

# ESCORTS GROUP INVESTOR PRESENTATION



## *The presentation would cover*

- **Escorts Group in General**
- **Escorts Limited (flagship) and its divisions**
- **Escorts Construction Equipment Ltd  
(100% subsidiary )**

# *Escorts Group*



Mr. H.P. Nanda founded Escorts Agent Ltd in 1944 at Lahore with the vision of strengthening the country through breakthrough innovations in the field of Agriculture.

***"My fortune came on the tractor"*** H P Nanda

# *Six Decades of Legacy (60 Yrs.)*



***Leading Engineering Conglomerate operating in the high growth, high priority sectors***

***of***

***Agriculture and Infrastructure***

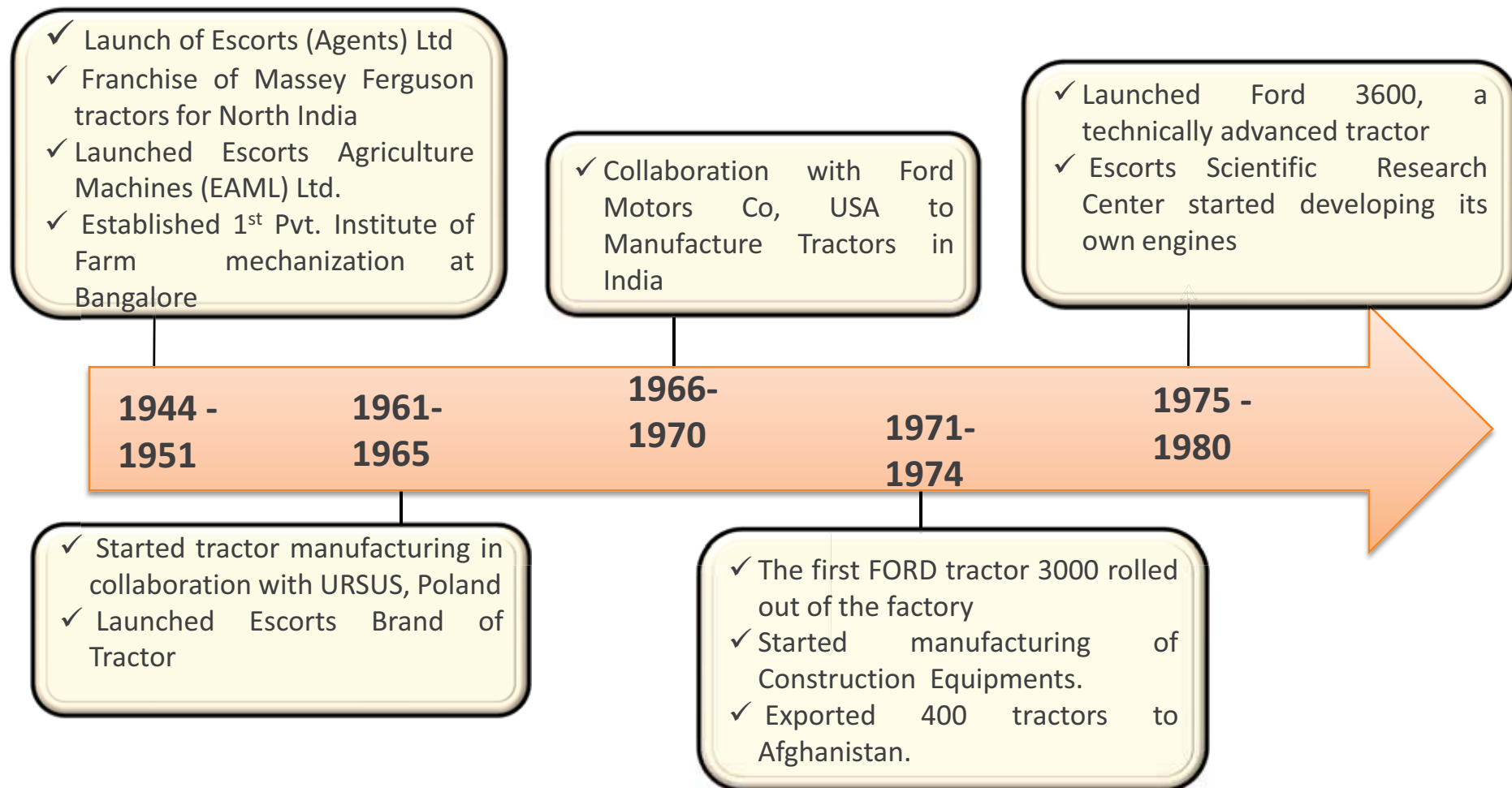
**Corporate Office**



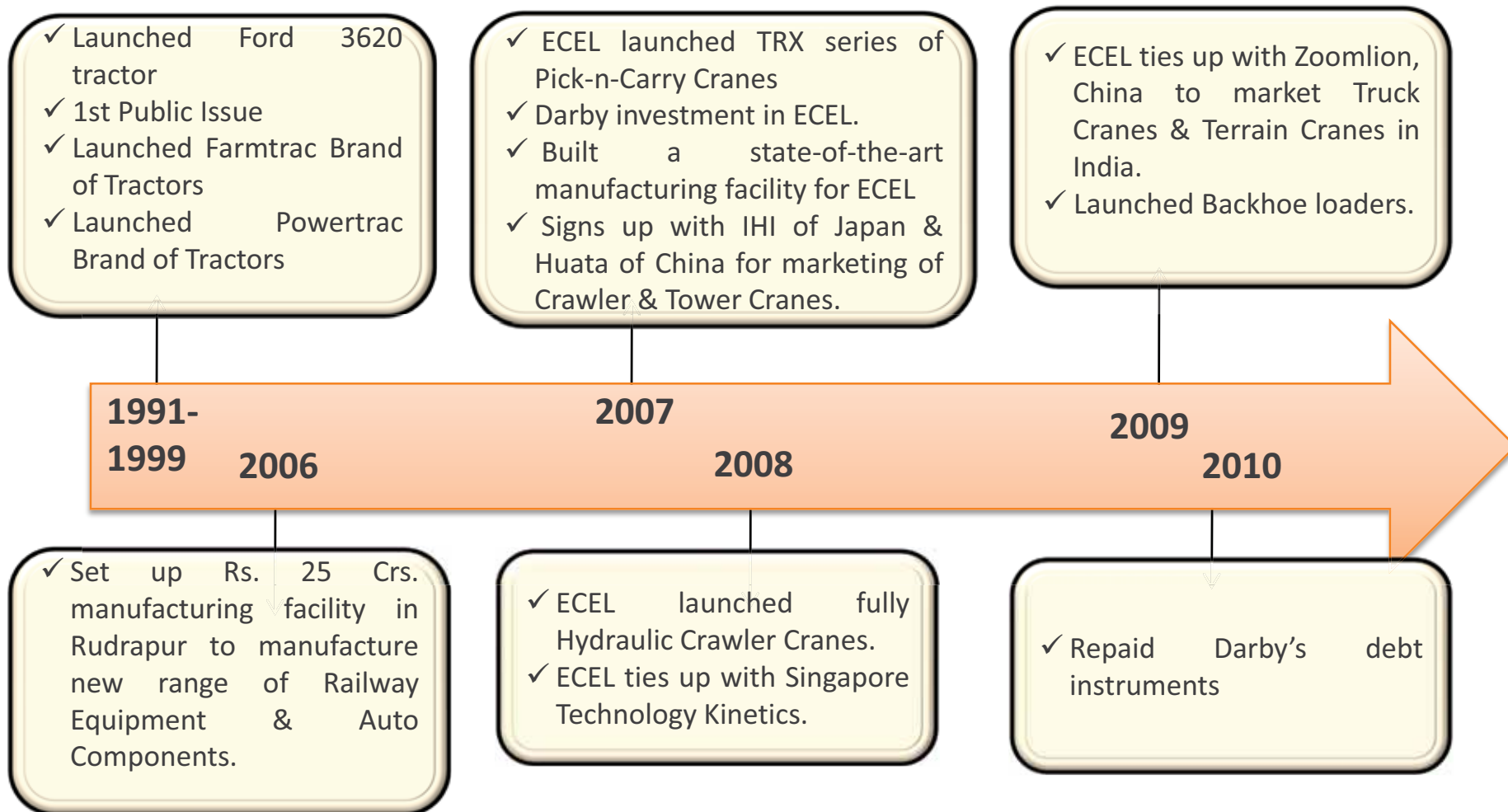
**Mathura Road, Faridabad**

**National Capital Region, Delhi**

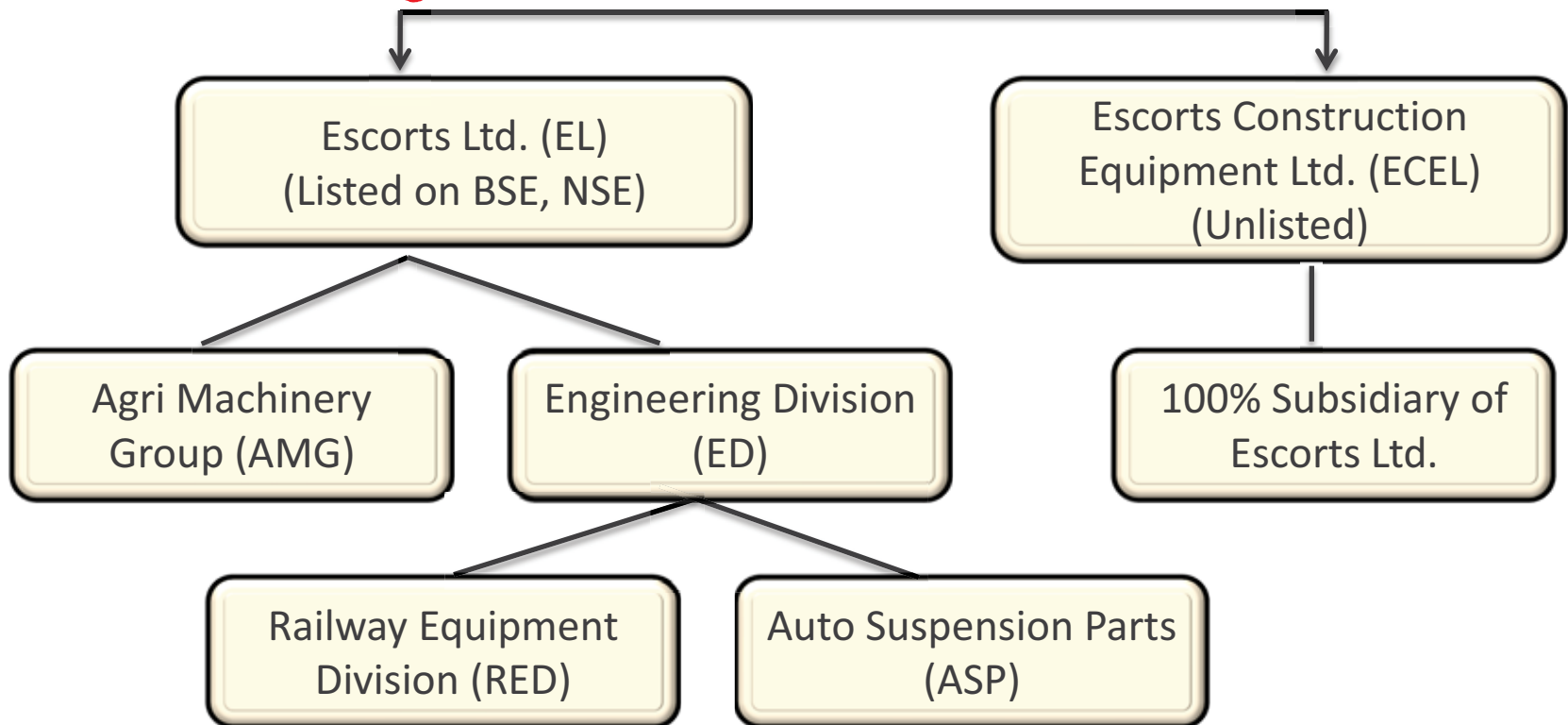
# Important milestones



# Important milestones



*Today we have two Operating Companies*





# Other Group Companies

*Total Investment : 235 Crs.*

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>▪ Escorts Construction Equipment Ltd (100%)</li><li>▪ Escorts Automotives Ltd (100%)</li><li>▪ Farmtrac Tractors Europe Sp. Z.o.o. Poland (100%)</li><li>▪ Beaver Creeks Holdings LLC, USA (78.25%)</li></ul> | <ul style="list-style-type: none"><li>▪ Escotrac Finance &amp; Investment Pvt. Ltd (49.81%)</li><li>▪ Escorts Finance Investment &amp; Leasing Pvt Ltd (49.81%)</li><li>▪ Escorts Securities Ltd (49%)</li><li>▪ Escorts Asset Management Ltd (30%)</li><li>▪ Hughes Communications India Ltd (13.38%)</li></ul> |
|---|--|

# Consolidated Accounts: Last 3 Yrs.

Particulars	FY 06-07	FY 07-08	FY 08-09
Net Sales	2753	2653	2598
Business & Other Income	74	113	66
<b>Total Income</b>	<b>2826</b>	<b>2767</b>	<b>2664</b>
Expenditure	2664	2623	2439
<b>EBITDA</b>	<b>162</b>	<b>144</b>	<b>225</b>
<b>EBITDA Margin (%)</b>	<b>6%</b>	<b>5%</b>	<b>9%</b>
Depreciation & Amortisation	61	59	60
<b>EBIT</b>	<b>101</b>	<b>85</b>	<b>165</b>
<b>EBIT Margin (%)</b>	<b>4%</b>	<b>3%</b>	<b>6%</b>
Int. & Finance Charges	93.52	72.08	72
Exceptional Items	<b>11</b>	<b>24</b>	<b>36</b>
<b>PBT</b>	<b>-3</b>	<b>-12</b>	<b>58</b>
<b>PBT Margin (%)</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>
Tax	2	26	29
<b>PAT</b>	<b>-5</b>	<b>-38</b>	<b>29</b>
<b>PAT Margin (%)</b>			<b>1%</b>
EPS			3.55

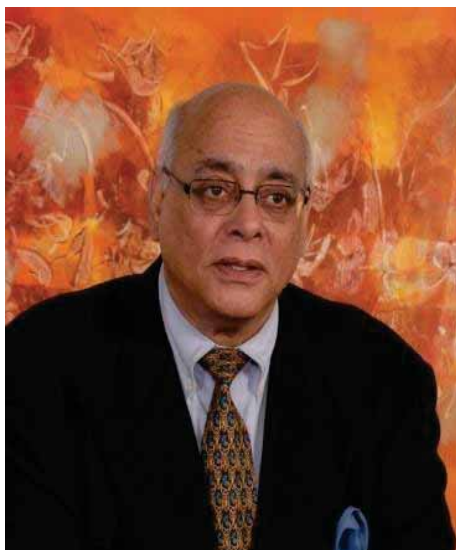
**ESCORTS**

(Rs. Crs.)

