. A structured review mechanism is in place, whereby submitted documents are verified by designated functions (HR/Employee Relations and Procurement), including cross-checks with invoices, wage records, and payment details, where applicable. Internal and statutory audits include sample-based assessments of value chain partner compliance to strengthen oversight and ensure adherence. Through these measures, the Company ensures transparency, accountability, and continuous monitoring of statutory compliance across its value chain, while engaging with partners to reinforce responsible and compliant business practices.

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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

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	14.95%
Working Conditions	14.95%

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.

No significant risks or concerns were identified during the year based on the assessments of health & safety practices and working conditions of value chain partners. However, the Company continues to strengthen standards through periodic engagement, monitoring, and reinforcement of health, safety, and labour compliance expectations across its value chain.

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.

At Escorts Kubota Limited, the Company follows a structured approach to identify its key stakeholder groups, aligned with the principles of **stakeholder inclusiveness and responsiveness**.

Stakeholders are identified based on their **influence on the Company's operations** and the **impact of the Company's activities on them**. The Company leverages established frameworks, including a **double materiality assessment**, to evaluate and prioritise stakeholders and their key concerns.

Starting from a broad universe of internal and external stakeholders, the Company has identified a set of **key stakeholder groups** that significantly influence business decisions and sustainability outcomes. These stakeholders are actively engaged through formal and informal mechanisms, including surveys, consultations, and regular interactions.

Insights derived from stakeholder engagements are used to **validate performance, identify emerging priorities, and strengthen decision-making processes**, thereby enhancing overall business practices and long-term value creation.

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to the Directors' Report

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 (E-mail, 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	- E-mails communications - Website - Annual Reports/Compliance Filings - Advertisements - Media interactions - Industry bodies membership	As and when required	- Regulatory compliance and legal requirements - Policy updates, technology and innovation - Capacity expansion - Environmental and statutory approvals
2	Employees & Workers	No	- Surveys - Townhalls - Feedback sessions - Training & safety programs (classroom & virtual) - Intranet - HRIS - E-mails communications - Notice boards - In house magazines - Website - Annual Reports	Regular /Continuous	- Business performance updates - Employee engagement and recognition - Training and development - Performance management & KRA cascading - Grievance redressal - Workplace safety and well-being
3	Customers	No	- Customer meets - Annual/Quarterly Reports - Feedback & Satisfaction Surveys - CRM platforms - E-mails communications - Website - Service interactions	Regular /Continuous	- Customer satisfaction - Complaint resolution - Product quality improvement - Product innovation and enhancement of services
4	Suppliers	No	- Supplier meets & conventions - Supplier audits - E-mails communications - Informal interactions - Website - Advertisements - Annual report	Regular /Periodic	- Supply chain performance, quality standards, responsible sourcing practices, timely delivery. - Compliance with ESG requirements - Cost efficiency and long-term partnerships - Transparent, fair & accountable supply chain practice - Access to knowledge on sustainable supply chain practices.
5	Local Community	No	- Community meetings - CSR programs - Direct engagement initiatives with various NGOs, academic institutions, rural development organizations - CSR reporting - Annual report	Regular /Event-based	- CSR initiatives, community development, employment opportunities - Environmental impact management, relationship building and social welfare - Creation of job opportunities

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (E-mail, 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
6	Investors & Shareholders	No	• General Body Meetings • E-mails Communications • Stock exchange filings • Annual Reports • Investor presentations • Advertisements	Regular /Event-based	• Financial and non-financial performance • Corporate governance • Shareholder returns • Business strategy • ESG performance • Market outlook

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.

The Company has established structured processes for stakeholder consultation on economic, environmental, and social (EES) matters through its governance framework. Stakeholder engagement is carried out by designated functional teams (such as Sustainability, CSR, Risk Management, Procurement, and Employee Relations) under the oversight of relevant management-level committees. These teams engage with stakeholders through various channels to understand key concerns and expectations on EES topics. The feedback and inputs collected are consolidated by the functional teams and presented to senior management and the Board/Board Committees through defined reporting mechanisms and periodic reviews. This ensures that stakeholder perspectives are effectively integrated into strategic decision-making. The Board and its Committees, in their oversight role, review these inputs and provide guidance to align business strategies with stakeholder expectations and sustainability priorities.

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.

Yes, stakeholder consultation is actively used to support the identification and management of environmental and social topics.

During FY25, the Company undertook a **comprehensive double materiality assessment**, incorporating inputs from key internal and external stakeholders to identify and prioritize material ESG topics. The insights derived from this process continue to guide the Company's approach in FY26.

Stakeholder feedback obtained through these engagements has been systematically incorporated into the Company's **strategy, policy framework, and operational practices**. Based on the identified material issues, the Company has:

- Strengthened its **sustainability strategy and focus areas**
- Aligned relevant **policies and governance mechanisms**
- Set **objectives and targets**, where applicable
- Established **monitoring and review systems** to track progress

This structured approach ensures that stakeholder expectations are integrated into decision-making, enabling the Company to effectively manage key environmental and social impacts while driving long-term sustainable value creation.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company actively engages with different stakeholder groups through its structured CSR initiatives and community development programmes. Key areas of engagement include agriculture, healthcare, education, environment, and livelihood enhancement, with a focused approach towards improving the socio-economic conditions of underprivileged communities. Through these initiatives, the Company addresses critical concerns such as access to quality education, healthcare services, sustainable livelihoods, and environmental sustainability.

Notable actions include capacity-building programs for farmers through the Escorts Kubota Advanced Farming Institutes (EKAFIs) at Kurukshetra and Bengaluru, which provide training and skill development to enhance agricultural productivity and income levels. The Company also undertakes targeted interventions aimed at improving community well-being and fostering inclusive growth.

Insights from these engagements are continuously used to refine CSR programmes and ensure that initiatives remain impact-driven and aligned with the needs of vulnerable stakeholders.

Further details are provided in the Annual Report on CSR Activities and Social & Relationship Capital sections of the Annual Report.

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 2026 (Current Financial Year)			FY 2025 (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	3,391	3,388	99.91%	3,214	3,139	97.67%
Other than permanent	1,049	913	87.04%	959	862	89.89%
Total Employees	4,440	4,301	96.87%	4,173	4,001	95.88%
Workers						
Permanent	932	893	95.82%	1,019	1,009	99.02%
Other than permanent	10,525	10,525	100.00%	10,288	10,288	100.00%
Total Workers	11,457	11,418	99.66%	11,307	11,297	99.91%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2026 (Current Financial Year)					FY 2025 (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	3,391	0	0	3,391	100.00%	3,214	0	0	3,214	100.00%
Male	3,159	0	0	3,159	100.00%	3,019	0	0	3,019	100.00%
Female	232	0	0	232	100.00%	195	0	0	195	100.00%
Other than permanent	1,049	0	0	1,049	100.00%	705	0	0	705	100.00%
Male	893	0	0	893	100.00%	591	0	0	591	100.00%
Female	156	0	0	156	100.00%	114	0	0	114	100.00%
Workers										
Permanent	932	0	0	932	100.00%	1,019	0	0	1,019	100.00%
Male	927	0	0	927	100.00%	1,014	0	0	1,014	100.00%
Female	5	0	0	5	100.00%	5	0	0	5	100.00%
Other than permanent	10,525	0	0	10,525	100.00%	10,288	0	0	10,288	100.00%
Male	10,324	0	0	10,324	100.00%	10,088	0	0	10,088	100.00%
Female	201	0	0	201	100.00%	200	0	0	200	100.00%

3. a. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)*#	13	28,92,500	3	23,10,000
Key Managerial Personnel*	4	2,79,91,573	0	
Employees other than BoD and KMP	3,155	11,94,528	231	8,04,576
Workers	927	11,09,954	5	13,24,322

*Mr. Nikhil Nanda, Mr. Akira Kato 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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Gross wages paid to females as % of total wages	3.92	3.56

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has established mechanisms to address human rights impacts and related concerns.

An Ethics Committee is in place to address issues arising from violations of the Code of Business Conduct, including complaints received through the whistleblower mechanism (via toll-free number, email, or written communication) from any stakeholder.

Additionally, for interpersonal issues and employee-related concerns, a dedicated Grievance Redressal Committee has been constituted. Employees and stakeholders have the option to approach the appropriate committee based on the nature of the concern.

These mechanisms collectively ensure that concerns related to ethical conduct and human rights are promptly addressed in a fair, transparent, and structured manner.

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. The Company has established structured internal mechanisms to address grievances related to human rights issues in a fair and transparent manner.

Employees, workers, and external stakeholders, including customers and suppliers, have access to multiple **reporting channels**, such as the **whistleblower mechanism (toll-free number, email, and written communication)**, to raise concerns regarding any actual or potential violations of the Company's Code of Conduct, policies, or applicable laws, including human rights issues.

All grievances received are **formally reviewed, investigated, and addressed through designated committees**, including the Ethics Committee and Grievance Redressal Committee, depending on the nature of the concern. Appropriate corrective and preventive actions are taken, wherever required.

The Company emphasizes **confidentiality, non-retaliation, transparency, and accountability** in handling such cases, ensuring a safe, respectful, and inclusive environment for all stakeholders.

6. Number of Complaints on the following made by employees and workers:

	FY 2026 (Current Financial Year)			FY 2025 (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	0	0	NA	1	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

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees /workers	0.00%	0.18%
Complaints on POSH upheld	0	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is committed to maintaining a workplace free from discrimination and harassment and has established safeguards to prevent adverse consequences to complainants. A robust Whistleblower Policy and related grievance mechanisms are in place, which ensure strict confidentiality of the complainant's identity and protect individuals against any form of retaliation or victimization. Complaints are addressed through designated committees in a fair, impartial, and time-bound manner.

The Company follows a zero-tolerance approach towards discrimination and harassment on any grounds, including race, gender, age, religion, disability, sexual orientation, or any other legally protected characteristic. Appropriate action is taken promptly against any violations of the Code of Conduct or applicable policies. These mechanisms are supported by continuous awareness programs and training, reinforcing a culture of respect, inclusion, and accountability across the organization.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights requirements form an integral part of the Company's business agreements and contracts.

The Company incorporates relevant human rights, ethical conduct, and compliance clauses in its agreements with employees, suppliers, contractors, and other business partners. These provisions are aligned with the Company's Code of Conduct, applicable laws, and internationally recognized standards, ensuring respect for human rights across its value chain.

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.

No significant risks identified; hence, no corrective actions required.

Leadership Indicators

1. Details of a business process being modified /introduced as a result of addressing human rights grievances/complaints.

No significant human rights grievances requiring business process modifications were identified during the reporting period. However, the Company continues to proactively strengthen its systems through regular training and awareness programs on the Code of Conduct and human rights principles. These initiatives ensure ongoing alignment of business processes with the Company's commitment to ethical conduct and respect for human rights across its operations.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

EKL conducted a Human Rights Due Diligence (HRDD) covering its operations and workforce, including permanent and contractual employees, in alignment with the UN Guiding Principles on Business and Human Rights and the UN Global Compact. The assessment included employee surveys and evaluation of workplace practices across key areas such as safety, fair wages, working conditions, access to basic facilities, and grievance mechanisms.

The review indicated a strong performance across core human rights parameters, while also identifying opportunities to enhance employee awareness and training on human rights, anti-corruption, and POSH aspects.

The Company is addressing these through targeted capacity-building initiatives and continuous improvement measures.

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 Company's premises and offices are accessible to differently abled visitors, in line with the requirements of the Rights of Persons with Disabilities Act, 2016.

The Company has ensured provision of ramps and barrier-free access at its registered office, corporate office, and manufacturing plants. Additionally, most offices are located in commercial buildings equipped with elevators and necessary infrastructure to facilitate ease of movement and accessibility for differently abled individuals.

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	14.95
Discrimination at Workplace	14.95
Child Labour	14.95
Forced Labour/Involuntary Labour	14.95
Wages	14.95
Others – please specify	Not Applicable

Assessment was done as per BRSR Core

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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	9.47	4.79
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	9.47	4.79
From non-renewable sources		
Total electricity consumption (D)	194.94	183.92
Total fuel consumption (E)	202.00	193.77
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	396.94	377.68
Total energy consumed (A+B+C+D+E+F)	406.41	382.47
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	35.42×10^{-10}	37.55×10^{-10}
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity* (PPP) (Total energy consumed /Revenue from operations adjusted for PPP)	720.53×10^{-10}	775.69×10^{-10}
Energy intensity in terms of physical output (Total energy consumed /Total equipment's produced)	2.98×10^{-3}	3.33×10^{-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 2026 of 20.34 has been used, from the IMF Data Mapper: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD/IND>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Grant Thornton Bharat LLP has given Reasonable Assurance on Energy consumption for FY 2025-26. Details for the same have been mentioned in the assurance statement.

2. Does the entity have any sites /facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable, as the Company does not have any sites/facilities identified as Designated Consumers under the PAT Scheme

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3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater	4,94,545.39	4,45,813.96
(iii) Third party water (Municipal water supplies)		
(iv) Seawater /desalinated water		
(v) Others	33,253.03	34,726.83
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5,27,798.42	4,80,540.79
Total volume of water consumption (in kilolitres)	3,40,602.16	2,76,650.66
Water intensity per rupee of turnover (Total water consumption /Revenue from operations)	29.69 x 10⁻⁷	27.16 x 10⁻⁷
Water intensity per rupee of turnover adjusted for Purchasing Power Parity* (PPP) (Total water consumption /Revenue from operations adjusted for PPP)	603.85 x 10⁻⁷	561.07 x 10⁻⁷
Water intensity in terms of physical output	2.50	2.41
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 2026 of 20.34 has been used, from the IMF Data Mapper: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD/IND> and 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 has given Reasonable Assurance for FY 2025-26. Details for the same have been mentioned in the assurance statement.

4. Provide the following details related to water discharged:

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water	1,87,196.26	2,03,890.13
- No treatment		
- With treatment - Tertiary treatment	1,87,196.26	2,03,890.13
(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)	1,87,196.26	2,03,890.13

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, Grant Thornton Bharat LLP has given Reasonable Assurance for FY 2025-26. Details for the same have been mentioned in the assurance statement.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Yes, Zero Liquid Discharge (ZLD) is a key focus for us. No wastewater is discharged outside the premises without treatment, except for rainwater. **Domestic wastewater** is treated through Sewage Treatment Plants (STPs), while **process wastewater** is treated through Effluent Treatment Plants (ETPs) using appropriate treatment technologies. The treated water is **recycled and reused** within operations, including for processing and cooling purposes.

Additionally, all plants are equipped with **rainwater harvesting and recharge systems**, further supporting water conservation and sustainable water management practices.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	FY 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
	Value	Please specify unit	Value	Please specify unit
NOx	46.35	MT	16.42	MT
SOx	5.65	MT	1.24	MT
Particulate matter (PM)	83.44	MT	40.27	MT
Persistent organic pollutants (POP)		MT		MT
Volatile organic compounds (VOC)	300.71	MT	263.84	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, but Stack testing done by Interstellar Testing Centre Pvt. Ltd.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	11,965.74	11,493.78
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	39,366.53	37,141.15
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions /Revenue from operations)	tCO ₂ e/₹ revenue from operations	4.47 x 10 ⁻⁷	4.77 x 10 ⁻⁷
Total Scope 1 and Scope 2 emission 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 ₂ e/₹ revenue from operations adjusted for PPP	91.01 x 10 ⁻⁷	98.64 x 10 ⁻⁷

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Parameter	Unit	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ e/ Equipment's produced	0.38	0.42
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 2026 of 20.34 has been used, from the IMF Data Mapper: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD/IND> and 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 has given Reasonable Assurance on Scope 1 and Scope 2 Emissions for FY 2025-26. Details for the same have been mentioned in the assurance statement.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

Yes, the Company has undertaken several projects and initiatives to reduce its Greenhouse Gas (GHG) emissions through energy efficiency improvements and increased use of cleaner and renewable energy sources.

Key initiatives undertaken during the year include:

- Installation of **transparent roof sheets** to maximize natural daylight and reduce dependence on artificial lighting during daytime
- Optimization of **air conditioning temperature settings (25°C)** across plants to reduce electricity consumption
- Transition to **energy-efficient LED** lighting across facilities
- Introduction of **gravity chute systems** to eliminate electricity use in material handling from mezzanine floors
- Installation of **automatic timers** for controlled operation of lighting, fans, and AHU systems in office areas
- Replacement of **LPG cylinders with PNG connection** in canteen operations to improve energy efficiency and reduce emissions
- Installation of **gas-based gensets with synchronization panels** for improved load management and reduced fuel consumption
- Replaced **22 diesel-powered forklifts** with electric forklifts at Plant 4, reducing dependence on fossil fuels and supporting lower operational emissions
- Procured renewable electricity through the **Indian Energy Exchange (IEX)** platform to increase the share of clean energy in operations

In addition, the Company is progressively increasing the use of **renewable energy**, including installation of additional **solar power capacity across various plants**.

During the year, the Company also made **capital investments in energy conservation measures**, including installation of motion sensors, solar panels, magnetic resonators, and replacement of fixed-speed air conditioning systems with more efficient alternatives.

These initiatives collectively contribute to **reduction in Scope 1 and Scope 2 emissions**, improved energy efficiency, and support the Company's commitment towards **sustainable operations and climate action**.

9. Provide details related to waste management by the entity, in the following format:

a. Total Waste generated

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	293.27	209.70
E-waste(B)	19.49	6.12
Biomedical waste (C)	0.13	0.14
Construction and demolition waste (D)	-	-
Battery waste (E)	46.29	59.50
Radioactive waste (F)	-	-
Other Hazardous waste, Please specify if any (G)	12,142.72	7,846.74
Oil	10,889.46	6,534.91
Sludge	673.77	742.99
Tyre	204.10	234.59
Other	375.39	334.26
Other Non-hazardous waste generated (H), Please specify, if any.		
Paper and Cardboard Waste	1,868.82	1,903.73
Wood	1,572.00	1,254.80
Food Waste	4.41	3.12
Other	10,579.66	11,815.59
Total non-hazardous waste generated (H)	14,024.89	14,977.24
Total Waste Generated (A+B+C+D+E+F+G+H)	26,526.79	23,099.45
Waste intensity per rupee of turnover (Total waste generated /Revenue from operations) (Metric ton/rupee)	2.31×10^{-7}	2.27×10^{-7}
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity* (PPP) (Total waste generated /Revenue from operations adjusted for PPP) (Metric ton/Revenue from operations adjusted for PPP)	47.03×10^{-7}	46.85×10^{-7}
Waste intensity in terms of physical output	0.19	0.20
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)

Total waste	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
(i) Recycled	26,115.60	22,745.99
(ii) Re-used	11.24	-
(iii) Other recovery operations	-	-
Total	26,126.84	22,745.99

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For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Total waste	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
(i) Incineration	0.13	0.14
(ii) Landfilling	399.82	353.30
(iii) Other disposal operations	-	-
Total	399.95	353.45

* 1. The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 of 20.34 has been used, from the IMF Data Mapper: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD/IND> and Intensity in terms of physical output is calculated on total tractor and construction machines produced.

2. Previous year figures for waste generated, waste disposal, and waste recovery have been restated due to inclusion of previously omitted items and improvements in methodology, ensuring better accuracy and comparability with current year data.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Grant Thornton Bharat LLP has given Reasonable Assurance on Waste Generated (Hazardous and Non-Hazardous) for FY 2025-26. Details for the same have been mentioned in the assurance statement

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

The Company has implemented a structured and comprehensive waste management framework across its operations, covering both hazardous and non-hazardous waste streams.

Waste is segregated at source using colour-coded bins, with dedicated storage areas established to ensure safe handling and disposal. Hazardous waste is managed in compliance with applicable regulations and disposed of through authorized recyclers and vendors approved by the State Pollution Control Board, ensuring environmentally sound practices.

To minimize waste generation, the Company has undertaken initiatives such as:

- Transition to returnable metal pallets in place of wooden pallets, reducing packaging waste
- Use of an oil filtration unit to recycle and reuse industrial lubricants, improving operational efficiency and reducing hazardous waste generation
- Composting of food waste for use in gardening and landscaping activities
- Promotion of paper reduction and recycling practices, including provision of designated collection bins

The Company also focuses on reducing the usage of hazardous and toxic substances through process optimization and improved material handling practices, wherever feasible.

These measures reflect the Company's commitment to resource efficiency, circular economy principles, and responsible waste management, while minimizing environmental impact.

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. The Company does not have operations or offices located in or around ecologically sensitive areas requiring specific environmental approvals or clearances as defined under applicable regulations.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable. The Company has not undertaken any projects during the financial year that required environmental impact assessment under applicable laws.

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, the Company is compliant with applicable environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and the Environment Protection Act, along with rules framed thereunder.

During the reporting period, no instances of non-compliance were observed. Accordingly, no fines, penalties, or regulatory actions were imposed.

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
	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Water withdrawal by source (in kilolitres)	-	-
(i) Surface Water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed /turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres) entity		
(i) To surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

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Parameter	FY 2026 (Current Financial Year)	FY 2025 (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)	-	-

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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total Scope 3 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	1,45,77,803.92	1,30,76,508.88
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO ₂ Equivalent /rupee	1,270.64 x 10 ⁻⁷	1,283.65 x 10 ⁻⁷
Total Scope 3 emission intensity (optional) – Production in mass	Metric tonnes of CO ₂ Equivalent/		

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. The Company does not have operations in or around ecologically sensitive areas

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	Transition to Gas-based Gensets	The Company is phasing out all diesel gensets and transitioned to gas-based gensets for captive power generation. During FY 2025-26, 2 additional gas gensets were installed at Plant-2 and Plant-3, augmenting existing capacity.	Reduction in Scope 1 greenhouse gas emissions and lower air pollutants compared to diesel-based generation.
2	Electrification of Material Handling Equipment	Replacement of 22 diesel-operated forklifts with electric forklifts at Plant-4 to reduce dependence on fossil fuels and improve energy efficiency in operations.	Reduction in direct (Scope 1) emissions, improved energy efficiency, and lower operational noise levels
3	Renewable Energy Procurement through IEX	Procurement of electricity through the Indian Energy Exchange (IEX) for Plant-2 and Plant-3, enabling integration of renewable energy into the overall power mix.	Increased share of renewable energy consumption (Scope 2 reduction) and decreased carbon intensity of operations
4	Rainwater Harvesting (RWH) Infrastructure	Installation of rainwater harvesting systems across Plant-2, Plant-3, and Plant-4 to capture and store rainwater for groundwater recharge and auxiliary usage.	Enhanced water conservation, improved groundwater recharge, and reduced dependency on external water sources

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, the Company has a structured **Business Continuity and Disaster Management framework** as part of its Enterprise Risk Management (ERM) system. The ERM framework enables identification, assessment, and mitigation of risks across key domains, including **strategic, operational, financial, and compliance risks**. It supports business continuity through proactive risk planning, resource allocation, and response mechanisms for potential disruptions. The framework ensures preparedness to manage unforeseen events and maintain operational resilience.

The policy can be accessed at: <https://www.escortskubota.com/images/pdf/Policy-on-risk-management.pdf>

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

Value Chain Engagement – BRSR Core Assessment

- Upstream value chain partners: The Company engaged with approximately 15% of its upstream value chain partners, selected based on value contribution, for the purpose of conducting the BRSR Core assessment.
- Downstream value chain partners: The Company engaged with approximately 4% of its downstream value chain partners, also identified based on value contribution, under the BRSR Core assessment.

The Company is committed to progressively strengthening and expanding its value chain assessment processes in future reporting periods.

8. How many Green Credits have been generated or procured:

i. **By the listed entity** - NIL

ii. **By the top ten (in terms of the value of purchases and sales respectively) value chain partners** - NIL

Annexure – I

to the Directors' Report

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

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

Leadership Indicators

1. Details of public policy positions advocated by the entity

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Web-link, if available
	Nil	Nil	Nil	Nil	

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.

S. No.	Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable						

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families(PAFs)	% of PAF covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community

The Company has established mechanisms to receive and address grievances from local communities in a transparent and responsive manner. Community members can raise concerns through multiple channels, including **phone, email, and written communication**, details of which are available on the Company's website: <https://www.escortskubota.com/contact-us>

All grievances received are **reviewed, assessed, and addressed in a structured and timely manner**, with appropriate actions taken to resolve the issues. The Company remains committed to maintaining open communication channels and fostering positive relationships with the communities in which it operate.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Directly sourced from MSMEs/small producers	21.49	19.80
Directly from within India	84.52	87.03

Note: The percentage calculations were based on the value of input materials Sourced and Reasonable assurance engagement has been conducted by Grant Thornton Bharat LLP.

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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Rural	0.84%	0.80%
Semi-urban	0.48%	0.54%
Urban	10.93%	9.22%
Metropolitan	87.76%	89.45%

1. Locations have been classified in accordance with the RBI classification system (Rural / Semi-urban / Urban / Metropolitan); accordingly, the prior year figures have been restated.

2. Reasonable assurance engagement has been conducted by Grant Thornton Bharat LLP.

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):

Since no new projects were undertaken during the reporting period, the Company did not conduct any Social Impact Assessment (SIA). Accordingly, no negative social impacts were identified, and no mitigation measures were required.

The Company remains committed to undertaking SIAs for any future projects, where applicable, and will ensure appropriate mitigation measures are implemented and disclosed in line with regulatory requirements to maintain transparency and completeness.

S. No.	Details of negative social impact identified	Corrective action taken
	NIL	NIL

Annexure – I

to the Directors' Report

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Rajasthan	Baran	44,400
2	Punjab	Ferozpur	29,600
3	Andhra Pradesh	YSR Kadappa	51,800
4	Madhya Pradesh	Khandwa	59,200
5	Madhya Pradesh	Rajgarh	29,600
6	Madhya Pradesh	Barwani	14,800
7	Madhya Pradesh	Damoh	14,800
8	Karnataka	Yadgir	7,400
9	Karnataka	Kalburgi (Gulbarga)	6,23,020

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? 0.00%

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

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired(Yes/No)	Benefit shared (Yes /No)	Basis of calculating benefit share
	NIL	NIL	NIL	NIL

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.

S. No.	Name of authority	Brief of the Case	Corrective action taken
	NIL	NIL	NIL

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of Persons benefitted from CSR Projects	%age of beneficiaries from vulnerable & marginal group
A	Education and livelihood enhancement	16,986	88.26%
B	Environment	68,000	35.00%
C	Healthcare	15,000	100.00%
D	Rehabilitation	300	100.00%

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.

EKL places customer satisfaction and responsible customer engagement at the core of its operations. EKL has established a structured and transparent mechanism for receiving, addressing, and resolving customer grievances to ensure a positive and reliable ownership experience and has implemented multiple customer communication and grievance redressal channels, including toll free helplines, a dedicated customer application (HUMDUM Plus), an in tractor CARE device, social media platforms, and a designated email address for customer complaints. These channels are monitored by the Company's Sales and Service team, and all grievances are addressed in accordance with documented Standard Operating Procedures, ensuring timely response, consistency, and accountability.

To evaluate service effectiveness and continually improve customer experience, EKL systematically tracks and reviews customer centric performance indicators such as the Customer Empathy Index and the Service Quality Index. The Customer Empathy Index measures parameters including complaint appointment adherence, turnaround time, and customer satisfaction levels, while the Service Quality Index assesses post service customer feedback, doorstep service delivery, and First Time Right resolution. Insights derived from these indices are used to strengthen processes, enhance service delivery, and drive continuous improvement across the service network.

As part of its efforts to improve accessibility and responsiveness, EKL has deployed an Industry First in tractor CARE device that enables customers, particularly farmers, to seek immediate assistance directly from the field. Every customer complaint or service issue is analyzed to identify root causes, followed by the implementation of corrective and preventive actions to ensure effective resolution and minimize recurrence.

In addition to reactive grievance redressal, EKL emphasizes proactive customer engagement. The Company conducts customized training programs for customers and farmers on tractor operation, maintenance, and safety, enabling informed usage and improved product performance. Customer feedback is actively gathered through surveys, service interactions, and focused discussions, and is incorporated into service improvements and product development initiatives.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following:

	FY 2026 (Current Financial Year)		Remarks	FY 2025 (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	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA

Annexure – I

to the Directors' Report

	FY 2026 (Current Financial Year)		Remarks	FY 2025 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other (Customer Complains)	1,66,824	101	Customer complaints pending at year-end have been closed as of the reporting date.	1,39,720	162	Customer complaints pending at year-end have been closed as of the reporting date.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	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. 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

0.00%

c. Impact, if any, of the data breaches

Not Applicable

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed(provide web link, if available).

The Company ensures transparent and easy access to information related to its products and services through multiple publicly available and customer-facing channels. These include:

Official Website: The Company's website <https://www.escortskubota.com> serves as the primary repository of product-related information, including specifications, features, and updates.

Social Media Platforms: The Company actively disseminates information and engages with stakeholders through its official social media channels, including LinkedIn, Facebook, Instagram, and YouTube.

Authorized Dealerships and Distributors: A widespread network of authorized dealers and distributors provides customers with access to product information, demonstrations, and sales assistance.

Customer Support (Toll-Free Helpline): Customers can reach out for product and service-related information through toll-free numbers: 1800-309-1694 and 1800-180-4488.

Customer Mobile Application: The Company's mobile application, HUMDUM Plus, provides integrated access to product details, services, and customer support.

Print and Electronic Media: The Company utilizes print advertisements, brochures, and electronic media campaigns to disseminate product-related information.

Influencer Engagements and Outreach Initiatives: The Company conducts influencer meets and outreach programs to enhance product awareness and stakeholder engagement.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

At EKL, we collaborate closely with customers and partners to support sustainable solutions and responsible product usage. Every customer is provided with comprehensive delivery and installation support, including product demonstrations, usage guidance, warranty information, and an Owner's Manual at the time of product delivery, detailing operating instructions, safety guidelines, maintenance requirements, and recommended do's and don'ts. To further enhance customer awareness and accessibility, EKL offers mobile applications, digital tutorials, and a dedicated customer care helpline (1800 103 2010), enabling customers to access product information, service policies, and support with ease. These initiatives strengthen informed decision making, promote safe and efficient product use, and enhance the overall customer ownership experience.

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, The Company has established a structured customer feedback and satisfaction assessment mechanism. Feedback is collected through multiple channels, including post-purchase surveys, dealership interactions, customer care touchpoints, and digital platforms.

The collected feedback is systematically analyzed to assess customer satisfaction levels across key parameters such as product performance, quality, after-sales service, and overall experience. Insights derived from the analysis are reviewed by relevant internal teams to identify improvement areas and trends.

Based on the evaluation, necessary corrective and preventive actions are determined and implemented, including product enhancements, service quality improvements, dealer training programs, and process upgrades. The effectiveness of these actions is monitored on an ongoing basis through continuous feedback loops to ensure sustained improvement in customer satisfaction.

