



**PRESS RELEASE**

**ESCORTS FY12-14 PROFIT UP 81% AT RS. 245 CRORE**

**18 MONTH HIGHLIGHTS**

Tractor volumes up by 8.9% to 1,00,833 in 18M ended Mar'14 from 92,543 in 18M ended Mar'13

Revenue up by 6.2% at Rs. 6,291.5 crore as compared to Rs. 5,922.7 crore

EBIDTA up by 31.7% to Rs. 381.2 crore as compared to Rs. 289.5 crore

Material cost down by 112 bps to 71.7% in 18M ended Mar'14 as compared to 72.8% in 18M ended Mar'13

Financial charges down by Rs. 28.9 crore to Rs. 110.7 crore from Rs. 139.6 crore in 18M ended Mar'13

PBT at Rs. 272.4 crore as compared to Rs. 150.4 crore

EPS at Rs. 20.53 in 18 months ended Mar'14 as compared to Rs. 11.34 in 18 months ended Mar'13

- Revenue up 6.2% at Rs. 6,291 crore
- EBIDTA for FY12-14 up by 31.7% at Rs. 381 crore
- Q6 Profit of extended year at Rs. 32 crore
- Q6 tractor volume up 5.4% at 15,556

**New Delhi, May 28, 2014:** Escorts Limited today reported a 81.2% growth in profit to Rs. 244.9 crore for the 18 months ended March 2014 as compared to Rs. 135.2 crore in the 18 months ended March 2013. The total tractor volume sales went up by 8.9% at 1,00,833 in current period as compared to 92,543 in the 18 months ended March 2013. EBITDA was up by 117 bps from 4.9 % in the 18 months ended March 2013 to 6.1 % in current fiscal. Profit Before Tax as a percentage to sales went up by 179 bps from 2.5% to 4.3%.

*The company has extended its financial year to align with the April-March fiscal calendar. Accordingly, financial year 2012-13 is closed on March 31, 2014. The fiscal year was of 18 months and the Jan-March 2014 quarter is accordingly the sixth quarter of the fiscal.*

The company's net profit in Q6 stood at Rs. 31.8 crore. The company's domestic tractor market share went up to 11.1% in the current quarter as compared to 10.4% in the preceding quarter. Escorts' total tractor market (domestic + export) share went up to 10.1% as compared to 9.6% in last quarter.

**Speaking on the results, Chairman Mr. Rajan Nanda said,** "The 18 month fiscal has been a mixed bag of strong growth followed by a slowdown in the last quarter as a result of crop damage due to unseasonal rains, elections and a slow economy. The past year has seen variable market situations both in the tractor and construction equipment. The advent of a strong and stable policy environment with focus on agriculture and construction would go a

long way in creating the conditions for faster, stable growth. The construction sector, in particular, would benefit from major government programs and an investor-friendly environment. Similarly, we expect



railways modernization and a fillip to the automotive industry to improve the market for our products. We are taking the confidence in our tractors to the world and have recently launched category-creating new products in the European, South East Asian and South African markets.”

**Mr. Nikhil Nanda, Managing Director, Escorts Ltd,** said, “Escorts will maintain its operational focus

#### Q6 HIGHLIGHTS

Tractor volumes up by 5.4% at 15,556 as against 14,764 in last year

EBIDTA at Rs. 45.8 crore in current quarter

EBIDTA margin at 4.7%

PBT up from Rs. 31.2 crore last year to Rs. 32.6 crore

PAT at Rs. 31.9 crore

EPS for Q6 at Rs. 2.67

through internal restructuring, reduction of headcount and outsourcing. Tight cost management, and enrichment of the product mix will remain our goal to achieve higher EBITDA margins. It’s the customer who drives our business and we are working with global design houses to introduce the next generation tractors. Our plan to manufacture the Ferrari Tractor in India and for global markets is at an advanced stage.”

#### SEGMENT WISE PERFORMANCE

##### *Escorts Agri Machinery*

The positive performance of the Escorts Agri Machinery was reflected in tractor volumes going up by 8.9% to 100,833 units this fiscal as compared to 92,543 in the 18 months ended March 2013. In the current quarter, tractor volumes went up by 5.4% to 15,556 units as compared to 14,764 tractors in the corresponding quarter.

##### *Escorts Construction Equipment*

Construction Equipment volumes in the 18 months ended March 2014 was at 4,789 units. Total sales in the sixth quarter stood at 677 units as against 1,113 units in the corresponding quarter last year. The continued slowdown in the construction and infrastructure industry has impacted all players and the economy. A stronger government-led agenda should provide the necessary impetus to realizing the potential for high double digit growth in this segment.

##### *Escorts Auto Products*

Escorts Auto Products in Q6 recorded revenue of Rs. 30.6 crore in the quarter ended March 2014 as against Rs. 29.4 crore in the preceding quarter. Revenues for the 18 months ended March 2014 stood at Rs. 210.6 crore.

##### *Escorts Railway Products*

Escorts Railway Products posted strong growth during the fiscal with revenues for the 18 months rising to Rs. 255.8 crore as against Rs. 222 crore in the 18 months ended March 2013. In the current quarter, revenue went up 35.8% at Rs. 45.1 crore as against Rs. 33.2 crore in the preceding quarter.





The audited accounts of the 18 months ended March, 2014 has been approved by the Board of Escorts Limited.

Note for Editors: Escorts Limited has extended its financial year by 6 months i.e. up to 31st March 2014 as approved by the Board of Directors in their meeting held on 2<sup>nd</sup> October 2013. The results reported are for 18 months ended 31<sup>st</sup> March 2014. From now Escorts will follow an April- March fiscal year.

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*For further information kindly contact:*

**Rajeev Dass**  
VP Corporate Affairs & Communications  
Escorts Limited  
Email id: [rajeev.dass@escorts.co.in](mailto:rajeev.dass@escorts.co.in)