# Consolidated Accounts: Last 3 Yrs.

Particulars	FY 06-07		FY 07-08		FY 08-09	
Sources						
Share Capital	74		81		81	
Reserves & Surplus	855		855		1345	
Shareholder funds		929		935		1425
Minority Interest		42		39		40
Debt (Secured & Unsecured)		830		840		402
Net Deferred Tax Liability		146		149		144
Total		1946		1963		2011
Uses						
Net Fixed Assets		938		967		1572
Investments		245		238		107
Total Current Assets						
- Inventory	319		391		329	
- Debtors	655		755		426	
- Cash & Bank Bal.	207		142		196	
- Loan & Advances	261		290		196	
- Other Current Assets	1	1443	11	1590	24	1171
Less: Creditors & Provisions		937		1041		1019
Net Current Assets		506		549		153
Misc. Exep. Written Off		17		11		6
Net Deferred Tax Assets		241		197		174
Total		1946		1963		2011

# Board of Management



## **Rajan Nanda, Chairman**

An alumnus of Doon school Mr. Rajan Nanda has been heading the Escorts Group for nearly one and half decades. Mr. Nanda has undertaken a major restructuring programme to give sharper focus to the Group's core businesses.



## **Nikhil Nanda, Joint Managing Director**

An alumnus of Wharton Business School, Philadelphia, the Joint Managing Director. He is responsible for driving the business growth initiatives of the Group to strategically position it in the global arena.

# Board of Management



**G B Mathur**  
Executive VP Law &  
Company Secretary



**Mr. O K Balraj**  
Executive VP & Group CFO



**Partho P. Dasgupta**  
Group Head – HR & ER



**Rohtash Mal**  
ED & CEO,  
Agri Machinery Group



**Kanwal Kishore Vij**  
ED & CEO,  
Escorts Construction  
Equipment Ltd.

*Escorts Limited*

*"The Growth Story"*

# Three Main Divisions

## Agri Machinery Group (AMG)



- Capacity: 98000 Tractors p.a.
- Growing demand for Agri and Non Agri (Infrastructure) Segments

## Auto Suspension Parts (ASP)



- Capacity to manufacture 5 mln units
- Focus on Shock Absorbers for 2 Wheelers/4 wheelers
- Good Export Potential

## Railway Equipment Division (RED)



- Doing business with Indian Railways since 1970
- Caters to Safety Segment
- Focus on development of new products

Members	Designation
Mr. Rajan Nanda	Chairman & Managing Director
Mr. Nikhil Nanda	Joint Managing Director
Dr. M.G.K. Menon	Independent Director
Dr. S.A.Dave	Independent Director
Dr. P.S.Pritam	Independent Director
Mr. S.C.Bhargava	Independent Director



# Last 3 Yrs.: Income Statement



ESCORTS

Rs Crs.

Particulars	FY 06-07	FY 07-08	FY 08-09	H1 (FY 09-10)
Net Sales	2077	1993	2158	1272
Business & Other Income	27	59	32	8
<b>Total Income</b>	<b>2103</b>	<b>2052</b>	<b>2190</b>	<b>1279</b>
Expenditure	1993	1899	1982	1161
<b>EBITDA</b>	<b>111</b>	<b>152</b>	<b>207</b>	<b>118</b>
<b>EBITDA Margin (%)</b>	<b>5%</b>	<b>8%</b>	<b>10%</b>	<b>9%</b>
Depreciation & Amortisation	53	51	49	24
<b>EBIT</b>	<b>58</b>	<b>101</b>	<b>158</b>	<b>94</b>
<b>EBIT Margin (%)</b>	<b>3%</b>	<b>5%</b>	<b>7%</b>	<b>7%</b>
Int. & Finance Charges	68.95	55.93	51.54	4
Exceptional Item	7	19	-4	3
<b>PBT</b>	<b>-17</b>	<b>26</b>	<b>111</b>	<b>87</b>
Tax	-11	14	21	22
<b>PAT</b>	<b>-6</b>	<b>12</b>	<b>90</b>	<b>65</b>
<b>PAT Margin (%)</b>		<b>1%</b>	<b>4%</b>	<b>5%</b>

# Last 3 Yrs.: Balance Sheet



**ESCORTS**

(Rs. Crs.)

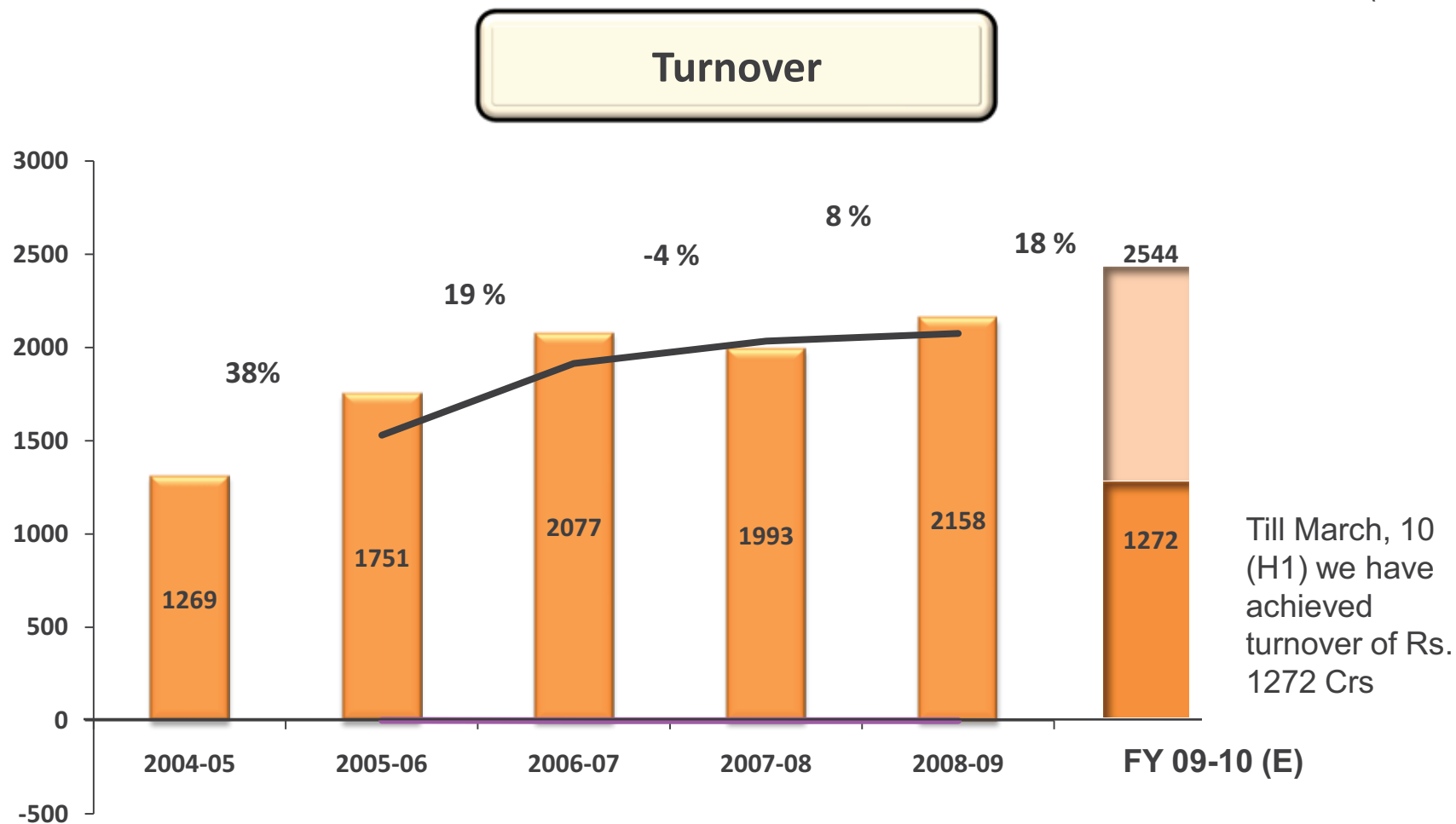
Particulars	FY 06-07		FY 07-08		FY 08-09		H1 (FY 09-10)	
Sources								
Share Capital	84		91		91		94	
Reserves & Surplus	1035		1112		1353		1440	
Shareholder funds		1119		1203		1444		1534
Debt (Including Working Capital Loans)		445		442		264		304
Total		1564		1645		1708		1838
Uses								
Net Fixed Assets		867		837		1468		1461
Investments		425		426		236		236
Total Current Assets								
- Inventory	158		202		199		233	
- Debtors	380		518		329		280	
- Cash & Bank Bal.	173		115		165		279	
- Loan & Advances	215		250		122		161	
- Other Current Assets	0	927	10	1095	15	831	16	970
Less: Creditors & Provisions		761		771		859		843
Net Current Assets		166		324		-28		127
Misc. Exep. Written Off		16		11		5		1
Deferred Tax (Net)		90		48		28		12
Total		1564		1645		1708		1838

# Last 5 Yrs.: Turnover



ESCORTS

(Rs. Crs.)

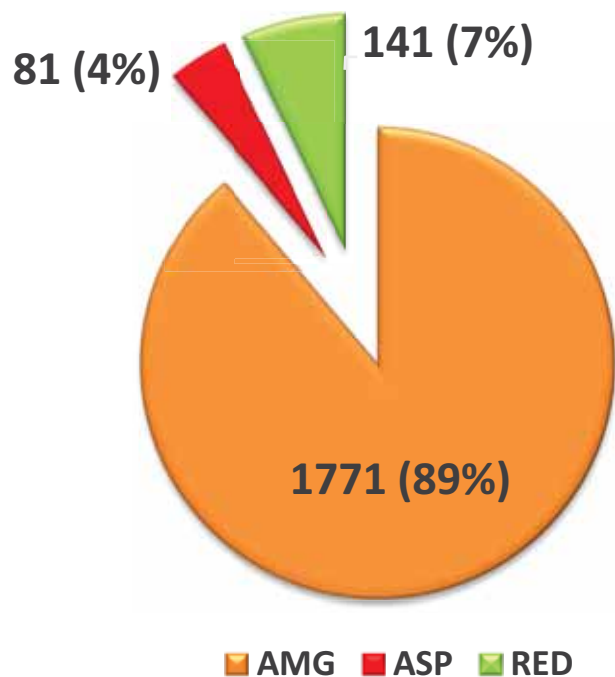


# Division wise Break up

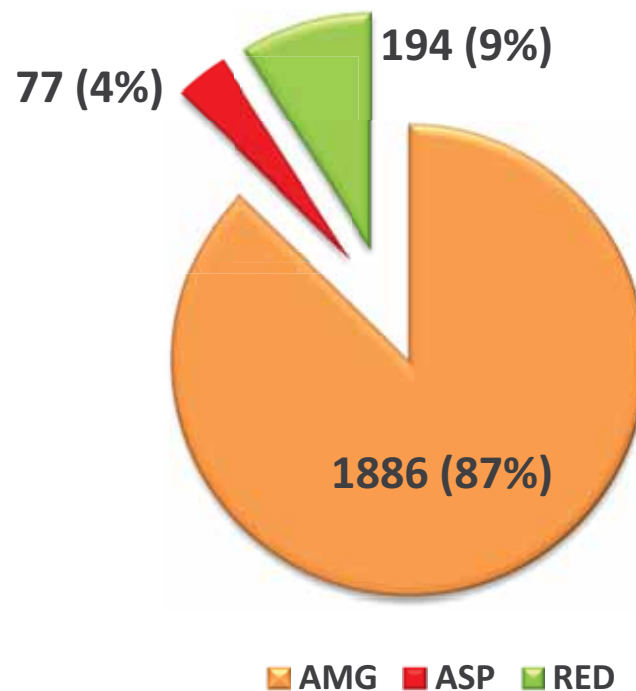
(Rs. Crs.)

## Turnover

**FY 2007-08**



**FY 2008-09**



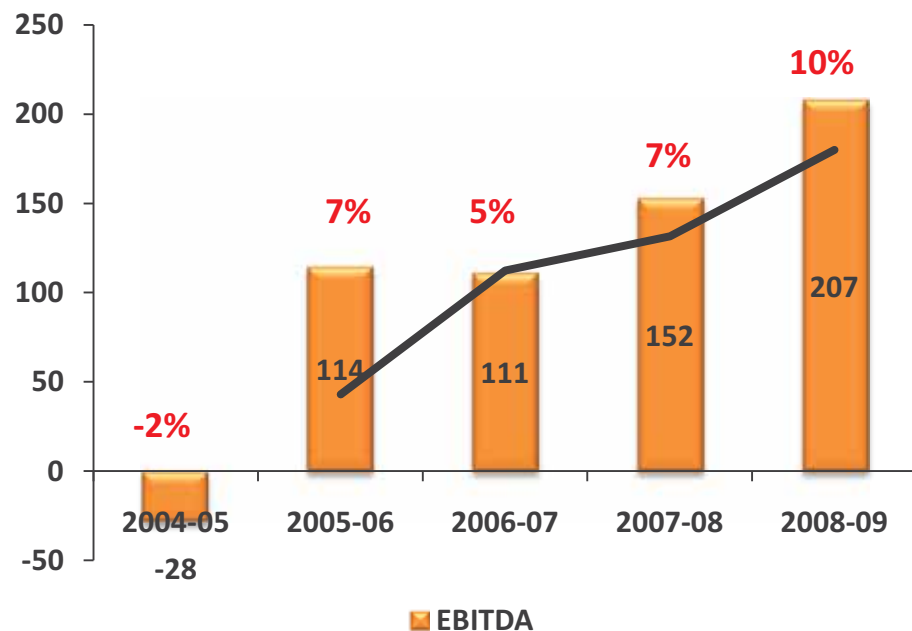


ESCORTS

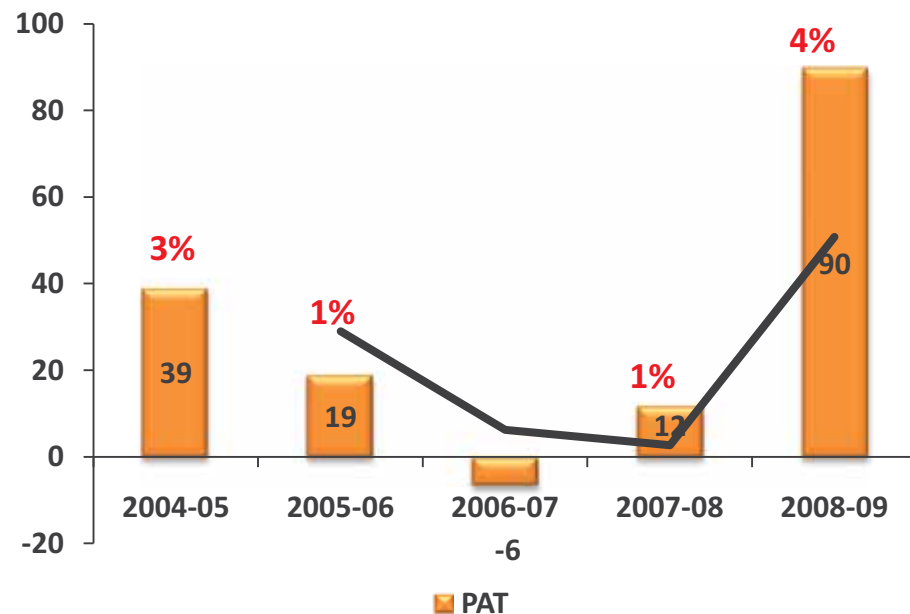
# Last 5 Yrs.: EBITDA & PAT

(Rs. Crs.)