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 March 31, 2026, 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 March 31, 2026, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
5. We have determined the matter described below to be the key audit matter to be communicated in our report

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.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 46 of the standalone financial statements. Owing to the multiplicity of the Company's products, volume of sales transactions, size of distribution network and varied terms of contracts with customers, in line with the requirements of the Standards on Auditing, revenue is determined to be an area involving significant risk and hence requiring significant auditor attention. Further, Ind AS 115 "Revenue from Contracts with Customers" ('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;

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Key audit matter	How our audit addressed the key audit matter
	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.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act

and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors 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.
9. 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

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements,

including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

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- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on March 31, 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company, as detailed in note 31(c) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2026;
 - 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, 2026;
 - iii. During the financial year ended March 31, 2026, there was a delay in transferring ₹ 0.16 crore required to be transferred to the Investor Education and Protection Fund by the Company, which was paid on November 27, 2025 as against the due date of November 13, 2025.
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 47(ii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any 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 Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 47(iii) to the standalone financial statements, no funds have been received by the Company from any 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, 2026 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, 2026 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 35(b) to the accompanying standalone financial statements, the Board of Directors of the

Independent Auditor's Report (Contd.) ■

Company have proposed final dividend for the year ended March 31, 2026 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(c) to the standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2025, 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. Further, during the course of our audit we did not come across any instance of audit trail

feature being tampered with. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nalin Jain

Partner

Membership No.: 503498

UDIN: 26503498WJCCVK2797

Place : New Delhi

Date : 7 May 2026

Annexure A

referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Escorts Kubota Limited on the standalone financial statements for the year ended March 31, 2026

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 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 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. With respect to tools 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 verifies the existence of these property, plant and equipment on the basis of confirmation received from the third parties.

In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification. 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 14(i) 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. 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 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 or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in a company during the year. In respect of such amounts:

(a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.

(b) The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in an entity amounting to ₹70 crores (year-end balance ₹130 crores) and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest had been stipulated and the repayments/receipts of principal and interest were 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 had granted loan which had fallen due during the year and was repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans in nature of loan.

- (f) The Company has not granted any loan or advance in the nature of 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 section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.
- (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 only in respect of specified products of the

Company. For such products, we have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under the aforesaid section, 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, 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, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. 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 Statute	Nature of dues	Amount (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which 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	51.08	1.85	1989 - 2018	Hon'ble High Court
Value Added Tax Acts	Sales Tax	12.48	1.36	2003 - 2018	Appellate Tribunal
Value Added Tax Acts	Sales Tax	20.25	6.22	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	449.93	50.69	2004 - 2017	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	1.04	0.06	1992 - 2018	Appellate authority till Commissioner level
Finance Act, 1994	Service tax	0.90	0.17	2011-2013	Customs Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Custom Duty	6.59	0.15	2010 - 2020	Customs Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Custom Duty	5.34	0.36	2013 - 2025	Appellate authority till Commissioner level
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	17.50	1.90	2017 - 2025	Appellate authority till Commissioner level
Income Tax Act, 1961	Income Tax	24.17	3.70	2002 - 2017	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	1.20	-	2008 - 2009	High Court
Income Tax Act, 1961	Income Tax	16.85	0.23	2001 - 2021	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 that the Company

has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

- (e) 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 company.
 - (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. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- 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: 26503498WJCCVK2797

Place : New Delhi

Date : 7 May 2026

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, 2026, 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 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, 2026, 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 ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nalin Jain

Partner

Membership No.: 503498

UDIN: 26503498WJCCVK2797

Place : New Delhi

Date : 7 May 2026

Standalone Balance Sheet

as at March 31, 2026

(₹ crores)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3 (i)	1,949.30	1,887.26
Capital work-in-progress	3 (ii)	160.94	123.17
Right-of-use assets	4	119.05	91.09
Intangible assets	5 (i)	66.33	63.70
Intangible assets under development	5 (ii)	38.64	29.33
Financial assets			
Investments	6(i)	2,314.43	3,348.56
Other financial assets	7(i)	757.12	217.95
Income tax assets (net)		0.28	0.28
Other non current assets	9(i)	360.27	259.69
Total non-current assets		5,766.36	6,021.03
Current assets			
Inventories	10	1,401.26	1,343.89
Financial assets			
Investments	6(ii)	6,107.31	2,292.42
Trade receivables	11	1,234.21	1,379.82
Cash and cash equivalents	12	166.10	335.80
Bank balances other than above	13	660.70	778.21
Other financial assets	7(ii)	32.07	21.61
Other current assets	9(ii)	381.09	322.93
Total current assets		9,982.74	6,474.68
Assets held for sale	14 (i)	17.54	601.05
Total assets		15,766.64	13,096.76
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15 (i)	111.88	111.88
Other equity	16	12,287.88	10,268.34
Total equity		12,399.76	10,380.22
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	38	75.66	67.55
Other financial liabilities	18(i)	39.54	34.65
Provisions	20(i)	88.38	76.46
Deferred tax liabilities (net)	8 (i)	118.47	57.96
Other non-current liabilities	19(i)	11.64	10.63
Total non-current liabilities		333.69	247.25
Current liabilities			
Financial liabilities			
Lease liabilities	38	49.83	35.13
Trade payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		95.71	95.86
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,079.10	1,530.41
Other financial liabilities	18(ii)	413.75	357.19
Other current liabilities	19(ii)	214.73	185.18
Provisions	20(ii)	148.88	129.87
Current tax liabilities (net)		31.19	28.52
Total current liabilities		3,033.19	2,362.16
Liabilities held for sale in respect of discontinued operations	14 (ii)	-	107.13
Total equity and liabilities		15,766.64	13,096.76

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

Nikhil Nanda
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

Akira Kato
Deputy Managing Director
(DIN: 07543672)
Place : Faridabad

Vimal Bhandari
Director
(DIN: 00001318)
Place : Mumbai

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Place : New Delhi
Date : May 07, 2026

Date : May 07, 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(₹ crores)

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Income			
Revenue from operations	22	11,472.78	10,186.96
Other income	23	564.30	458.39
Total income		12,037.08	10,645.35
Expenses			
Cost of materials consumed	24(i)	6,480.05	5,252.63
Purchases of stock-in-trade		1,594.51	1,778.75
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24(ii)	(80.33)	184.86
Employee benefits expense	25	802.24	755.87
Finance costs	26	18.91	27.03
Depreciation and amortisation expense	27	252.82	242.61
Other expenses	28	1,163.35	1,037.01
Total expenses		10,231.55	9,278.76
Profit before exceptional items and tax		1,805.53	1,366.59
Exceptional items	29 (i)	23.53	(27.08)
Profit before tax from continuing operations		1,829.06	1,339.51
Tax expense	8 (ii)		
Current tax		389.78	271.02
Deferred tax		58.33	(41.54)
Total tax expense		448.11	229.48
Net profit for the year from continuing operations		1,380.95	1,110.03
Profit before tax from discontinued operations	43	1,203.05	188.70
Tax expense of discontinued operations	8 (ii)	175.42	47.81
Net profit for the year from discontinued operations		1,027.63	140.89
Net profit for the year		2,408.58	1,250.92
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Sale/ net changes in fair values of equity instruments carried at fair value through other comprehensive income		-	0.14
Re-measurements of defined employee benefit plans		8.67	(2.61)
Income tax relating to items that will not be reclassified to profit or loss		(2.18)	0.82
Total other comprehensive income/ (loss) for the year		6.49	(1.65)
Total comprehensive income for the year		2,415.07	1,249.27
Earnings per equity share of ₹ 10 each :	29 (ii)		
For continuing operations			
Basic (₹)		125.52	100.96
Diluted (₹)		125.49	100.89
For discontinued operations			
Basic (₹)		93.41	12.81
Diluted (₹)		93.38	12.81
For continuing and discontinued operations			
Basic (₹)		218.93	113.77
Diluted (₹)		218.87	113.70

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

Nikhil Nanda
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

Akira Kato
Deputy Managing Director
(DIN: 07543672)
Place : Faridabad

Vimal Bhandari
Director
(DIN: 00001318)
Place : Mumbai

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Place : New Delhi
Date : May 07, 2026

Date : May 07, 2026

Standalone Statement of Cash Flow

for the year ended March 31, 2026

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A Cash flows from operating activities		
Profit before tax from continuing and discontinued operations (after exceptional items)	3,032.11	1,528.21
Adjustments for:		
Depreciation and amortisation expense	252.82	248.83
Provisions recognised (net of provisions written back)	23.72	38.76
Impairment of investment in Subsidiary and Joint Venture	-	27.08
Finance costs (other than finance and bank charges)	14.23	25.50
Interest income	(355.80)	(209.05)
Loss/ (gain) on disposal of property, plant and equipment (net)	0.79	(1.95)
Gain on sale of assets held for sale (including discontinued operations)	(1,247.95)	-
Gain on fair valuation and sale of investments carried at fair value through profit or loss (net)	(203.55)	(239.90)
Provision for wage code impact	52.46	-
Net unrealised foreign exchange loss/ (gain)	20.15	(1.96)
Operating profit before working capital changes	1,588.98	1,415.52
Movement in working capital		
Inventories	(84.44)	162.51
Trade receivables	207.28	(179.00)
Other financial assets	(11.55)	3.81
Other assets	(171.23)	18.81
Trade payables	488.00	81.19
Other financial liabilities	47.25	63.97
Other liabilities and provisions	16.26	(1.37)
Cash generated from operating activities post working capital changes	2,080.55	1,565.44
Income tax paid (net)	(565.40)	(358.31)
Net cash generated from operating activities(A)	1,515.15	1,207.13
B Cash flows from investing activities		
Purchase of property, plant and equipment (including capital advances)	(278.91)	(223.09)
Proceeds from sale of property, plant and equipment	4.77	9.48
Purchase of intangible assets	(36.88)	(23.81)
Proceeds from sale of assets held for sale (including discontinued operations)	1,711.69	-
Investment in subsidiary	(70.00)	(40.00)
Purchase of non - current investments (net)	(503.05)	(227.47)
(Purchase) / sale of current investments (net)	(1,805.41)	25.13
Bank deposits (net)	(396.85)	(11.86)
Margin / bank deposits	(0.19)	(23.91)
Interest received	140.74	112.18
Net cash used in investing activities (B)	(1,234.09)	(403.35)

Standalone Statement of Cash Flow (Contd.)

for the year ended March 31, 2026

(₹ crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
C Cash flows from financing activities (refer note 17)		
Proceeds from shares(ESOPs) issued	3.41	24.66
Repayment of long term borrowings	-	(125.56)
Repayment of short term borrowings (net)	-	(237.80)
Repayment of lease liabilities	(45.13)	(30.42)
Interest paid	(14.23)	(25.50)
Dividend paid	(396.07)	(305.46)
Net cash used in financing activities (C)	(452.02)	(700.08)
(Decrease)/ increase in cash and cash equivalents (A+B+C)	(170.96)	103.70
Cash and cash equivalents at the beginning of the year (refer note 12)	337.06	233.36
Cash and cash equivalents at the end of the year (refer note 12)*	166.10	337.06

*including ₹ 1.26 Crores pertaining to discontinued operations at year ended March 31, 2025

Note: The above statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes form an integral part of these financial statements.

As per our Report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

For and on behalf of the Board of Directors

Nalin Jain
Partner
Membership No. 503498

Nikhil Nanda
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

Akira Kato
Deputy Managing Director
(DIN: 07543672)
Place : Faridabad

Vimal Bhandari
Director
(DIN: 00001318)
Place : Mumbai

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Place : New Delhi
Date : May 07, 2026

Date : May 07, 2026

Standalone Statement of changes in equity

for the year ended March 31, 2026

A Equity share capital

(₹ crores)

Balance as at April 01, 2024	Changes in equity share capital during the year Issued (refer note 42)	Balance as at March 31, 2025	Changes in equity share capital during the year	Balance as at March 31, 2026
110.50	1.38	111.88	-	111.88

B Other equity

(₹ crores)

Particulars	Reserves and surplus							Fair value changes of equity instruments measured at fair value through other comprehensive income	Total
	Treasury shares	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Employees' stock options outstanding	Retained earnings		
Balance as at April 01, 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
Profit for the year	-	-	-	-	-	-	2,408.58	-	2,408.58
Other comprehensive income for the year	-	-	-	-	-	-	6.49	-	6.49
Transactions with owners in their capacity as owners									
Dividends paid (Including interim dividends)	-	-	-	-	-	-	(398.47)	-	(398.47)
Employee stock option exercise for the year	-	-	-	1.05	-	(1.05)	-	-	-
Adjustment for options exercised during the year	0.24	-	-	2.70	-	-	-	-	2.94
Balance as at March 31, 2026	(15.64)	239.10	4.00	3,193.66	731.56	3.18	8,132.02	-	12,287.88

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 07, 2026

For and on behalf of the Board of Directors

Nikhil Nanda
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Akira Kato
Deputy Managing Director
(DIN: 07543672)
Place : Faridabad

Vimal Bhandari
Director
(DIN: 00001318)
Place : Mumbai

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Date : May 07, 2026

Notes

forming part of the Standalone Financial Statements for the year ended March 31, 2026

1. Company overview

Escorts Kubota 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 (DSE). However, DSE has been de-recognized and allowed to exit as a stock exchange by Securities Exchange Board of India (SEBI) by way of SEBI's Order No. WTM/SR/SEBI/MRD-DSA/04/01/2017 dated January 23, 2017.

The Company is primarily engaged in manufacturing, sales, marketing, trading and customer support of Agri-machinery Products (Tractors, Harvesters, Engines, Implements, Spare parts, Oils Lubes etc.), Construction Equipment Products (Material Handling Cranes, Road Compaction and Earth moving equipment's, Spare parts etc.).

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, 2026, in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on May 07, 2026.

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 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

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

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 19). 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 program.

- **Extended warranty program** – The Company enters into agreements with its customers to perform necessary repairs falling outside the Company's standard warranty period. As this service involves an indeterminate number of acts, the Company is required to 'stand ready' to perform whenever a request falling within the scope of the program is made by a customer. Revenue is recognised on a straight-line basis over the term of the contract and matched to related costs. This method best depicts the transfer of services to the customer as (a) the Company's historical experience demonstrates no statistically significant variation in the quantum of services provided in each year of a multi-year contract, and (b) no reliable prediction can be made as to when any individual customer will require service.

Other income

Income from export incentives is recognised on accrual basis.

Interest Income

Interest income is recognized on time proportion basis considering the amount outstanding and rate applicable. For all financial assets measured at amortized 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.

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forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

b) Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') and are rounded to two decimal places of crores, which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

d) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in

arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are stated at their cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives mentioned below:

Asset category	Estimated useful life (in years)
Factory buildings	30
Office buildings	60
Tubewells and fencing	5
Roads	10
Sheds	3
Plant and machinery	3-15*
Furniture and fixtures	5-10*
Office equipment	3-10
Vehicles	8-10
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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

e) Investment properties

Recognition and initial measurement

Investment properties are properties including right-of-use in properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements.

Subsequent measurement (depreciation and useful lives)

Depreciation on investment properties other than right-of-use in properties is provided on the straight-line method, computed on the basis of useful lives prescribed under Part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

f) Intangible assets

Recognition and initial measurement

Purchased intangible assets are stated at cost.

Internally developed intangible assets

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

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forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs.

Subsequent measurement (amortisation)

Purchased intangible assets are stated at cost less accumulated amortization and impairment, if any.

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortized 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

h) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value or trade receivables which are recognised at their transaction price, where the trade receivable does not contain a significant financing component.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- a) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- b) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. Financial assets at amortized cost

A financial instrument is measured at amortized 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 amortized 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

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

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 amortized cost, if the Company intends to hold the FMPs to maturity. Further, the Company applies amortized 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 amortized cost using effective interest method. Amortized 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

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

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 amortized 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 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

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

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 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 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 statement of profit or loss comprises the sum of deferred tax and current tax. It does not include the tax expense 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.

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.

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Other long-term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

r) Non-current assets held for sale and discontinued operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale. Profit or loss from discontinued operations comprise the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the

measurement and disposal of assets classified as held for sale. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations.

s) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.

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,

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the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

u) Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

v) Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

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 other 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

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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 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 are 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, 2015 as issued from time to time. During the year, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025.

a) Amendments to existing Ind AS adopted by the Company

These amendments are effective for the annual reporting periods beginning on or after April 01, 2025.

Ind AS 1 – Presentation of Financial Statements

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period. Specifically, the right to defer settlement for at least twelve months must have substance and exist at the reporting date. The company's intention to settle a liability early does not affect its classification.

Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

The amendment addresses "Lack of Exchangeability" between currencies. It provides guidance on how an entity should assess whether a currency is exchangeable into another and how to determine the exchange rate to be used when exchangeability is lacking.

Ind AS 7 - Statement of Cash Flows and Ind AS 107 – Supplier Finance Arrangements

New disclosure requirements have been introduced to enhance transparency regarding supplier

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finance (reverse factoring) arrangements. These disclosures include the terms and conditions of the arrangements, the carrying amount of financial liabilities involved, and the impact on the Company's liquidity risk.

Ind AS 12 – Income Taxes

The Organization for Economic Co-operation and Development (OECD) had released model rules for a global minimum tax under the Pillar Two framework (Pillar Two model rules). However, the Pillar Two legislation are not enacted by the Government of India, where the entity is incorporated. The amendment introduces a mandatory temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities arising from the OECD's Pillar Two model rules. The Company has applied this exception for the current reporting period.

Other Amendments

Consequential amendments relating to applicability, accounting, measurement, valuations, transitional provisions, exclusions, disclosure etc. were also made to Ind AS 101, Ind AS 108, Ind AS 109, Ind AS 115, Ind AS 10, Ind AS 28, and Ind AS 32.

The company does not expect any significant impacts in its financial statements.

b) Amendments to existing Ind AS not yet adopted

These amendments are effective for the annual reporting periods beginning on or after April 01, 2026.

Ind AS 1 – Presentation of Financial Statements

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

The company does not expect any significant impacts in its financial statements.

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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 April 01, 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
Reclassified to assets held for sale (refer note 43)	(92.30)	(59.91)	-	(89.16)	(13.50)	(4.71)	(0.70)	(0.83)	(261.11)
Disposals	-	(13.69)	-	(51.72)	(0.68)	(1.70)	(3.72)	(0.61)	(72.12)
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
Additions*	-	35.46	0.33	164.82	31.43	21.60	0.66	1.28	255.58
Disposals	-	(0.28)	(0.04)	(46.80)	(8.20)	(11.63)	(3.01)	(0.77)	(70.73)
As at March 31, 2026	981.54	500.37	27.64	1,691.25	175.02	118.46	7.84	16.46	3,518.58
Accumulated depreciation									
As at April 01, 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
Reclassified to assets held for sale (refer note 43)	-	(42.18)	-	(51.40)	(6.21)	(3.44)	(0.17)	(0.58)	(103.98)
Disposals	-	(11.27)	-	(48.14)	(0.63)	(1.68)	(2.36)	(0.60)	(64.68)
As at March 31, 2025	-	263.43	23.95	979.31	90.78	69.23	6.28	13.49	1,446.47
Charge for the year	-	21.55	1.19	134.60	11.99	16.73	0.84	1.34	188.24
Disposals	-	(0.10)	(0.04)	(43.97)	(6.79)	(11.62)	(2.15)	(0.76)	(65.43)
As at March 31, 2026	-	284.88	25.10	1,069.94	95.98	74.34	4.97	14.07	1,569.28
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
Net carrying value as at March 31, 2026	981.54	215.49	2.54	621.31	79.04	44.12	2.87	2.39	1,949.30

* total addition during the year excludes ₹ 3.52 crore (previous year ₹ 15.66 crore) in respect of discontinued operations after its reclassification as assets held for sale.

^ depreciation charge for the previous year includes the depreciation related to discontinued operations ₹ 5.81 crore.

Notes:

(i) Property, plant and equipment include assets in use for in house research and development

Refer note 33 for details.

(ii) Contractual obligations

Refer note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Property, plant and equipment pledged as security

Refer note 44(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, 2026	March 31, 2025
Capital work-in-progress	160.94	123.17

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3 (ii) Capital work-in-progress(Contd.)

Movement in capital work-in-progress during the year:

		(₹ crores)
Particulars		Amount
As at April 01, 2024		126.19
Add: additions during the year*		227.56
Less: capitalisation during the year		(216.21)
Reclassified to assets held for sale (refer note 43)		(14.37)
As at March 31, 2025		123.17
Add: additions during the year*		293.35
Less: capitalisation during the year		(255.58)
As at March 31, 2026		160.94

* total addition during the year excludes ₹ 2.94 crore (previous year ₹ 8.88 crore) in respect of discontinued operations after its reclassification as assets held for sale.

Capital work in progress ageing schedule-projects in progress

						(₹ crores)
Particulars	Amount in capital work in progress for a period of				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
As at March 31, 2026	137.34	13.53	4.25	5.82	160.94	
As at March 31, 2025	99.88	15.48	4.35	3.46	123.17	

There is no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

4 Right-of-use assets

					(₹ crores)
Particulars	Property, plant and equipment			Total	
	Land	Buildings	Vehicles		
Gross carrying value					
As at April 01, 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	
Additions	8.52	59.43	-	67.95	
Disposals	-	(27.37)	(0.29)	(27.66)	
As at March 31, 2026	79.26	139.33	-	218.59	
Accumulated depreciation					
As at April 01, 2024	26.49	54.84	1.28	82.61	
Charge for the year	8.77	21.36	0.55	30.68	
Disposals	-	(24.41)	(1.67)	(26.08)	
As at March 31, 2025	35.26	51.79	0.16	87.21	
Charge for the year	10.14	29.72	0.13	39.99	
Disposals	-	(27.37)	(0.29)	(27.66)	
As at March 31, 2026	45.40	54.14	-	99.54	
Net carrying value as at March 31, 2025	35.48	55.48	0.13	91.09	
Net carrying value as at March 31, 2026	33.86	85.19	-	119.05	

Notes:

- Depreciation for the year has been included in 'Depreciation and amortisation expense' line item in statement of profit and loss.
- Refer note 38 for disclosure requirements as per IND AS 116.

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5 (i) Intangible assets

(₹ crores)					
Particulars	Prototypes	Technical know how	Software	Customer contracts	Total
Gross carrying value					
As at April 01, 2024	49.75	23.84	129.68	2.10	205.37
Additions*	9.59	0.46	16.22	-	26.27
Reclassified to assets held for sale (refer note 43(ii))	(1.77)	(2.59)	(4.65)	-	(9.01)
As at March 31, 2025	57.57	21.71	141.25	2.10	222.63
Additions*	3.57	-	23.91	-	27.48
Disposals	(40.27)	(7.19)	(7.55)	-	(55.01)
As at March 31, 2026	20.87	14.52	157.61	2.10	195.10
Accumulated amortisation					
As at April 01, 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 43(ii))	(1.40)	(2.59)	(3.33)	-	(7.32)
As at March 31, 2025	45.54	19.88	91.82	1.69	158.93
Charge for the year	4.37	1.12	18.69	0.41	24.59
Disposals	(40.01)	(7.19)	(7.55)	-	(54.75)
As at March 31, 2026	9.90	13.81	102.96	2.10	128.77
Net carrying value as at March 31, 2025	12.03	1.83	49.43	0.41	63.70
Net carrying value as at March 31, 2026	10.97	0.71	54.65	-	66.33

* total addition during the year excludes ₹ 0.09 crore (previous year ₹ 0.37 crore) in respect of discontinued operations after its reclassification as assets held for sale.

^ amortisation charge for the previous year includes the amortisation related to discontinued operations ₹ 0.41 crore.

Notes:

(i) Contractual obligations

Refer note 31 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 33 for detail.

(iii) Amortisation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.

5 (ii) Intangible assets under development

(₹ crores)		
Particulars	March 31, 2026	March 31, 2025
Intangible assets under development	38.64	29.33

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5 (ii) Intangible assets under development (Contd.)

Movement in intangible assets under development during the year :

		(₹ crores)
Particulars		Amount
As at April 01, 2024		35.22
Add: additions during the year*		23.04
Less: capitalisation during the year		(26.27)
Reclassified to assets held for sale (refer note 43(ii))		(2.66)
As at March 31, 2025		29.33
Add: additions during the year*		36.79
Less: capitalisation during the year		(27.48)
As at March 31, 2026		38.64

* total addition during the year excludes ₹ 0.09 crore (previous year ₹ 0.77 crore) in respect of discontinued operations after its reclassification as assets held for sale.

Intangible assets under development ageing schedule-projects in progress

(₹ crores)					
Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026	16.88	4.58	2.36	14.82	38.64
As at March 31, 2025	9.21	3.93	6.51	9.68	29.33

There are no Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

6 Investments

(i) Investments - non-current

				(₹ crores)
Particulars		As at March 31, 2026	As at March 31, 2025	
Investments carried at cost				
Subsidiary companies				
Fully paid equity shares (quoted)		1.17	1.17	
Fully paid equity shares (unquoted)		144.45	74.45	
Investments carried at amortized Cost				
Mutual funds (quoted) (Target Maturity Funds)		1,616.96	2,648.23	
Bonds (unquoted)		551.85	624.71	
		2,314.43	3,348.56	
Aggregate amount of quoted investments		1,618.13	2,649.40	
Market value of quoted investments		1,638.16	2,674.27	
Aggregate amount of unquoted investments		696.30	699.16	
Aggregate amount of impairment in value of investments		63.93	63.93	

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6 (i) Investments - non-current(Contd.)

Details of investments are as follows:

Non-current investments (excluding investments carried at amortized Cost)

(₹ crores)				
Particulars	Number of shares		Amount	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
In equity instruments*				
Subsidiaries (quoted)				
Invigorated Business Consulting 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 Solutions Limited	2,44,00,000	2,44,00,000	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)	1,30,00,000	60,00,000	130.00	60.00
Sole beneficiary interest in Escorts Benefit and Welfare Trust	-	-	14.43	14.43
			144.45	74.45
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 Equipments Private Limited	84,00,000	84,00,000	8.40	8.40
less: provision for impairment			(8.40)	(8.40)
			-	-
Investments carried at fair value through OCI (Quoted)				
Twenty First Century Medicare Limited^	19,400	19,400	-	-
In preference shares				
Subsidiaries				
Invigorated Business Consulting 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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(ii) Investments - current

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Investment carried at fair value through profit or loss		
Mutual funds (quoted)	4301.01	2195.93
Investments carried at amortized Cost		
Mutual funds (quoted) (Target Maturity Funds)	1,206.60	-
Bonds (Unquoted)	599.70	96.49
	6,107.31	2,292.42
Aggregate amount of quoted investments	5,507.61	2,195.93
Market value of quoted investments	5,520.57	2,195.93
Aggregate amount of unquoted investments	599.70	96.49

7 Other financial assets

(i) Non-current financial assets

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Fixed deposits with remaining maturity of more than 12 months	737.09	200.83
Security Deposits	20.03	17.12
	757.12	217.95

Refer note 34- Financial instruments for disclosure of fair values in respect of financial assets measured at amortized cost and assessment of expected credit losses.

(ii) Current financial assets

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Export incentives receivable	3.79	4.34
Claims receivable	0.33	0.26
Derivative assets	9.30	-
Security Deposits	16.43	14.33
Other recoverable		
- from related parties (refer note 45 for related party balances)	-	1.02
- from others	2.22	1.66
	32.07	21.61

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, 2026 (Contd.)

8 (i) Deferred tax liabilities (net)

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities arising on account of :		
Property, plant and equipment and intangible assets	37.10	45.22
Investments	173.52	110.46
Deferred tax assets arising on account of :		
Financial assets and financial liabilities at amortized cost and inventories	(63.40)	(77.75)
Provision for employee benefits and other liabilities deductible on actual payment	(28.75)	(19.97)
Net deferred tax liabilities	118.47	57.96

Notes:

(a) Movement in deferred tax liabilities(net) for the year ended March 31, 2026 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 and intangible assets	45.22	(8.12)	-	37.10
Investments	110.46	63.06	-	173.52
Financial assets and financial liabilities at amortized cost and inventories	(77.75)	14.35	-	(63.40)
Provision for employee benefits and other liabilities deductible on actual payment	(19.97)	(10.96)	2.18	(28.75)
Net deferred tax liabilities	57.96	58.33	2.18	118.47

(b) 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 and intangible assets	53.63	(8.41)	-	45.22
Investments	133.82	(23.20)	(0.16)	110.46
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)
Net deferred tax liabilities	98.69	(39.91)	(0.82)	57.96

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

8 (ii) Tax expense

The income tax expense consists of the following:

	(₹ crores)	
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax expense		
Continuing operations	389.78	271.02
Discontinued operations	175.42	46.19
	565.20	317.21
Deferred tax expense		
Continuing operations	58.33	(41.54)
Discontinued operations	-	1.62
	58.33	(39.92)
Total tax expense	623.53	277.29
Continuing operations	448.11	229.48
Discontinued operations	175.42	47.81

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, 2026	Year ended March 31, 2025
Profit before income tax		
Continuing operations	1,829.06	1,339.51
Discontinued operations	1,203.05	188.70
Total profit before income tax	3,032.11	1,528.21
Statutory income tax rate*	25.17%	25.17%
Expected income tax expense	763.12	384.62
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax on expense not eligible for deduction	7.11	4.49
Impact due to change in tax rate	-	(65.79)
Utilisation of tax losses upon amalgamation	-	(21.04)
Income chargeable to lower rate of tax	(147.54)	(33.56)
Others	0.84	8.57
Total income tax expense	623.53	277.29

*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, 2026 (Contd.)

9 Other assets

(i) Non-current

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances*	28.37	38.25
Deposits with statutory authorities**	64.83	68.08
Balances with statutory authorities	268.67	154.96
	361.87	261.29
Allowance for doubtful advances	(1.60)	(1.60)
	360.27	259.69

* includes advance given to related party ₹ 0.84 crore (previous year ₹ 0.66 crore)

** includes deposit paid under protest with statutory authorities.

(ii) Current

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Refund asset	7.75	5.07
Advances to suppliers*	19.27	17.82
Prepaid expenses	11.12	10.60
Balances with statutory authorities	342.45	288.94
Other advances	0.50	0.50
	381.09	322.93

* includes advance payment to related party ₹1.99 crore (previous year ₹ Nil).

10 Inventories

(Valued at lower of cost and net realisable value, unless otherwise stated)

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials and components	416.99	429.72
Goods-in-transit	47.62	58.84
	464.61	488.56
Work-in-progress	28.21	22.52
Finished goods	563.60	574.30
Goods-in-transit	11.96	21.90
	575.56	596.20
Stock-in-trade	206.74	212.73
Goods-in-transit	102.75	1.48
	309.49	214.21
Stores and spares	14.80	12.94
Loose tools	8.59	9.46
	1,401.26	1,343.89

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(i) Amount of write down and reversal of write down of inventories recognised in statement of profit and loss:

(₹ crores)	
Particulars	Amount
As at April 01, 2024	115.74
Add: write-down recognised during the year	38.05
Less: allowance utilised during the year	(11.13)
Reclassified to assets held for sale (refer note 43(ii))	(11.08)
As at March 31, 2025	131.58
Add: write-down recognised during the year	16.15
Less: allowance utilised during the year	(34.39)
As at March 31, 2026	113.34

11 Trade receivables

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Secured, considered good	311.75	353.22
Unsecured, considered good	961.40	1,071.16
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	66.36	38.55
	1,339.51	1,462.93
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(38.94)	(44.56)
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	(66.36)	(38.55)
	(105.30)	(83.11)
	1,234.21	1,379.82

Trade receivables ageing schedule

As at March 31, 2026

(₹ 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	903.90	289.92	23.98	6.62	0.38	3.10	1,227.90
(ii) Undisputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	5.28	2.54	2.82	10.64
(iv) Disputed trade receivables – considered good	0.04	2.93	13.93	7.18	8.39	12.78	45.25
(v) Disputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	24.89	17.89	12.94	55.72
	903.94	292.85	37.91	43.97	29.20	31.64	1,339.51

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

11 Trade receivables (Contd.)

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
(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

- (i) Refer note 34 - 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 ₹ 157.17 crores (previous year ₹ 188.67 crores) due from related parties. For details refer note 45- related party disclosures.

12 Cash and cash equivalents

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
Current accounts	12.50	15.21
Debit balance in cash credit accounts	38.49	29.42
Fixed deposits with original maturity of less than or equal to 3 months	115.11	291.17
	166.10	335.80

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, 2026 (Contd.)

13 Other bank balances

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked bank balances		
Unclaimed dividends accounts	5.24	3.40
Unspent CSR account	3.51	-
Fixed deposits with remaining maturity of less than 12 months (excluding considered in cash and cash equivalents)	438.04	576.05
Margin money deposits	3.37	3.15
Balance in escrow account	210.54	195.61
	660.70	778.21

- (i) Fixed deposits with remaining maturity of less than 12 months includes ₹ 0.22 crore (previous year: ₹ 0.20 crore) deposits held by the entity which are not available for use by the Company, as these are lien marked.
- (ii) Balance in Escrow account is not available for use by the Company, refer note 20(ii) for details.
- (iii) Margin money deposits are pledged with various authorities.
- (iv) There are no repatriation restrictions with respect to other bank balances, Other than disclosed above.
- (v) The carrying values are a reasonable approximation of their fair values.

14 (i) Assets held for sale

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Land and Building held for sale (refer note 43(i))	17.54	50.37
Assets of RED Business held for sale (refer note 43(ii))	-	550.68
	17.54	601.05

14 (ii) Liabilities held for sale in respect of discontinued operations

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Liabilities of RED Business held for sale (refer note 43(ii))	-	107.13
	-	107.13

15 (i) Equity share capital

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
75,10,00,000 (previous year 75,10,00,000) Equity shares of ₹ 10 each	751.00	751.00
88,80,00,000 (previous year 88,80,00,000) Unclassified shares of ₹ 10 each	888.00	888.00
	1,639.00	1,639.00
Issued, Subscribed and Fully paid-up		
11,18,77,754 (previous year 11,18,77,754) Equity shares of ₹ 10 each	111.88	111.88
	111.88	111.88

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

15 (i) Equity share capital (Contd.)**(a) Reconciliation of number of shares**

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of shares	₹ crores	No of shares	₹ crores
Equity shares at the beginning of the year	11,18,77,754	111.88	11,04,98,261	110.50
Issued pursuant to scheme of amalgamation (refer note 42)	-	-	13,79,493	1.38
Equity shares at the end of the year	11,18,77,754	111.88	11,18,77,754	111.88

(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, 2026		As at March 31, 2025	
	No of shares	% holding	No of shares	% holding
Kubota Corporation	6,04,92,462	54.07%	6,04,92,462	54.07%
Har Parshad and Company Private Limited	1,07,26,308	9.59%	1,07,26,308	9.59%
HDFC Asset Management Company Limited	75,27,389	6.73%	60,98,570	5.45%

(d) The Company has a holding company named Kubota Corporation.

(e) The Company has issued total 28,235 (previous year 1,77,931) 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, 2026	As at March 31, 2025
	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	18,50,364	18,78,599

These shares are held as treasury shares under other equity (refer note 16)

For terms and other details (refer note 37)

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

15 (i) Equity share capital (Contd.)

(g) Shares held by promoters at the end of the year

As at March 31, 2026

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	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	6,04,92,462	-	6,04,92,462	54.07%	-

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	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%

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

16 Other equity

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	239.10	239.10
Capital redemption reserve	4.00	4.00
General reserve	731.56	731.56
Securities premium		
Opening balance	3,189.91	3,161.98
Add: amount received from employees on exercise of employees' stock option against options exercised during the year (net of tax)	2.70	20.30
Add: transferred from employees' stock option outstanding account against options exercised during the year	1.05	7.63
	3,193.66	3,189.91
Employees' stock option outstanding account		
Opening balance	4.23	11.86
Less: transferred to securities premium against vested options exercised during the year	(1.05)	(7.63)
	3.18	4.23
Treasury shares		
Opening balance	(15.88)	(17.38)
Less: adjustment for options exercised during the year	0.24	1.50
	(15.64)	(15.88)
Retained earnings		
Opening balance	6,115.42	5,172.32
Add: net profit for the year	2,408.58	1,250.92
Less: Dividend Paid (net of dividend on treasury shares)	(398.47)	(307.33)
Add: remeasurement of defined benefit plans (net of tax)	6.49	(1.95)
Add: Transfer from other comprehensive income - sale of investment	-	1.46
	8,132.02	6,115.42
Other comprehensive income, net of tax		
Equity instruments measured at fair value through other comprehensive income		
Opening balance	-	1.16
Add : changes during the year (net of tax)	-	0.30
Less: Transfer to retained earnings - sale of investment	-	(1.46)
	-	-
	12,287.88	10,268.34

16 Other equity (Contd.)**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.

(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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

17 Reconciliation of financial liabilities with cashflow arising from financing activities:

(₹ crores)			
Particulars	Non-current borrowings	Current borrowings	Lease liabilities
Balance as at April 01, 2024	125.56	237.80	80.90
Cash flows:			
Proceeds/(repayments)	(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
Interest accrued as at March 31, 2025	-	-	-
Balance as at March 31, 2025	-	-	102.68
Cash flows:			
Proceeds/(repayments) (net)	-	-	(45.13)
Interest paid	-	(0.41)	(10.14)
Interest expenses	-	0.41	10.14
Non cash:			
Addition during the year	-	-	67.94
Balance as at March 31, 2026	-	-	125.49

Notes:

- Term loan facility taken from the bank in previous year was unsecured and carries floating interest rate. The interest rate for previous year ranges between 9.30% p.a to 9.40% p.a. 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.
- Refer note 34 - Financial instruments for disclosure of fair values in respect of financial liabilities measured at amortized cost and analysis of their maturity profiles.
- Working capital demand loan facility taken from banks are unsecured and carries floating interest rate. The interest rate ranges between 6.00% p.a. to 8.75% p.a. (previous year: 7.25% p.a. to 9.80% p.a.).
- The Company has not defaulted on any loan repayments during the year and during the previous year.

18 Other financial liabilities

(i) Other non-current financial liabilities

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	39.54	34.65
	39.54	34.65

Financial instruments for disclosure of fair values in respect of financial liabilities measured at amortized cost and analysis of their maturity profiles.(refer note 34)

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

18 Other financial liabilities (Contd.)

(ii) Other current financial liabilities

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Capital creditors	38.56	28.38
Security deposits	0.80	5.94
Unpaid dividends*	5.24	3.40
Payable to related parties (refer note 45)	0.43	0.37
Employee related payables	115.83	108.15
Retention money	0.58	0.74
Derivative liabilities	-	3.16
Other accrued liabilities	241.00	198.15
Other payables	11.31	8.90
	413.75	357.19

*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.

19 Other liabilities

(i) Other non-current liabilities

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred income	11.64	10.63
	11.64	10.63

(ii) Other current liabilities

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Advances received from customers	69.62	56.12
Advance against assets held for sale	17.54	13.00
Payable to statutory authorities	45.11	39.44
Deferred income	46.55	40.38
Others	35.91	36.24
	214.73	185.18

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

20 Provisions

(i) Non-current

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for compensated absences	47.03	30.58
Provision for pension	3.81	3.64
Others		
Provision for claims	12.38	12.38
Provision for warranty	25.16	29.86
	88.38	76.46

(ii) Current

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for gratuity	26.72	13.56
Provision for compensated absences	3.72	2.86
Provision for pension	0.53	0.52
Others		
Provision for claims	65.00	65.00
Provision for warranty	52.91	47.93
	148.88	129.87

Notes:

(a) 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 ₹ 210.54 crores as on March 31, 2026 (previous year ₹ 195.61 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, 2026 (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 been dismissed by the Hon'ble Delhi High Court and the other appeal is pending.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

20 Provisions (Contd.)

(b) 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.

(c) Movement in other provisions :

(₹ crores)		
Particulars	Provision for claims	Provision for warranty
Provision at April 01, 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
Additions during the year	-	48.39
Amount utilised during the year	-	(48.11)
Provision at March 31, 2026	77.38	78.07

(d) For disclosures on provisions related to employee benefits, refer note 36.

21 Trade payables

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Dues of micro enterprises and small enterprises (MSME) (refer note 40)	95.71	95.86
Dues of others than micro enterprises and small enterprises (MSME)	1,776.28	1,306.05
Other accrued liabilities	302.82	224.36
	2,174.81	1,626.27

Refer note 45- for related party disclosures.

The carrying values are considered to be a reasonable approximation of their fair values.

Trade Payable ageing schedule

As at March 31, 2026

(₹ crores)							
Particulars	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	0.77	38.57	52.43	1.70	0.45	1.79	95.71
(ii) Others	521.36	1,040.47	476.74	20.80	7.16	12.57	2,079.10
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	522.13	1,079.04	529.17	22.50	7.61	14.36	2,174.81

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

21 Trade payables (Contd.)

As at March 31, 2025

							(₹ crores)
Particulars	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	360.00	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

22 Revenue from operations

Particulars	(₹ crores)	
	Year ended March 31, 2026	Year ended March 31, 2025
Operating revenue		
Sale of products		
Export	635.60	536.20
Domestic	10,674.33	9,479.72
Sale of services	8.30	7.45
	11,318.23	10,023.37
Other operating revenue		
Sale of other services	32.12	34.05
Export incentives	16.59	14.14
Scrap sales	43.86	50.81
Liabilities no longer required written back	1.02	0.40
Foreign exchange gain(net)	-	10.98
Others	60.96	53.21
	154.55	163.59
	11,472.78	10,186.96

Refer note 46 for disclosures pursuant to Ind AS 115 -Revenue from Contracts with Customers.

23 Other income

Particulars	(₹ crores)	
	Year ended March 31, 2026	Year ended March 31, 2025
Interest from		
Fixed deposits	108.28	75.63
Other financial assets carried at amortized cost	1.97	1.32
Investments carried at amortized cost	245.50	132.05
	355.75	209.00

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

23 Other income (Contd.)

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Other income		
Lease rentals	0.70	0.39
Gain on fair valuation/ disposal of investments (net)	203.55	239.90
Gain on disposal of property, plant and equipment (net)	-	1.95
Miscellaneous income	4.30	7.15
	208.55	249.39
	564.30	458.39

24 Cost of materials consumed

(i) Cost of material consumed

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening stock	589.23	580.59
Purchases	6,456.10	5,823.43
Closing stock*	(464.61)	(589.23)
	6,580.72	5,814.79
Adjustment pursuant to discontinued operations (refer note 43(ii))	(100.67)	(562.16)
	6,480.05	5,252.63

*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, 2026	Year ended March 31, 2025
Opening stock		
Finished goods	596.20	718.53
Work-in-progress	22.52	57.23
Stock-in-trade	214.21	279.05
Adjustment pursuant to discontinued operations (refer note 43(ii))	-	(37.02)
	832.93	1,017.79
Closing stock		
Finished goods	(575.56)	(596.20)
Work-in-progress	(28.21)	(22.52)
Stock-in-trade	(309.49)	(214.21)
	(913.26)	(832.93)
	(80.33)	184.86

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

25 Employee benefits expense

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	713.59	670.39
Post-employment and other long term benefits expense (refer note 36)	11.50	12.10
Contribution to provident and other funds (refer note 36)	29.79	27.14
Staff welfare	47.36	46.24
	802.24	755.87

26 Finance costs

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on		
Long term loans	-	2.55
Cash credit and short term loans	0.41	11.09
Lease liabilities	10.14	8.29
Others	-	0.26
Finance and bank charges	4.68	1.55
Unwinding of discount on provisions and financial liabilities carried at amortized cost	3.68	3.29
	18.91	27.03

27 Depreciation and amortisation expenses

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of		
Property, plant and equipment	188.24	189.90
Right-of-use assets	39.99	30.68
Amortisation of		
Intangible assets	24.59	22.03
	252.82	242.61

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

28 Other expenses

Particulars	(₹ crores)	
	Year ended March 31, 2026	Year ended March 31, 2025
Stores and spares consumed	65.61	59.97
Power, fuel and electricity	57.31	45.77
Repair and maintenance		
Building	6.04	7.66
Machinery	20.11	23.65
Others	52.77	45.76
Outsourcing expenses	12.58	8.56
Warranties and after sale service	79.68	60.21
Rent	19.16	15.64
Foreign exchange loss (net)	1.86	-
Rates and taxes	5.11	4.73
Insurance	7.66	7.62
Travelling and conveyance	106.07	100.61
Postage and telephones	10.86	10.48
Manpower hiring on contract	268.17	245.41
Legal and professional (refer note 30)	69.08	46.39
Commission, discounts and sales incentive	11.38	11.64
Advertisement and promotional expenses	78.97	66.30
Royalty paid	49.78	43.89
Packing, freight and forwarding	125.09	102.94
Security charges	10.34	7.16
Printing and stationery	4.00	4.25
Director's sitting fees and commission	6.80	6.76
Corporate social responsibility (CSR) expenditure *	20.08	16.42
Provision for doubtful debts/advances and deposits	24.91	41.50
Bad debts written off	2.72	17.85
Less : Provision already held	(2.72)	(17.85)
Miscellaneous expenses	49.93	53.69
	1,163.35	1,037.01
* 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 [^]	6.13	-
(ii) Gross amount required to be spent by the Company during the year	20.08	17.85
(iii) Amount spent during the year on:		
a) Construction/acquisition of any asset	-	-
b) For the purposes other than (a) above	16.55	11.72
(iv) Unspent amount deposited in a designated bank account (dated April 28, 2026 [previous year April 29, 2025]), in terms of section 135(6) of the Companies Act, 2013.	3.53	6.13
(v) Amount spent during the year from amount deposited in designated bank account in terms of section 135(6) of the Companies Act, 2013	2.62	-
(vi) Closing balance of amount deposited in designated bank account in terms of section 135(6) of the Companies Act, 2013 [^]	7.04	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, 2026 (Contd.)

29 (i) Exceptional items

	(₹ crores)	
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Impairment of investments in subsidiary and joint venture (refer note (a) below)	-	27.08
Impact of new labour code (refer note (b) below)	52.46	-
Gain on sale of land and building (refer note 43(i)(b))	(75.99)	-
	(23.53)	27.08

- a) The Company has recognized an impairment loss of ₹ 18.68 Crore in Farmtrac Tractors Europe SP Z.o.o (a subsidiary company) and ₹ 8.40 Crores in Adico Escorts Agri Equipments 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.
- b) The Company recognised an incremental expense of ₹ 52.46 crore relating to certain employees upon implementation of the new labour code pursuant to the notification by the Government of India on November 21, 2025. Based on the draft Central Rules, FAQs issued by the Ministry of Labour and Employment, and the guidance of the Institute of Chartered Accountants of India, the Company assessed the impact arising primarily from the revised wage definition. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would consider appropriate accounting impact on the basis of such developments as needed.

29 (ii) Earnings per share (EPS)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net profit for the year (₹ in crores)		
- From continuing operations (A)	1,380.95	1,110.03
- From discontinued operations (B)	1,027.63	140.89
- From continuing and discontinued operations (C)	2,408.58	1,250.92
Total shares issued at the beginning of the year	111,877,754	110,498,261
Less: shares reserved for issue under options held by ESOP Trust at the beginning of the year	1,878,599	2,056,530
Add : Weighted average number of Equity Shares issued and allotment of shares by ESOP Trust to Employees	18,627	131,815
Add : Equity shares to be issued pursuant to the Scheme of arrangement (refer note 42)	-	1,379,493
Weighted-average number of equity shares for basic EPS (D)	110,017,782	109,953,039
Effect of dilution:		
Weighted average number of share options granted to employees	27,836	68,896
Weighted average number of Equity shares adjusted for the effect of dilution (E)	110,045,618	110,021,935
Earnings per equity share of ₹ 10 each :		
For continuing operations		
a) Basic (₹) (A/D)	125.52	100.96
b) Diluted (₹) (A/E)	125.49	100.89
For discontinued operations		
a) Basic (₹) (B/D)	93.41	12.81
b) Diluted (₹) (B/E)	93.38	12.81
For continuing and discontinued operations		
a) Basic (₹) (C/D)	218.93	113.77
b) Diluted (₹) (C/E)	218.87	113.70

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

30 Legal and professional expenses includes payments to auditor

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Audit fee	1.75	1.75
Certification and other services	0.20	0.15
For reimbursement of expenses	0.07	0.09

31 Commitments and contingencies (including discontinued operations)

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
A. Capital commitments- Estimated amounts of contracts remaining to be executed on capital account and not provided for	214.74	212.76
B. Guarantees executed in favour of others	39.14	45.24
C. Contingencies		
(i) Taxation related contingencies		
Excise duty/ customs duty /service tax demands/ GST demands	481.29	477.38
Sales tax and other demands	83.81	36.12
Demand raised by income tax department, disputed by the Company and pending in appeal (refer note 1 below)	45.62	73.80
(ii) Others		
Cases under litigation relating to :		
- Personnel	3.37	3.06
- Others	66.34	68.41
(iii) Claims not acknowledged as debts	0.92	15.42

Notes:

- Contingencies for demand raised by income tax department, disputed by the Company and pending in appeal does not include Income tax cases pending w.r.t. Escorts Heart Institute and Research Centre Limited(EHIRC) since the amount is indeterminable (refer note 20(ii) for details). Further the amount includes ₹ 3.30 crores (previous year ₹ 29.44 crores) in respect of matters which have been decided in favour of the Company, however the income tax department has preferred appeals at the next levels.
- The amounts indicated as contingent liability or claims against the Company only reflect the basic value. Interest, penalty if any or legal costs, being indeterminable are not considered. Penalties wherever quantified have been included.

32 Disclosure pursuant to section 186(4) of The Companies Act, 2013

(₹ crores)			
Particulars	Proposed Utilisation of proceeds	Year ended March 31, 2026	Year ended March 31, 2025
Investments in equity shares of			
- Escorts Kubota Finance Limited	Captive financing	70.00	40.00
Advance given			
- Adico Escorts Agri Equipments Private Limited	Business purpose	-	1.00

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

33 Research and development

- (i) Research and development costs on in house R&D centres amounting to ₹ 193.89 crores (previous year ₹ 170.36 crores) were incurred during the year.

Particulars	(₹ crores)			
	Tractor		Construction equipment	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Cost of materials consumed	7.86	7.55	0.14	-
Employee benefits expense	91.49	79.11	12.68	10.61
Other expenses	46.85	43.45	4.47	5.93
Depreciation	26.95	20.95	3.45	2.76
Total	173.15	151.06	20.74	19.30

- (ii) Assets purchased/capitalised for research and development centres*:

Particulars	(₹ crores)	
	R & D Centre (Tractors)	R&D Centre (Construction Equipment)
Gross carrying value		
As at April 01, 2024	391.31	17.61
Additions	42.38	5.57
Disposals	(9.32)	(0.01)
As at March 31, 2025	424.37	23.17
Additions	39.65	3.98
Disposals	(60.36)	(0.38)
As at March 31, 2026	403.66	26.77
Accumulated depreciation and amortisation		
As at April 01, 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
Depreciation and amortisation for the year	26.95	3.45
Disposals	(58.02)	(0.91)
As at March 31, 2026	161.52	15.78
Net carrying value as at March 31, 2025	231.78	9.93
Net carrying value as at March 31, 2026	242.14	10.99

* Excluding capital advance/capital work-in-progress.

- (iii) Expenses on research and development as percentage to gross turnover is:

Particulars	March 31, 2026	March 31, 2025
Tractor	1.53%	1.51%
Construction equipment	0.18%	0.19%

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

34 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, 2026	As at March 31, 2025
Financial assets measured at fair value			
Investments measured at			
Fair value through profit and loss	6(ii)	4,301.01	2,195.93
Derivative assets			
Fair value through profit and loss	7(ii)	9.30	-
Financial assets measured at amortized cost			
Investments	6(i), 6(ii)	3,975.11	3,369.43
Trade receivables	11	1,234.21	1,379.82
Cash and cash equivalents	12	166.10	335.80
Other bank balances	7(i), 13	1,397.79	979.04
Other financial assets	7(i), 7(ii)	42.80	38.73
Total		11,126.32	8,298.75
Financial liabilities measured at fair value			
Derivative liabilities			
Fair value through profit and loss	18(ii)	-	3.16
Financial liabilities measured at amortized cost			
Trade payables	21	2,174.81	1,626.27
Lease liabilities	38	125.49	102.68
Other financial liabilities	18(i), 18(ii)	453.29	388.68
Total		2,753.59	2,120.79

*excluding financial assets and liabilities reclassified as assets held for sale during financial year ended March 31, 2025

Investment in subsidiaries, joint venture and associate 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].

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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2026

(₹ crores)

Particulars	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at				
Fair value through profit and loss	4,301.01	-	-	4,301.01
Derivative assets measured at				
Fair value through profit and loss	-	9.30	-	9.30

As at March 31, 2025

(₹ crores)

Particulars	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at				
Fair value through profit and loss	2,195.93	-	-	2,195.93
Derivative liabilities measured at				
Fair value through profit and loss	-	3.16	-	3.16

a. Valuation process and technique used to determine fair value

- The fair value of quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- The derivative financial instruments are valued using forward exchange rates as at the balance sheet date.

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, 2026

(₹ crores)

Particulars	Fair value hierarchy	Carrying value	Fair value
Other financial assets	Level 3	20.03	20.03
Investments in Mutual Funds (Target Maturity Funds, Quoted)	Level 1	2,823.56	2,855.81
Investments in Bonds (Unquoted)	Level 2	1,151.55	1,097.46
Security deposits received	Level 3	39.54	39.53
Lease liabilities	Level 3	125.49	121.69

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

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

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:

- 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.
- 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, 2026 was assessed to be insignificant.
- 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, 2026 (previous year nil).

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

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

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.

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, fixed deposits, 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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

Financial assets (other than trade receivables) that expose the entity to credit risk[^]

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Low credit risk on financial reporting date		
Investments**	3,975.11	3,369.43
Cash and cash equivalents *	166.10	335.80
Other bank balances *	1,397.79	979.04
Other financial assets *	42.80	38.73

[^]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.

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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)**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 ₹ 311.75 crores (previous year ₹ 353.22 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, 2026**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	1056.63	65.11	17.88	14.90	79.87	1234.39
Expected loss rate	1.41%	11.06%	32.21%	72.75%	75.08%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	14.94	7.20	5.76	10.84	59.97	98.71

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	89.83	0.09	0.00	0.00	4.62	94.54
Expected loss rate	0.20%	22.22%	0.00%	0.00%	42.66%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	0.18	0.02	0.00	0.00	1.97	2.17

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	1196.33	80.63	29.11	21.85	60.74	1388.66
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, 2026 (Contd.)

34 Financial Instruments (Contd.)

Particulars	(₹ crores)			
	March 31, 2026		March 31, 2025	
	Auto products*	Others	Auto products*	Others
Historical loss rate on sales during the year	0.00%	0.00%	0.00%	0.00%
Loss allowance provision on the sales	0.00	0.00	0.00	0.00
Loss allowance provision on the debtors outstanding more than one year	4.31	0.11	4.31	0.12

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:

Particulars	(₹ crores)	
	Trade receivables	Other financial assets
Balance as at April 01, 2024	65.58	-
Loss allowance created	41.00	-
Loss allowance utilised/ written back	(19.33)	-
Reclassified to held for sale (refer note 43(ii))	(4.14)	-
Balance as at March 31, 2025	83.11	-
Loss allowance created	24.91	-
Loss allowance utilised/ written back	(2.72)	-
Balance as at March 31, 2026	105.30	-

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:

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Floating rate		
- Expiring within one year (cash credit and other facilities)	808.46	561.75

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, 2026.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

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, 2026

(₹ crores)					
Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Derivatives					
Derivative liabilities	-	-	-	-	-
Non-derivatives					
Lease liabilities	51.92	44.61	27.45	21.89	145.87
Trade payable (including MSME)	2,174.81	-	-	-	2,174.81
Security deposits	0.82	0.95	1.86	47.24	50.87
Other financial liabilities	412.95	-	-	-	412.95
	2,640.50	45.56	29.31	69.13	2,784.50

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
Trade payable (including MSME)	1,626.27	-	-	-	1,626.27
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

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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

(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, 2026	As at March 31, 2025
Financial assets	22.84	41.56
Financial liabilities	655.28	430.36
Net exposure to foreign currency risk liabilities	(632.44)	(388.80)

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, 2026	As at March 31, 2025
USD sensitivity		
INR/USD- increase by 5.01% (March 31, 2025 - 2.01%)*	(23.71)	(5.85)
INR/USD- decrease by 5.01% (March 31, 2025 - 2.01%)*	23.71	5.85

* 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, 2026	As at March 31, 2025
Financial assets	127.01	147.36
Financial liabilities	34.62	39.52
Net exposure to foreign currency risk assets	92.39	107.84

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, 2026	As at March 31, 2025
EURO sensitivity		
INR/EURO- increase by 7.98% (March 31, 2025 - 5.08%)*	5.52	4.10
INR/EURO- decrease by 7.98% (March 31, 2025 - 5.08%)*	(5.52)	(4.10)

* holding all other variables constant

Notes

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

(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, 2026	As at March 31, 2025
Financial assets	0.06	0.18
Financial liabilities	77.02	38.15
Net exposure to foreign currency risk liabilities	(76.96)	(37.97)

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, 2026	As at March 31, 2025
JPY sensitivity		
INR/JPY- increase by 10.28% (March 31, 2025 - 9.00%)*	(5.92)	(2.56)
INR/JPY- decrease by 10.28% (March 31, 2025 - 9.00%)*	5.92	2.56

* holding all other variables constant

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. There are no outstanding borrowings as at March 31, 2025 and March 31, 2026 and accordingly exposure to interest rate risk and sensitivity thereof is not disclosed.

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.

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, 2026	As at March 31, 2025
Mutual funds		
Net assets value – increase by 100 bps (100bps)	32.19	16.43
Net assets value – decrease by 100 bps (100bps)	(32.19)	(16.43)

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

35 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Net debts	-	-
Total equity	12,399.76	10,380.22
Net debt to equity ratio	-	-

(b) Dividends

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
(i) Dividend paid on equity shares of 10 each		
Interim dividend for FY 2025-26 of ₹ 18.00 per share	201.38	-
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
	402.76	310.78
(ii) Dividend recommended/ proposed ^		
Final dividend for FY 2025-26 of ₹ 33.00 per share	369.20	-
Interim dividend for FY 2025-26 of ₹ 18.00 per share	201.38	-
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
	570.58	313.26

^ The dividend recommended/ proposed is subject to shareholders approval/ ratification in ensuing annual general meeting.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

36 Employee benefits

A Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

(i) Amount recognised in the balance sheet is as under

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
Gratuity				
Present value of defined benefit obligation	128.47	-	111.02	-
Fair value of plan assets	101.75	-	95.69	-
Net value of defined benefit obligation	26.72	-	15.33	-

(ii) Amount recognised in the statement of profit and loss is as under

Particulars	As at March 31, 2026	As at March 31, 2025
Current service cost	10.34	11.77
Past Service Cost	30.02	-
Net interest cost	1.06	1.16
Net impact on profit (before tax)^	41.42	12.93
Total Actuarial loss/(gain) recognised in other comprehensive income	(8.72)	2.54
Amount recognised in the statement of profit and loss	32.70	15.47

^ includes amount ₹ 0.21 crores (previous year ₹ 1.30 crore) pertaining to discontinued operations.

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	111.02	102.96
Current service cost	10.34	11.77
Past Service Cost	30.02	-
Interest cost	7.69	7.43
Actuarial loss/(gain) recognised during the year	(8.46)	2.00
Benefits paid	(22.14)	(13.14)
Closing Balance	128.47	111.02

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

36 Employee benefits (Contd.)

(iv) Movement in the plan assets recognised in the balance sheet is as under

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	95.69	86.86
Expected return on plan assets [^]	6.63	6.27
Employer's contribution*	21.31	16.24
Benefits paid	(22.14)	(13.14)
Actuarial gain/(loss) on plan assets [^]	0.26	(0.54)
Closing Balance	101.75	95.69

[^] Expected return on plan assets are adjusted with actuarial gain/loss for calculating actual return on plan assets.

* The company made contribution to Trustees Escorts Limited Employees Group Gratuity-Fund Trust.

(v) Breakup of actuarial (gain)/loss

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Actuarial (gain)/loss on arising from change in demographic assumption	-	3.88
Actuarial (gain)/loss on arising from change in financial assumption	(7.97)	1.53
Actuarial (gain)/loss on arising from experience adjustment	(0.75)	(2.87)
Total actuarial (gain)/loss	(8.72)	2.54

(vi) Actuarial assumptions

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.70%	6.93%
Future salary increase	8.00%	8.00%
Expected average remaining working lives of employees (years)	22.26	22.35

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)		
Particulars	As at March 31, 2026	As at March 31, 2025
Impact of the change in discount rate		
Present value of obligation at the end of the year	128.47	111.02
- Impact due to increase of 0.50 %	(5.92)	(4.88)
- Impact due to decrease of 0.50 %	6.33	5.31
Impact of the change in salary increase		
Present value of obligation at the end of the year	128.47	111.02
- Impact due to increase of 0.50 %	6.13	5.18
- Impact due to decrease of 0.50 %	(5.82)	(4.82)

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

36 Employee benefits (Contd.)

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

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Within next 12 months	12.82	12.78
Between 1-5 years	34.87	33.41
Beyond 5 years	80.78	64.83

(ix) Category of plan assets

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
LIC of India - Group Gratuity Cash Accumulation Fund	99.27	91.35
Others	2.48	4.34
	101.75	95.69

- (x) The Company expects to contribute ₹ 16.42 crores (previous year ₹ 13.29 crores) to its gratuity plan for the next year.
- (xi) The weighted average duration of defined benefit obligation for gratuity is 17.43 years (previous year 17.10 years) for the company.
- (xii) Gratuity liability(net) previous year includes ₹ 1.77 crores pertaining to discontinued operations.

B Compensated absences (unfunded obligation)

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 ₹ 22.99 crores (previous year: ₹ 12.45 crores) has been recognised in the statement of profit and loss. It includes ₹ 0.28 crore (previous year: ₹ 1.27 crore) pertaining to discontinued operations.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
	(₹ crores)		(₹ crores)	
Compensated absences (unfunded)	3.72	47.03	3.19	33.34

- (i) Compensated absences (unfunded) includes ₹ NIL crores (previous year ₹ 3.08 crores) pertaining to discontinued operations.
- (ii) The weighted average duration for Compensated absences is 17.43 years (previous year 17.10 years) for the company.