## EBITDA



## PAT

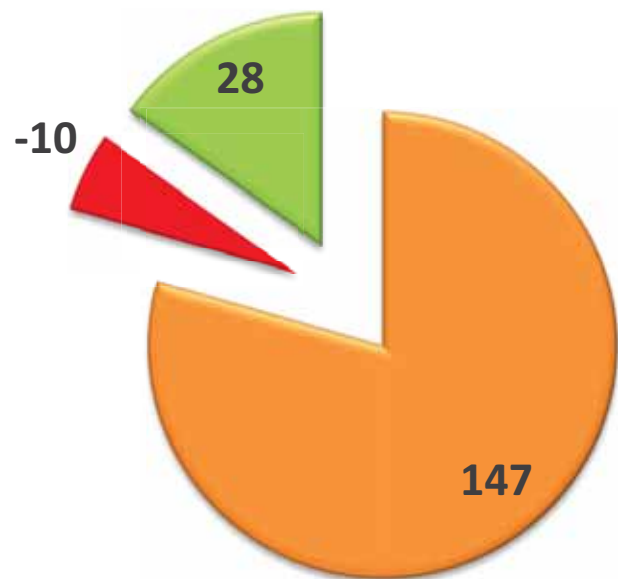


# Division wise Break up

(Rs. Crs.)

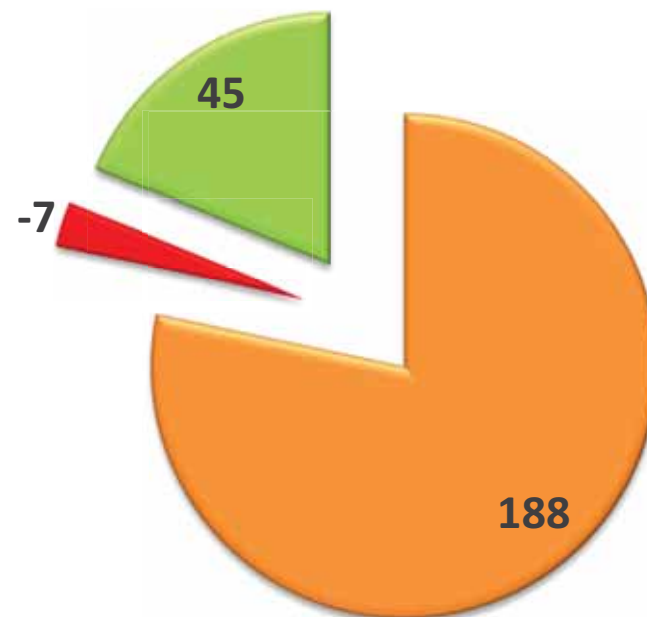
## EBITDA

**FY 2007-08**



AMG ASP RED

**FY 2008-09**



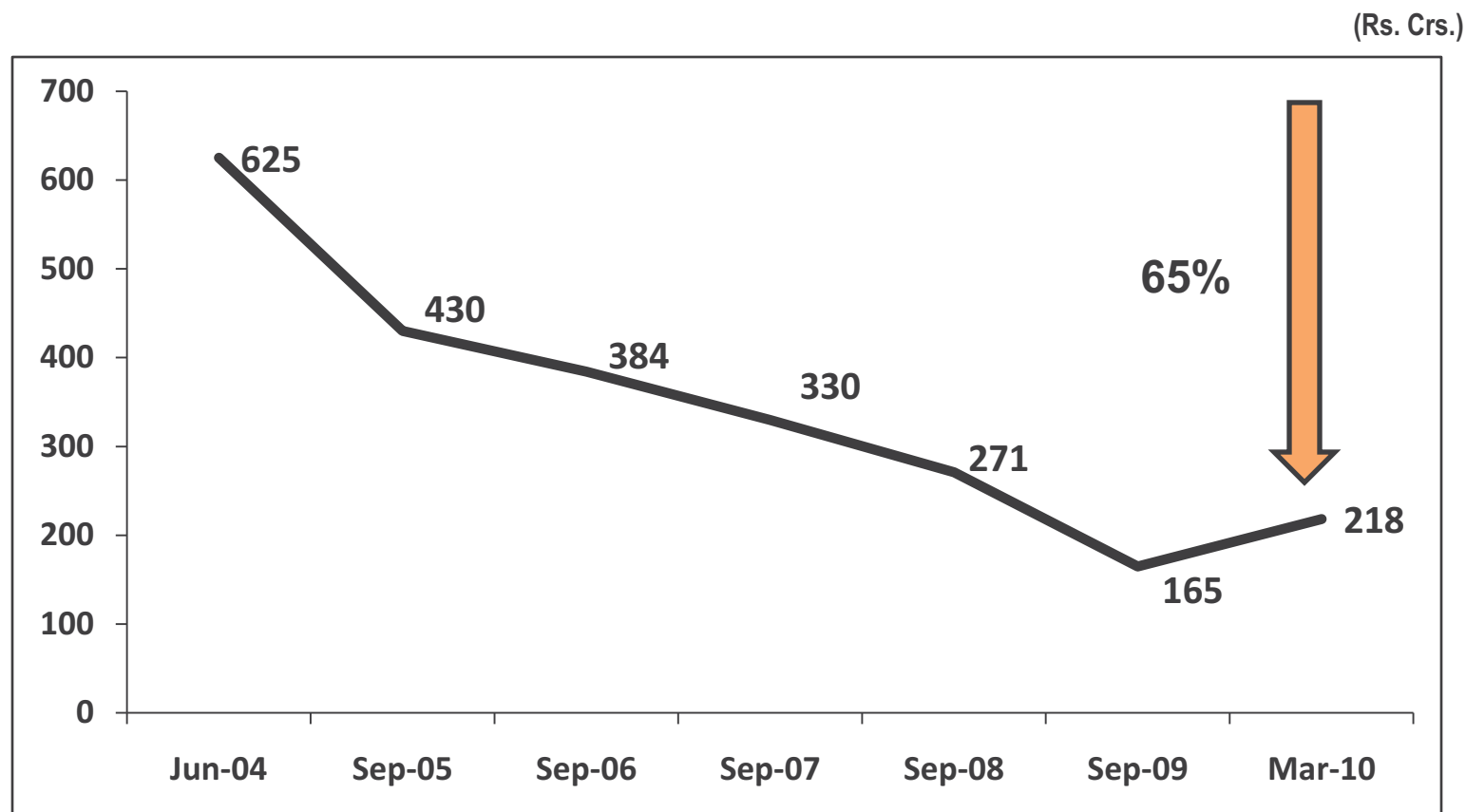
AMG ASP RED

# Last 6 Yrs.: Term Debt Profile

(Rs. Crs.)

Particulars	Jun-04	Sep-05	Sep-06	Sep-07	Sep-08	Sep-09	Mar-10
Long term	345	215	219	246	198	94	142
Convertible Debentures	0	0	0	61	61	61	61
Unsecured Loans	280	215	165	23	12	10	15
<b>Total</b>	<b>625</b>	<b>430</b>	<b>384</b>	<b>330</b>	<b>271</b>	<b>165</b>	<b>218</b>

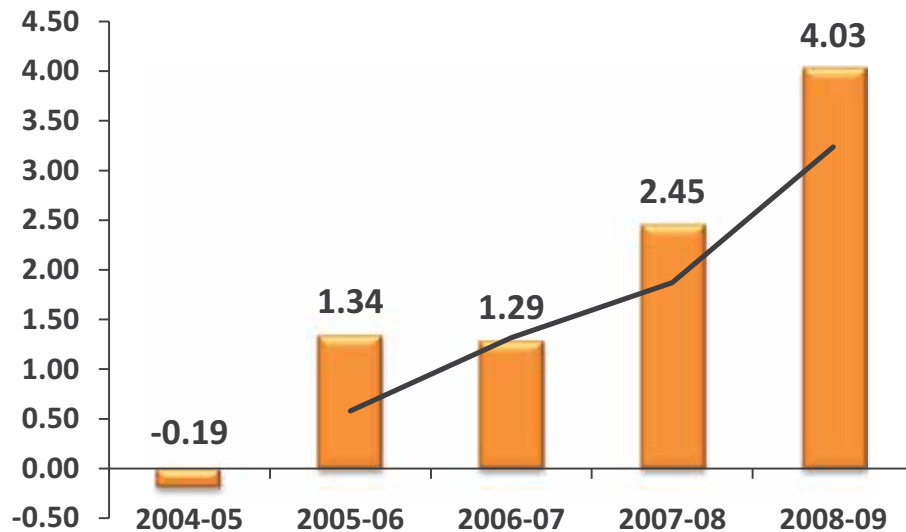
# Last 6 Yrs.: Debt Repayments



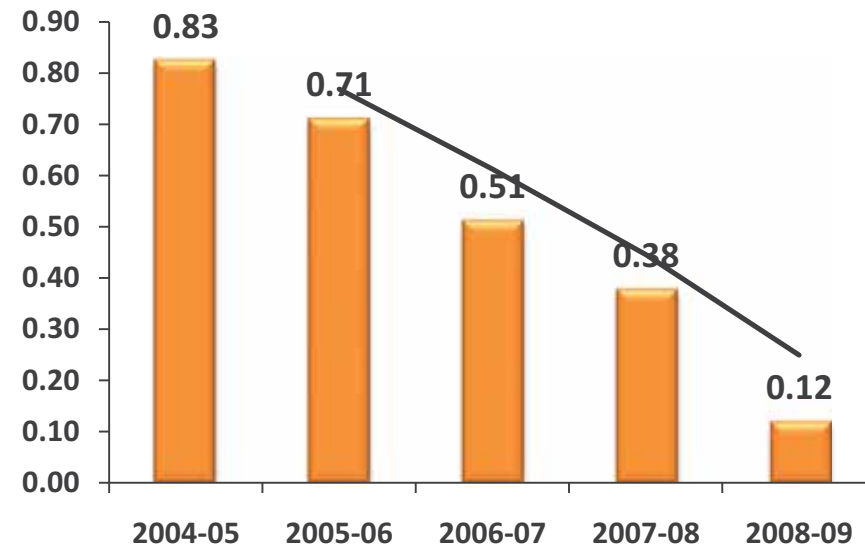


# Last 5 Yrs.: Key Ratios

## Interest Coverage Ratio



## Debt Equity Ratio



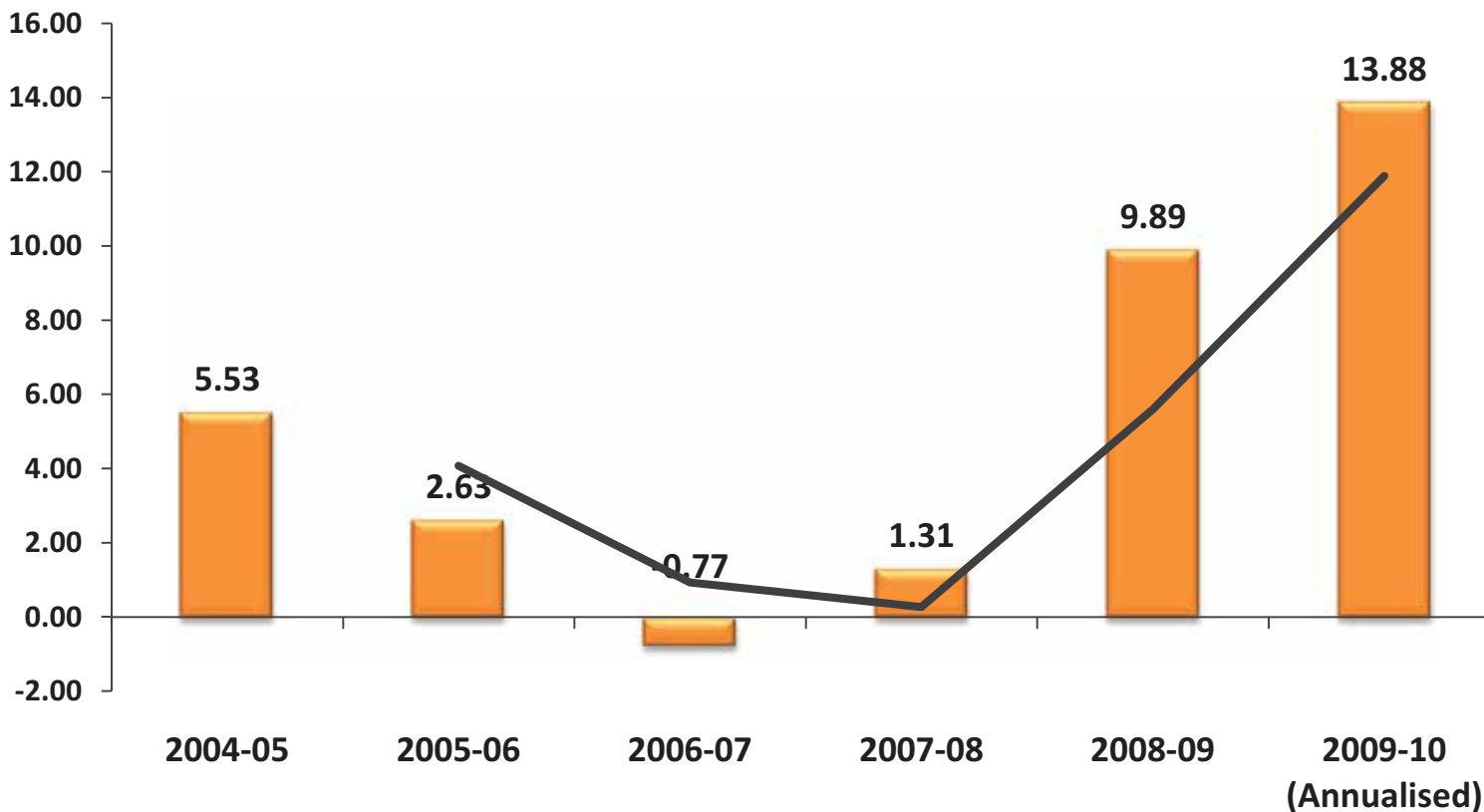
*"ICRA has upgraded the rating"*

	Earlier Rating	Improved Rating
Cash Credit/ WCDL Facilities	LBB+	LBBB-
Long Term Loans*	LBB+	LBBB-
Non Fund Based Limits	A 4+	A 3

\* The long term Rating has been assigned a **"Stable"** outlook.