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forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

36 Employee benefits (Contd.)

C Pension (unfunded obligation)

(₹ crores)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
Pension	0.53	3.81	0.56	3.91

(i) Amount recognised in the balance sheet is as under:

(₹ crores)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
Pension				
Present value of defined benefit obligation	0.53	3.81	0.56	3.91
Fair value of plan assets	-	-	-	-
Net value of defined benefit obligation	0.53	3.81	0.56	3.91

(ii) Amount recognised in the statement of profit and loss is as under:

(₹ crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Current service cost	-	-
Net interest cost	0.31	0.33
Total Actuarial loss/(gain) recognised in other comprehensive income	0.05	0.07
Amount recognised in the statement of profit and loss	0.36	0.40

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

(₹ crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	4.47	4.53
Interest cost	0.31	0.33
Actuarial loss/(gain) recognised during the year	0.05	0.07
Benefits paid	(0.49)	(0.46)
Closing Balance	4.34	4.47

(iv) Breakup of actuarial (gain)/loss:

(₹ crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Actuarial (gain)/loss on arising from change in financial assumption	(0.07)	0.06
Actuarial (gain)/loss on arising from experience adjustment	0.12	0.01
Total actuarial (gain)/loss	0.05	0.07

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

36 Employee benefits (Contd.)

(v) Actuarial assumptions

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.70%	6.93%

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, 2026	As at March 31, 2025
Impact of the change in discount rate		
Present value of obligation at the end of the year	4.34	4.47
- Impact due to increase of 0.50 %	(0.10)	(0.10)
- 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.

(vii) Maturity profile of defined benefit obligation

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Within next 12 months	0.54	0.56
Between 1-5 years	2.09	2.21
Beyond 5 years	1.71	1.70

(viii) The Company expects to contribute ₹ 0.33 crore (previous year ₹ 0.31 crore) to its pension plan for the next year.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

36 Employee benefits (Contd.)

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 ₹ 29.57 crores (previous year ₹ 28.83 crores) and contribution to Employee State Insurance Scheme for the year aggregated to ₹ 0.54 crores (previous year ₹ 0.51 crores).

The above includes ₹ 0.40 crores (previous year ₹ 2.28 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.

37 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 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:

Particulars	(Nos)	
	As at March 31, 2026	As at March 31, 2025
Opening balance	65,485	2,43,916
Granted during the year	-	-
Exercised during the year	28,235	1,77,931
Forfeited during the year	-	-
Lapsed/Cancelled during the year	-	500
Closing balance	37,250	65,485

The weighted average share price at the date of exercise of options during the year ended March 31, 2026 was ₹ 3,408.77 (previous year ₹ 3,863.91).

Weighted average remaining contractual life of options as at March 31, 2026 is 0.91 years (previous year 1.64 years).

Notes

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

37 Share-based payments (Contd.)

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, 2026	Expiry date of options at March 31, 2025	Share options March 31, 2026	Share options March 31, 2025
August 16, 2018	870.00	August 15, 2025	August 15, 2025	-	9,450
September 08, 2020	1,122.00	September 07, 2025	September 07, 2025	-	1,379
September 08, 2020	1,122.00	September 07, 2026	September 07, 2026	4,893	5,353
September 08, 2020	1,122.00	March 31, 2027	March 31, 2027	10,797	17,629
February 03, 2021	1,385.00	February 02, 2026	February 02, 2026	-	986
February 03, 2021	1,385.00	February 02, 2027	February 02, 2027	-	1,250
February 03, 2021	1,385.00	March 31, 2027	March 31, 2027	-	1,250
September 16, 2021	1,465.80	September 15, 2026	September 15, 2026	849	2,599
September 16, 2021	1,465.80	March 31, 2027	March 31, 2027	3,850	3,850
September 16, 2021	1,465.80	March 31, 2027	March 31, 2027	3,972	3,972
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	389	1,739
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	6,250	6,250
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	6,250	9,778
				37,250	65,485

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
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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

38 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, 2026	As at March 31, 2025
Current	49.83	35.13
Non-current	75.66	67.55
	125.49	102.68

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, 2026	As at March 31, 2025
Depreciation expense of right-of-use assets	39.99	30.68
Interest expense on lease liabilities	10.14	8.29
Rent expense(excluding discontinued operations)*	19.16	15.64
	69.29	54.61

*rent expense in term of short term leases

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

38 Leases (Contd.)

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

As at March 31, 2026

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	2 - 14.3	9	-
Marketing offices and related facilities	15	0.5 - 4.67	15	-

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	-

The maturity analysis of lease liabilities are disclosed in refer note 34

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 ₹ 19.16 crores (previous year: ₹ 15.64 crores).

Total cash outflow for leases for the year ended March 31, 2026 was ₹ 74.43 crores (previous year: ₹ 54.35 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.

- 39** 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.

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forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

40 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
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);	95.71	95.86
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	0.77	1.03
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.

41 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 financial year 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.
- (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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

41 Other Explanatory notes (Contd.)

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. 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 the statutory requirements for record retention wherever such feature is enabled.

42 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 filed 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". The Company has recognised a capital reserve of ₹ 141.70 crore pursuant to the SoA (refer note 16). In pursuance of the SoA, Company has allotted 13,79,493 Equity shares of ₹ 10 each on September 06, 2024.

43 Assets held for sale and discontinued operations

(i) Assets held for sale

- (a) The company in earlier years, agreed to transfer 25 acres of land at Plot No. 219, Sector 58, Ballabhgarh, Haryana for a consideration of ₹ 9.00 crores and received the full amount as advance. In addition, the company made 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. This amount has also been received from the buyer. The said transfer is subject to necessary approval from the appropriate authority and accordingly the total amount received of ₹17.54 crore is being classified as "Advance against assets held for sale" under other current liabilities.

Owing to the inordinate delay in obtaining approval from the appropriate authority, 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 favorable 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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

43 Assets held for sale and discontinued operations (Contd.)

- (b) The Board of Directors of the Company on February 10, 2025 has approved execution of an agreement for sale of land along with building thereon (included in agri machinery products segment), 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 were transferred to assets held for sale in accordance with Ind AS 105 "Non-current assets held for sale and discontinued operations" in FY ended March 31, 2025. During the FY 25-26 the said land & building were transferred and gain of ₹ 75.99 crore was recognised as an exceptional item in statement of profit and loss.

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 at FY ended March 31, 2025.

(ii) Discontinued operations

The Board of the Directors of the Company on October 23, 2024 had 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 (subject to certain working capital adjustments) without values being assigned to the individual assets and liabilities in such sale/ transfer, to Sona BLW Precision Forgings Limited (Sona Comstar). The said business were classified as assets held for sale in accordance with Ind AS 105 "Non-current assets held for sale and discontinued operations" in FY ended March 31, 2025.

On the closing date, the company transferred the RED Business to Sona Comstar upon completion of conditions precedent and closing actions as specified in the Business transfer agreement (BTA).

Disclosures in accordance with Ind AS 105 "Non-current assets held for sale and discontinued operations".

(a) Extract of assets and liabilities related to discontinued operations:

Particulars	(₹ crores)	
	As at May 31, 2025	As at March 31, 2025
Property, plant and equipment (including CWIP)	150.44	147.55
Intangible assets (including assets under development)	5.20	5.12
Other financial assets	-	0.43
Other non current assets	2.32	1.87
Inventories	176.83	149.77
Trade receivables	143.96	226.22
Other financial assets	12.41	15.08
Other current assets	5.30	4.64
Total assets held for sale	496.46	550.68
Non-current liabilities-Provisions	1.31	3.02
Trade payables	60.46	84.22
Other financial liabilities	2.61	11.33
Other current liabilities (including provision)	2.35	8.56
Total liabilities held for sale	66.73	107.13

Notes

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

43 Assets held for sale and discontinued operations (Contd.)**(b) Change in cash flows arising due to operating, investing and financing activities**

(₹ crores)

Particulars	2 Months ended May 31, 2025	Year ended March 31, 2025
Net cash flows generated from operating activities	60.14	111.40
Net cash flows used in investing activities	1,597.21	(29.06)
Net cash flows used in financing activities	-	(0.02)
Intra-company adjustments	(1,658.61)	(81.84)

(c) Financial performance information

(₹ crores)

Particulars	2 Months ended May 31, 2025	Year ended March 31, 2025
Income		
Revenue from operations	133.87	912.79
Other income	0.16	0.32
Total income	134.03	913.11
Total expenses	102.94	724.41
Profit before tax from discontinued operations	31.09	188.70
Tax expense	7.83	47.81
Profit after tax	23.26	140.89
Profit after tax from sale of RED Business (Refer Note 43(ii)(d))	1,004.37	-
Net profit for the period from discontinued operations	1,027.63	140.89
Earnings per equity share of ₹ 10 each from discontinued operations:		
a) Basic (₹)	93.41	12.81
b) Diluted (₹)	93.38	12.81

(d) Gain on disposal

Particulars	As at closing date
Adjusted consideration(net of transaction cost)	1,601.69
Less: Net Assets transferred	429.73
Profit before tax	1,171.96
Tax expense	167.59
Profit after tax from sale of RED business	1,004.37

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

- 44 (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 Escotracs Finance and Investments Private Limited ('Escotracs') 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.

Post selective reduction of share capital of the Company as detailed in Note 41(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, 2026 is ₹ 11.73 crores (previous year ₹ 13.42 crores).

(ii) Assets pledged as security for borrowings or other credit facilities

The Company's credit facilities are unsecured in nature. No assets are pledged as security against these facilities.

45 Related party transactions

The Company's related party transactions are at arm's length price. The outstanding balances are unsecured in nature which is to be settled in cash.

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 (ceased w.e.f December 18, 2025)
EKL CSR Foundation
Escorts Kubota Finance Limited

Fellow Subsidiaries (Overseas)

Kubota Europe S.A.S.
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
Kubota Turkey Makine Ticaret Limited Sirketi

Overseas Subsidiaries

Farmtrac Tractors Europe Sp. Z.o.o, Poland

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 Design Corporation
Kubota Mexico
Kubota Myanmar Co. Ltd

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

45 Related party transactions (Contd.)

Kubota North America Corporation
Kubota Precision Machinery (Thailand) Co., Ltd.
Kubota Northern Europe Distribution Center B.V.
(formerly Kubota Holdings Europe B.V.)

Kubota Philippines Inc.
Pt. Kubota Machinery Indonesia

Joint venture

Adico Escorts Agri Equipments Private Limited

Associate

Escorts Consumer Credit Limited

Key management personnel

Mr. Nikhil Nanda #
Ms. Nitasha Nanda #
Mr. Seiji Fukuoka #
Mr. Akira Kato #
Mr. Bharat Madan #
Mr. Arvind Kumar #

Chairman and Managing Director
Whole-Time Director
Deputy Managing Director (ceased w.e.f August 04, 2025)
Deputy Managing Director (appointed w.e.f. August 04, 2025)
Whole-time Director and Chief Financial Officer
Company Secretary

Other directors

Mr. Hardeep Singh
Mr. Sunil Kant Munjal
Ms. Tanya Arvind Dubash
Mr. Harish N. Salve
Mr. Dai Watanabe (ceased to be w.e.f 31 Oct 2025)
Mr. Ravindra Chandra Bhargava
Mr. Vimal Bhandari
Mr. Reema Rameshchandra Nanavati
Mr. Manish Sharma (ceased w.e.f August 21, 2025)
Mr. Yasukazu Kamada (ceased w.e.f Jan 31, 2026)
Dr. Rupinder Singh Sodhi
Mr. Shingo Hanada (ceased w.e.f Jan 31, 2026)
Mr. Nobushige Ichikawa
Mr. Kinji Saito
Mr. Hitoshi Sasaki (appointed as Director w.e.f. 10 Feb 2026)
Mr. Satoshi Suzuki (appointed as Director w.e.f. 10 Feb 2026)

Key Management Personnel (KMP) as defined under Section 2(51) of the Companies Act, 2013

Enterprises over which key management personnel and close member of the family 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 Dealers Development Association Limited
Foundation For Future Ready Nari

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

45 Related party transactions (Contd.)

List of other related parties

Escorts Limited Employees' Group Gratuity Fund Trust (refer note 36 for transaction)

B. Key management personnel remuneration includes the following expenses:

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Short-term employee benefits	22.07	32.75
Other long term benefits	-	-
Post-employment benefits	0.63	0.62
Total remuneration	22.70	33.37

C Transactions and balances with related party (including discontinued operations)

(i) Transactions and balances with joint ventures

Nature of transactions*	(₹ crores)				
	Purchase of goods	Interest Income	Sale of goods	Trade and Other Receivable	Trade and Other Payable
Adico Escorts Agri Equipments Private Limited	39.48	0.14	0.22	1.99	-
	(52.94)	(0.24)	(0.19)	(1.00)	(0.20)

(ii) Transactions and balances with Subsidiaries :

Nature of transactions*	(₹ crores)							
	Sale of goods	Rendering of services	Rent Received	Receiving of services	Purchase of goods	Investments made	Trade and Other Receivable	Trade and Other Payable
Farmtrac Tractors Europe Sp. Z.o.o, Poland	39.49	-	-	1.44	0.01	-	49.31	0.39
	(36.77)	-	-	(0.65)	(0.57)	-	(62.47)	(0.24)
Escorts Crop Solutions Limited	-	-	-	-	-	-	0.02	-
	-	-	-	(0.02)	-	-	(0.02)	-
EKL CSR Foundation	-	-	-	15.75	-	-	-	-
	-	-	-	(10.33)	-	-	-	-
Escorts Kubota Finance Limited	-	0.48	0.55	0.46	-	70.00	0.35	-
	-	(0.19)	(0.13)	-	-	(40.00)	(0.29)	-

(iii) Transactions and balances with ultimate Holding company and Fellow Subsidiaries :

Nature of transactions*	(₹ crores)							
	Purchase of goods	Sale of goods	Rendering of services	Receiving of services	Royalty	Dividend Paid	Trade and Other Receivable	Trade and Other Payable
Kubota Corporation	883.38	5.00	13.47	23.32	5.27	217.77	5.55	568.55
	(711.25)	(25.27)	(17.11)	(22.96)	(4.21)	(166.90)	(5.38)	(420.76)
Kubota Europe S.A.S.	-	152.10	-	-	-	-	69.55	-
	-	(48.41)	-	-	-	-	(46.45)	-
Kubota Northern Europe Distribution Center B.V.	-	46.74	-	-	-	-	-	-
	-	(38.38)	-	-	-	-	(30.85)	-

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

45 Related party transactions (Contd.)

(₹ crores)								
Nature of transactions*	Purchase of goods	Sale of goods	Rendering of services	Receiving of services	Royalty	Dividend Paid	Trade and Other Receivable	Trade and Other Payable
Kubota North America Corporation	-	0.03	3.74	-	-	-	1.02	-
Kubota Precision Machinery (Thailand) Co., Ltd.	-	12.48	-	-	-	-	2.63	-
Kubota (U.K.) Limited	-	-	-	-	-	-	-	-
	-	28.55	-	-	-	-	6.85	-
	-	(12.53)	-	-	-	-	(6.06)	-
Kubota Malaysia SDN BHD	-	1.79	-	-	-	-	-	0.09
	-	(1.26)	-	(0.01)	-	-	-	-
Kubota Tractor Corporation	**	0.03	-	-	-	-	0.02	**
	(0.01)	(0.01)	-	-	-	-	(0.01)	-
Kubota Philippines Inc.	-	0.04	-	-	-	-	0.04	-
Kubota Machinery Trading Co. Ltd	61.04	52.76	-	-	-	-	5.43	17.45
	(33.54)	(13.20)	(0.01)	-	-	-	(1.81)	(9.16)
Kubota Engine (Thailand) Co. Ltd.	210.16	7.50	0.13	-	-	-	1.77	102.11
	(201.15)	-	(0.52)	-	-	-	(0.39)	(75.11)
SIAM Kubota Corporation Co. Ltd.	65.14	21.71	0.16	-	-	-	0.71	16.64
	(35.95)	(65.90)	(0.02)	(1.86)	-	-	(15.24)	(9.95)
Pt. Kubota Machinery Indonesia	-	0.04	-	-	-	-	0.04	-
Kubota Manufacturing of America Corporation	-	43.41	-	-	-	-	7.83	-
	-	(45.54)	-	-	-	-	(14.12)	-
Kubota Agricultural Machinery (Suzhou) Co. Ltd	65.64	-	0.03	-	-	-	0.01	16.80
	(35.85)	-	-	(0.01)	-	-	(0.04)	(6.83)
Kubota Construction Machinery (Shanghai) Co., Ltd.	0.36	-	-	-	-	-	-	0.16
	(0.34)	-	-	-	-	-	-	(0.09)
Kubota Engine America Corporation	-	**	-	-	-	-	**	-
	(0.01)	-	-	-	-	-	-	-
Kubota Mexico	0.02	13.07	-	-	-	-	3.91	-
	-	(4.70)	-	-	-	-	(4.69)	-
Kubota Design Corporation	-	-	5.41	-	-	-	0.89	-
	-	-	(2.19)	-	-	-	(0.35)	-
Kubota Turkey Makine Ticaret Limited Sirketi	-	5.87	-	-	-	-	0.91	-
	-	(0.13)	-	-	-	-	-	-
Kubota Myanmar Co. Ltd	-	0.69	-	-	-	-	-	**

*Numbers in brackets represents financial year ending March 31, 2025

** Amount represents less than a lakh.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

45 Related party transactions (Contd.)

(iv) Transactions and balances with key management personnel, their close member of the family and entities in which they exercise control/significant influence

(₹ crores)									
Nature of transactions*	Royalty	Remuneration/ commission	Rent received	Purchase of goods	Sale of goods and services	Services received	Dividend paid	Trade and Other Receivable	Trade and Other Payable
Nikhil Nanda	-	12.59	-	-	-	-	4.33	-	4.00
	-	(12.59)	-	-	-	-	(3.37)	-	(4.00)
Nitasha Nanda	-	3.17	-	-	-	-	0.70	-	0.56
	-	(3.01)	-	-	-	-	(0.54)	-	(0.56)
Shweta Nanda	-	-	-	-	-	-	0.06	-	-
	-	-	-	-	-	-	(0.05)	-	-
Navya Naveli Nanda	-	-	-	-	-	0.24	0.06	-	0.02
	-	-	-	-	-	(0.24)	(0.05)	-	-
Agastya Nanda	-	-	-	-	-	-	0.04	-	-
	-	-	-	-	-	-	(0.03)	-	-
Bharat Madan	-	4.69	-	-	-	-	0.03	-	1.25
	-	(14.72)	-	-	-	-	(0.02)	-	(1.17)
Akira Kato	-	0.91	-	-	-	-	-	-	-
Arvind Kumar	-	0.66	-	-	-	-	-	-	0.11
	-	(0.61)	-	-	-	-	-	-	(0.10)
Meenakshi Gupta	-	-	-	-	-	(0.02)	-	-	(**)
Hardeep Singh^	-	0.16	-	-	-	0.14	**	-	0.16
	-	(0.15)	-	-	-	(0.15)	(**)	-	(0.15)
Kinji Saito	-	0.16	-	-	-	0.04	-	-	0.16
	-	-	-	-	-	-	-	-	-
Sunil Kant Munjal^	-	0.16	-	-	-	0.08	0.09	-	0.16
	-	(0.15)	-	-	-	(0.11)	(0.07)	-	(0.15)
Seiji Fukuoka	-	0.68	-	-	-	-	-	-	-
	-	(2.44)	-	-	-	-	-	-	-
Manish Sharma^	-	-	-	-	-	0.04	-	-	-
	-	(0.15)	-	-	-	(0.10)	-	-	(0.15)
Ravindra Chandra Bhargava^	-	0.16	-	-	-	0.09	-	-	0.16
	-	(0.15)	-	-	-	(0.08)	-	-	(0.15)
Reema Rameshchandra Nanavati^	-	0.16	-	-	-	0.07	-	-	0.16
	-	(0.15)	-	-	-	(0.07)	-	-	(0.15)
Vimal Bhandari^	-	0.16	-	-	-	0.15	-	-	0.16
	-	(0.15)	-	-	-	(0.14)	-	-	(0.15)
Tanya Arvind Dubash^	-	0.16	-	-	-	0.07	-	-	0.16
	-	(0.15)	-	-	-	(0.07)	-	-	(0.15)
Harish N. Salve^	-	0.16	-	-	-	0.01	-	-	0.16
	-	(0.15)	-	-	-	(0.01)	-	-	(0.15)
Rupinder Singh Sodhi^	-	0.16	-	-	-	0.12	-	-	0.16
	-	(0.15)	-	-	-	(0.13)	-	-	(0.15)
Harpashad & Co. Private Limited	45.16	-	-	-	-	-	38.61	-	4.82
	(44.15)	-	(0.09)	-	-	-	(30.03)	(0.02)	(4.71)
Escorts Dealers Development Association Limited	-	-	0.08	-	1.89	4.41	-	0.30	1.15
	-	-	(0.08)	-	(0.54)	(1.36)	-	(0.39)	(0.10)
AAA Portfolios Private. Limited	-	-	-	-	-	-	6.07	-	-
	-	-	-	-	-	-	(4.72)	-	-
Big Apple Clothing Private Limited	-	-	-	-	-	-	6.38	-	-
	-	-	-	-	-	-	(4.96)	-	-
Niky Tasha Communications Private Limited	-	-	-	-	-	-	0.01	-	-
	-	-	-	-	-	-	(0.01)	-	-
Niky Tasha Energies Private Limited	-	-	-	-	-	-	**	-	-
	-	-	-	-	-	-	(**)	-	-
Sietz Technologies India Private Limited	-	-	-	125.38	0.14	0.05	**	0.84	15.90
	-	-	-	(117.46)	(0.49)	-	(**)	(0.73)	(15.20)

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

45 Related party transactions (Contd.)

(₹ crores)									
Nature of transactions*	Royalty	Remuneration/ commission	Rent received	Purchase of goods	Sale of goods and services	Services received	Dividend paid	Trade and Other Receivable	Trade and Other Payable
Sun & Moon Travels (India) Private Limited	-	-	0.03	-	**	18.39	-	0.03	**
EEWL Limited	-	-	(0.02)	-	-	(15.12)	-	(0.03)	(0.22)
	-	-	0.01	-	-	-	-	**	0.43
	-	-	(0.01)	-	-	-	-	(**)	(0.39)
Foundation For Future Ready Nari	-	-	-	-	-	0.60	-	-	-
Agresource Management Private Limited	-	-	-	-	-	(0.05)	-	-	-

*Numbers in brackets represents financial year ending March 31, 2025

** Amount represents less than a lakh.

^ Services received includes Directors sitting fees and commission.

46 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.

For the year ended March 31, 2026

(₹ crores)				
Particulars	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic	10,674.33	8.30	75.98	10,758.61
Export	635.60	-	-	635.60
Total	11,309.93	8.30	75.98	11,394.21
Revenue by time				
Revenue recognised at point in time				11,385.91
Revenue recognised over time				8.30
Total				11,394.21

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

* Other operating revenue amounting to ₹ 78.57 crores (previous year: ₹ 78.73 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 Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

46 Revenue from Contracts with Customers (excluding discontinued operations) (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)		
Particulars	As at March 31, 2026	As at March 31, 2025
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	61.69	65.82
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, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	69.62	-	56.12
Deferred income	11.64	46.55	10.63	40.38

Remaining performance obligations as at the reporting date are expected to be substantially recognised over the next three years by the Company.

(d) Reconciliation of revenue recognised in Statement of profit and loss with Contract price

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Contract price	11,935.39	10,617.95
Less: Discount, rebates, credits etc.	541.18	509.72
Revenue from operations as per Statement of Profit and Loss	11,394.21	10,108.23

- 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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

47 Other Statutory Information**(i) Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956****a Transactions other than shareholding with struck off Companies**

(₹ crores)

Name of the Struck off company	Nature of transaction with struck-off company	Balance Outstanding Amount as on March 31, 2026	Balance Outstanding Amount as on March 31, 2025
74 BC Technologies Private Limited	Trade payable	0.01	0.01
Dewas Techno Products Pvt.Ltd.	Trade payable	0.63	-
Sagar Business Private Limited	Advance from Customer	0.08	-

b. Details of shares held by struck off company (Face value of ₹ 10 each):

(₹ crores)

Name of the Struck off company	Nature of transaction with struck-off company	Number of shares as on March 31, 2026	Number of shares as on March 31, 2025
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 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
AL Falah Investments Limited	Shares held by struck off company	-	20
Home Trade Limited	Shares held by struck off company	166	-

(ii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(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.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

48 Ratio analysis

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% Change	Reason for change
Current Ratio	Current Assets	Current Liabilities	3.29	2.79	17.96%	NA
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses+Interest Expense	Debt service = Interest & Lease Payments + Principal Repayments	45.07	3.63	11.42	The increase is primarily on account of profit from the sale of the RED business in FY 2025-26 and repayment of borrowings during the financial year ended March 31, 2025.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	21.15%	12.64%	67.30%	The increase is primarily on account of profit from the sale of the RED business in FY 2025-26.
Inventory turnover ratio	Cost of goods sold	Average Inventory	5.58	4.93	0.13	NA
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	8.17	7.23	0.13	NA
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchases return	Average Trade Payables	4.14	4.55	(8.92%)	NA
Net capital turnover ratio	Net sales = Total sales - sales return	Average Working capital = Current assets – Current liabilities	2.04	2.60	(21.36%)	The decrease is primarily due to higher working capital, mainly on account of increase in investment Assets.
Net profit ratio	Net Profit	Net sales = Total sales - sales return	20.75%	11.27%	84.13%	The increase is primarily on account of profit from the sale of the RED business.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	24.54%	15.03%	63.28%	The increase is primarily on account of profit from the sale of the RED business.
Return on Investment	$\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}$ (Refer note below)	$\{MV(T0) + \text{Sum } [W(t) * C(t)]\}$ (Refer below notes)	(16.79%)	16.01%	(204.89%)	The decrease is mainly on account higher dividend payout during financial year ended March 31, 2026 and decrease in market value of the share as compared to financial year ended March 31, 2025.

Financial numbers of discontinued operation have been included for calculation of ratios to make them comparable.

Notes ■

forming part of the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

48 Ratio analysis (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 $[T1 - t] / T1$

49 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.

- 50** 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 07, 2026

For and on behalf of the Board of Directors

Nikhil Nanda
Chairman and
Managing Director
(DIN: 00043432)
Place : Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place : Faridabad

Akira Kato
Deputy Managing Director
(DIN: 07543672)
Place : Faridabad

Vimal Bhandari
Director
(DIN: 00001318)
Place : Mumbai

Arvind Kumar
Company Secretary
Membership No. A14874
Place : Faridabad

Date : May 07, 2026

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 2026, 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 2026, 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 Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint 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.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
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 48 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.	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;

Independent Auditor's Report (Contd.) ■

Key audit matter	How our audit addressed the key audit matter
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.	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.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint 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

Independent Auditor's Report (Contd.) ■

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.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint 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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 associate and joint venture 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 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.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of seven subsidiaries, whose financial statements reflects total assets of ₹ 231.03 crores as at 31 March 2026, total revenues of ₹ 109.73 crores and net cash inflows amounting to ₹ 5.09 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 profit (including other comprehensive income) of ₹ Nil for the year ended 31 March 2026 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 Holding Company's 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.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, associate and joint venture, we report that the Holding Company and one subsidiary 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

Independent Auditor's Report (Contd.) ■

under the Act, since none of such companies is a public company as defined under section 2(71) of the Act. Furthermore, we report that two subsidiaries 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 subsidiaries and associate.

17. 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 2026 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.
18. 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 18(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 2026 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 are as stated in paragraph 18(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
 - 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 2026;

- iii. During the financial year ended 31 March 2026, there was a delay in transferring ₹ 0.16 crore required to be transferred to the Investor Education and Protection Fund by the Holding Company, which was paid on 27 November 2025 as against the due date of 13 November 2025.

Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries, associate and joint venture covered under the Act, during the year ended 31 March 2026;

- 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 49(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 of 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 49(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 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 2026 and until the date of this audit report is in compliance with section 123 of the Act.

Further, the final dividend paid by the Holding Company during the year ended 31 March 2026 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 35(b) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2026 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 40(e) to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries associate and joint venture, of the Holding Company which are companies incorporated in India and audited under the Act, the Holding Company, its two subsidiaries and associate, in respect of financial year commencing on 1 April 2025, have used an accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries and associate did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trails have been preserved by the Holding Company and above referred subsidiaries and associate as per the statutory requirements for record retention.

Further, two subsidiaries, in respect of financial year commencing on 1 April 2025, have used an accounting software for maintaining their books of account which does not have a feature of recording audit trail (edit log)

facility. Further, the audit trails have not been preserved by these subsidiaries as per the statutory requirements for record retention.

Furthermore, one joint venture, in respect of financial year commencing on 1 April 2025, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature in the accounting software used for maintenance of books of account was not enabled throughout the year by the joint venture. Further, the audit trail has not been preserved by the joint venture as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nalin Jain

Partner

Membership No.: 503498

UDIN: 26503498SZPDEP6597

Place: New Delhi

Date: 7 May 2026

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 Kubota Finance Limited
5. Escorts Benefit and Welfare Trust
6. Escorts Benefit Trust (ceased w.e.f. 18 December 2025)
7. EKL CSR Foundation (formerly Escorts Skill Development)

Associate:

1. Escorts Consumer Credit Limited

Joint Venture:

1. Adico Escorts Agri Equipments Private Limited

Annexure A

Referred to in Paragraph 17 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 2026

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 2026 and covered under the Act, we report that:

Following are the qualifications/adverse remarks reported by the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2026 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)
2	Escorts Consumer Credit Limited	U65991DL1991PLC174993	Associate	3(xix)

Independent Auditor's Report (Contd.) ■

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 31 March 2026, 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 ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture 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

Independent Auditor's Report (Contd.) ■

Annexure B (Contd.)

to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, associate company and joint venture 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 31 March 2026, 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 ₹ 123.22 crores as at 31 March 2026, total revenues of ₹ 8.66 crores and net cash inflows amounting to ₹ 2.53 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 profit (including other comprehensive income) of ₹ Nil for the year ended 31 March 2026, 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: 26503498SZPDEP6597

Place: New Delhi

Date: 7 May 2026

Consolidated Balance Sheet

as at March 31, 2026

(₹ crores)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3 (i)	1,951.87	1,889.52
Capital work-in-progress	3 (ii)	160.95	123.17
Right-of-use assets	4	119.29	91.33
Intangible assets	5 (i)	74.38	72.33
Intangible assets under development	5 (ii)	38.64	29.37
Investments accounted for using equity method	6 (i)	-	-
Financial assets			
Investments	6 (ii)	2,168.82	3,272.95
Loans	7 (i)	65.88	1.79
Other financial assets	8 (i)	759.82	218.10
Deferred tax assets (net)	9 (i)	7.38	3.80
Income tax assets (net)		1.01	1.07
Other non-current assets	10 (i)	360.28	259.69
Total non-current assets		5,708.32	5,963.12
Current assets			
Inventories	11	1,472.26	1,398.99
Financial assets			
Investments	6 (iii)	6,112.58	2,332.26
Trade receivables	12	1,202.55	1,331.84
Cash and cash equivalents	13	178.06	342.67
Bank balances other than above	14	661.32	781.46
Loans	7 (ii)	30.10	0.55
Other financial assets	8 (ii)	32.17	21.71
Other current assets	10 (ii)	384.46	324.84
Total current assets		10,073.50	6,534.32
Assets held for sale	15(i)	17.54	601.05
Total assets		15,799.36	13,098.49
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	111.88	111.88
Other equity	17	12,260.95	10,254.92
Equity attributable to equity holders of the parent		12,372.83	10,366.80
Non-controlling interests	18	(3.94)	(3.90)
Total equity		12,368.89	10,362.90
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	39	75.79	67.74
Other financial liabilities	20 (i)	39.54	34.65
Provisions	22 (i)	90.10	77.17
Deferred tax liabilities (net)	9 (i)	117.90	57.59
Other non-current liabilities	21 (i)	11.64	10.63
Total non-current liabilities		334.97	247.78
Current liabilities			
Financial liabilities			
Borrowings	19 (i)	36.21	2.25
Lease liabilities	39	49.89	35.19
Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		95.78	95.86
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,097.54	1,544.03
Other financial liabilities	20 (ii)	419.79	358.81
Other current liabilities	21 (ii)	215.74	185.71
Provisions	22 (ii)	149.26	130.22
Current tax liabilities (net)		31.29	28.61
Total current liabilities		3,095.50	2,380.68
Liabilities held for sale in respect of discontinued operations	15(ii)	-	107.13
Total equity and liabilities		15,799.36	13,098.49

The accompanying notes form an integral part of these consolidated financial statements.
As per our Report of even date attached

For **Walker Chandio & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

Nalin Jain
Partner
Membership No. 503498

Place: New Delhi
Date: May 07, 2026

For and on behalf of the Board of Directors

Nikhil Nanda
Chairman and
Managing Director
(DIN: 00043432)
Place: Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place: Faridabad

Akira Kato
Deputy Managing Director
(DIN: 07543672)
Place: Faridabad

Vimal Bhandari
Director
(DIN: 00001318)
Place: Mumbai

Arvind Kumar
Company Secretary
Membership No. A14874
Place: Faridabad
Date: May 07, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(₹ crores)

Particulars	Note	Year ended 31 March 2026	Year ended 31 March 2025
Income			
Revenue from operations	24	11,540.26	10,243.88
Other income	25	566.36	461.31
Total income		12,106.62	10,705.19
Expenses			
Cost of materials consumed	26 (i)	6,525.43	5,287.85
Purchases of stock-in-trade		1,594.51	1,778.76
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26 (ii)	(84.74)	188.53
Employee benefits expense	27	825.48	774.45
Finance costs	28	20.43	29.17
Depreciation and amortisation expense	29	255.06	243.65
Other expenses	30	1,183.22	1,048.99
Total expenses		10,319.39	9,351.40
Profit from continuing operations before share of net loss of investment accounted for using the equity method and tax		1,787.23	1,353.79
Share of loss of investments accounted for using equity method		-	(1.11)
Profit before exceptional items and tax		1,787.23	1,352.68
Exceptional items	31	23.53	(1.67)
Profit before tax from continuing operations		1,810.76	1,351.01
Tax expense	9 (ii)		
Current tax		389.80	271.06
Deferred tax		54.54	(44.11)
Total tax expense		444.34	226.95
Net profit for the year from continuing operations		1,366.42	1,124.06
Profit before tax from discontinued operations	43	1,203.05	188.70
Tax expense of discontinued operations	9 (ii)	175.42	47.81
Net profit for the year from discontinued operations		1,027.63	140.89
Net profit for the year		2,394.05	1,264.95
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Sale/net changes in fair values of equity instruments carried at fair value through other comprehensive income		-	0.14
Re-measurements of defined employee benefit plans		8.71	(2.63)
Income tax relating to items that will not be reclassified to profit or loss		(2.19)	0.82
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		0.39	0.32
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income/(loss) for the year		6.91	(1.35)
Total comprehensive income for the year		2,400.96	1,263.60
Profit/(loss) attributable to:			
(i) Owners of the parent		2,394.09	1,264.94
(ii) Non-controlling interests		(0.04)	0.01
Other comprehensive income/(loss) attributable to:			
(i) Owners of the parent		6.91	(1.35)
(ii) Non-controlling interests		-	-
Total comprehensive income/(loss) attributable to:			
(i) Owners of the parent		2,401.00	1,263.59
(ii) Non-controlling interests		(0.04)	0.01
Earnings per equity share of ₹ 10 each:	32		
For continuing operations			
Basic (₹)		124.20	102.23
Diluted (₹)		124.17	102.17
For discontinued operations			
Basic (₹)		93.41	12.81
Diluted (₹)		93.38	12.81
For continuing and discontinued operation			
Basic (₹)		217.61	115.04
Diluted (₹)		217.55	114.98

The accompanying notes form an integral part of these consolidated financial statements.

As per our Report of even date attached

For **Walker Chandiook & Co LLP**
Chartered Accountants
(Firm Regn No. 001076N/N500013)

For and on behalf of the Board of Directors

Nalin Jain
Partner
Membership No. 503498

Nikhil Nanda
Chairman and
Managing Director
(DIN: 00043432)
Place: Faridabad

Akira Kato
Deputy Managing Director
(DIN: 07543672)
Place: Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place: Faridabad

Vimal Bhandari
Director
(DIN: 00001318)
Place: Mumbai

Arvind Kumar
Company Secretary
Membership No. A14874
Place: Faridabad
Date: May 07, 2026

Place: New Delhi
Date: May 07, 2026

Consolidated Cash Flow Statement

for the year ended March 31, 2026

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A Cash flows from operating activities		
Profit before tax from continuing and discontinued operations (after exceptional items)	3,013.81	1,539.71
Adjustments for:		
Depreciation and amortisation expense	255.06	249.87
Provisions recognised (net of provisions written back)	24.94	38.80
Finance costs (other than finance and bank charges)	15.67	27.51
Interest income	(355.97)	(209.95)
Share of loss of equity accounted investments	-	1.11
Loss/(gain) on disposal of property, plant and equipment (net)	0.79	(1.95)
Impairment of investments in joint venture	-	1.67
Gain on fair valuation and sale of investments carried at fair value through profit or loss (net)	(206.05)	(241.40)
Gain on sale of assets held for sale (including discontinued operations)	(1,247.95)	-
Provision for wage code impact	52.46	-
Net unrealised foreign exchange loss/(gain)	19.62	(0.56)
Operating profit before working capital changes	1,572.38	1,404.81
Movement in working capital		
Inventories	(100.32)	167.40
Trade receivables	192.11	(170.02)
Other financial assets(including loans)	(107.15)	(199.41)
Other assets	(178.86)	17.51
Trade payables	492.24	76.31
Other financial liabilities	51.68	65.70
Other liabilities and provisions	24.44	(0.66)
Cash generated from operating activities post working capital changes	1,946.52	1,361.64
Income tax paid (net)	(565.36)	(358.45)
Net cash generated from operating activities (A)	1,381.16	1,003.19
B Cash flows from investing activities		
Purchase of property, plant and equipment (including capital advances)	(278.91)	(223.10)
Proceeds from sale of property, plant and equipment	4.78	9.48
Purchase of intangible assets	(38.42)	(32.62)
Proceeds from sale of assets held for sale (including discontinued operations)	1,711.69	-
Purchase of non - current investments (net)	(503.05)	(227.44)
Purchase of current investments (net)	(1,768.34)	(6.40)
Bank deposits (net)	(396.67)	196.97
Margin/bank deposits	(0.19)	(23.91)
Interest received	140.95	113.07
Net cash used in investing activities (B)	(1,128.16)	(193.95)

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2026

(₹ crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
C Cash flows from financing activities (refer note 19 (ii))		
Proceeds from shares (ESOPs) issued	3.41	24.66
Repayment of long term borrowings	-	(125.56)
Repayment of lease liabilities	(45.27)	(30.49)
Proceeds/(repayment) of short term borrowings (net)	33.96	(239.75)
Interest paid	(15.67)	(25.26)
Dividend paid	(396.07)	(305.46)
Net cash used in financing activities (C)	(419.64)	(701.86)
(Decrease)/Increase in cash and cash equivalents (A+B+C)	(166.64)	107.38
Cash and cash equivalents at the beginning of the year (refer note 13)	343.93	236.45
Exchange difference on translation of foreign currency cash and cash equivalents	0.77	0.10
Cash and cash equivalents at the end of the year (refer note 13)*	178.06	343.93

*including ₹ 1.26 Crores pertaining to discontinued operations at year ended March 31, 2025

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)

For and on behalf of the Board of Directors

Nalin Jain

Partner

Membership No. 503498

Nikhil Nanda

Chairman and

Managing Director

(DIN: 00043432)

Place: Faridabad

Akira Kato

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Chief Financial Officer

(DIN: 00944660)

Place: Faridabad

Vimal Bhandari

Director

(DIN: 00001318)

Place: Mumbai

Arvind Kumar

Company Secretary

Membership No. A14874

Place: Faridabad

Date: May 07, 2026

Place: New Delhi

Date: May 07, 2026

Consolidated Statement of changes in equity

for the year ended March 31, 2026

A Equity share capital

	Changes in equity share capital during the year			Balance as at March 31, 2025	Changes in equity share capital during the year	Balance as at March 31, 2026
	Issued (refer note 42)					
Balance as at April 01, 2024						
110.50	1.38	111.88	-	111.88	-	111.88

B Other equity

Particulars	Reserves and surplus							Fair value changes of equity instruments measured at fair value through other comprehensive income		Foreign currency translation reserve	Total attributable to owners of the parent	Attributable to non-controlling interest	Total
	Treasury shares	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Employees' stock option outstanding	Retained earnings	Special reserve					
Balance as at April 01, 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
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

Consolidated Statement of changes in equity (Contd.)

for the year ended March 31, 2026

Particulars	Reserves and surplus						Fair value changes of equity instruments measured at fair value through other comprehensive income	Foreign currency translation reserve	Total attributable to owners of the parent	Attributable to non-controlling interest	Total
	Treasury shares	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Employees' stock option outstanding	Retained earnings	Special reserve			
Profit for the year	-	-	-	-	-	-	2,394.09	-	2,394.09	(0.04)	2,394.05
Other comprehensive income for the year	-	-	-	-	-	-	6.53	-	6.92	-	6.92
Transactions with owners in their capacity as owners											
Dividend paid (Including interim dividend)	-	-	-	-	-	-	(398.47)	-	(398.47)	-	(398.47)
Employee stock option exercised for the year	-	-	-	1.05	-	(1.05)	-	-	-	-	-
Adjustment for options exercised during the year	0.24	-	-	2.70	-	-	-	-	2.94	-	2.94
Others	-	-	-	-	-	-	0.55	-	0.55	-	0.55
Balance as at March 31, 2026	(15.64)	266.06	6.00	3,193.66	730.39	3.18	8,074.82	0.07	2.41	(3.94)	12,257.01

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)

For and on behalf of the Board of Directors

Nalin Jain

Partner

Membership No. 503498

Nikhil Nanda

Chairman and

Managing Director

(DIN: 00043432)

Place: Faridabad

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Deputy Managing Director

(DIN: 07543672)

Place: Faridabad

Place: New Delhi

Date: May 07, 2026

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Whole-time Director and

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(DIN: 00944660)

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Director

(DIN: 00001318)

Place: Mumbai

Arvind Kumar

Company Secretary

Membership No. A14874

Place: Faridabad

Date: May 07, 2026

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026

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, 2026	March 31, 2025
Escorts Kubota Finance Limited	Financing services	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%
Invigorated Business Consulting Limited	Recovery of delinquent loan assets	India	67.87%	67.87%
EKL CSR Foundation	Corporate Social Responsibility	India	100%	100%
Escorts Crop Solutions Limited	Crop solution services	India	100%	100%
Escorts Benefit and Welfare Trust	Holding stocks on behalf of Settlor Escorts Kubota Limited	India	100%	100%
Escorts Benefit Trust (ceased w.e.f December 18, 2025)	Holding fund for payment of dues of fixed deposit holders of Escorts Finance Limited	India	100%	100%

B. Interest in joint venture (Equity method accounting)

Name of the entity	Principal activities	Country of incorporation	% Ownership Interest	
			March 31, 2026	March 31, 2025
Adico Escorts Agri Equipments Private Limited	Manufacturing and trading of agricultural equipments and its spares and implements	India	40%	40%

C. Interest in associate (Equity method accounting)

Name of the entity	Principal activities	Country of incorporation	% Ownership Interest	
			March 31, 2026	March 31, 2025
Escorts Consumer Credit Limited	Financing activity	India	29.41%	29.41%

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

1 Group information (Contd.)

D. 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	100.25%	12,399.76	100.61%	2,408.58	93.92%	6.49	100.59%	2,415.07
Indian subsidiaries								
Escorts Crop Solutions Limited	0.00%	0.19	(0.01%)	(0.12)	-	-	0.00%	(0.12)
Escorts Benefit and Welfare Trust	0.00%	-	-	-	-	-	-	-
Invigorated Business Consulting Limited	(1.45%)	(179.55)	(0.01%)	(0.23)	-	-	(0.01%)	(0.23)
Escorts Benefit Trust	-	-	(0.01%)	(0.14)	-	-	-	(0.14)
Escorts Kubota Finance Limited	0.90%	111.76	(0.41%)	(9.75)	0.29%	0.02	(0.41%)	(9.73)
EKL CSR Foundation	-	0.29	-	-	0.29%	0.02	0.0000	0.02
Foreign subsidiaries								
Farmtrac Tractors Europe Sp. Z.o.o, Poland	0.01%	0.71	(0.17%)	(4.08)	5.50%	0.38	(0.15%)	(3.70)
Joint venture and associate (investment as per the equity method)								
Indian								
Adico Escorts Agri Equipments Private Limited	-	-	-	-	-	-	-	-
Escorts Consumer Credit Limited	-	-	-	-	-	-	-	-
Non-controlling interest in all subsidiaries	(0.03%)	(3.94)	-	(0.04)	-	-	-	(0.04)
Intercompany elimination and consolidation adjustment	0.32%	39.67	0.00%	(0.17)	-	-	(0.01%)	(0.17)
Total	100.00%	12,368.89	100.00%	2,394.05	100.00%	6.91	100.00%	2,400.96

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 31 March 2026 were approved for issue by the Board of Directors on 07 May 2026.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared under the historical cost convention basis except for the following –

- Certain financial assets which are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power

to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Profit/(loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31 March 2026.

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 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 performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position (see note 22). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

The Group provides 1 to 5 years' product warranty on its goods sold to the buyer. Under the terms of this warranty customers can return the product for repair or replacement if it fails to perform in accordance with published specifications. These warranties are accounted for under Ind AS 37.

After-sale services

The Group enters into fixed price maintenance and extended warranty contracts with its customers for terms between one and two years in length. Customers are required to pay in advance for the services along with the contractual amount paid for the purchase of goods.

- **Maintenance contracts** – The Group enters into agreements with its customers to perform regularly scheduled maintenance services on goods purchased from the Group. Revenue is recognised over time based on the ratio between the number of services provided/lapsed in the current period and the total number of such services expected to be provided under each contract. This method best depicts the transfer of services to the customer because details of the services to be provided are specified by management in advance as part of its published maintenance program.
- **Extended warranty program** – The Group enters into agreements with its customers to perform necessary repairs falling outside the Group's standard warranty period. As this service involves an indeterminate number of acts, the Group is required to 'stand ready' to perform whenever a request falling within the scope of the program is made by a customer. Revenue is recognised on a straight-line basis over the term of the contract and matched to

related costs. This method best depicts the transfer of services to the customer as (a) the Group's historical experience demonstrates no statistically significant variation in the quantum of services provided in each year of a multi-year contract, and (b) no reliable prediction can be made as to if and when any individual customer will require service.

Other income

Income from export incentives are recognised on accrual basis.

Interest Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost (refer 'h' below), interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

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.

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 recognized 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 recognized in the statement of profit and loss in the year in which they arise.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date. Fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity

and translated into Indian Rupee at the closing rate. Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to the statement of profit or loss and are recognized as part of the gain or loss on disposal.

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

d) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

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Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are stated at their cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any

Depreciation on property, plant and equipment of the Group is provided on the straight-line method except for Adico Escorts Agri Equipment Private Limited (Joint Venture) which provided depreciation on written down value method, computed on the basis of useful lives mentioned below:

Asset category	Estimated useful life (in years)
Factory buildings	30
Office buildings	60
Tubewells and fencing	5
Roads	10
Sheds	3
Plant and machinery	3-15*
Furniture and fixtures	5-10*
Office equipment	3-10
Vehicles	8-10
Leasehold improvements	Over the effective term of the lease
Electrical appliances	10
IT equipments	6
Computers	3

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for certain items within these classes of assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

In case of one of the subsidiary (Farmtrac Tractors Europe Spolka Z.O.O), no depreciation of the land with perpetual usufruct right is made by the Company.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

e) Investment properties

Recognition and initial measurement

Investment properties are properties, including right-of-use in properties, held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Group measures investment property using cost based measurement, the 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.

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Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

f) Intangible assets

Recognition and initial measurement

Purchased intangible assets are stated at cost.

Internally developed intangible assets

Expenditure on the research phase of projects is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Group can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs.

Subsequent measurement (amortisation)

Purchased intangible assets are stated at cost less accumulated amortization and impairment, if any

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset

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.

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At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

h) Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value or trade receivables which are recognised at their transaction price, where the trade receivable does not contain a significant financing component.

If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- a) at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- b) in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. **Financial assets at amortised cost** – a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. **Financial assets at fair value**

Investments in equity instruments other than above – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL), except investment in

certain fixed maturity plans (FMPs) and target maturity funds (TMFs).

Fixed maturity plans (FMP), purchased by the Group on or after 1 April 2021, are measured at amortised cost, if the Group intends to hold the FMPs to maturity. Further, the Group applies amortised cost for those FMPs where the Group 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 Group intends to hold its investment in open ended target maturity funds (i.e. exchange traded funds/ETF) purchased on or after 1 April 2021 till maturity. It may be noted that these funds have a pre-determined maturity date. These funds follow a passive buy and hold strategy; in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such strategy mitigates intermittent price volatility in open ended target maturity fund's underlying investments; and investors who remain invested until maturity are expected to mitigate the market/volatility risk to a large extent. These funds can invest only in plain vanilla rupee denominated bonds with fixed coupon and maturity; and cannot invest in floating rate bonds. Based on this, the Group believes that the investments in open ended target maturity funds meet the requirements of SPPI test as per the requirements of Ind AS 109.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

Initial and subsequent measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and 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 recognized is based on significant increases in the likelihood or 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 recognized are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

k) Fair value measurement

The Group measures certain financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Refer Note 34 for fair value hierarchy.

l) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

m) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed

based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

n) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognised as deferred income at fair value and subsequently is recognised in statement of profit and loss as other income on a systematic basis over the expected useful life of the related asset.

When the Group receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

o) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

p) Post-employment, long term and short term employee benefits

The Group provides post-employment benefits through various defined contribution and defined benefit plans

Defined contribution plans

A defined contribution plan is a plan under which the Group pays fixed contributions into an independent fund administered by the government. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year in which related employee services are received.

Defined benefit plans

The defined benefit plans sponsored by the Group define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Group.

Gratuity and pension are post-employment benefits and are in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity and pension is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial 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.

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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.

s) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current

best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

t) Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors assess the financial performance and position of the Group, and makes strategic decisions and therefore the board would be the chief operating decision maker.

The Group has the following operating/reportable segments: Agri machinery, Construction equipment. Railway equipment (Discontinued operation and held for sale in financial year 2024-25) and Auto ancillary products (Discontinued in financial year 2016-17). In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

v) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

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 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 recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 recognized in the financial statements.

Allowance for obsolete and slow-moving inventory– The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognized in the financial statements.

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Product warranties- The Group makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information of the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimize warranty expenses arising from claims. Warranty costs may differ from those estimated if actual claim rates are higher or lower than historical rates.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

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.

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, 2015 as issued from time to time. During the year, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025.

a) Amendments to existing Ind AS adopted by the Group

These amendments are effective for the annual reporting periods beginning on or after 1 April 2025.

Ind AS 1 – Presentation of Financial Statements

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period. Specifically, the right to defer settlement for at least twelve months must have substance and exist at the reporting date. The Group's intention to settle a liability early does not affect its classification.

Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

The amendment addresses "Lack of Exchangeability" between currencies. It provides guidance on how an entity should assess whether a currency is exchangeable into another and how to determine the exchange rate to be used when exchangeability is lacking.

Notes ■

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Ind AS 7 - Statement of Cash Flows and Ind AS 107 – Supplier Finance Arrangements

New disclosure requirements have been introduced to enhance transparency regarding supplier finance (reverse factoring) arrangements. These disclosures include the terms and conditions of the arrangements, the carrying amount of financial liabilities involved, and the impact on the Group's liquidity risk.

Ind AS 12 – Income Taxes

The Organization for Economic Co-operation and Development (OECD) had released model rules for a global minimum tax under the Pillar Two framework (Pillar Two model rules). However, the Pillar Two legislation are not enacted by the Government of India, where the entity is incorporated. The amendment introduces a mandatory temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities arising from the OECD's Pillar Two model rules. The Group has applied this exception for the current reporting period.

Other Amendments

Consequential amendments relating to applicability, accounting, measurement, valuations, transitional provisions, exclusions, disclosure etc. were also made to Ind AS 101, Ind AS 108, Ind AS 109, Ind AS 115, Ind AS 10, Ind AS 28, and Ind AS 32.

The Group does not expect any significant impacts in its financial statements.

b) Amendments to existing Ind AS not yet adopted

These amendments are effective for the annual reporting periods beginning on or after 1 April 2026.

Ind AS 1 – Presentation of Financial Statements

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

The Group does not expect any significant impacts in its financial statements.

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3 (i) Property, plant and equipment

(₹ crores)

Particulars	Land	Leasehold land*	Buildings	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Computers	Vehicles	Office equipment	Total
Gross carrying value										
As at April 01, 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 43)	(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
Additions**	-	-	35.46	0.33	164.90	31.43	21.60	0.83	1.28	255.83
Disposals	-	-	(0.29)	(0.04)	(46.79)	(8.20)	(11.63)	(3.01)	(0.77)	(70.73)
Exchange differences	-	0.08	0.42	-	0.07	0.07	-	0.13	-	0.77
As at March 31, 2026	981.56	0.61	503.49	27.64	1,691.85	175.51	119.84	8.82	15.28	3,524.60
Accumulated depreciation										
As at April 01, 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
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 43)	-	-	(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
Charge for the year	-	-	21.66	1.19	134.63	12.02	16.73	0.87	1.36	188.46
Disposals	-	-	(0.10)	(0.04)	(43.89)	(6.79)	(11.62)	(2.15)	(0.76)	(65.35)
Exchange differences	-	-	0.20	-	0.05	0.06	-	0.10	-	0.41
As at March 31, 2026	-	-	286.36	25.12	1,070.51	96.33	75.51	5.70	13.20	1,572.73
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
Net carrying value as at March 31, 2026	981.56	0.61	217.13	2.52	621.34	79.18	44.33	3.12	2.08	1,951.87

*leasehold land with perpetual usufruct right

[^]depreciation charge for the previous year includes the depreciation related to discontinued operations ₹ 5.81 crore.

**total addition during the year excludes ₹ 3.52 crore (previous year ₹ 15.66 crore) in respect of discontinued operations after its reclassification as held for sale.

Notes:

(i) Contractual obligations

Refer note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Property, plant and equipment pledged as security

Refer note 45 for information on property, plant and equipment pledged as security by the Group.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(iii) Property, plant and equipment include assets in use for in house research and development

Refer note 44 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, 2026	March 31, 2025
Capital work-in-progress	160.95	123.17

Movement in capital work- in- progress during the year

(₹ crores)

Particulars	Amount
As at April 01, 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 43)	(14.37)
As at March 31, 2025	123.17
Add: additions during the year*	293.61
Less: capitalisation during the year	(255.83)
As at March 31, 2026	160.95

*total addition during the year excludes ₹ 2.94 crore (previous year ₹ 8.88 crore) in respect of discontinued operations after its reclassification as assets held for sale.

Capital work in progress ageing schedule-projects in progress

(₹ crores)

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026	137.35	13.53	4.25	5.82	160.95
As at March 31, 2025	99.88	15.48	4.35	3.46	123.17

There is no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

4 Right-of-use assets

(₹ crores)

Particulars	Property, plant and equipment			Total
	Land	Buildings	Vehicles	
Gross carrying value				
As at April 01, 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
Additions	8.52	59.49	-	68.01
Disposals	-	(27.37)	(0.29)	(27.66)
As at March 31, 2026	79.26	139.45	0.32	219.03
Accumulated depreciation				
As at April 01, 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
Charge for the year	10.14	29.71	0.20	40.05
Disposals	-	(27.37)	(0.29)	(27.66)
As at March 31, 2026	45.40	54.20	0.14	99.74
Net carrying value as at March 31, 2025	35.48	55.47	0.38	91.33
Net carrying value as at March 31, 2026	33.86	85.25	0.18	119.29

Notes:

- Depreciation for the year has been included in "Depreciation & amortisation expense" line item in the statement of profit and loss.
- Refer note 39 for disclosure requirements as per IND AS 116.

5 (i) Intangible assets

(₹ crores)

Particulars	Prototypes	Technical know how	Software	Customer contracts	Total
Gross carrying value					
As at April 01, 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 43(ii))	(1.77)	(2.59)	(4.65)	-	(9.01)
As at March 31, 2025	57.56	24.74	150.04	2.10	234.44
Additions*	3.57	-	25.24	-	28.81
Disposals	(40.27)	(7.19)	(7.55)	-	(55.01)
Exchange differences	-	0.47	-	-	0.47
As at March 31, 2026	20.86	18.02	167.73	2.10	208.71
Accumulated amortisation					
As at April 01, 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

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

5 (i) Intangible assets (Contd.)

	(₹ crores)				
Particulars	Prototypes	Technical know how	Software	Customer contracts	Total
Exchange differences	-	0.13	-	-	0.13
Reclassified to assets held for sale (refer note 43(ii))	(1.40)	(2.59)	(3.33)	-	(7.32)
As at March 31, 2025	45.55	22.52	92.35	1.69	162.11
Charge for the year	4.37	1.33	20.44	0.41	26.55
Adjustment for disposals	(40.01)	(7.19)	(7.55)	-	(54.75)
Exchange differences	-	0.42	-	-	0.42
As at March 31, 2026	9.91	17.08	105.24	2.10	134.33
Net carrying value as at March 31, 2025	12.01	2.22	57.69	0.41	72.33
Net carrying value as at March 31, 2026	10.95	0.94	62.49	-	74.38

*total addition during the year excludes ₹ 0.09 crore (previous year ₹ 0.37 crore) in respect of discontinued operations after its reclassification as held for sale.

^amortisation charge for the previous year includes the amortisation related to discontinued operations ₹ 0.41 crore.

Notes:

(i) Contractual obligations:

Refer note 33 for disclosure of contractual commitments for the acquisition of intangible assets.

(ii) Expenses incurred and assets in use for in house research and development:

Refer note 44 for details.

(iii) Amortisation for the year has been included in line item 'Depreciation and amortisation expense' in statement of profit and loss.

5 (ii) Intangible assets under development

	(₹ crores)	
Particulars	March 31, 2026	March 31, 2025
Intangible assets under development	38.64	29.37

Movement in intangible assets under development during the year

	(₹ crores)
Particulars	Amount
As at April 01, 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 43(ii))	(2.66)
As at March 31, 2025	29.37
Add: additions during the year*	38.08
Less: capitalisation during the year	(28.81)
As at March 31, 2026	38.64

*total addition during the year excludes ₹ 0.09 crore (previous year ₹ 0.77 crore) in respect of discontinued operations after its reclassification as assts held for sale.

Notes ■

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Intangible assets under development ageing schedule-projects in progress

(₹ crores)

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026	16.88	4.58	2.36	14.82	38.64
As at March 31, 2025	9.25	3.93	6.51	9.68	29.37

There are no Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

6 Investments

Investments - non-current

(₹ crores)

Particulars	March 31, 2026	March 31, 2025
(i) Investments accounted for using equity method (refer note 36)		
Fully paid equity shares (unquoted)	-	-
(ii) Investments (other than investments accounted using equity method)		
(A) Investment carried at fair value through OCI		
Fully paid equity shares (unquoted)	-	-
(B) Investment carried at amortised cost		
Mutual funds (quoted) (Target Maturity Funds)	1,616.96	2,648.23
Bonds (Unquoted)	551.86	624.72
Total	2,168.82	3,272.95
Aggregate amount of quoted investments	1,616.96	2,648.23
Market value of quoted investments	1,636.25	2,672.09
Aggregate amount of unquoted investments	551.86	624.72
Aggregate amount of impairment in value of investments	2.67	2.67

Details of investments are as follows:

Non-current investments

(₹ crores)

Particulars	Number of shares		Amount	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
In equity instruments (Investments accounted for using equity method)^				
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 Equipments Private Limited	84,00,000	84,00,000	1.67	1.67
Less: provision for impairment			(1.67)	(1.67)
			-	-
			-	-
Investments carried at fair value through OCI (Quoted)				
Twenty First Century Medicare Limited*	19,400	19,400	-	-

^All equity shares are of ₹ 10 each unless otherwise stated.

*Amount less than ₹ 1 lakh

Refer note 34 - Financial instruments for disclosure of fair values in respect of Investment measured at amortised cost.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

6 Investments (Contd.)

(iii) Investments - Current

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
(A) Investment carried at fair value through profit or loss		
Mutual funds (quoted)	4,306.28	2,235.77
	4,306.28	2,235.77
(B) Investment carried at amortised cost		
Mutual funds (quoted) (Target Maturity Funds)	1,206.60	-
Bonds (Unquoted)	599.70	96.49
Total	6,112.58	2,332.26
Aggregate amount of quoted investments	5,512.88	2,235.77
Market value of quoted investments	5,525.84	2,235.77
Aggregate amount of unquoted investments	599.70	96.49

7 Loans

(i) Non-current loans

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Secured, considered good		
Financial Services receivable	66.81	1.79
Less: Loss allowance	(0.93)	-
Total	65.88	1.79

Refer note 34 - Financial instruments for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses

(ii) Current loans

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Secured, considered good		
Financial Services receivable	30.38	0.57
Less: Loss allowance	(0.28)	(0.02)
Total	30.10	0.55

The carrying values are considered to be a reasonable approximation of their fair values.

8 Other financial assets

(i) Non-current financial assets

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Fixed deposits with remaining maturity of more than 12 months	739.62	200.97
Security deposits	20.20	17.13
Total	759.82	218.10

Refer note 34 - Financial instruments for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

Notes ■

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(ii) Current financial assets

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Export incentives receivable	3.79	4.34
Claims receivable	0.33	0.26
Derivative assets	9.30	-
Security deposits	16.44	14.34
Other recoverables		
-from related parties (refer note 46 for related party balances)	-	1.02
-from others	2.31	1.75
Total	32.17	21.71

The carrying values are considered to be a reasonable Approximation of their fair values.