*Last 5 Yrs.*

### Earnings Per Share



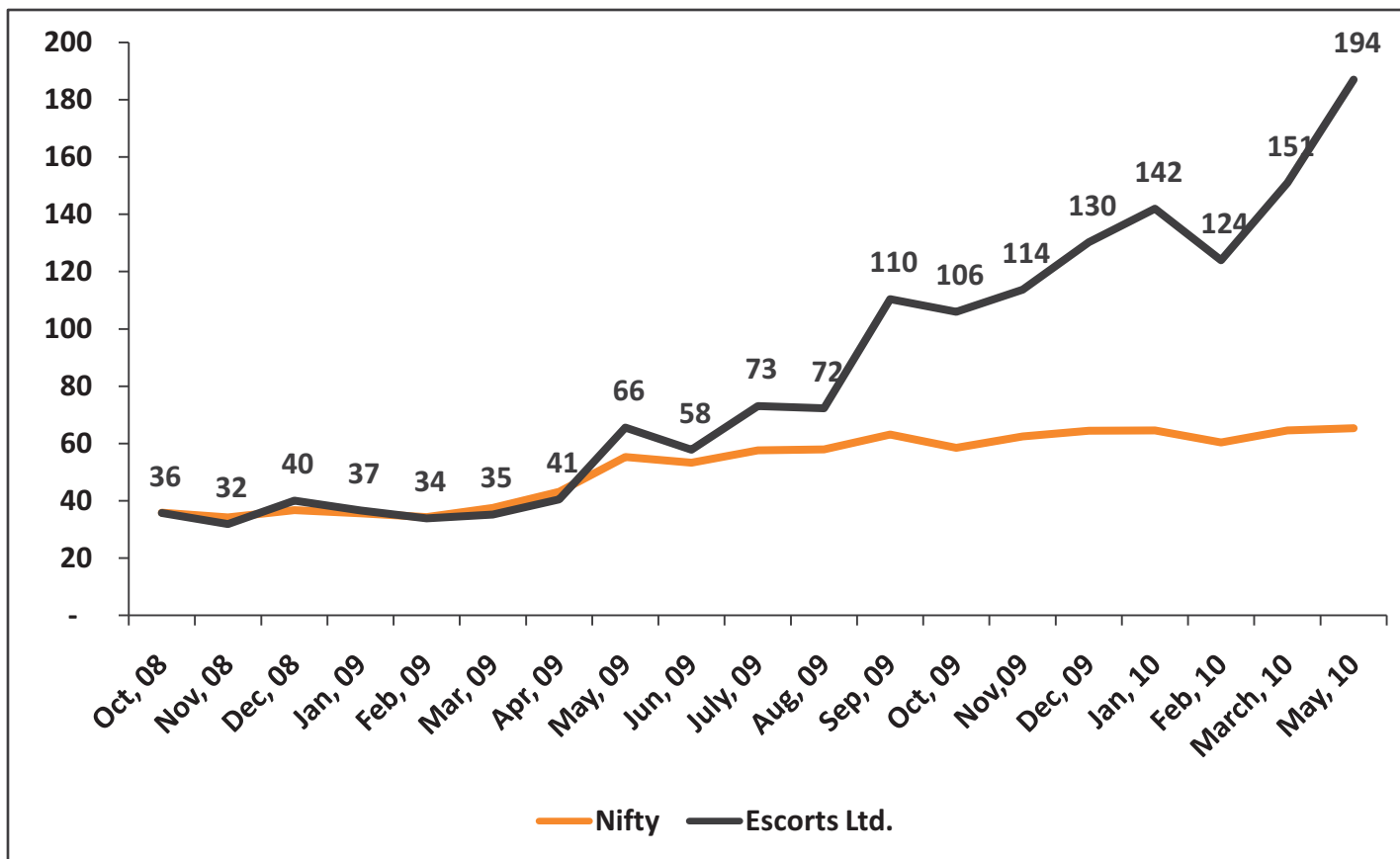
# Stock Market ... Info

*AS ON 12.05.2010*

Shares Outstanding	9.43 Crs.
Current Market Price	Rs. 193.60
Current Market Cap	Rs. 1825.65 Crs.
52 weeks high/low price	Rs. 193.60/ Rs. 41.25

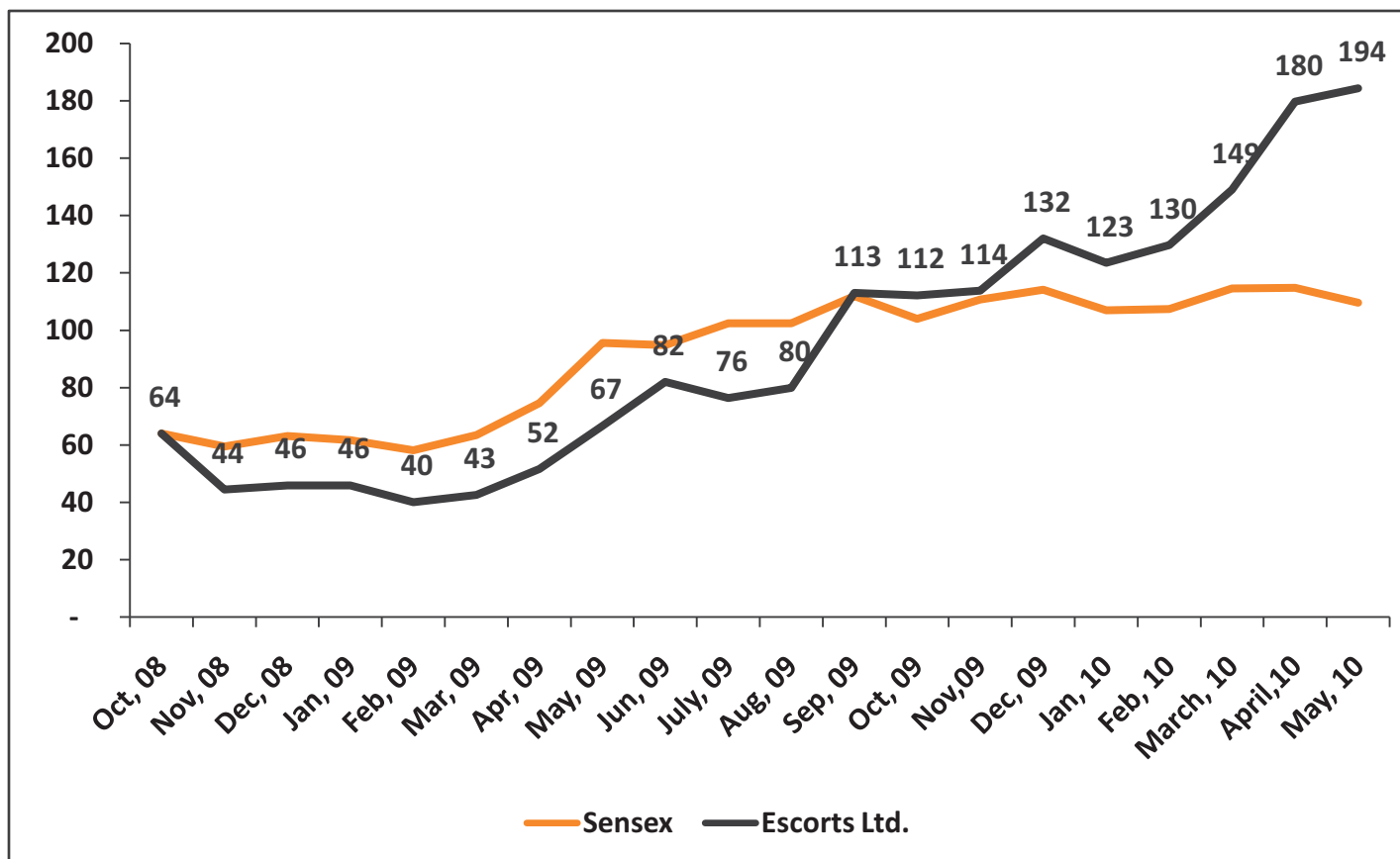
# Relative Price Performance

## Escorts Vs Nifty



# Relative Price Performance

## Escorts Vs BSE Sensex



# Agri Machinery Group



- Commenced manufacturing operations in 1964 and today has 4 manufacturing plants in India
- Have 3 recognized and well-accepted tractor brands viz.

Brand	%	HP Range	Price Range
Powertrac	48%	34-55	2.9 to 4.7 lacs
Farmtrac	50%	34-75	3.2 to 5.5 lacs
Escorts	2%	25-35	2.6 lacs

- Offers a comprehensive range of tractors, more than 45 variants starting from 25 to 75 HP





# Agri Machinery Group



- Since inception, have manufactured over 1.1 million tractors
- Current market share in the tractor segment is 13%
- One of the top 3 manufacturer & exporter of Agri Machinery with leadership in 41-50 HP range Tractors
- Markets tractors & farm equipment in 41 countries
- Developing and launching new products regularly





# Agri Machinery Group: Highlights



- Farmtrac - FT 690 DT was awarded by the Gold Medal as Best product at AGROTECH fair in Poland.
- Farmtrac Europe was awarded as the Best New Model in Sep, 2009 at National Agricultural Exhibition.
- Won first prize for Best Agricultural Machinery Show in Aug, 2009 at NANE NANE Agricultural Show, Tanzania.
- Recently Launched :
  - High Range Genset Engine
  - FT 60 XTRA Torque Tractor
  - PT-439 Tractor in Srilanka
- Launched 4 Cylinder Tractor Powertrac -PT 4455 for the Punjab Market in Nov 2008. It is positioned as India's No.1 economy tractor.