9 (i) Deferred tax liabilities/assets (net)

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Deferred tax asset arising on account of:		
Financial assets and financial liabilities at amortised cost and inventories	(66.64)	(79.42)
Provision for employee benefits and other liabilities deductible on actual payment	(29.45)	(20.35)
Unabsorbed losses	(4.72)	(2.46)
Deferred tax liability arising on account of:		
Investments	173.55	110.49
Property, plant and equipment and intangible assets	37.78	45.53
Net deferred tax liabilities	110.52	53.79

Notes:

(a) Movement in deferred tax assets/liabilities for the year ended March 31, 2026 is as follows:

Particulars	(₹ 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 liabilities/(assets) in relation to:						
Property, plant and equipment and intangible assets	(0.31)	45.22	(7.75)	-	37.10	(0.68)
Financial assets and liabilities at amortised cost and inventories	1.27	(78.15)	12.78	-	(64.01)	2.63
Provision for employee benefits and other liabilities deductible on actual payment	0.38	(19.97)	(11.29)	2.19	(28.74)	0.71
Investments	-	110.49	63.06	-	173.55	-
Unabsorbed losses	2.46	-	(2.26)	-	-	4.72
Net deferred tax assets/liabilities	3.80	57.59	54.54	2.19	117.90	7.38

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(b) Movement in deferred tax assets/liabilities for the year ended March 31, 2025 is as follows:

(₹ crores)						
Particulars	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 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

9 (ii) Tax expense

The income tax expense consists of the following:

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax expense		
Continuing operations	389.80	271.06
Discontinued operations	175.42	46.19
	565.22	317.25
Deferred tax expense		
Continuing operations	54.54	(44.11)
Discontinued operations	-	1.62
	54.54	(42.49)
Total tax expense	619.76	274.76
Continuing operations	444.34	226.95
Discontinued operations	175.42	47.81

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

- (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)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit before income tax		
Continuing Operations	1,810.76	1,351.01
Discontinued Operations	1,203.05	188.70
Total profit before income tax	3,013.81	1,539.71
Statutory income tax rate*	25.17%	25.17%
Expected income tax expense	758.52	387.51
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax on expense not eligible for deduction	7.11	4.49
Due to change in tax rate	-	(65.79)
Utilisation of tax losses upon amalgamation	-	(21.04)
Income chargeable to lower rate of tax	(147.54)	(33.56)
Utilisation of tax losses on which no deferred tax is recognised	0.09	(0.06)
Others	1.58	3.21
Total income tax expense	619.76	274.76
*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%

10 Other assets

(i) Non-current

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances*	28.37	38.25
Deposits with statutory authorities**	64.83	68.07
Balances with statutory authorities	268.68	154.97
	361.88	261.29
Allowance for doubtful advances	(1.60)	(1.60)
Total	360.28	259.69

*includes advance given to related party ₹ 0.84 crore (previous year ₹ 0.66 crore)

**includes deposit paid under protest with statutory authorities.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

10 Other assets (Contd.)

(ii) Current

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Refund asset	7.75	5.07
Advances to suppliers*	20.70	18.35
Prepaid expenses	11.46	10.66
Balances with statutory authorities	344.05	290.27
Other advances	0.50	0.49
Total	384.46	324.84

*includes advance payment to related party ₹1.99 crore (previous year ₹ Nil).

11 Inventories

(Valued at lower of cost and net realisable value, unless otherwise stated)

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Raw materials and components	474.54	477.32
Goods-in-transit	47.62	58.84
	522.16	536.16
Work-in-progress	29.63	24.18
Finished goods	575.87	580.62
Goods-in-transit	11.96	21.90
	587.83	602.52
Stock-in-trade	206.50	212.24
Goods-in-transit	102.75	1.48
	309.25	213.72
Stores and spares	14.80	12.94
Loose tools	8.59	9.47
Total	1,472.26	1,398.99

Note:

- Refer note 45 for inventories pledged as security for borrowings.
- Amount of write down and reversal of write down of inventories recognised in statement of profit and loss:

Particulars	(₹ crores)	
	Amount	
As at April 01, 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 43(ii))	(11.08)	
As at March 31, 2025	132.08	
Add: write-down recognised during the year	16.15	
Less: allowance utilised during the year	(34.39)	
As at March 31, 2026	113.84	

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

12 Trade receivables

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Secured, considered good	311.75	353.22
Unsecured, considered good	929.74	1,023.18
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	66.36	45.92
	1,307.85	1,422.32
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(38.94)	(44.56)
Trade receivables which have significant increase in credit Risk	-	-
Trade receivables - credit impaired	(66.36)	(45.92)
	(105.30)	(90.48)
Total	1,202.55	1,331.84

Trade receivables ageing schedule

As at March 31, 2026

								(₹ 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	880.75	277.00	24.15	7.09	0.72	6.53	1,196.24
(ii)	Undisputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	-	5.28	2.54	2.82	10.64
(iv)	Disputed trade receivables – considered good	0.04	2.93	13.93	7.18	8.39	12.78	45.25
(v)	Disputed trade receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	24.89	17.89	12.94	55.72
Total		880.79	279.93	38.08	44.44	29.54	35.07	1,307.85

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
Total		986.83	311.02	40.73	37.13	22.72	23.89	1,422.32

Notes:

- Refer note 45 for trade receivables pledged as security for liabilities.
- Refer note 34 - Financial instruments for assessment of expected credit losses.

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

- (iii) The carrying values are considered to be a reasonable approximation of their fair values.
- (iv) Trade receivables include ₹ 107.48 crores (previous year ₹ 125.88 crores) due from related parties. For details refer note 46 - related party disclosures.

13 Cash and cash equivalents

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
Current accounts	24.46	22.08
Debit balance in cash credit accounts	38.49	29.42
Fixed deposits with original maturity of less than or equal to 3 months	115.11	291.17
Total	178.06	342.67

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.

14 Other bank balances

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked bank balances		
Unclaimed dividends accounts	5.24	3.40
Unspent CSR account	3.51	-
Fixed deposits with remaining maturity of less than 12 months (excluding considered in cash and cash equivalents)	438.66	579.30
Margin money deposits	3.37	3.15
Balance in escrow account	210.54	195.61
Total	661.32	781.46

- (i) Fixed deposits with remaining maturity of less than 12 months includes ₹ 0.22 crore (previous year: ₹ 0.20 crore) deposits held by the entity which are not available for use by the Group, as these are lien marked.
- (ii) Balance in Escrow account is not available for use by the Group, refer note 22 (ii) for details.
- (iii) Margin money deposits are pledged with various authorities.
- (iv) There are no repatriation restrictions with respect to other bank balances, Other than disclosed above.
- (v) The carrying values are a reasonable approximation of their fair values.

15 (i) Assets held for sale

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Land and building held for sale (refer note 43(i))	17.54	50.37
Assets of RED Business held for sale (refer note 43(ii))	-	550.68
Total	17.54	601.05

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(ii) Liabilities held for sale in respect of discontinued operations

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Liabilities of RED Business held for sale (refer note 43(ii))	-	107.13
Total	-	107.13

16 Equity Share Capital

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Authorised		
75,10,00,000 (previous year 75,10,00,000) Equity shares of ₹ 10 each	751.00	751.00
88,80,00,000 (previous year 88,80,00,000) Unclassified shares of ₹ 10 each	888.00	888.00
Total	1,639.00	1,639.00
Issued, Subscribed and Fully paid-up		
11,18,77,754 (previous year 11,18,77,754) Equity shares of ₹ 10 each	111.88	111.88
Total	111.88	111.88

(a) Reconciliation of number of shares

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of shares	₹ crores	No of shares	₹ crores
Equity shares at the beginning of the year	11,18,77,754	111.88	11,04,98,261	110.50
Issued pursuant to scheme of amalgamation (refer note 42)	-	-	13,79,493	1.38
Equity shares at the end of the year	11,18,77,754	111.88	11,18,77,754	111.88

(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 of the Parent 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 Holding Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of shares	% holding	No of shares	% holding
Kubota Corporation	6,04,92,462	54.07%	6,04,92,462	54.07%
Har Parshad and Company Private Limited	1,07,26,308	9.59%	1,07,26,308	9.59%
HDFC Asset Management Company Limited	75,27,389	6.73%	60,98,570	5.45%

(d) The Company has a holding company named Kubota Corporation.

(e) The Group has issued total 28,235 (previous year 1,77,931) 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.

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

16 Equity Share Capital (Contd.)

(f) Shares reserved for issue under options

Particulars	No of shares	
	As at March 31, 2026	As at March 31, 2025
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	18,50,364	18,78,599

These shares are held as treasury shares under other equity (refer note 17).

For terms and other details refer note 38.

(g) Shares held by promoters at the end of the year

As at March 31, 2026

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	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	6,04,92,462	-	6,04,92,462	54.07%	-

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	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%

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

17 Other equity

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	266.06	266.06
Capital redemption reserve	6.00	6.00
General reserve	730.39	730.39
Securities premium		
Opening balance	3,189.91	3,161.98
Add: Amount received from employees on exercise of employees' stock option against options exercised during the year (net of tax)	2.70	20.30
Add: transferred from employees' stock option outstanding account against options exercised during the year	1.05	7.63
	3,193.66	3,189.91
Employees' stock option outstanding account		
Opening balance	4.23	11.86
Less: transferred to Securities Premium against vested options exercised during the year	(1.05)	(7.63)
	3.18	4.23
Treasury shares		
Opening balance	(15.88)	(17.38)
Less: adjustment for options exercised during the year	0.24	1.50
	(15.64)	(15.88)
Retained earnings		
Opening balance	6,072.12	5,114.79
Add: net profit for the year	2,394.09	1,264.94
Less: Dividend Paid (net of dividend on treasury shares)	(398.47)	(307.33)
Less: remeasurement benefit of defined benefit plans (net of tax)	6.53	(1.96)
Add: Transferred from other comprehensive income - sale of investment	-	1.45
Add: Others	0.55	0.23
	8,074.82	6,072.12
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
Add: changes during the year (net of tax)	-	0.29
Less: transfer to retained earning - sale of investment	-	(1.45)
	-	-
Foreign currency translation reserve		
Opening balance	2.02	1.70
Add: changes during the year	0.39	0.32
	2.41	2.02
Total	12,260.95	10,254.92

17 Other equity (Contd.)**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.

(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.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

18 Non-controlling interest

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	(3.90)	(3.91)
Less: share of profit/(loss) for the year	(0.04)	0.01
Closing non-controlling interest	(3.94)	(3.90)

19 Borrowings

(i) Current borrowings

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Working capital credit facility from bank	36.21	2.25
Total	36.21	2.25

(a) Security and repayment details

- (I) Working capital credit facility as on March 31, 2026 amounting to ₹ 36.21 crores (previous year ₹ 2.25 crores) is secured against certain assets 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 3 Month EURIBOR 2.25 %.
- (II) Working capital demand loan facility taken from banks are unsecured and carries floating interest rate. The interest rate ranges between 6.00% p.a. to 8.75% p.a. (previous year: 7.25% p.a. to 9.80% p.a.).

(b) The carrying values are considered to be reasonable approximation of their fair values.

(ii) Reconciliation of financial liabilities with cash flow arising from financing activities:

(₹ crores)			
Particulars	Non-current borrowings	Current borrowings	Lease liabilities
Balance as at April 01, 2024	125.56	242.00	80.90
Cash flows:			
Proceeds/(Repayments)	(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
Balance as at March 31, 2025	-	2.25	102.93
Cash flows:			
Proceeds/(repayments) (net)	-	33.96	(45.27)
Interest paid	-	(0.74)	(10.15)
Interest expenses	-	0.74	10.15

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(ii) Reconciliation of financial liabilities with cash flow arising from financing activities: (Contd.)

(₹ crores)			
Particulars	Non-current borrowings	Current borrowings	Lease liabilities
Non cash:			
Addition during the year	-	-	68.02
Balance as at March 31, 2026	-	36.21	125.68

Notes:

- (I) Term loan facility taken from the bank in previous year was unsecured and carries floating interest rate. The interest rate for previous year ranges between 9.30% p.a to 9.40% p.a. 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.
- (II) Refer note 34 - Financial instruments for disclosure of fair values in respect of financial liabilities measured at amortized cost and analysis of their maturity profiles.
- (III) The Group has not defaulted on any loan repayments during the year and during the previous year.

20 Other financial liabilities

(i) Other non-current financial liabilities

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	39.54	34.65
Total	39.54	34.65

Refer note 34 - Financial instruments for disclosure of fair values in respect of Financial liabilities measured at amortised cost and analysis of their maturity profiles.

(ii) Other current financial liabilities

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Capital creditors	38.56	28.38
Security deposits	0.80	5.94
Unpaid dividends*	5.24	3.40
Payable to related parties (refer note 46)	0.43	0.37
Employee related payables	118.02	109.67
Retention money	0.58	0.74
Other accrued liabilities	244.44	198.15
Derivative liabilities	-	3.16
Other payables	11.72	9.00
Total	419.79	358.81

*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.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

21 Other liabilities

(i) Other non-current liabilities

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred income	11.64	10.63
Total	11.64	10.63

(ii) Other current liabilities

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Advances received from customers	70.22	56.29
Advance against assets held for sale	17.54	13.00
Payable to statutory authorities	45.51	39.80
Deferred income	46.55	40.38
Others	35.92	36.24
Total	215.74	185.71

22 Provisions

(i) Non-current

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for gratuity	0.59	0.17
Provision for compensated absences	48.16	31.12
Provision for pension	3.81	3.64
Others		
Provision for claims	12.38	12.38
Provision for warranty	25.16	29.86
Total	90.10	77.17

(ii) Current

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for gratuity	26.73	13.56
Provision for compensated absences	4.10	3.21
Provision for pension	0.53	0.52
Others		
Provision for claims	65.00	65.00
Provision for warranty	52.90	47.93
Total	149.26	130.22

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

Notes:

(a) 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 ₹ 210.54 crores as on March 31, 2026 (previous year ₹ 195.61 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, 2026 (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 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 FY 2023-24, one of the appeal has been dismissed by the Hon'ble Delhi High Court and the other appeal is pending.

(b) 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.

(c) Movement in other provisions:

(₹ crores)		
Particulars	Provision for claims	Provision for warranty
Provision at April 01, 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
Additions during the year	-	43.94
Amount utilised during the year	-	(42.00)
Provision at March 31, 2026	77.38	79.73

(d) For disclosures on provisions related to employee benefits, refer note 37.

23 Trade Payables

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Dues of micro enterprises and small enterprises (MSME) (refer note 41)	95.78	95.86
Dues of others than micro enterprises and small enterprises (MSME)	1,792.32	1,317.24
Other accrued liabilities	305.22	226.79
Total	2,193.32	1,639.89

The carrying values are considered to be a reasonable approximation of their fair values.

Refer note 46 for related party disclosures

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

23 Trade Payables (Contd.)

Trade payable ageing schedule

As at March 31, 2026

								(₹ crores)
Particulars		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	0.77	38.58	52.49	1.70	0.45	1.79	95.78
(ii)	Others	521.40	1,040.46	462.49	53.38	7.24	12.57	2,097.54
(iii)	Disputed dues- MSME	-	-	-	-	-	-	-
(iv)	Disputed dues- others	-	-	-	-	-	-	-
Total		522.17	1,079.04	514.98	55.08	7.69	14.36	2,193.32

As at March 31, 2025

							(₹ crores)
Particulars	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	-	-	-	-	-	-	-
Total	361.05	828.76	397.75	42.21	2.31	7.81	1,639.89

24 Revenue from operations

Particulars	(₹ crores)	
	Year ended March 31, 2026	Year ended March 31, 2025
Operating revenue		
Sale of products		
Export	596.09	499.43
Domestic*	10,774.33	9,572.17
Sale of services	8.30	7.45
	11,378.72	10,079.05
Other operating revenue		
Sale of other services	34.83	30.61
Export incentives	16.59	14.14
Scrap sales	43.86	50.81
Liabilities no longer required written back	1.02	0.40
Foreign exchange gain(net)	-	12.25
Others	65.24	56.62
	161.54	164.83
Total	11,540.26	10,243.88

*Domestic sale includes domestic sale made by foreign subsidiary of the Group in its country of domicile.

Refer note 48 for disclosure pursuant to Ind AS 115- Revenue from Contracts with Customers.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

25 Other income

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest from:		
Fixed deposits	108.49	76.54
Other financial assets carried at amortised cost	1.97	1.32
Investments carried at amortised cost	245.51	132.05
	355.97	209.91
Other income		
Lease rentals	0.15	0.26
Gain on fair valuation/disposal of investments (net)	206.05	241.40
Gain on disposal of property, plant and equipment (net)	-	1.95
Miscellaneous income	4.19	7.79
	210.39	251.40
Total	566.36	461.31

26 Cost of materials consumed

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(i) Cost of material consumed		
Opening stock	636.83	629.91
Purchases	6,505.82	5,854.77
Closing stock*	(522.16)	(636.83)
	6,620.49	5,847.85
Adjustment pursuant to Discontinued Operations (refer note 43(ii))	(100.67)	(562.16)
Foreign currency translation	5.61	2.16
Total	6,525.43	5,287.85

* 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, 2026	Year ended March 31, 2025
Opening 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 43(ii))	-	(37.02)
	840.42	1,028.46

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

26 Cost of materials consumed (Contd.)

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Closing stock		
Finished goods	(587.83)	(602.52)
Work-in-progress	(29.63)	(24.18)
Stock-in-trade	(309.25)	(213.72)
	(926.71)	(840.42)
Foreign currency translation	1.55	0.49
Total	(84.74)	188.53

27 Employee benefit expense

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	735.84	688.18
Post-employment and other long term benefits expense (refer note 37)	11.72	12.19
Contribution to provident and other funds (refer note 37)	30.17	27.39
Staff welfare	47.75	46.69
Total	825.48	774.45

28 Finance costs

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on		
Long term loans	-	2.55
Cash credit and short term loans	0.74	11.50
Lease liabilities	10.15	8.31
Others	1.10	2.90
Finance and bank charges	4.76	1.66
Unwinding of discount on provisions and financial liabilities carried at amortised cost	3.68	2.25
Total	20.43	29.17

29 Depreciation and amortisation expenses

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of		
Property, plant and equipment	188.46	190.14
Right-of-use assets	40.05	30.75
Amortisation of		
Intangible assets	26.55	22.76
Total	255.06	243.65

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

30 Other expenses

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Stores and spares consumed	65.61	59.97
Power, fuel and electricity	58.05	46.37
Repair and maintenance		
Building	6.04	7.66
Machinery	20.61	24.22
Others	52.85	45.84
Outsourcing expenses	12.59	8.56
Warranties and after sale service	81.80	61.20
Rent	19.19	15.82
Foreign exchange loss (net)	3.80	-
Rates and taxes	5.66	5.08
Insurance	7.75	7.70
Travelling and conveyance	106.83	101.06
Postage and telephone	11.54	11.06
Manpower hiring on contract	270.34	247.37
Legal and professional	70.50	47.91
Commission, discounts and sales incentive	12.25	11.68
Advertisement and promotional expenses	80.67	67.92
Royalty paid	49.78	43.89
Packing, freight and forwarding	125.64	103.55
Security charges	11.14	7.73
Printing and stationery	4.29	4.29
Director's sitting fees and commission	6.80	6.77
Corporate social responsibility (CSR) expenditure	20.08	16.42
Provision for doubtful debts/advances and deposits	26.09	41.52
Bad debts written off	2.72	17.87
Less: Provision already held	(2.72)	(17.87)
Miscellaneous expenses	53.32	55.40
Total	1,183.22	1,048.99

31 Exceptional items

(₹ crores)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Impairment of investment in Joint venture (refer note (a) below)	-	1.67
Impact of new labour code (refer note (b) below)	52.46	-
Gain on sale of land and building (refer note 43(i)(b))	(75.99)	-
Total	(23.53)	1.67

Note:

- a) Represents impairment of investment in Adico Escorts Agri Equipments Private Limited a joint venture of the Group.

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

- b) The Group recognised an incremental expense of ₹ 52.46 crore relating to certain employees upon implementation of the new labour code pursuant to the notification by the Government of India on November 21, 2025. Based on the draft Central Rules, FAQs issued by the Ministry of Labour and Employment, and the guidance of the Institute of Chartered Accountants of India, the Group assessed the impact arising primarily from the revised wage definition. The Group continues to monitor the finalisation of Central/State Rules and clarifications from the Government on other aspects of the Labour Code and would consider appropriate accounting impact on the basis of such developments as needed.

32 Earnings per share (EPS)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net profit for the year (₹ in crores)		
- From continuing operations (A)	1,366.42	1,124.06
- From discontinued operations (B)	1,027.63	140.89
- From continuing and discontinued operations (C)	2,394.05	1,264.95
Total shares issued at the beginning of the year	11,18,77,754	11,04,98,261
Less: shares reserved for issue under options held by ESOP Trust at the beginning of the year	18,78,599	20,56,530
Add: Weighted average number of Equity Shares issued and allotment of shares by ESOP Trust to Employees	18,627	1,31,815
Add: Equity shares to be issued pursuant to the Scheme of arrangement (refer note 42)	-	13,79,493
Weighted-average number of equity shares for basic EPS (D)	11,00,17,782	10,99,53,039
Effect of dilution:		
Weighted average number of share options granted to employees	27,836	68,896
Weighted average number of Equity shares adjusted for the effect of dilution (E)	11,00,45,618	11,00,21,935
Earnings per equity share of ₹ 10 each:		
For continuing operations		
a) Basic (₹) (A/D)	124.20	102.23
b) Diluted (₹) (A/E)	124.17	102.17
For discontinued operations		
a) Basic (₹) (B/D)	93.41	12.81
b) Diluted (₹) (B/E)	93.38	12.81
For continuing and discontinued operations		
a) Basic (₹) (C/D)	217.61	115.04
b) Diluted (₹) (C/E)	217.55	114.98

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

33 Commitments and contingencies (including discontinued operations)

(₹ crores)			
Particulars	As at March 31, 2026	As at March 31, 2025	
A. Capital commitments- Estimated amounts of contracts remaining to be executed on capital account and not provided for	215.53	214.61	
B. Guarantees executed in favour of others	39.14	45.24	
C. Contingencies			
(i) Taxation related contingencies			
Excise duty/customs duty/service tax/GST demands	485.79	481.88	
Sales tax and other demands	83.84	36.15	
Demand raised by Income tax department, disputed by the Group and pending in appeal (refer note (1) below)	48.09	76.27	
(ii) Others			
Cases under litigation relating to:			
- Personnel	3.37	3.06	
- Others	66.34	68.41	
(iii) Claims not acknowledged as debts	0.92	15.42	

Notes:

- Contingencies for demand raised by income tax department, disputed by the Group and pending in appeal does not include Income tax cases pending w.r.t. Escorts Heart Institute and Research Center Limited (EHIRC) since the amount is indeterminable (refer note 22(ii) for details). Further the amount includes ₹ 3.30 crores (previous year ₹ 29.44 crores) in respect of matters which have been decided in favour of the Group, however the income tax department has preferred appeals at the next levels.
- The amounts indicated as contingent liability or claims against the Group only reflect the basic value. Interest, penalty if any or legal costs, being indeterminable are not considered. Penalties wherever quantified have been included.
- Farmtrac Tractors Europe Sp. Z.o.o, Poland, one of the subsidiary of the Group has provided a blank promissory note to bank against the working capital credit facility amounting to ₹ 46.33 crores (March 31, 2025 ₹ 4.40 crores).

34 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, 2026	As at March 31, 2025
Financial assets measured at fair value			
Investments measured at			
Fair value through profit and loss	6 (iii)	4,306.28	2,235.77
Derivative assets			
Fair value through profit and loss	8(ii)	9.30	-
Financial assets measured at amortised cost			
Investments	6 (ii) & (iii)	3,975.12	3,369.44
Trade receivables	12	1,202.55	1,331.84
Loans	7 (i) & (ii)	95.98	2.34
Cash and cash equivalents	13	178.06	342.67

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

(₹ crores)			
Particulars	Note	As at March 31, 2026	As at March 31, 2025
Other bank balances	8(i) & 14	1,400.94	982.43
Others financial assets	8(i) & 8(ii)	43.07	38.84
Total		11,211.30	8,303.33
Financial liabilities measured at fair value			
Derivative liabilities			
Fair value through profit and loss	20(ii)	-	3.16
Financial liabilities measured at amortised cost			
Borrowings	19	36.21	2.25
Trade payables	23	2,193.32	1,639.89
Lease liabilities	39	125.68	102.93
Other financial liabilities	20(i) & 20(ii)	459.33	390.30
Total		2,814.54	2,138.53

*excluding financial assets and liabilities reclassified as assets held for sale during financial year ended March 31, 2025

Investment in joint ventures and associate are measured using equity method and hence, not presented here.

B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2026

(₹ crores)				
Particulars	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at				
Fair value through profit and loss	4,306.28	-	-	4,306.28
Derivative assets measured at				
Fair value through profit and loss	-	9.30	-	9.30

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

As at March 31, 2025

(₹ crores)				
Particulars	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at				
Fair value through profit and loss	2,235.77	-	-	2,235.77
Liabilities at fair value				
Derivative liabilities measured at				
Fair value through profit and loss	-	3.16	-	3.16

a. Valuation process and technique used to determine fair value

- The fair value of quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- The derivative financial instruments are valued using forward exchange rates as at the balance sheet date.

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:

As at March 31, 2026

(₹ crores)			
Particulars	Fair value hierarchy	Carrying value	Fair value
Other financial assets	Level 3	116.18	116.18
Investments in Mutual Funds (Target Maturity Funds, Quoted)	Level 1	2,823.56	2,855.81
Investments in Bonds (Unquoted)	Level 2	1,151.56	1,097.46
Security deposits received	Level 3	39.54	39.53
Lease liabilities	Level 3	125.68	121.88

As at March 31, 2025

(₹ crores)			
Particulars	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 March 31, 2025

The management assessed that fair values of other current financial assets, loans (including related to financial services), cash and cash equivalents, other bank balances, trade receivables, other receivables, short term borrowings, trade

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

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 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, 2026 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, 2026 (previous year nil).

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, loans, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

The Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

C.1 Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables, loans and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (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 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 and loans) that expose the entity to credit risk[^]

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Low credit risk on financial reporting date		
Investments**	3,975.12	3,369.44
Cash and cash equivalents*	178.06	342.67
Other bank balances*	1,400.94	982.43
Other financial assets*	43.07	38.84

[^]excluding financial assets reclassified as assets held for sale during the financial year ended March 31, 2025

*represents carrying values of financial assets, without deduction for expected credit losses(if any).

**represents target maturity funds, bonds at amortised cost

34 Financial Instruments (Contd.)

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 Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit 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 ₹311.75 crores (previous year ₹353.22 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.

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

As at March 31, 2026

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	1056.63	65.11	17.88	14.90	79.87	1234.39
Expected loss rate	1.41%	11.06%	32.21%	72.75%	75.08%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	14.94	7.20	5.76	10.84	59.97	98.71

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	89.83	0.09	-	-	4.62	94.54
Expected loss rate	0.20%	22.22%	0.00%	0.00%	42.66%	
Expected credit loss (loss allowance provision net of trade receivables secured by insurance)	0.18	0.02	-	-	1.97	2.17

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	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

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 Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

Particulars	(₹ crores)			
	March 31, 2026		March 31, 2025	
	Auto products*	Financing & others	Auto products*	Financing & others
Historical loss rate on sales during the year	0.00%	0.00%	0.00%	0.00%
Loss allowance provision on the sales	-	-	-	-
Loss allowance provision on the debtors outstanding more than one year	4.31	7.11	4.31	7.49

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.

*Auto products business was discontinued and all assets and liabilities were transferred under a sale agreement executed in FY 2016-17, except certain receivables and other assets which remained with the Group.

iii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	(₹ crores)		
	Loans	Trade receivables	Other financial assets
Balance as at April 01, 2024	-	72.59	-
Loss allowance created	0.02	41.36	-
Loss allowance utilised/written back	-	(19.33)	-
Reclassified to assets held for sale (refer note 43(ii))	-	(4.14)	-
Balance as at March 31, 2025	0.02	90.48	-
Loss allowance created	1.19	17.54	-
Loss allowance utilised/written back	-	(2.72)	-
Balance as at March 31, 2026	1.21	105.30	-

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:

Particulars	(₹ crores)	
	March 31, 2026	March 31, 2025
Floating rate		
- Expiring within one year (cash credit and other facilities)	818.57	563.90
Total	818.57	563.90

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, 2026.

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

(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.

As at March 31, 2026

(₹ crores)					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Lease liabilities	51.99	44.68	27.51	21.89	146.07
Trade payable (including MSME)	2,193.32	-	-	-	2,193.32
Security deposits	0.82	0.95	1.86	47.24	50.87
Other financial liabilities	418.99	-	-	-	418.99
Total	2,665.12	45.63	29.37	69.13	2,809.25

As at March 31, 2025

(₹ crores)					
Particulars	Less than 1 year	1-2 years	2-3 years	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
Borrowings	-	-	-	-	-
Trade payables (including MSME)	1,639.89	-	-	-	1,639.89
Security deposits	5.78	0.56	1.02	43.26	50.62
Other financial liabilities	349.71	-	-	-	349.71
Total	2,031.68	33.23	25.47	73.64	2,164.02

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.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

(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	As at March 31, 2026	As at March 31, 2025
Financial assets	22.84	41.56
Financial liabilities	655.28	430.36
Net exposure to foreign currency risk liabilities	(632.44)	(388.80)

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, 2026	As at March 31, 2025
USD sensitivity		
INR/USD- increase by 5.01 % (March 31, 2025 2.01%)*	(23.71)	(5.85)
INR/USD- decrease by 5.01 % (March 31, 2025 2.01%)*	23.71	5.85

*Holding all other variables constant

(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	As at March 31, 2026	As at March 31, 2025
Financial assets	152.84	84.89
Financial liabilities	138.08	39.28
Net exposure to foreign currency risk assets	14.76	45.61

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, 2026	As at March 31, 2025
EURO sensitivity		
INR/EURO- increase by 7.98 % (March 31, 2025 5.08%)*	0.88	1.73
INR/EURO- decrease by 7.98 % (March 31, 2025 5.08%)*	(0.88)	(1.73)

*Holding all other variables constant

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

(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	As at March 31, 2026	As at March 31, 2025
Financial assets	0.06	0.18
Financial liabilities	77.02	38.15
Net exposure to foreign currency risk liabilities	(76.96)	(37.97)

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, 2026	As at March 31, 2025
JPY sensitivity		
INR/JPY- increase by 10.28 % (March 31, 2025 9.00%)*	(5.92)	(2.56)
INR/JPY- decrease by 10.28 % (March 31, 2025 9.00%)*	5.92	2.56

*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 6.00% p.a. to 8.75% p.a. (previous year: 7.25% p.a. to 9.80% p.a.).

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Variable rate borrowing	36.21	2.25
Total borrowings	36.21	2.25

Sensitivity

Below is the sensitivity of profit or loss and equity in interest rates.

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	0.27	0.02
Interest rates – decrease by 100 basis points (100 bps)	(0.27)	(0.02)

*Holding all other variables constant

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

34 Financial Instruments (Contd.)

ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the year:

Impact on profit after tax

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Mutual funds		
Net assets value – increase by 100 bps (100bps)	32.22	16.73
Net assets value – decrease by 100 bps (100bps)	(32.22)	(16.73)

35 Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Net debts	36.21	2.25
Total equity	12,368.89	10,362.90
Net debt to equity ratio	0.29%	0.02%

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

35 Capital management (Contd.)

(b) Dividends

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
(i) Dividend paid on equity shares of ₹ 10 each		
Interim dividend for FY 2025-26 of ₹ 18.00 per share	201.38	-
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
	402.76	310.78
(ii) Dividend recommended/proposed[^]		
Final dividend for FY 2025-26 of ₹ 33.00 per share	369.20	-
Interim dividend for FY 2025-26 of ₹ 18.00 per share	201.38	-
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
	570.58	313.26

[^]The dividend recommended/proposed is subject to shareholders approval/ratification in ensuing annual general meeting.

36 (a) Summarised financial information for joint venture of the Group:

Summarised balance sheet

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Adico Escorts Agri Equipments Private Limited		
Current assets		
Cash and cash equivalents	0.31	1.80
Other assets	8.15	8.27
Total current assets	8.46	10.07
Total non-current assets	5.18	5.67
Current liabilities		
Financial liabilities	8.57	10.02
Other liabilities	4.55	1.53
Total current liabilities	13.12	11.55
Non-current liabilities		
Financial liabilities	0.01	0.01
Total non-current liabilities	0.01	0.01
Net assets	0.51	4.18

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

36 (a) Summarised financial information for joint venture of the Group: (Contd.)

Reconciliation to carrying amounts

(₹ crores)

Particulars	Adico Escorts Agri Equipments Private Limited	
	As at March 31, 2026	As at March 31, 2025
Opening net assets	4.18	6.97
Loss for the year	(3.68)	(2.79)
Closing net assets	0.50	4.18
Group's share in %	40%	40%
Group's share in Indian Rupees	0.20	1.67
Less: Provision for impairment	1.67	1.67
Group's share in net assets not recognised during the year	(1.47)	-
Cumulative Group's share not recognised in net assets	(1.47)	-

The Group has discontinued the recognition of its share of net assets in Adico Escorts Agri Equipments Private Limited because the carrying amount of the investment was fully reduced to nil in the previous financial year. The Group has no legal or constructive obligations to fund the operations or liabilities of the joint venture.

Summarised statement of profit and loss

(₹ crores)

Particulars	Adico Escorts Agri Equipments Private Limited	
	As at March 31, 2026	As at March 31, 2025
Revenue	39.91	53.25
Interest income	0.03	0.02
Finance costs	0.16	0.27
Depreciation and amortisation expense	0.62	1.02
Tax expenses	0.68	0.24
Loss for the year	(3.68)	(2.79)
Total comprehensive loss	(3.68)	(2.79)

37 Employee benefits

A Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(i) Amount recognised in the balance sheet is as under:

(₹ crores)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
Gratuity	26.73	0.59	15.33	0.17
Net value of defined benefit obligation	26.73	0.59	15.33	0.17

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

37 Employee benefits (Contd.)

(ii) Amount recognised in the statement of profit and loss is as under:

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Current service cost	10.55	11.86
Past service cost	30.02	-
Net interest cost	1.07	1.16
Net impact on profit (before tax)^	41.64	13.02
Total Actuarial loss/(gain) recognised in other comprehensive income	(8.77)	2.56
Amount recognised in the statement of profit and loss	32.87	15.58

^includes amount ₹ 0.21 crores (previous year ₹1.30 crore) pertaining to discontinued operations.

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	111.19	103.06
Past Service Cost	30.02	-
Current service cost	10.98	11.86
Interest cost	7.70	7.43
Actuarial loss/(gain) recognised during the year	(8.51)	2.02
Benefits paid	(22.31)	(13.18)
Closing balance	129.07	111.19

(iv) Movement in the plan assets recognised in the balance sheet is as under:

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	95.69	86.86
Expected return on plan assets^	6.63	6.27
Employer's contribution	21.31	16.24
Benefits paid	(22.14)	(13.14)
Actuarial gain/(loss) on plan assets^	0.26	(0.54)
Closing balance	101.75	95.69

^Expected return on plan assets are adjusted with actuarial gain/loss for calculating actual return on plan assets.

(v) Breakup of actuarial (gain)/loss:

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Actuarial (gain)/loss on arising from change in demographic assumption	-	3.88
Actuarial (gain)/loss on arising from change in financial assumption	(7.97)	1.53
Actuarial (gain)/loss on arising from experience adjustment	(0.80)	(2.85)
Total actuarial (gain)/loss	(8.77)	2.56

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

37 Employee benefits (Contd.)

(vi) Actuarial assumptions

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Discount rate	7.70%	6.93%
Future salary increase	8.00%	8.00%
Expected average remaining working lives of employees (years)	22.26	22.35

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

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Impact of the change in discount rate		
Present value of obligation at the end of the year	129.07	111.19
- Impact due to increase of 0.50 %	(5.93)	(4.89)
- Impact due to decrease of 0.50 %	6.34	5.32
Impact of the change in salary increase		
Present value of obligation at the end of the year	129.07	111.19
- Impact due to increase of 0.50 %	6.14	5.19
- Impact due to decrease of 0.50 %	(5.83)	4.81

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

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Within next 12 months	13.44	12.95
Between 1-5 years	34.87	33.41
Beyond 5 years	80.78	64.83

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

37 Employee benefits (Contd.)**(ix) Category of plan assets:**

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
LIC of India-Group gratuity cash accumulation	99.27	91.35
Others	2.48	4.34
Total	101.75	95.69

- (x) The Group expects to contribute ₹ 16.42 crores (previous year ₹ 13.35 crores) to its gratuity plan for the next year.
- (xi) The weighted average duration of defined benefit obligation for gratuity is 17.43 years (previous year 17.10 years) for the Group.
- (xi) Gratuity liability (net) of ₹ 1.77 crores pertains to the discontinued operations.

B Compensated absences (unfunded obligation)

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 ₹ 23.49 crores (previous year: ₹ 12.72 crores) has been recognised in the statement of profit and loss. It includes ₹ 0.28 crores (previous year: ₹ 1.27 crore) pertaining to discontinued operations.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
Compensated absences (unfunded)	4.10	48.16	3.54	33.88

- (i) Compensated absences (unfunded) of ₹ Nil crores (previous year ₹ 3.08 crores) pertains to the discontinued operations.
- (ii) The weighted average duration for compensated absences is 17.43 years (previous year 17.10 years) for the Group.

C Pension (unfunded obligation)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
Pension	0.53	3.81	0.56	3.91

(i) Amount recognised in the balance sheet is as under:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Current	Non-current	Current	Non-current
Pension				
Present value of defined benefit obligation	0.53	3.81	0.56	3.91
Fair value of plan assets	-	-	-	-
Net value of defined benefit obligation	0.53	3.81	0.56	3.91

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

37 Employee benefits (Contd.)

(ii) Amount recognised in the statement of profit and loss is as under:

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Current service cost	-	-
Net interest cost	0.31	0.33
Total Actuarial loss/(gain) recognised in other comprehensive income	0.05	0.07
Amount recognised in the statement of profit and loss	0.36	0.40

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	4.47	4.53
Interest cost	0.31	0.33
Actuarial loss/(gain) recognised during the year	0.05	0.07
Benefits paid	(0.49)	(0.46)
Closing balance	4.34	4.47

(iv) Breakup of actuarial (gain)/loss:

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Actuarial (gain)/loss on arising from change in financial assumption	(0.07)	0.06
Actuarial (gain)/loss on arising from experience adjustment	0.12	0.01
Total actuarial loss	0.05	0.07

(v) Actuarial assumptions

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.70%	6.93%

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.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

37 Employee benefits (Contd.)

(vi) Sensitivity analysis for pension liability

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Impact of the change in discount rate		
Present value of obligation at the end of the year	4.34	4.47
- Impact due to increase of 0.50 %	(0.10)	(0.10)
- 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.

(vii) Maturity profile of defined benefit obligation

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Within next 12 months	0.54	0.56
Between 1-5 years	2.09	2.21
Beyond 5 years	1.71	1.70

(viii) The Group expects to contribute ₹ 0.33 crores (previous year ₹ 0.31 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 ₹ 30.04 crores (previous year: ₹ 29.08 crores) and contribution to Employee State Insurance Scheme for the year aggregated to ₹ 0.54 crores (previous year: ₹ 0.51 crores).

The above includes ₹ 0.41 crores (previous year ₹ 2.28 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.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

38 Share-based payments

The option plan is designed to provide incentives to employees of the Group. Under the plan, participants have been granted options which will vest as follows –

Scheme	Vesting conditions	Exercise period	Exercise price per share (₹)
Employees Stock Option Scheme, 2006	Vested equally over 4 years from the date of grant	Three years from the date of vesting	870.00
			1,122.00
			1,385.00
	Vested over a period of 4 years from the date of grant in the ratio of 2:2:3:3*		1,465.80
			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:

Particulars	(Nos)	
	As at March 31, 2026	As at March 31, 2025
Opening balance	65,485	2,43,916
Granted during the year	-	-
Exercised during the year	28,235	1,77,931
Forfeited during the year	-	-
Lapsed/Cancelled during the year	-	500
Closing balance	37,250	65,485

The weighted average share price at the date of exercise of options during the year ended March 31, 2026 was ₹ 3,408.77 (previous year ₹ 3,863.91).

Weighted average remaining contractual life of options as at March 31, 2026 is 0.91 years (previous year 1.64 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, 2026	Expiry date of options at March 31, 2025	Share options March 31, 2026	Share options March 31, 2025
August 16, 2018	870.00	August 15, 2025	August 15, 2025	-	9,450
September 08, 2020	1,122.00	September 07, 2025	September 07, 2025	-	1,379
September 08, 2020	1,122.00	September 07, 2026	September 07, 2026	4,893	5,353
September 08, 2020	1,122.00	March 31, 2027	March 31, 2027	10,797	17,629
February 03, 2021	1,385.00	February 02, 2026	February 02, 2026	-	986
February 03, 2021	1,385.00	February 02, 2027	February 02, 2027	-	1,250
February 03, 2021	1,385.00	March 31, 2027	March 31, 2027	-	1,250
September 16, 2021	1,465.80	September 15, 2026	September 15, 2026	849	2,599
September 16, 2021	1,465.80	March 31, 2027	March 31, 2027	3,850	3,850
September 16, 2021	1,465.80	March 31, 2027	March 31, 2027	3,972	3,972
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	389	1,739
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	6,250	6,250
November 26, 2022	1,805.00	March 31, 2027	March 31, 2027	6,250	9,778
Total				37,250	65,485

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

38 Share-based payments (Contd.)

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
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.

39 Leases

(a) Information of leases where the Holding Company is lessee

Lease liabilities are presented in the statement of financial position as follows:

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Current	49.89	35.19
Non-current	75.79	67.74
Total	125.68	102.93

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 incur maintenance fees on such items in accordance with the lease contracts.

The Group has considered automatic extension option available for land leases in lease period assessment since the Group can enforce its right to extend the lease beyond the initial lease period. The Group also has plans of setting up production facility on the land, therefore is likely to be benefited by exercising the extension option.

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

39 Leases (Contd.)

The following are amounts recognised in profit or loss:

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Depreciation expense of right-of-use assets	40.05	30.75
Interest expense on lease liabilities	10.15	8.31
Rent expense (excluding discontinued operation)*	19.19	15.82
Total	69.39	54.88

*rent expense in term of short term leases

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

As at March 31, 2026

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	2 - 14.3	9	-
Marketing offices and related facilities	15	0.5 - 4.67	15	-

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	2	0.75-3.75	2	-

The maturity analysis of lease liabilities are disclosed in refer note 34.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the financials statements. The expense (excluding discontinued operations) relating to payments not included in the measurement of the lease liability for short term leases is ₹ 19.19 crores (previous year ₹ 15.82 crores)

Total cash outflow for leases for the year ended March 31, 2026 was ₹ 74.61 crores (previous year ₹ 54.62 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.

- 40 (a)** During 2008 the Haryana State Government introduced Haryana Tax on Entry of Goods into Local Area Act, 2008 ("Entry Tax") by repealing the Haryana Local Area Development Tax Act, 2000 ("HLADT"). The said Act was held unconstitutional by the Hon'ble Punjab & Haryana High Court in their judgment dated 1 October 2008. The State Government of Haryana has preferred an appeal before the Hon'ble Supreme Court which was disposed of by the Hon'ble Supreme Court by nine Hon'ble Judges of Constitution Bench and hence that Compensator issue is no more relevant as it does not arise out of the Constitution but imaginary. Matters are not decided by Division Bench

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

by making an order that the interested parties may prefer writs before the High Court. Hence the matter remains pending till its decision. Based on the legal advice received by the Group no further provision on this account is considered necessary after 31 March 2008.

- (b) A Scheme of Arrangement and Amalgamation under Section 391 to 394 of the Companies Act, 1956 for the amalgamation of Escorts Construction Equipment Limited ('ECEL'), a subsidiary company and Escotracs Finance and Investments Private Limited ('Escotracs') and Escorts Finance Investments and Leasing Private Limited ('EFILL'), joint ventures of the Company (together referred to as 'transferor companies'), was sanctioned by the Hon'ble High Court of Punjab and Haryana at Chandigarh vide its order dated 9 August 2012 (hereinafter referred to as 'the Scheme'). Upon necessary filings with the Registrar of Companies, NCT of Delhi and Haryana by the Transferor Companies and Transferee Company, the Scheme became effective on 12 October 2012. In accordance with the Scheme, 3,73,00,031 equity shares of the 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 (31 March 2025: Nil) equity shares of the Company and 2,34,97,478 (31 March 2025: 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 31 March 2026 is ₹ 11.73 crores (31 March 2025: ₹ 13.42 crores).

- (c) Subsequent to approval of the Board of Directors on 18 February 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 14 August 2022. The Scheme has been approved by the Tribunal vide its order dated 25 May 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 29 May 2023. Accordingly, the impact of the scheme has been considered in financial statements during the previous year ended 31 March 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.

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

The Holding Company, its two subsidiaries and associate, during the year have used an accounting software for maintaining their books of account which have 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. The audit trail (edit logs) feature for any changes made directly at the database level was enabled for the accounting software. Further, the audit trail has been preserved as per the statutory requirements for record retention wherever such feature is enabled.

Further, two subsidiaries, have used an accounting software for maintaining their books of account which does not have a feature of recording audit trail (edit log) facility. Further, the audit trails have not been preserved by these subsidiaries as per the statutory requirements for record retention.

Furthermore, one joint venture, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature in the accounting software used for maintenance of books of account was not enabled throughout the year by the joint venture. Further, the audit trail has not been preserved by the joint venture as per the statutory requirements for record retention.

41 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

(₹ crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
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);	95.78	95.86
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	0.77	1.03
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

42 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 15 September 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 01 April 2023. The Holding Company filed the said SoA with the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT) on 12 July 2023. The SoA had been approved by the requisite majority of the Shareholders and Creditors of the Holding Companies on 02 December 2023. Post Shareholders and Creditors approval, the Holding Company filed the Second Motion Application with NCLT on 11 December 2023. The NCLT approved the SoA vide its Order dated 21 August 2024 and its certified copy was filled with Registrar of Companies (ROC) on 01 September 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

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

Appendix C of Ind AS 103, "Business Combinations". The Holding Company has recognised a capital reserve of ₹168.15 crore pursuant to the SoA (refer note 16). In pursuance of the SoA, The Holding Company has allotted 13,79,493 Equity shares of ₹ 10 each on September 06, 2024.

43 Assets held for sale and discontinued operations

(i) Assets held for sale

- (a) The Group in earlier years, agreed to transfer 25 acres of land at Plot No. 219, Sector 58, Ballabhgarh, Haryana for a consideration of ₹ 9.00 crores and received the full amount as advance. In addition, the group made 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. This amount has also been received from the buyer. The said transfer is subject to necessary approval from the appropriate authority and accordingly the total amount received of ₹17.54 crores is being classified as "Advance against assets held for sale" under other current liabilities.

Owing to the inordinate delay in obtaining approval from the appropriate authority, 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 favorable 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 Holding Company on 10 February 2025 has approved execution of an agreement for sale of land along with building thereon (included in agri machinery products segment), 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 were transferred to assets held for sale in accordance with Ind AS 105 "Non-current assets held for sale and discontinued operations" in FY ended March 31, 2025. During the FY 25-26 the said land & building were transferred and gain of ₹ 75.99 crore was recognised as an exceptional item in statement of profit and loss.

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 at FY ended March 31, 2025.

(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 said business were classified as assets held for sale in accordance with Ind AS 105 "Non-current assets held for sale and discontinued operations" in FY ended March 31, 2025.

On the closing date, the group transferred the RED Business to Sona Comstar upon completion of conditions precedent and closing actions as specified in the Business transfer agreement (BTA).

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

43 Assets held for sale and discontinued operations (Contd.)

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 May 31, 2025	As at March 31, 2025
Property, plant and equipment (including CWIP)	150.44	147.55
Intangible assets (including assets under development)	5.20	5.12
Other financial assets	-	0.43
Other non current assets	2.32	1.87
Inventories	176.83	149.77
Trade receivables	143.96	226.22
Other financial assets	12.41	15.08
Other current assets	5.30	4.64
Total assets held for sale	496.46	550.68
Non-current liabilities-Provisions	1.31	3.02
Trade payables	60.46	84.22
Other financial liabilities	2.61	11.33
Other current liabilities (including provision)	2.35	8.56
Total liabilities held for sale	66.73	107.13

(b) Change in cash flows arising due to operating, investing and financing activities

(₹ crores)		
Particulars	2 Months ended May 31, 2025	Year ended March 31, 2025
Net cash flows generated from operating activities	60.14	111.40
Net cash flows used in investing activities	1,597.21	(29.06)
Net cash flows used in financing activities	-	(0.02)
Intra-company adjustments	(1,658.61)	(81.84)

(c) Financial performance information

(₹ crores)		
Particulars	2 Months ended May 31, 2025	Year ended March 31, 2025
Income		
Revenue from operations	133.87	912.79
Other income	0.16	0.32
Total income	134.03	913.11
Total expenses	102.94	724.41
Profit before tax from discontinued operations	31.09	188.70
Tax expense	7.83	47.81
Profit after tax	23.26	140.89
Profit after tax from sale of RED Business (Refer Note 43(ii)(d))	1,004.37	-
Net profit for the period from discontinued operations	1,027.63	140.89
Earnings per equity share of ₹ 10 each from discontinued operations:		
a) Basic (₹)	93.41	12.81
b) Diluted (₹)	93.38	12.81

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

43 Assets held for sale and discontinued operations (Contd.)

(d) Gain on disposal

Particulars	As at closing date
Adjusted consideration(net of transaction cost)	1,601.69
Less: Net Assets transferred	429.73
Profit before tax	1,171.96
Tax expense	167.59
Profit after tax from sale of RED business	1,004.37

44 Research and development

(i) Research and development costs on in house R&D centers amounting to ₹ 193.89 crores (previous year ₹ 170.36 crores) were incurred during the year.

(₹ crores)

Particulars	Tractor		Construction equipment	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Cost of materials consumed	7.86	7.55	0.14	-
Employee benefits expense	91.49	79.11	12.68	10.61
Other expenses	46.85	43.45	4.47	5.93
Depreciation	26.95	20.95	3.45	2.76
Total	173.15	151.06	20.74	19.30

(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, 2024	391.31	17.61
Additions	42.38	5.57
Disposals	(9.32)	(0.01)
As at March 31, 2025	424.37	23.17
Additions	39.65	3.98
Disposals	(60.36)	(0.38)
As at March 31, 2026	403.66	26.77
Accumulated depreciation and amortisation		
As at April 01, 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
Depreciation and amortisation for the year	26.95	3.45
Disposals	(58.02)	(0.91)
As at March 31, 2026	161.52	15.78
Net carrying value as at March 31, 2025	231.78	9.93
Net carrying value as at March 31, 2026	242.14	10.99

*Excluding capital advance/capital work-in-progress

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

44 Research and development (Contd.)

(iii) Expenses on research and development as percentage to gross turnover is:

Particulars	March 31, 2026	March 31, 2025
Tractors	1.52%	1.50%
Construction equipment	0.18%	0.19%

45 (i) Assets pledged as security

(₹ crores)

Particulars	Notes	March 31, 2026	March 31, 2025
Current			
Financial assets			
First charge			
Trade receivables	12	18.40	-
Cash and cash equivalents	13	7.43	-
Non Financial assets			
Inventories	11	73.62	57.17
Other current assets		0.41	-
Total current assets pledged as security		99.86	57.17
Non-current			
First charge			
Property, plant and equipments		2.64	2.02
Total non-currents assets pledged as security		2.64	2.02
Total assets pledged as security*		102.50	59.19

*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, 2026	Year ended March 31, 2025
Advance given			
- Adico Escorts Agri Equipments Private Limited	Business purpose	-	1.00

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

46 Related party transactions

The Group's related party transactions are at arm's length price. The outstanding balances are unsecured in nature which is to be settled in cash.

A Relationships

Holding Company (Overseas)

Kubota Corporation

Fellow Subsidiaries (Overseas)

Kubota Europe S.A.S.

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.

Kubota Turkey Makine Ticaret Limited Sirketi

Kubota North America Corporation

Kubota Precision Machinery (Thailand) Co., Ltd.

Kubota Northern Europe Distribution Center B.V.
(formerly Kubota Holdings Europe B.V.)

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 Design Corporation

Kubota Mexico

Kubota Myanmar Co. Ltd

Kubota Philippines Inc.

Pt. Kubota Machinery Indonesia

Joint venture in the Group

Adico Escorts Agri Equipments Private Limited

Associate in the Group

Escorts Consumer Credit Limited

Key management personnel

Mr. Nikhil Nanda*

Ms. Nitasha Nanda*

Mr. Seiji Fukuoka*

Mr. Akira Kato*

Mr. Bharat Madan*

Mr. Arvind Kumar*

Chairman and Managing Director

Whole-Time Director

Deputy Managing Director (ceased w.e.f August 04, 2025)

Deputy Managing Director (appointed w.e.f. August 04, 2025)

Whole-time Director and Chief Financial Officer

Company Secretary

Other directors

Mr. Hardeep Singh

Mr. Sunil Kant Munjal

Ms. Tanya Arvind Dubash

Mr. Harish N. Salve

Mr. Dai Watanabe

Mr. Ravindra Chandra Bhargava

Mr. Vimal Bhandari

Mr. Reema Rameshchandra Nanavati

Mr. Manish Sharma

Mr. Yasukazu Kamada

Dr. Rupinder Singh Sodhi

Mr. Shingo Hanada

Directors

Directors

Directors

Directors

Directors (ceased to be w.e.f Oct 31, 2025)

Directors

Directors

Directors

Directors (ceased w.e.f August 21, 2025)

Directors (ceased w.e.f Jan 31, 2026)

Directors

Directors (ceased w.e.f Jan 31, 2026)

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

46 Related party transactions (Contd.)

Mr. Nobushige Ichikawa	Directors
Mr. Kinji Saito	Directors
Mr. Hitoshi Sasaki	Directors (appointed as Director w.e.f. Feb 10, 2026)
Mr. Satoshi Suzuki	Directors (appointed as Director w.e.f. Feb 10, 2026)

Subsidiary companies key management personnel (excluding mentioned above)

Mr. Abhishek Mudgal*	Chief Executive Officer and Managing Director
Mr. Kishan Rao Puthli*	Chief Financial Officer (ceased w.e.f. December 31, 2024)
Mr. Sanjeev Gupta*	Chief Financial Officer (w.e.f. 24-June-2025)
Ms. Vaishali Goyal*	Company Secretary (w.e.f. June 04, 2024)
Mr. Michał Lubradzki*	Chief Executive Officer
Mr. Sergiusz Mitek*	Chief Executive Officer
Mr. Maciej Rujner	Chief Executive Officer
Mr. Sumit Raj	Director
Ms. Moni Singh	Director
Mr. Donald Fernandez*	Chief Financial Officer

*Key managerial personnel (KMP) as defined under section 2(51) the Companies Act, 2013.

Enterprises over which key management personnel and close member of the family of such personnel exercise significant influence

AAA Portfolios Private Limited	Niky Tasha Energies Private Limited
Agresource Management Private Limited	Sietz Technologies India Private Limited
Big Apple Clothing Private Limited	Sun & Moon Travels (India) Private Limited
EEWL Limited	Hero Mindmine Institute Private Limited
Har Parshad And Company Private Limited	Escorts Dealer Development Association Ltd
Niky Tasha Communications Private Limited	Foundation For Future Ready Nari

List of other related parties in the Group

Escorts Limited Employees' Group Gratuity Fund Trust (refer note 37 for transaction)

B Transactions and balances with related party (including discontinued operations)

(i) Key management personnel remuneration includes the following expenses:

(₹ crores)		
Particulars	March 31, 2026	March 31, 2025
Short-term employee benefits	25.79	36.53
Other long-term benefits	-	-
Post-employment benefits	0.73	0.62
Total remuneration	26.52	37.15

(ii) Transactions and balances with joint ventures

(₹ crores)					
Nature of transactions*	Purchase of goods	Interest Income	Sale of goods	Trade and Other Receivable	Trade and Other Payable
Adico Escorts Agri Equipments Private Limited	39.48	0.14	0.22	1.99	-
	(52.94)	(0.24)	(0.19)	(1.00)	(0.20)

*Numbers in brackets represents financial year ending March 31, 2025.

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forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

46 Related party transactions (Contd.)

(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	Royalty	Dividend Paid	Trade and Other Receivable	Trade and Other Payable
Kubota Corporation	883.38	5.00	13.47	23.32	5.27	217.77	5.55	568.55
	(711.25)	(25.27)	(17.11)	(22.99)	(4.21)	(166.90)	(5.38)	(420.76)
Kubota Europe S.A.S.	-	152.10	-	-	-	-	69.55	-
	-	(48.41)	-	-	-	-	(46.45)	-
Kubota Northern Europe Distribution Center B.V.	-	46.74	-	-	-	-	-	-
	-	(38.38)	-	-	-	-	(30.85)	-
Kubota North America Corporation	-	0.03	3.74	-	-	-	1.02	-
	-	-	-	-	-	-	-	-
Kubota Precision Machinery (Thailand) Co., Ltd.	-	12.48	-	-	-	-	2.63	-
	-	-	-	-	-	-	-	-
Kubota (U.K.) Limited	-	28.55	-	-	-	-	6.85	-
	-	(12.53)	-	-	-	-	(6.06)	-
Kubota Malaysia SDN BHD	-	1.79	-	-	-	-	-	0.09
	-	(1.26)	-	(0.01)	-	-	-	-
Kubota Tractor Corporation	**	0.03	-	-	-	-	0.02	**
	(0.01)	(0.01)	-	-	-	-	(0.01)	-
Kubota Philippines Inc.	-	0.04	-	-	-	-	0.04	-
Kubota Machinery Trading Co. Ltd	61.04	52.76	-	-	-	-	5.43	17.45
	(33.54)	(13.20)	(0.01)	-	-	-	(1.81)	(9.16)
Kubota Engine (Thailand) Co. Ltd.	210.16	7.50	0.13	-	-	-	1.77	102.11
	(201.15)	-	(0.52)	-	-	-	(0.39)	(75.11)
SIAM Kubota Corporation Co. Ltd.	65.14	21.71	0.16	-	-	-	0.71	16.64
	(35.95)	(65.90)	(0.02)	(1.86)	-	-	(15.24)	(9.95)
Pt. Kubota Machinery Indonesia	-	0.04	-	-	-	-	0.04	-
Kubota Manufacturing of America Corporation	-	43.41	-	-	-	-	7.83	-
	-	(45.54)	-	-	-	-	(14.12)	-
Kubota Agricultural Machinery (Suzhou) Co. Ltd	65.64	-	0.03	-	-	-	0.01	16.80
	(35.85)	-	-	(0.01)	-	-	(0.04)	(6.83)
Kubota Construction Machinery (Shanghai) Co., Ltd.	0.36	-	-	-	-	-	-	0.16
	(0.34)	-	-	-	-	-	-	(0.09)
Kubota Engine America Corporation	-	**	-	-	-	-	**	-
	(0.01)	-	-	-	-	-	-	-
Kubota Mexico	0.02	13.07	-	-	-	-	3.91	-
	-	(4.70)	-	-	-	-	(4.69)	-
Kubota Design Corporation	-	-	5.41	-	-	-	0.89	-
	-	-	(2.19)	-	-	-	(0.35)	-
Kubota Turkey Makine Ticaret Limited Sirketi	-	5.87	-	-	-	-	0.91	-
	-	(0.13)	-	-	-	-	-	-
Kubota Myanmar Co. Ltd	-	0.69	-	-	-	-	-	**

*Numbers in brackets represents financial year ending March 31, 2025.

**Amount represents less than a lakh.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

46 Related party transactions (Contd.)

(iv) Transactions and balances with key management personnel, their close member of the family and entities in which they exercise control/significant influence

(₹ crores)									
Nature of transactions*	Royalty	Remuneration/ Commission	Rent received	Purchase of goods	Sale of goods and services	Services received	Dividend paid	Trade and Other Receivable	Trade and Other Payable
Nikhil Nanda	-	12.59	-	-	-	-	4.33	-	4.00
	-	(12.59)	-	-	-	-	(3.37)	-	(4.00)
Nitasha Nanda	-	3.17	-	-	-	-	0.70	-	0.56
	-	(3.01)	-	-	-	-	(0.54)	-	(0.56)
Shweta Nanda	-	-	-	-	-	-	0.06	-	-
	-	-	-	-	-	-	(0.05)	-	-
Navya Naveli Nanda	-	-	-	-	-	0.24	0.06	-	0.02
	-	-	-	-	-	(0.24)	(0.05)	-	-
Agastya Nanda	-	-	-	-	-	-	0.04	-	-
	-	-	-	-	-	-	(0.03)	-	-
Bharat Madan	-	4.69	-	-	-	-	0.03	-	1.25
	-	(14.72)	-	-	-	-	(0.02)	-	(1.17)
Akira Kato	-	0.91	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Arvind Kumar	-	0.66	-	-	-	-	-	-	0.11
	-	(0.61)	-	-	-	-	-	-	(0.10)
Meenakshi Gupta	-	-	-	-	-	(0.02)	-	-	(**)
Hardeep Singh [^]	-	0.16	-	-	-	0.14	**	-	0.16
	-	(0.15)	-	-	-	(0.15)	(**)	-	(0.15)
Kinji Saito	-	0.16	-	-	-	0.04	-	-	0.16
	-	-	-	-	-	-	-	-	-
Sunil Kant Munjal [^]	-	0.16	-	-	-	0.08	0.09	-	0.16
	-	(0.15)	-	-	-	(0.11)	(0.07)	-	(0.15)
Seiji Fukuoka	-	0.68	-	-	-	-	-	-	-
	-	(2.44)	-	-	-	-	-	-	-
Manish Sharma [^]	-	-	-	-	-	0.04	-	-	-
	-	(0.15)	-	-	-	(0.10)	-	-	(0.15)
Ravindra Chandrs Bharvaga [^]	-	0.16	-	-	-	0.09	-	-	0.16
	-	(0.15)	-	-	-	(0.08)	-	-	(0.15)
Reema Rameshchandra Nanavati [^]	-	0.16	-	-	-	0.07	-	-	0.16
	-	(0.15)	-	-	-	(0.07)	-	-	(0.15)
Vimal Bhandari [^]	-	0.16	-	-	-	0.15	-	-	0.16
	-	(0.15)	-	-	-	(0.14)	-	-	(0.15)
Harish N. Salve [^]	-	0.16	-	-	-	0.01	-	-	0.16
	-	(0.15)	-	-	-	(0.01)	-	-	(0.15)
Tanya Arvind Dubash [^]	-	0.16	-	-	-	0.07	-	-	0.16
	-	(0.15)	-	-	-	(0.07)	-	-	(0.15)
Rupinder Singh Sodhi [^]	-	0.16	-	-	-	0.12	-	-	0.16
	-	(0.15)	-	-	-	(0.13)	-	-	(0.15)
Har Parshad And Company Private Limited	45.16	-	-	-	-	-	38.61	-	4.82
	(44.15)	-	(0.09)	-	-	-	(30.03)	(0.02)	(4.97)

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

46 Related party transactions (Contd.)

(iv) Transactions and balances with key management personnel, their close member of the family and entities in which they exercise control/significant influence (Contd.)