## PRODUCT RANGE



FARMTRAC 34-75HP,  
PREMIUM RANGE



POWERTRAC 34-55 HP,  
VALUE RANGE



ESCORT 25-35 HP,  
ECONOMY RANGE



BIO DIESEL TRACTOR



SNOW PLOUGHER



FARMTRAC EUROPE  
- INTERNATIONAL RANGE



TELECOM TOWER  
GENSET ENGINE

### APPLICATION ENGINEERING

- LASER LEVELER
- SUGARCANE GRABBER
- GRASS CUTTER
- SNOW CUTTER
- RAILWAY SHUNTER
- ROAD SWEEPER
- SCRAP HANDLER

## TRACTOR RANGE

HP Range

A segment  
20 - 25HP

B segment  
26 - 30HP

C segment  
31 - 35HP

D segment  
36- 45HP

E segment  
50 & above

Brands

E MPT  
E MPT+

E-335 Josh  
E-335 Josh +

PT 439

PT 445

PT 455

FT Champion

FT 45  
FT 50 epi

FT 60  
FT 65 epi  
FT 70  
FT 690 DT

PT 434

FT Hero



ESCORT (E) 25-35 HP  
ECONOMY RANGE



POWERTRAC (PT) 34-55 HP  
VALUE RANGE



FARMTRAC (FT) 34-75 HP  
PREMIUM RANGE



FARMTRAC EUROPE  
INTERNATIONAL RANGE



## IMPLEMENTS

Implements

Harrows

Ploughs

Tiller

Bailer

Rotavator

Usage

Smoothen soil  
Uproot weeds, aerate soil

Burying weeds & loosening earth

Residue cutting and mixing, clod size reduction

Seed planting & fertilizer usage

Burying weeds & loosening earth

Uproot sugarcane stubbles

Preparing seed bed

Crop Solution

Sugarcane cultivation  
Paddy fields

Maize plantation  
Sugarcane & multi crop cultivation

Potato harvesting  
Rice & Wheat rotation

Corn Plantation

Paddy cultivation  
Sugarcane cultivation  
Garlic plantation



Offset Disc Harrow



Disc Plough



Rigid Tyne Tiller



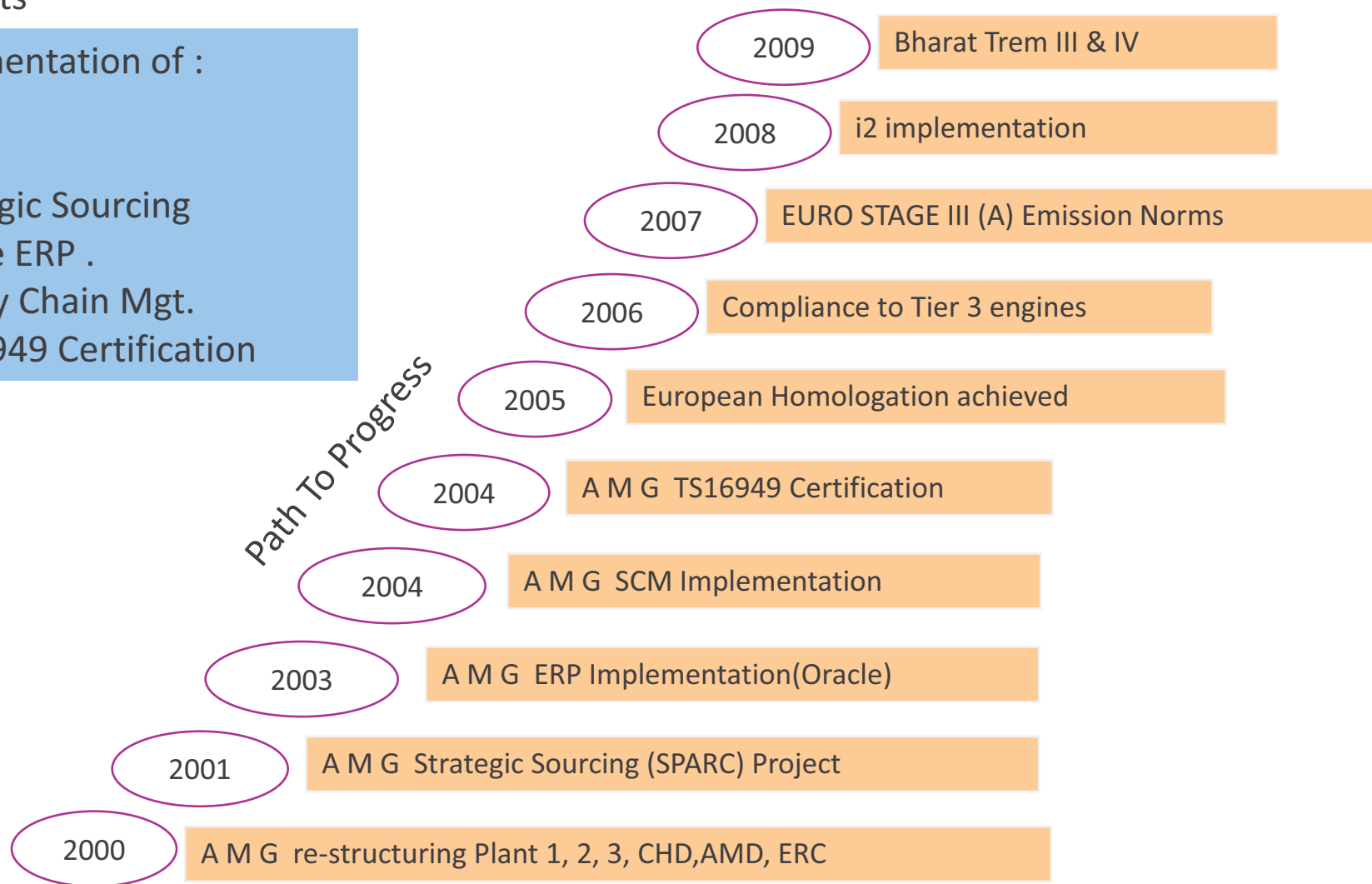
Rotavator

# AMG: Focus on Technology

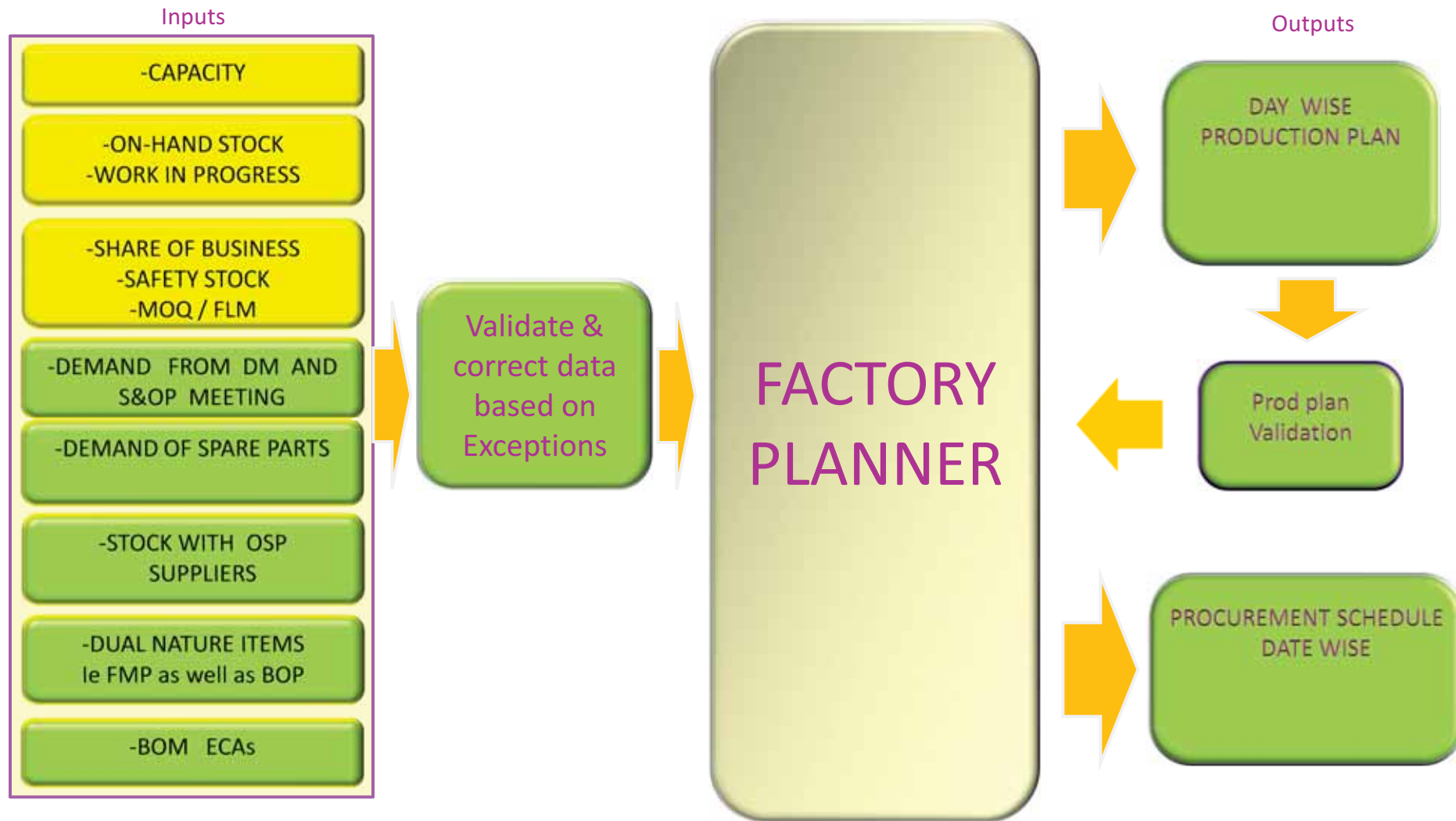
## Highlights

Implementation of :

- i2
- BPR.
- Strategic Sourcing
- Oracle ERP .
- Supply Chain Mgt.
- TS 16949 Certification



# AMG: Factory Planner



# AMG: Service Network



## SERVICE NETWORK

No of Dealers : 742  
No. of Depots : 27  
States : 12

## SERVICE NETWORK MANPOWER

Works Managers : 311  
Mechanics : 2088  
Parts Incharge : 261



## PRESENCE ACROSS INDIA

Andhra Pradesh, Gujrat, Haryana, MP,  
Chattisgarh, Nepal, Maharashtra, Punjab, Rajasthan, Karnataka,  
Kerala, Tamil Nadu, Eastern & Western UP.



# AMG: Service Initiatives



Service Camps



Automated Workshop



Seva Chakra Van



Mechanic Meets



Seva Chakra Bike



# *Escorts Institute of Farm Mechanisation- Bangalore*

- Total area over 90 acres
- 14 acres – Training & Residential facilities
- 76 acres – Model & Demonstration farming
- Powertrac Training centre, Farmtrac Training centre, ECEL Training centre, Model Farms & Workshops
- Computer Training Centre, Multi-media facilities, Technical Libraries, Lecture Halls.
- Indoor & Outdoor recreation, dining halls & canteen.



# *Escorts Institute of Farm Mechanisation- Bangalore*

- Customer trainings
- Courses for garage mechanics
- Induction programmes for staff
- Tractor demonstration training
- Fleet owner training programmes
- Product orientation and field training
- Service management & dealership courses
- Spare parts managements for parts in-charges
- Management courses for dealers, workshop in-charges

## **TRAININGS**

**3.25 lakh mandays  
of training till date**

**12000 mandays of  
training '08-'09**

**Over 3500 people  
trained in '08-'09**



# Growing Opportunities : Agricultural Sector

## Drivers

### Government Policies

Encouraging Banks to lend more to Agri Sector at low rates & favorable terms

Minimum Support Price (MSP) for major crops is increasing continuously

Loan Waivers in the last two fiscals

## Impact

Flow of cheap credit motivates a farmer to invest in Agri implements like tractors and improve his output. Studies revealed that growth in agricultural credit and growth in domestic demand for tractors has a high correlation of 88%.

MSP per quintal

Crop	2005-06	2009-10	Increase %
Rice	Rs. 570	Rs. 950	67%
Wheat	Rs. 650	Rs. 1080	66%
Cotton	Rs. 1760	Rs. 2500	42%

The past irregular loans (amounting to Rs.710 bn) have been exempted from repayment. This has helped the farmer to ease his burden and focus on future.

# *Growing Opportunities : Agricultural Sector*

## *Drivers*

### **Government Policies**

National Rural  
Employment Guarantee  
Act (NREGA)

New irrigation projects  
are being developed to  
increase the arable land  
area

Woman Farmer Fund  
Scheme

## *Impact*

Till 2009-10, around 29 million households (of the total estimated 161 million) have been covered under this scheme with disbursements till date pegged at Rs 914 billion, an average of Rs.9,000 per annum per household. This increases the rural prosperity, which is key to our business growth.

The government has spent about Rs.25,000 cr in the last 15 years and increased the irrigated area by 4.90 million hectares. Irrigation helps to increase the area under cultivation tremendously, which in turn will trigger demand for tractors and farm implements.

To encourage woman farmers, the government has allocated Rs.100 cr which will improve the incomes of the small & marginal women farmers.



# *Growing Opportunities : Agricultural Sector*

## *Drivers*

### **Government Policies**

Expenditure on Rural Development

### **Social Factors**

Migration of rural labor to urban areas

## *Impact*

Government initiative towards rural development has increased manifold. In the Tenth Five Year Plan, expenditure on rural development was hiked by 1.6 times and in the Eleventh Plan, it was increased by an additional 2.5 times and was pegged at Rs 3,011 billion. Of this, 64 per cent has been spent till date.

Due to the increased activity in the Infrastructure Sector, the rural labour is migrating to urban areas seeking employment. This migration is causing shortage of farm labour and hence forcing the farmers, even the small & medium ones to go for farm mechanization including buying tractors.

# *Growing Opportunities : Agricultural Sector*

## *Drivers*

### **Changing Business Practices**

Use of technology and infrastructure support on the rise in agriculture

### **Other Factors**

Prospect of normal monsoon for the current year

### **Changing Business Practices**

Contract Farming : Companies like Pepsi Foods, Unilever, Nestle, Del Monte have contract farming tie ups with local farmers

## *Impact*

Acceptance of high yield seed varieties and BT seeds by the farmers is increasing. Facilities like cold storage chains, market prices on the internet, removing the traditional middlemen, etc, technologies like drip irrigation, sowing and harvesting methodologies are encouraging initiatives to improve farm income.

The weather department in India has predicted a normal monsoon this year, which is good news for the Agri sector in general.

Changing urban lifestyles is driving the growth in packaged food, which in turn is leading to corporatization of the farming activity. This will ensure big investments flow into the sector.

- The surge in construction activity in India has triggered the demand for tractor
- Construction is the 2<sup>nd</sup> largest economic activity after Agriculture. Construction business accounts for nearly 65% of the total investment in infrastructure
- Construction employs the 2<sup>nd</sup> largest labor force after Agriculture
- The investment in construction is nearly 11% of India's Gross Domestic Product (GDP)



# Growing Opportunities: Non-Agricultural Sector



ESCORTS

## Construction services (Pure Infrastructure)

## Engineering & Construction (Industrial)

### Roads & Highways

- National Highways
- State Highways

### Other transportation sectors

- Runways
- Bridges
- Metro
- Ports
- Airports
- Railways

### Power

- Power transmission
- Hydro, Thermal, Gas, Nuclear
- Industrial Electrification & Instrumentation

### Oil & Gas Industry

- Upstream and Downstream projects
- E&P –offshore & onshore projects
- Refineries

### Water / Irrigation

- Water treatment
- Water supply
- Sewage treatment
- Irrigation
- Dams

### General construction

- Institutional & Commercial Buildings
- Townships & SEZ
- Hotels & Hospitals
- Housing
- Buildings

### Telecom Industry

- Bandwidth Solutions:
- Video Broadcast & OFC Solutions
- Metro Ethernet & Wimax enabled

### Other Industries

- Metals, Mining, Cement & Fertilizers
- Defense



# Growing Opportunities : Non-Agricultural Sector

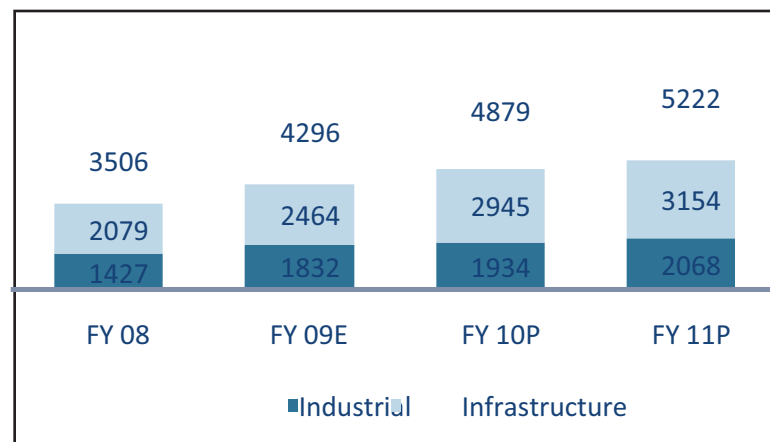


ESCORTS

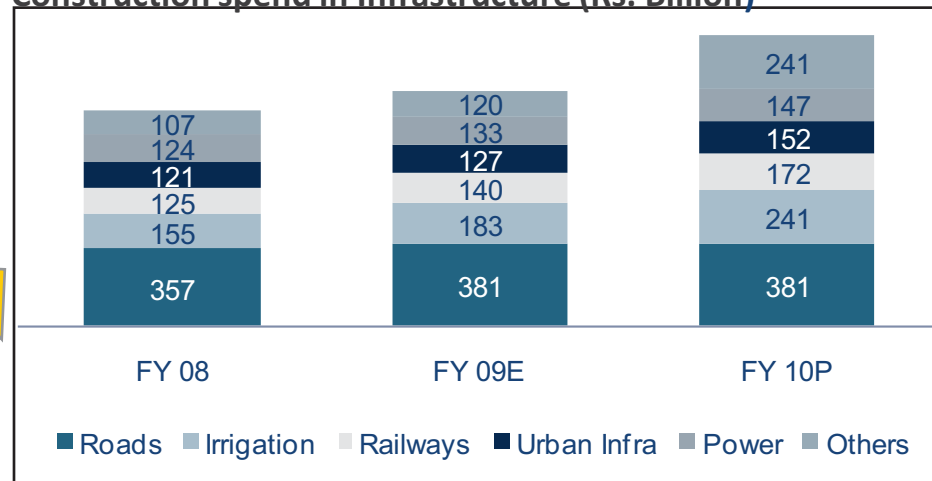
Spend size in construction is growing very fast

Initial estimates

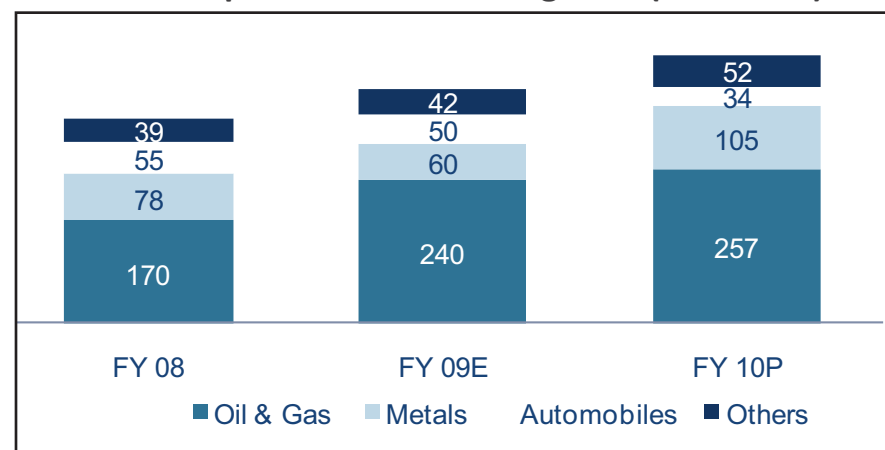
Total Construction Spend (Rs. Billion)



Construction spend in Infrastructure (Rs. Billion)



Construction spend in Industrial Segment (Rs. Billion)



Source: Planning commission

## Progress in Infrastructure

Item	2006-07	2007-08	2008-09
Power Capacity Addition (MW)	6853	9263	3454
Road Length Upgraded - NHAI (km).	636	1683	2203
Road Length Upgraded - NHAI (O) & BRDB - Km.	1686	1897	2226
Road Works Completed under PMGSY (km)	30710	41231	52405
Route km RKM's electrified - Railways	361	502	787
New Lines (km) - Railways	250	156	357
Doubling of Lines (kms) - Railways	386	426	363
Gauge Conversion (km) - Railways	1082	1549	563
Addition to Port Capacity (MTPA)	48.5	27.3	42.7
Net Addition to Switch Capacity - Telecom (000) lines	9603	7159	14393

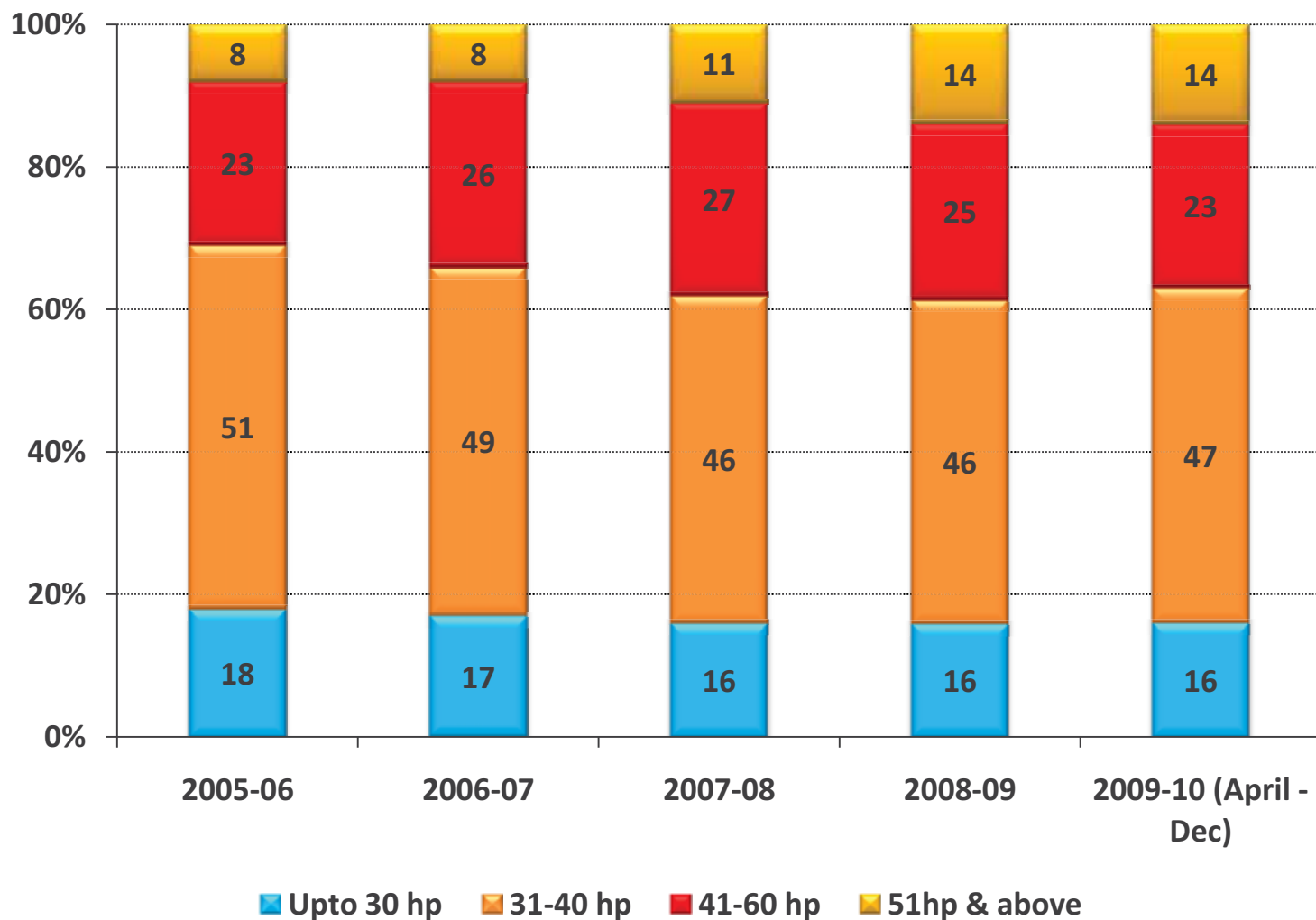
Source: Planning Commission

# Estimated spending in Infrastructure



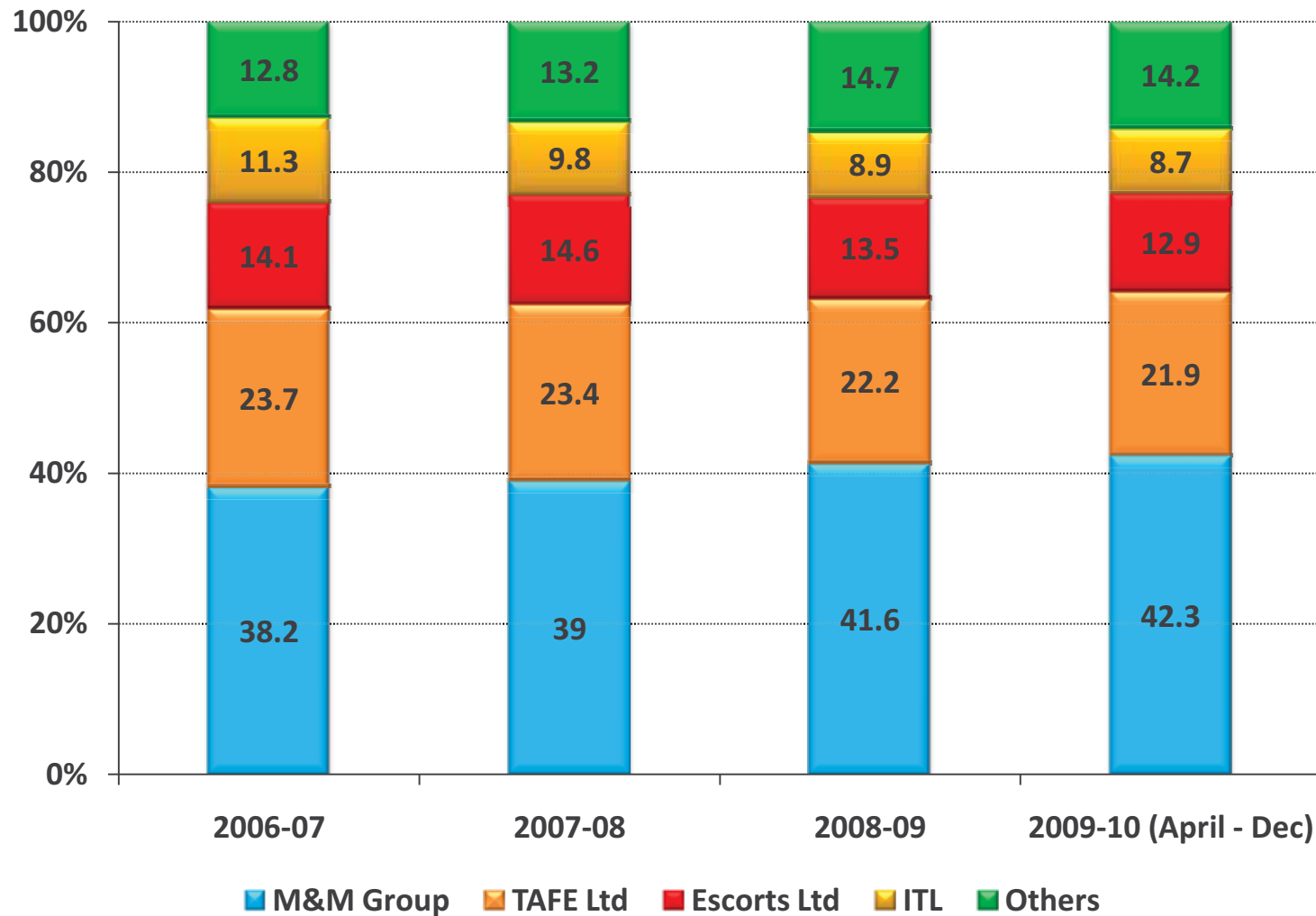
Sector	Estimated Spending during 2008-12	%
	(Amt Rs. Billion)	
Power	10736	52%
Road	1989	10%
Exploration and Production	1879	9%
Coal Mining	1400	7%
Rail	1166	6%
Ports & Port Based Infrastructure	878	4%
Oil Field Services	575	3%
Urban Transport	552	3%
Natural Gas	521	3%
Urban Water Supply	514	2%
Airport	268	1%
Management of municipal solid waste	153	1%
Industrial water supply and effluent treatment	19	0%
<b>Total</b>	<b>20650</b>	<b>100%</b>

# Tractor : HP wise break up



Source : CRISIL Research, a subsidiary of S&P

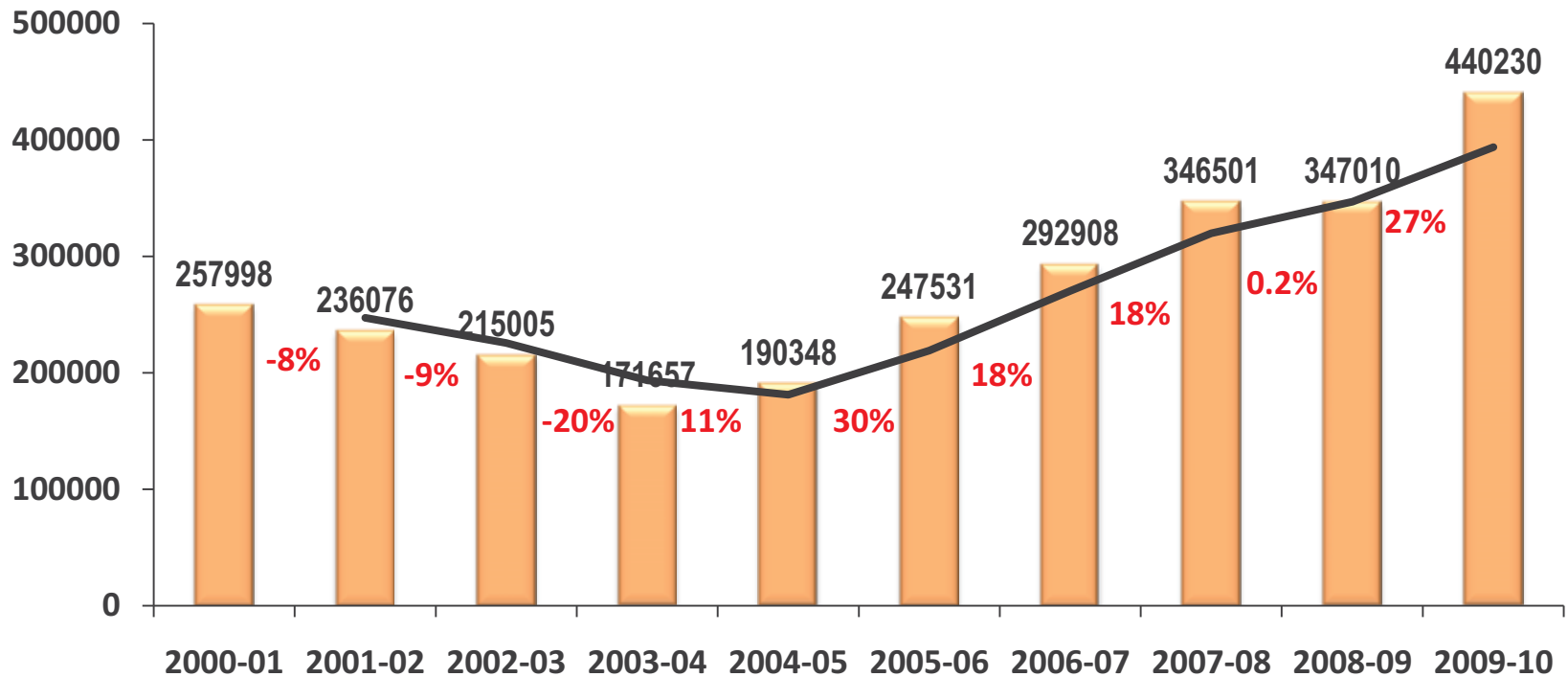
# Tractor: Market Shares



Source : CRISIL Research, a subsidiary of S&P

# Tractor Industry Growth

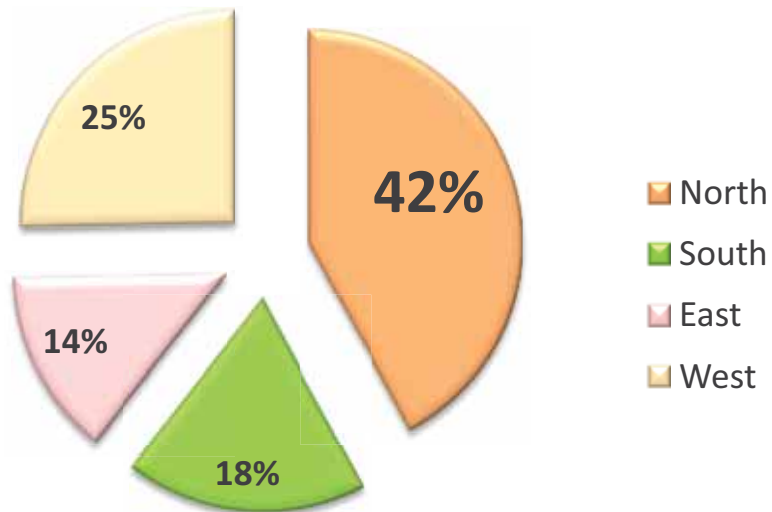
## Tractor Sales Nos.