(₹ crores)

Nature of transactions*	Royalty	Remuneration/ Commission	Rent received	Purchase of goods	Sale of goods and services	Services received	Dividend paid	Trade and Other Receivable	Trade and Other Payable
Escorts Dealer Development Assosiation Limited	-	-	0.08	-	1.89	4.41	-	0.30	1.15
	-	-	(0.08)	-	(0.54)	(1.36)	-	(0.39)	(0.10)
AAA Portfolios Private. Limited	-	-	-	-	-	-	6.07	-	-
	-	-	-	-	-	-	(4.72)	-	-
Big Apple Clothing Private Limited	-	-	-	-	-	-	6.38	-	-
	-	-	-	-	-	-	(4.96)	-	-
Niky Tasha Communications Private Limited	-	-	-	-	-	-	0.01	-	-
	-	-	-	-	-	-	(0.01)	-	-
Niky Tasha Energies Private Limited	-	-	-	-	-	-	**	-	-
	-	-	-	-	-	-	(**)	-	-
Sietz Technologies India Private Limited	-	-	-	125.38	0.14	0.05	**	0.84	15.90
	-	-	-	(117.46)	(0.49)	-	(**)	(0.07)	(15.20)
Sun & Moon Travels (India) Private Limited	-	-	0.03	-	**	18.39	-	0.03	**
	-	-	(0.02)	-	-	(15.12)	-	(0.03)	(0.22)
EEWL Limited	-	-	0.01	-	-	-	-	**	0.43
	-	-	(0.01)	-	-	-	-	(**)	(0.39)
Agresource Management Private Limited	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	(0.05)	-	-	-
Foundation For Future Ready Nari	-	-	-	-	-	0.60	-	-	-
	-	-	-	-	-	-	-	-	-
Sumit Raj	-	-	-	-	-	**	-	-	-
	-	-	-	-	-	(0.01)	-	-	-
Donald Fernandez	-	-	-	-	-	0.08	-	-	-
	-	-	-	-	-	(0.08)	-	-	-
Maciej Rujner	-	-	-	-	-	-	-	-	-
	-	(0.97)	-	-	-	-	-	-	-
Ms. Moni Singh	-	-	-	-	-	**	-	-	-
	-	-	-	-	-	(**)	-	-	-
Mr. Michał Luberadski	-	0.67	-	-	-	-	-	-	-
Mr. Sergiusz Mitek	-	0.17	-	-	-	-	-	-	-
Mr. Sanjeev Gupta	-	0.46	-	-	-	-	-	-	-
Mr. Abhishek Mudgal	-	2.27	-	-	-	-	-	-	-
	-	(1.79)	-	-	-	-	-	-	-
Mr. Kishan Rao Puthli	-	-	-	-	-	-	-	-	-
	-	(0.82)	-	-	-	-	-	-	-
Ms. Vaishali Goyal	-	0.21	-	-	-	-	-	-	-
	-	(0.14)	-	-	-	-	-	-	-

*Numbers in brackets represents financial year ending March 31, 2025

**Amount represents less than a lakh

^Services received includes directors sitting fees and commission.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

47 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 Others

A Segment revenue, segment results and other segmental information

(₹ crores)

Particulars	March 31, 2026					March 31, 2025				
	Agri machinery products	Construction equipments	Unallocated	Inter segment adjustment	Total	Agri machinery products	Construction equipments	Unallocated	Inter segment adjustment	Total
Segment revenue	9,841.19	1,685.92	13.15	-	11,540.26	8,504.13	1,730.09	9.66	-	10,243.88
Segment Result before interest income unallocable, exceptional items, finance cost and tax	1,226.94	133.06	93.83	-	1,453.83	900.60	172.10	101.93	-	1,174.63
Add: Interest income unallocable					353.83					208.33
Less: Finance cost					(20.43)					(29.17)
Less: Exceptional items					23.53					(1.67)
Add: Share of loss of equity accounted investments					-					(1.11)
Profit before tax					1,810.76					1,351.01
Less: Tax expense					444.34					226.95
Profit after tax					1,366.42					1,124.06
Profit from discontinued operations					1,203.05					188.70
Tax expense of discontinued operations					175.42					47.81
Profit from discontinued operations after tax					1,027.63					140.89
Profit for the year					2,394.05					1,264.95
Other comprehensive income					6.91					(1.35)
Total comprehensive income					2,400.96					1,263.60
Other segmental Information	219.44	26.02	9.60	-	255.06	204.42	21.75	17.48	-	243.65
Depreciation and amortisation expense										

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

47 Segment information (Contd.)

B Other information

(₹ crores)

Segment	Segment assets		Segment liabilities	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Agri machinery products	5,121.26	4,625.34	2,639.70	2,015.41
Construction equipments	452.63	545.18	454.55	344.29
Assets held for sale in respect of discontinued operations*	-	550.85	-	-
Liabilities held for sale in respect of discontinued operations*	-	-	-	111.44
Unallocated	10,225.47	7,377.12	336.22	264.45
Total	15,799.36	13,098.49	3,430.47	2,735.59

*Assets/Liabilities held for sale mainly for Railway Equipment Segment.

C Additional information by geographies

(₹ crores)

Segment	Year ended March 31, 2026	Year ended March 31, 2025
Revenue by geographical market		
India	10,843.10	9,650.58
Outside India	697.16	593.30
Total	11,540.26	10,243.88
Non-current assets*		
India	2,710.95	2,469.46
Outside India	2.85	2.61
Total	2,713.80	2,472.07

*Non-current assets excludes financial instruments.

D Revenue from major customers

The Group is not reliant on revenues on transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Notes:

- Operating segments have been identified by the Group taking into account nature of services, associated risks and returns and internal reporting system that reflects the manner in which operating results are regularly reviewed by the Chief Operating Decision Maker for purpose of making decisions on resources to be allocated to such segments and assess their performance.
- Segment revenue, segment results, segment assets and segment liabilities include the respective amount identifiable for each operating segment.

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

48 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, 2026

(₹ crores)				
Particulars	Goods	Services	Other operating revenue*	Total
Revenue by geography				
Domestic	10,774.33	8.30	78.69	10,861.32
Export	596.09	-	-	596.09
Total	11,370.42	8.30	78.69	11,457.41
Revenue by time				
Revenue recognised at point in time				11,449.11
Revenue recognised over time				8.30
Total				11,457.41

For the year ended March 31, 2025

(₹ crores)				
Particulars	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

*Other operating revenue amounting to ₹82.85 crores (previous year ₹83.41 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, 2026	As at March 31, 2025
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	61.69	65.82
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

48 Revenue from Contracts with Customers (excluding discontinued operations) (Contd.)

(c) Assets and liabilities related to contracts with customers

Particulars	(₹ crores)			
	As at March 31, 2026		As at March 31, 2025	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	70.22	-	56.29
Deferred income	11.64	46.55	10.63	40.38

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

Particulars	(₹ crores)	
	As at March 31, 2026	As at March 31, 2025
Contract price	11,998.59	10,670.19
Less: Discount, rebates, credits etc.	541.18	509.72
Revenue from operations as per Statement of Profit and Loss*	11,457.41	10,160.47

*Revenue from operations amounting to ₹ 82.85 crores (previous year ₹ 83.41 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.

49 Other Statutory Information

(i) Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

a. Transactions other than shareholding with struck off Companies

Name of the Struck off company	Nature of transaction with struck-off company	(₹ crores)	
		Balance Outstanding Amount as on March 31, 2026	Balance Outstanding Amount as on March 31, 2025
74 BC Technologies Private Limited	Trade payable	0.01	0.01
Dewas Techno Products Pvt.Ltd.	Trade payable	0.63	-
Sagar Business Private Limited	Advance from Customer	0.08	-

Notes ■

forming part of the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

49 Other Statutory Information (Contd.)

b. Details of shares held by struck off company (Face value of ₹ 10 each):

(₹ crores)			
Name of the Struck off company	Nature of transaction with struck-off company	Number of shares as on March 31, 2026	Number of shares as on March 31, 2025
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 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
AL Falah Investments Limited	Shares held by struck off company	-	20
Home Trade Limited	Shares held by struck off company	166	-

(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

50 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 07, 2026

For and on behalf of the Board of Directors

Nikhil Nanda
Chairman and
Managing Director
(DIN: 00043432)
Place: Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place: Faridabad

Akira Kato
Deputy Managing Director
(DIN: 07543672)
Place: Faridabad

Vimal Bhandari
Director
(DIN: 00001318)
Place: Mumbai

Arvind Kumar
Company Secretary
Membership No. A14874
Place: Faridabad
Date: May 07, 2026

Form AOC-1

Statement containing salient features of the financial statements of subsidiaries/joint venture/ associates for the year 2025-26

Subsidiaries

(₹ crores)							
Name of the subsidiaries	Invigorated Business Consulting 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, 2026						
Capital	40.17	25.87	24.40	-	-	130.00	0.05
Reserves & Surplus	(219.72)	(25.15)	(24.21)	-	-	(18.24)	0.24
Total assets	4.09	104.84	0.20	-	-	118.93	2.96
Total liability	183.64	104.13	0.01	-	-	7.17	2.67
Investments	-	-	-	-	-	5.28	-
Turnover	-	101.05	-	-	-	5.47	14.38
Profit/(loss) before taxation	(0.23)	(5.25)	(0.12)	-	(0.13)	(12.17)	-
Provision for taxation	-	(1.17)	-	-	0.02	(2.42)	-
Profit/(loss) after taxation	(0.23)	(4.08)	(0.12)	-	(0.15)	(9.75)	-
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	Escorts Benefit Trust (w.e.f. December 18, 2025)						

*Note: Exchange rate 1 PLN= 25.41 ₹ (i.e. closing rate)

Joint venture and associate

(₹ crores)		
Particulars	Adico Escorts Agri Equipments Private Limited	Escorts Consumer Credit Limited
Latest audited balance sheet date	March 31, 2026	
Date on which the Joint venture/Associates was associated	01 April 2015	12 October 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	
Networth attributable to shareholding (including goodwill)	0.51	-
Total comprehensive (loss)/income for the year	(3.68)	(0.01)
Considered in consolidation	-	-
Not considered in consolidation	(3.68)	(0.01)
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	

For and on behalf of the Board of Directors

Nikhil Nanda
Chairman and
Managing Director
(DIN: 00043432)
Place: Faridabad

Akira Kato
Deputy Managing Director
(DIN: 07543672)
Place: Faridabad

Bharat Madan
Whole-time Director and
Chief Financial Officer
(DIN: 00944660)
Place: Faridabad

Vimal Bhandari
Director
(DIN: 00001318)
Place: Mumbai

Arvind Kumar
Company Secretary
Membership No. A14874
Place: Faridabad

Date: May 07, 2026

GRI Content Index ■

Statement of use	Escorts Kubota Limited has prepared this report with reference to the GRI Standards for the period from 1 April 2025 to 31 March 2026.		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	EKL at a Glance	12 to 13
	2-2 Entities included in the organization's sustainability reporting	About the Report	5
	2-3 Reporting period, frequency and contact point	About the Report	5
	2-4 Restatements of information	About the Report	5
	2-5 External assurance	BRSR, Section A	265
	2-6 Activities, value chain and other business relationships	BRSR, Section A	265-272
	2-7 Employees	Human Capital, BRSR Section - A	132-151, 265-272
	2-8 Workers who are not employees	Human Capital, BRSR Section - A	132-151, 265-273
	2-9 Governance structure and composition	Report on Corporate Governance	224-230
	2-10 Nomination and selection of the highest governance body	Director's Report	214-217
	2-11 Chair of the highest governance body	BRSR Section C: Principle 1	39, 277-283
	2-12 Role of the highest governance body in overseeing the management of impacts	Directors' Report	224-245
	2-13 Delegation of responsibility for managing impacts	Directors' Report	224-245
	2-14 Role of the highest governance body in sustainability reporting	BRSR Section B	275
	2-15 Conflicts of interest	BRSR Section C: Principle 1	282
	2-16 Communication of critical concerns	Report on Corporate Governance	250
	2-17 Collective knowledge of the highest governance body	Report on Corporate Governance	228-229
	2-18 Evaluation of the performance of the highest governance body	Report on Corporate Governance	217, 235
	2-19 Remuneration policies	Report on Corporate Governance	236
	2-20 Process to determine remuneration	Report on Corporate Governance	236
	2-21 Annual total compensation ratio	Report on Corporate Governance	265
	2-22 Statement on sustainable development strategy	BRSR Section B	275
	2-23 Policy commitments	BRSR Section B	273
	2-26 Mechanisms for seeking advice and raising concerns	BRSR, Section A	269
	2-27 Compliance with laws and regulations	BRSR Section C: Principle 1	279-282
	2-28 Membership associations	BRSR Section C: Principle 7	310
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	74-77
	2-30 Collective bargaining agreements	BRSR Section C: Principle 3	140, 288

GRI Content Index (Contd.) ■

Statement of use	Escorts Kubota Limited has prepared this report with reference to the GRI Standards for the period from 1 April 2025 to 31 March 2026.		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	78-85
	3-2 List of material topics	Materiality Assessment	78-86
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Biodiversity & Nature (TNFD-Aligned)	161
	101-2 Management of biodiversity impacts	Biodiversity & Nature (TNFD-Aligned)	161
	101-3 Access and benefit-sharing	Biodiversity & Nature (TNFD-Aligned)	161
	101-4 Identification of biodiversity impacts	Biodiversity & Nature (TNFD-Aligned)	161
	101-5 Locations with biodiversity impacts	Biodiversity & Nature (TNFD-Aligned)	161
	101-6 Direct drivers of biodiversity loss	Biodiversity & Nature (TNFD-Aligned)	161
	101-7 Changes to the state of biodiversity	Biodiversity & Nature (TNFD-Aligned)	161
Climate Change			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	Progress Towards Our ESG Commitments	99-101
	102-2 Climate change adaptation plan	Progress Towards Our ESG Commitments	99-102
	102-4 GHG emissions reduction targets and progress	Natural Capital	154
	102-5 Scope 1 GHG emissions	Natural Capital ,BRSR Section, C: Principle 6	152-163, 301-309
	102-6 Scope 2 GHG emissions	Natural Capital ,BRSR Section, C: Principle 6	152-163, 301-309
	102-7 Scope 3 GHG emissions	Natural Capital ,BRSR Section, C: Principle 6	152-163, 301-309
	102-8 GHG emissions intensity	Natural Capital ,BRSR Section, C: Principle 6	152-163, 301-309
	102-9 GHG removals in the value chain	Natural Capital	154
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 103: Energy 2025	103-1 Energy policies and commitments	Commitment to Decarbonisation	154-156
	103-2 Energy consumption and self-generation within the organization	Natural Capital ,BRSR Section, C: Principle 6	152-163, 301-309
	103-3 Upstream and downstream energy consumption	Commitment to Decarbonisation	154-156
	103-4 Energy intensity	Natural Capital ,BRSR Section, C: Principle 6	152-163, 301-309
	103-5 Reduction in energy consumption	Commitment to Decarbonisation	154-156

GRI Content Index (Contd.) ■

Statement of use	Escorts Kubota Limited has prepared this report with reference to the GRI Standards for the period from 1 April 2025 to 31 March 2026.		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital	120-123
	201-3 Defined benefit plan obligations and other retirement plans	Financial Capital	123
	201-4 Financial assistance received from government	Financial Capital, Standalone Financial Statements	120-123, 326-327
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
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	296-300
	202-2 Proportion of senior management hired from the local community		
Indirect economic impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social and Relationship Capital, Annual Report on Corporate Social Responsibility (CSR) Activities	9, 164-171, 257
	203-2 Significant indirect economic impacts	Social and Relationship Capital	164-172
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	BRSR Section C: Principle 8	310-312
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	BRSR Section C: Principle 2	78-86
	205-3 Confirmed incidents of corruption and actions taken	BRSR Section C: Principle 7	277-284
	205-3 Confirmed incidents of corruption and actions taken		310
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BRSR Section C: Principle 7	310
Tax			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 207: Tax 2019	207-1 Approach to tax	Governance	106-117
	207-2 Tax governance, control, and risk management	Governance	106-117
	207-3 Stakeholder engagement and management of concerns related to tax	Governance	106-117
	207-4 Country-by-country reporting	Governance	106-117

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Statement of use	Escorts Kubota Limited has prepared this report with reference to the GRI Standards for the period from 1 April 2025 to 31 March 2026.		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Natural Capital, BRSR Section C: Principle 2	152-163, 284-286
	301-2 Recycled input materials used	Natural Capital, BRSR Section C: Principle 2	152-163, 284-286
	301-3 Reclaimed products and their packaging materials	Natural Capital, BRSR Section C: Principle 2	152-163, 284-286
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital, BRSR Section C: Principle 6	152-163, 301-309
	303-2 Management of water discharge-related impacts	Natural Capital, BRSR Section C: Principle 6	152-163, 301-309
	303-3 Water withdrawal	Natural Capital, BRSR Section C: Principle 6	152-163, 301-309
	303-4 Water discharge	Natural Capital, BRSR Section C: Principle 6	152-163, 301-309
	303-5 Water consumption	Natural Capital, BRSR Section C: Principle 6	152-163, 301-309
Emissions			
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Natural Capital, BRSR Section C: Principle 6	152-163, 301-309
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital, BRSR Section C: Principle 6	152-163, 301-309
Spills			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Natural Capital, BRSR Section C: Principle 6	152-163, 301-309
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital BRSR Section C: Principle 6	152-163, 301-309
	306-2 Management of significant waste-related impacts	Natural Capital BRSR Section C: Principle 6	152-163, 301-309
	306-3 Waste generated	Natural Capital BRSR Section C: Principle 6	152-163, 301-309
	306-4 Waste diverted from disposal	Natural Capital BRSR Section C: Principle 6	152-163, 301-309
	306-5 Waste directed to disposal	Natural Capital BRSR Section C: Principle 6	152-163, 301-309

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Statement of use	Escorts Kubota Limited has prepared this report with reference to the GRI Standards for the period from 1 April 2025 to 31 March 2026.		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		
	308-2 Negative environmental impacts in the supply chain and actions taken	Natural Capital	152-163
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital	137-138
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR Section C: Principle 3	287
	401-3 Parental leave	Human Capital BRSR Section C: Principle 3	140, 288
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital BRSR Section C: Principle 3	120-135, 286-293
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital BRSR Section C: Principle 3	120-135, 286-293
	403-5 Worker training on occupational health and safety	Human Capital BRSR Section C: Principle 3	120-135, 286-293
	403-6 Promotion of worker health	Human Capital BRSR Section C: Principle 3	120-135, 286-293
	403-8 Workers covered by an occupational health and safety management system	Human Capital BRSR Section C: Principle 3	289-290
	403-9 Work-related injuries	Human Capital BRSR Section C: Principle 3	120-135, 286-293
	403-10 Work-related ill health	Human Capital BRSR Section C: Principle 3	141, 291
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital	132-151
	404-3 Percentage of employees receiving regular performance and career development reviews	BRSR Section C: Principle 3	286-293
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	BRSR Section A	135-136, 267
	405-2 Ratio of basic salary and remuneration of women to men	BRSR Section C: Principle 5	296-300

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Statement of use	Escorts Kubota Limited has prepared this report with reference to the GRI Standards for the period from 1 April 2025 to 31 March 2026.		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR Section C: Principle 5	296-300
Freedom of association and collective bargaining			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
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	132-151
Child labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	BRSR Section C: Principle 5	299
Forced or compulsory labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
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	299
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Directors' Report	271
	413-2 Operations with significant actual and potential negative impacts on local communities	Directors' Report	271
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment	78-86
GRI 415 - Public Policy	415-1 Political Contribution	Director Report	213
GRI 416: Customer Health and Safety 2016	417-3 Incidents of non-compliance concerning marketing communications	Director's Report	271
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	BRSR Section C: Principle 9	313-318
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		

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Independent Practitioner's reasonable assurance report on non-financial Information pertaining to CORE attributes of Business Responsibility and Sustainability Report ("BRSR Core Information"), limited assurance report on non-financial information pertaining to identified attributes other than core attributes of BRSR ("other selected indicators of BRSR other than BRSR Core Information") and limited assurance and Type 2 Moderate assurance report on identified non-financial information contained in Escorts Kubota Limited's Integrated Annual Report for the financial year ended 31 March 2026

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 ('EKL' or 'the Company') vide our engagement letter dated 27 March 2026 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, limited assurance on non-financial information pertaining to identified attributes other than core attributes of BRSR ("other selected indicators of BRSR other than BRSR Core Information" / Subject Matter 2") included in BRSR Report and limited assurance and Type 2 Moderate assurance on identified non-financial information ("Subject Matter 3") included in the Integrated Annual report of the Company for the financial year ended 31 March 2026 ('Subject Matter 1, Subject Matter 2 and Subject Matter 3 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 2026 is summarised below:

The BRSR Core Information ("Subject Matter 1") for the financial year ended 31 March 2026 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

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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

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Attribute	Principle	Key Performance Indicator
		permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
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 other selected indicators of BRSR other than BRSR Core Information (“Subject Matter 2”) for the year ended 31 March 2026 included in BRSR is summarised below

Section	Key Performance Indicator
Section A – Indicator I (1-13)	Details of listed entity
Section C - Principle 5 – Essential Indicator 10	Assessments for the year

4. The identified non-financial information (“Subject Matter 3”) for the financial year ended 31 March 2026 included in the Integrated Annual report is summarised below:

Series	GRI Standard	GRI Disclosure	
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 – 6	Activities, value chain and other business relationships
		2 – 7	Employees
		2 – 9	Governance structure and composition

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Series	GRI Standard	GRI Disclosure
	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
	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 – 26	Mechanisms for seeking advice and raising concerns
	2 – 27	Compliance with laws and regulations
	2 – 28	Membership associations
	2 – 29	Approach to stakeholder engagement
	2 – 30	Collective bargaining agreements
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 102 – Climate Change (2025)	102 – 5	Scope 1 GHG emissions
	102 – 6	Scope 2 GHG emissions
	102 – 8	GHG emissions intensity
GRI 103 – Energy (2025)	103 – 2	Energy consumption and self-generation within the organization

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Series	GRI Standard	GRI Disclosure	
		103 – 4	Energy intensity
GRI – 200 Economic	201 – Economic Performance (2016)	201 – 1	Direct economic value generated and distributed
		201 – 3	Defined benefit plan obligations and other retirement plans
	203 – Indirect Economic Impacts (2016)	203 – 1	Infrastructure Investment and services Supported
GRI – 300 Environment	303 – Water and Effluents (2018)	303 – 3	Water withdrawal
		303 – 4	Water discharge
		303 – 5	Water consumption
	306 – Waste (2020)	306 – 3	Waste generated
GRI – 400 Social	401 – Employment (2016)	401 – 1	New employee hires and employee turnover (age and gender)
		401 – 2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
		401 – 3	Parental leave
	403 – Occupational Health and Safety (2018)	403 – 8	Workers covered by an occupational health and safety management system
		403 – 9	Work-related injuries
	405 – Diversity and Equal Opportunity (2016)	405 – 1	Diversity of governance bodies and employees (age and gender)
	408 – Child Labor (2016)	408 – 1	Operations and suppliers at significant risk for incidents of child labor
	409 – Forced or Compulsory Labor (2016)	409 – 1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
	415 – Public Policy (2016)	415 – 1	Political Contributions
	418 – Customer Privacy (2016)	418 – 1	Substantiated complaints concerning breaches of customer privacy and losses of customer data

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5. The boundary of the report covers EKL's operations in India, which includes the Corporate Office and Manufacturing Facilities, as of 31 March 2026, and encompasses the following:

- Corporate Office
- Knowledge Management Centre
- Agri Machinery Business Division
- Construction Equipment Business Division
- Escort's Training and Development Centre (ETDC)

Data for Diversity of employees (age and gender) is only limited to Permanent Employees

6. Our assurance engagement is with respect to the Identified Sustainability Information for the reporting boundary as mentioned above for financial year ended 31 March 2026 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

7. The Company has prepared the Subject Matter 1 and Subject Matter 2 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 HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30 January 2026 and BRSR Core Reporting Standard formulated by Industry Standards Forum.

8. The Company has prepared the Subject Matter 3 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, Subject Matter 2 and Subject Matter 3 above together has been referred as 'Criteria')

Management's Responsibilities

9. 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

10. 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.

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Practitioner's Independence and Quality Control

11. 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 and we have the required competencies and experience to conduct this assurance engagement..
12. 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

13. 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 and Subject Matter 3, based on the procedures we have performed and evidence we have obtained.
14. 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 and Subject Matter 3 is not prepared in all material respects in accordance with BRSR Framework and with respect to GRI Standards respectively.
15. 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.
16. A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of the Company's use of the BRSR Framework and GRI Standards as the basis for the preparation of the Subject Matter 2 and Subject Matter 3 respectively, identifying areas where material misstatement is likely to arise in the Subject Matter 2 and Subject Matter 3 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 and Subject Matter 3.
17. 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.
18. Our responsibility is also to provide Type 2 Moderate Assurance on Subject Matter 3 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 3 it refers to.

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19. 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.
20. 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.
 - 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.
21. 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.
22. 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, in accordance with the BRSR framework and Subject Matter 3 have been prepared, in all material respects, with reference to GRI Standards.

Exclusions

23. 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.

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Assurance Statement (Contd.) ■



- 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

24. 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 2026 is prepared in all material respects, in accordance with the BRSR Framework.

Conclusion

25. Based on the procedures performed and evidences obtained and the information and explanations given to us along with the representation provided by the management, nothing has come to our attention that causes us to believe that Subject Matter 2 included in the BRSR report for the year ended 31 March 2026, is not prepared, in all material respects in accordance with the BRSR Framework.
26. 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 3 contained in the Integrated Annual report for the financial year ended 31 March 2026, is not prepared, in all material respects with reference to the GRI Standards.
27. Our conclusions on the Subject Matter 3'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.

Assurance Statement (Contd.)



- Reliability and Quality - The data collected has been adequately recorded, compiled, analysed and disclosed. The data when subject to examination will establish the quality and materiality of the information. The data trail has been traced up to the source of information and recording & compilation has been done with working sheets. The data has been sourced from data owners to validate the authenticity of the information.

Restriction on use

28. 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.



Grant Thornton Bharat LLP

Abhishek Tripathi

Partner

Dated: 18th June 2026

Place: Grant Thornton Bharat LLP

Unit No. 02, Second Floor,

BPTP Capital City,

Plot No – 2B, Sector-94,

Gautam Buddha Nagar,

Noida - 201301,

Uttar Pradesh, India

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Glossary ■

Short Form	Full Form
AE	Advanced Economies
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
BSIV	Bharat stage IV
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
CII	Conferederation 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
CSRD	Corporate Sustainability Reporting Directive
CY	Calendar Year
DG	Diesel Generator
DLP	Data Loss Prevention
DPF	Diesel Particulate Filter
DPDPA	Digital Personal Data Protection Act
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
EKL	Escorts Kubota Limited or Escorts Limited
EKS	Escorts Kubota System
EPA	Environmental Protection Agency
EPC	Engineering, Procurement, and Construction
EPR	Extended Producer Responsibility

Glossary (Contd.) ■

Short Form	Full Form
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
FY2023-24 or FY24	Fiscal Year represents the 12 months period from 1 st April 2023 to 31 st March 2024
FY2024-25 or FY25	Fiscal Year represents the 12 months period from 1 st April 2024 to 31 st March 2025
FY2025-26 or FY26	Fiscal Year represents the 12 months period from 1 st April 2025 to 31 st March 2026
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
IFC	International Finance Corporation
IIM	Indian Institute of Management
IMF	International Monetary Fund
Ind AS	Indian Accounting Standards
IoT	Internet of Things
IP	Intellectual Property
IPR	Intellectual Property Rights
IR	Integrated Reporting
IRIS	International Railway Industry Standard
ISO	International Organization for Standardization
IT	Informational Technology
ITI	Industrial Training Institute

Glossary (Contd.) ■

Short Form	Full Form
ITOTY	Indian Tractor Of The Year
JETRO	Japan External Trade Organisation
KAI	Kubota Agriculture Machinery India Pvt. LTD.
KL	Kilolitres
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
LPG	Liquefied Petroleum Gas
MBA	Master of Business Administration
MDM	Mobile Device Management
MIS	Management Information System
ML	Machine Learning
ml	millilitre, Mega Liter
MSME	Ministry of Micro, Small and Medium Enterprises
MSPs	Minimum Support Prices
MT	Metric Tonnes
MTBP	Mid Term Business Plan
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
NOx	Nitrogen oxide emissions
NPIP	New Product Introduction Programme
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

Glossary (Contd.) ■

Short Form	Full Form
PF	Provident Fund
PLI	Production-Linked Incentive
POSH	Prevention of Sexual Harassment at Workplace
PSI	Plant Sustainability Index
Q1	Represents the 3 months period from 1 st April to 31 st June
Q2	Represents the 3 months period from 1 st July to 30 th September
Q3	Represents the 3 months period from 1 st October to 31 st December
Q4	Represents the 3 months period from 1 st January to 31 st March
QA	Quality Assurance
QMS	Quality Management System
R&D	Research and development
RBI	Reserve Bank of India
RE	Renewable Energy
RED	Escorts Kubota Railway Equipment Business Division
RNIL	Rajan Nanda Innovation Lab
ROCE	Return on capital employed
SAARC	South Asian Association for Regional Cooperation
SDGs	Sustainable Development Goals
SKC	Siam Kubota Corporation Co
SO	Strategic Objective
SOPs	Standard Operating Procedures
SOx	Sulfur oxide emissions
STP	Sewage Treatment Plants
TERI	The Energy and Resources Institute
TJ	Terra Joule
tCO ₂ e	metric Tones of Carbon Dioxide Equivalent
VOC	Volatile Organic Compound
UNFCCC	United Nations Framework Convention on Climate Change
US	United States

Corporate Information

Mr. Nikhil Nanda

Chairman & Managing Director

Mr. Akira Kato

Deputy Managing Director

Ms. Nitasha Nanda

Whole-time Director

Mr. Bharat Madan

Whole-time Director and Chief Financial Officer

Mr. Hardeep Singh

Non-Executive Director

Mr. Nobushige Ichikawa

Non-Executive Director

Mr. Hitoshi Sasaki

Non-Executive Director

Mr. Satoshi Suzuki

Non-Executive Director

Mr. Ravindra Chandra Bhargava

Independent Director

Mr. Vimal Bhandari

Independent Director

Mr. Sunil Kant Munjal

Independent Director

Dr. Rupinder Singh Sodhi

Independent Director

Ms. Tanya Arvind Dubash

Independent Director

Ms. Reema Nanavaty

Independent Director

Mr. Kinji Saito

Independent Director

Mr. Harish Narinder Salve

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



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