Source : TMA data

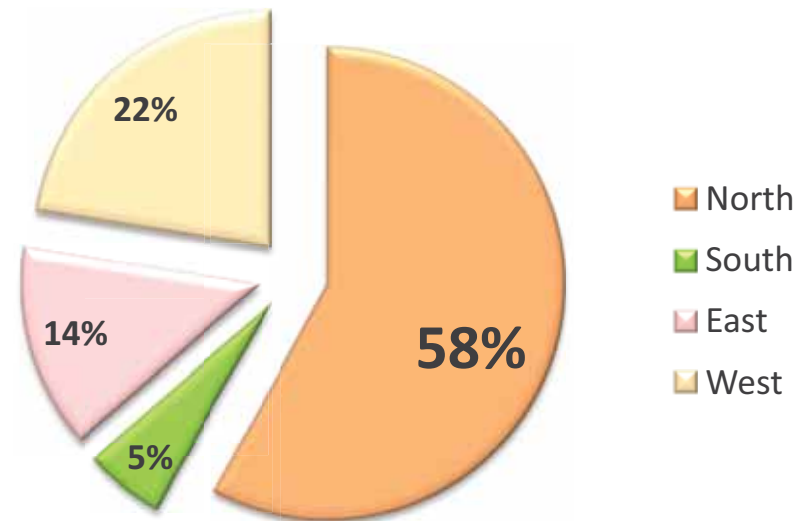
# Region Wise Domestic Sales

## Industry



April'10 to Dec'10

## Escorts



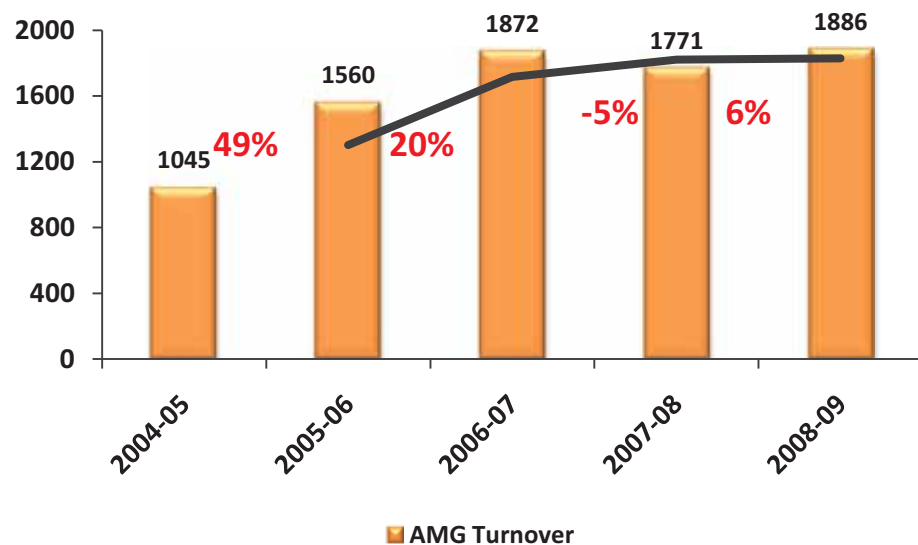
April'10 to Dec'10

Source : CRISIL Research, a subsidiary of S&P

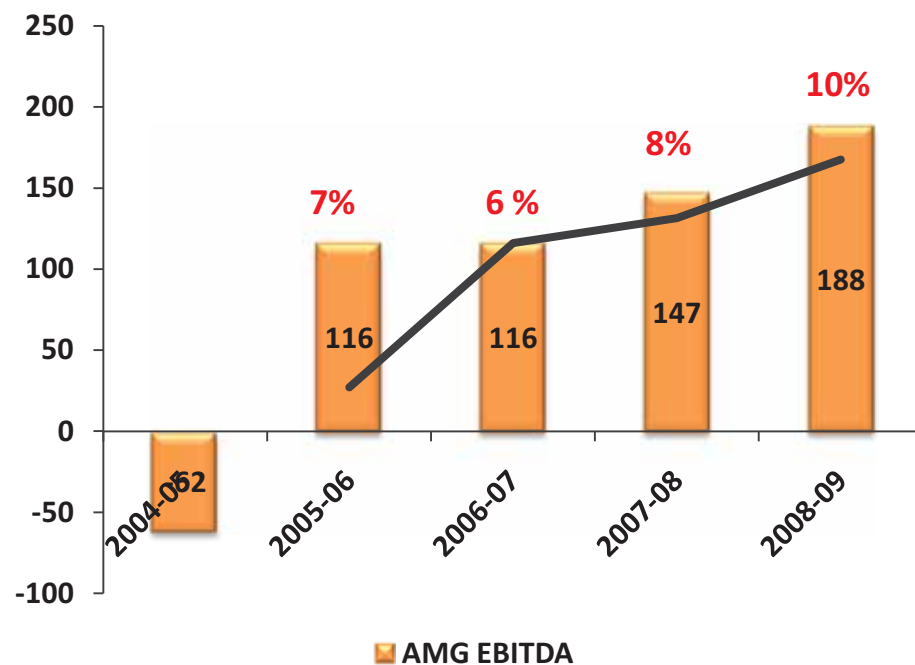
# AMG: TURNOVER & EBITDA

(Rs. Crs.)

## Turnover



## EBITDA





# Agri Machinery Group: Sales Mix



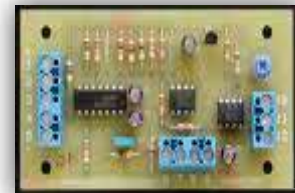
Rs. Crs

Products	FY'07	FY'08	FY'09
Tractors	1753	1631	1705
Internal Combustion Engines	16	26	27
Implements, Trailers, Compressor Accessories & Others	82	84	111
Oils & Lubricants	8	9	12
Others	12	20	32
<b>Total</b>	<b>1872</b>	<b>1771</b>	<b>1886</b>

# Railway Equipment Division



- Supplier of critical railway components since 1970's
- Asia's largest manufacturer of Air Brake Systems
- 1<sup>st</sup> company to supply the EPA (Electro Pneumatic Assist) Brake System to Indian Railways
- State of the art manufacturing facility located at Faridabad, near New Delhi
- Facilities for advanced product development, design, testing and validation
- In-house Research & Development
- An ISO: 9001-20000 certified company
- Exports products to over 15 countries worldwide



## PRODUCT RANGE

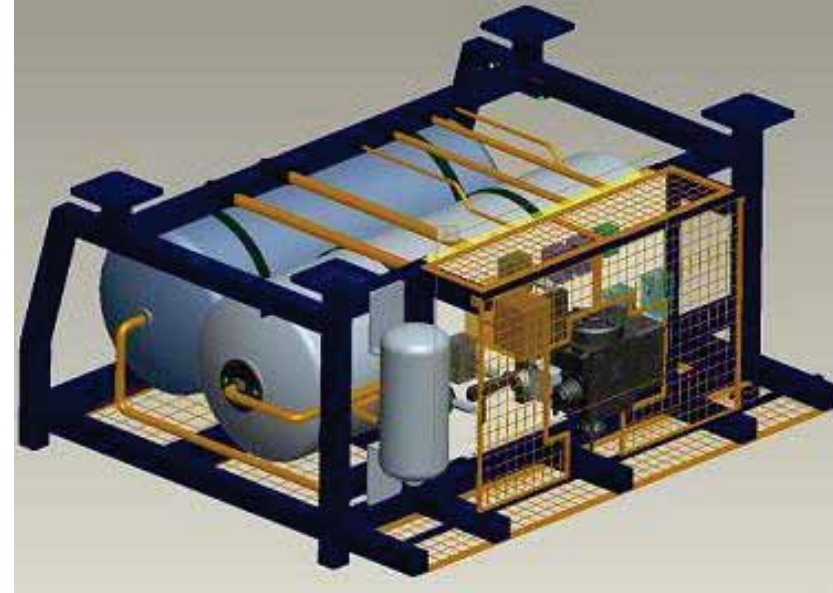
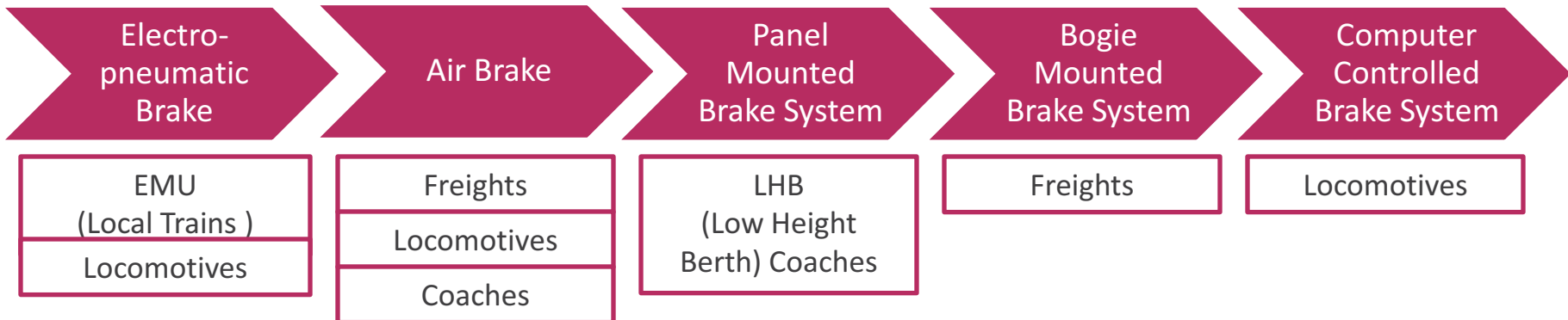
Products

Usage

Brake Systems	Couplers	Shock Absorbers	Rail Fastening System	Zero Discharge Toilet
EMU, DMU, Locomotives Freight Cars, OHE Cars Coaches	EMU, DMU & MEMU, Main Line Coaches	Locomotives, E MU, DMU, ME MU, Metro & Rail Cars,	Wooden, Steel & Concrete Sleepers	Passenger Coaches

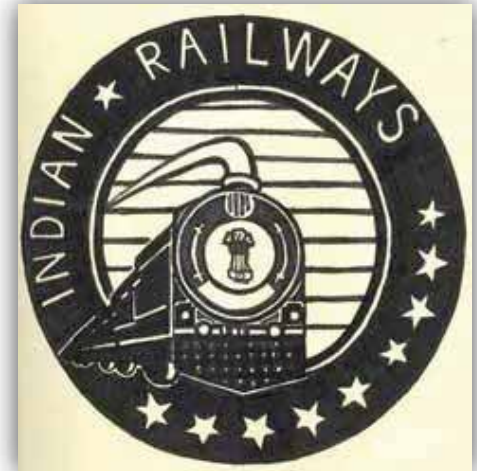


## BRAKE SYSTEM RANGE



# Govt. Outlook for Railway Sector

- Plan allocation of Rs. 16,752 crore for 2010-11: Rs.950 crore more than last year
- 18,000 more wagons under rolling stock program in 2009-10 vs 11,000 in 2008-09
- Achieve an annual growth of 10% over the next 10 years
- Add 25,000 kms of New Lines by 2020, supported by Public Private Partnerships (PPPs)
- Create more than 30,000 kms of route of double/multiple lines
- Increased focus on safety, comfort and environment

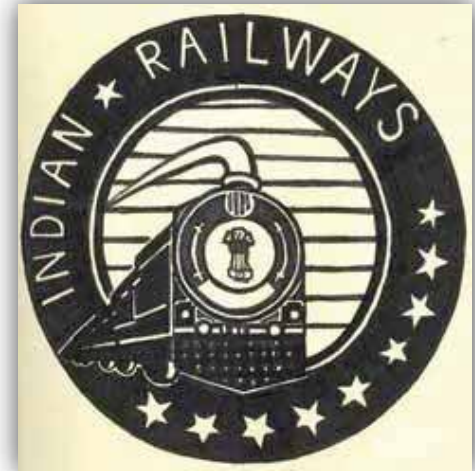


Source: Indian Railways



# Govt. Outlook for Railway Sector

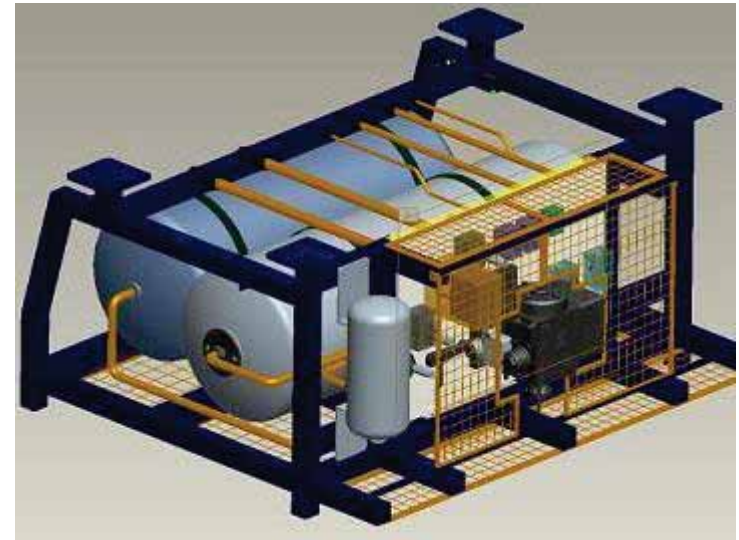
- Replace old coaches with Modified Electrical Multiple Units or Diesel Multiple Units
- Increase production of passenger coaches from 2500 p.a. to 5000 p.a. within the next 3 years
- Increase annual procurement of wagons from 25,000 to 75,000
- Introduction of new suburban trains with regenerative braking features
- Induction of light-weight stainless steel coaches
- Increased production of fuel-efficient diesel locomotives.



Source: Indian Railways

# RED: New Product Initiatives

- **Coupler with balanced draft gear** : Developed jerk free couplers and expecting trials to happen shortly
- **Zero discharge toilets** : Trial order from defence executed
- **Bogie Mounted Braking System** : Prototype ready for fitment for static trials
- **Panel mounted braking system for hybrid coaches** : Prototypes ready field trials



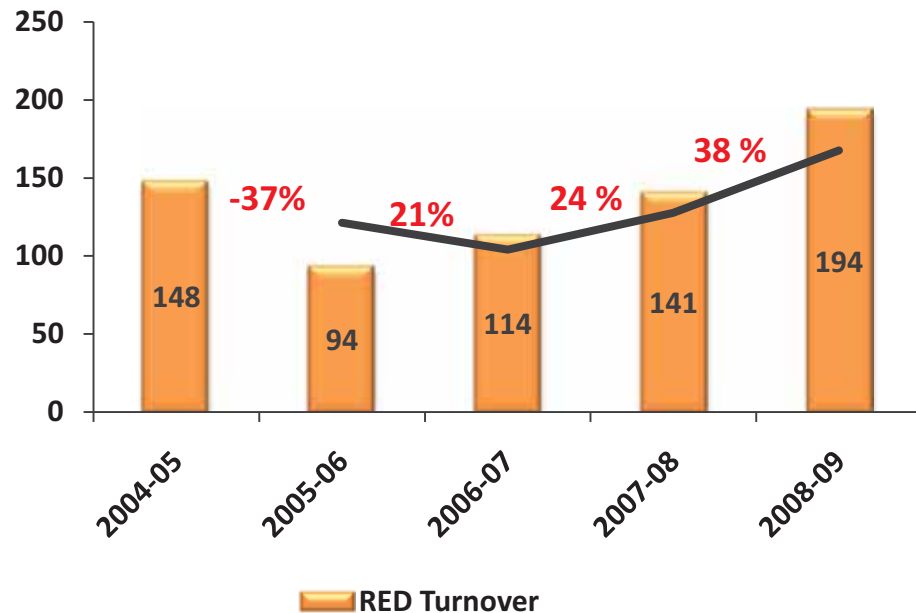
# RED: TURNOVER & EBITDA



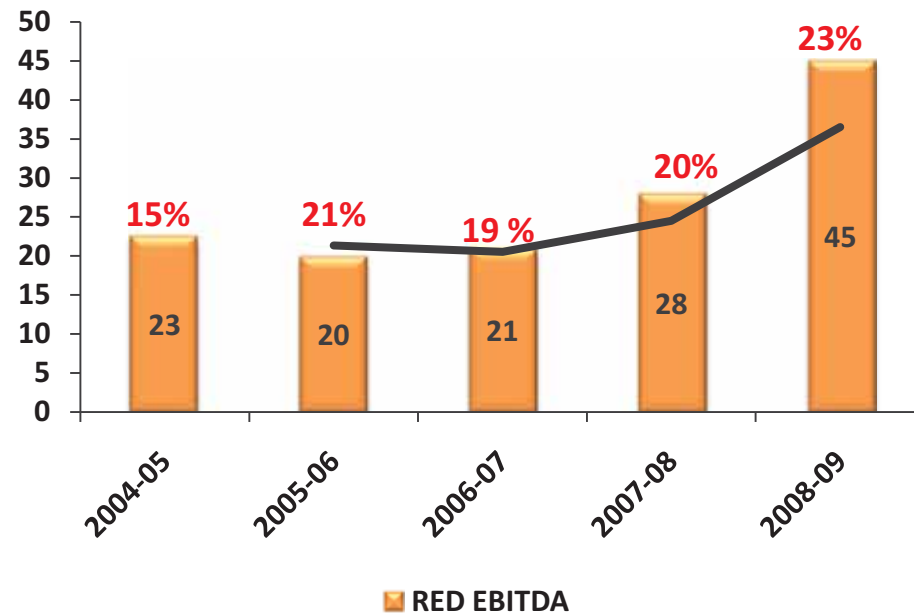
ESCORTS

(Rs. Crs.)

## Turnover



## EBITDA





# Auto Suspension Parts

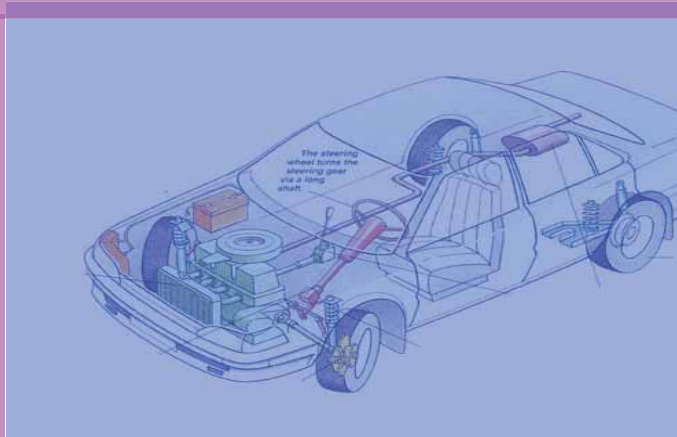
- Pioneered Shock Absorber manufacturing in India in 1966
- Production capacity of 5 million units p.a.
- Certified to International Automotive ISO/TS 16949: 2002
- Currently exporting to Piaggio, Aprilia, Malaguti etc
- OEM supplier to Yamaha, Suzuki, TVS Motor in 2-wheeler segment
- Replacement market supplier to Maruti Suzuki, Hyundai, Tata Motors, Mahindra & Mahindra etc
- R&D efforts in Technical Collaboration with Kayaba, Japan
- Replacement Market network of 300 Dealers, 10000 retailers & 200000 workshops/garages
- Major supplier of suspensions & shock absorber for commercial vehicles , special application vehicles such as Airport buses etc.



# Auto Suspension Parts



TWO WHEELERS



FOUR WHEELERS



SUVs

## Auto Components

- Shock Absorbers (2 & 3 Wheelers)
- Front Forks & Leg Assemblies (2 Wheelers)
- Shock Absorbers (4 Wheelers)
- McPherson Struts (4 Wheelers)
- Components for Export Market

# Product Profile



Induction-hardened, ground, hard-chrome plated & super finished piston rod.



Nicked-Chrome-plated inner tubes for enhanced resistance against corrosion.

Specially designed oil seal for low friction ensure enhanced performance/durability.



Specially blended all-weather shock absorber fluid for extreme climate conditions.



Rebound and compression valving fine-tuned for better ride comfort and unmatched ride control.



5-stage adjuster provided for motorcycle shock absorbers.





# Product Profile



Two Wheeler  
Brake Shoes

Two  
Wheeler  
Brake Pads



Front Fork Oil



Two Wheeler  
Spark Plug



Two Wheeler  
Chain Set

MAK Escorts  
Engine Oil



Two Wheeler  
Clutch Plates

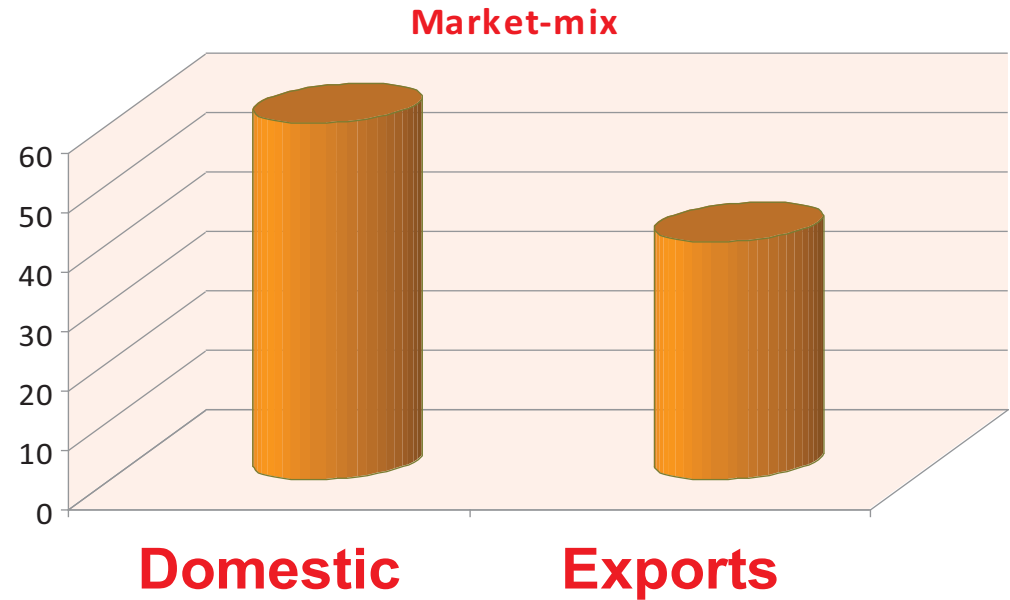


Two  
Wheeler  
Battery



Strong all-India Marketing & Distribution Network:

- 4 Regional Offices
- 30 Front Line Executives
- 200 Distribution Network
- 10000 Prime Retailers across India



MARKET MIX:

DOMESTIC – 60%

EXPORT – 40%

# Outlook for Auto Sector

- Domestic demand for automobiles has grown by 40% in 2009-10
- Passenger cars and two wheelers are expected to grow at 10-15% for next five years
- Government's initiative towards road development will give boost to demand for vehicles and indirectly auto components
- Customers like Yamaha, Suzuki & TVS planning new launches in the 2 Wheeler segment
- Domestic demand/ strategic location driving global players to shift manufacturing base to India



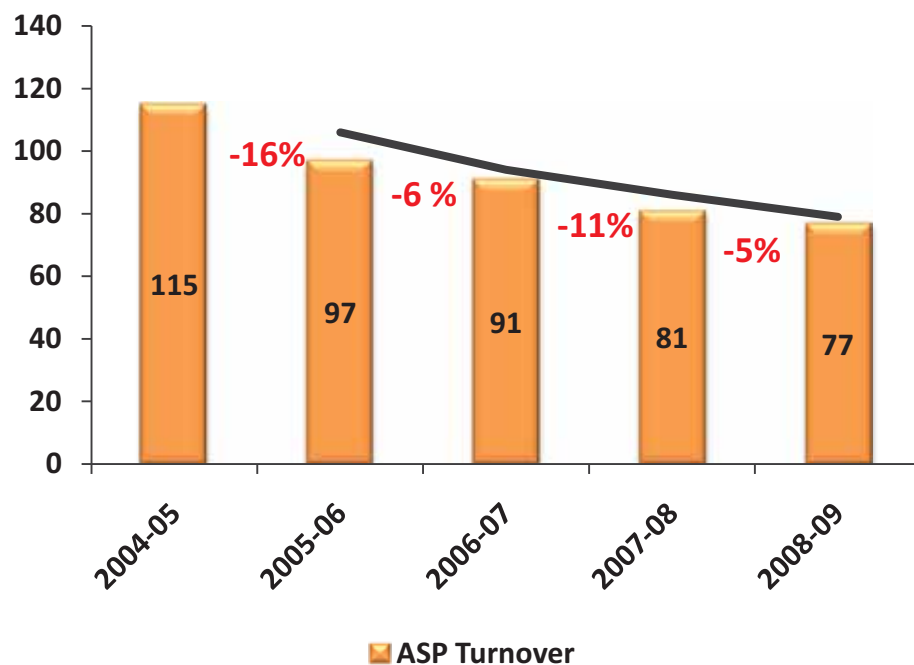
# ASP: TURNOVER & EBITDA



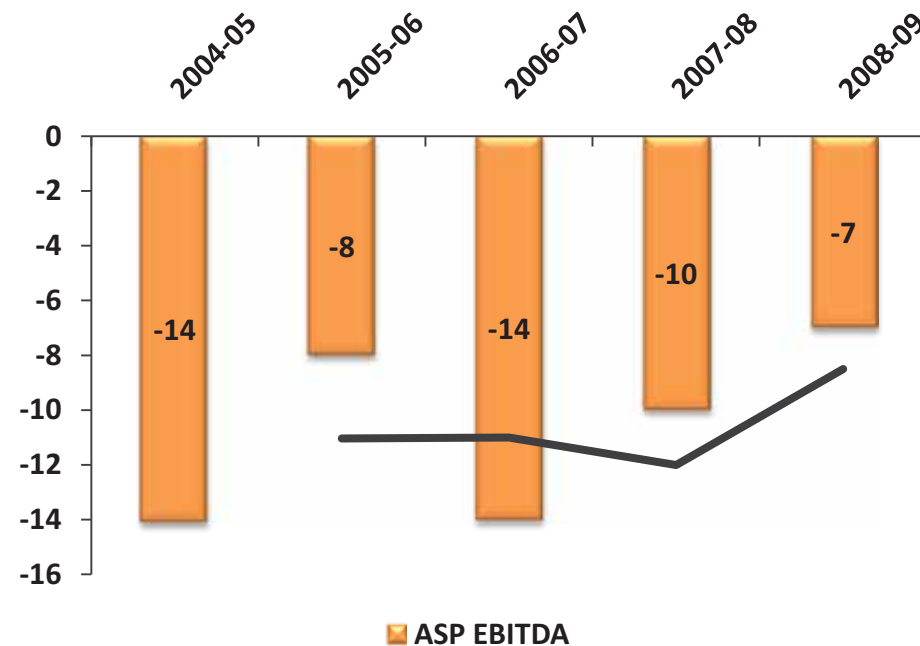
ESCORTS

(Rs. Crs.)

## Turnover



## EBITDA







# Escorts Construction Equipment Ltd.



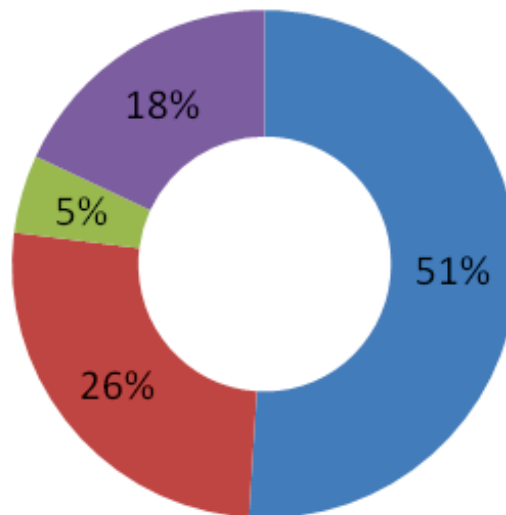
- Manufactures and markets a diverse range of construction, Earth Moving and material handling equipment like cranes, loaders, vibratory rollers and forklifts
- Dominant Player in the Industry
  - No. 1 in Pick 'n' Carry Cranes (PNC)
  - No. 2 in Slew Cranes
  - No. 3 in Compactors Segment
- A nationwide network of 7 Zonal Offices, 17 Business Centres and 78 dealership locations



Construction Equipment Industry Structure	
Earth Moving Equipment	57%
Material Handling	13%
Tunneling & Drilling for mining	12%
Road Construction Equipment	7%
Concrete Equipment	6%
Concrete Preparation	5%

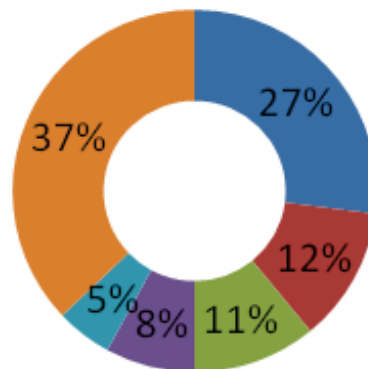
## Earth Moving Equipment Segment

■ Excavators ■ Backhoes ■ Loaders ■ Others



## Material Handling Equipment Segment

Pick N Carry Cranes Forklift Slew Cranes  
Crawler Cranes Tower Cranes Others



# Product Profile

**Articulated  
Boom Cranes**



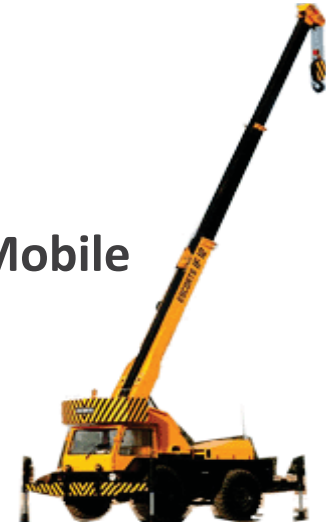
**Vibratory  
Compactors**



**Telescopic Handler**



**Hydraulic Mobile  
Slew Crane**



**Forklift Truck**





# Product Profile

Pick n Carry Crane



Truck Crane



Wheeled Loader



Motor Grader





## ECEL has Collaborations with:

- FRANA Cranes, New Zealand
- Ransoms & Rapiers, UK Faun AG, Germany
- Dynapac, Sweden Hamm AG, Germany
- FASSI Gru Idrauliche, Italy
- (Daewoo) Doosan Infracore, Korea
- Singapore Technologies Kinetics (STK)
- ALTEC, USA
- IHI, Japan
- Zoomlion, China
- Manitou BF, France
- XGMA, China



## ***Launched DIGMAX – Backhoe Loader***



## Manufactured Products (91%)

- *Pick n Carry Cranes*
- *Compactors*
- *Wheel Loaders*
- *Slew Cranes*
- *Forklift Trucks*
- *Backhoe Loaders*



## Traded Products (9%)

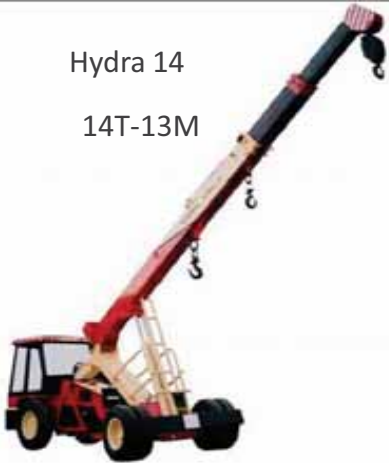
- *Forklift Trucks*
- *Tower Cranes*
- *Truck Cranes*
- *Crawler Cranes*
- *Motor Grader*
- *Wheel Loaders*
- *Telehandlers & ABC Fassi*



## ESCORTS HYDRA SERIES PICK AND CARRY

HYDRAULIC MOBILE CRANES ( 5T to 14T )

Hydra 14  
14T-13M



Hydra 12 SB  
12T-13M



Hydra 12  
12T-11.5M



HY 12  
12T-11M



Hydra 10SB  
12T-8.5M



Hydra 10  
11.4T-8M



11T-8M  
C 8000



K 10  
10T-9M



Hydra 8  
9.5T-8.5  
M



5E  
5T-8M



# Manufactured Product

## TRANSITION TO NEW GENERATION

### PICK –N-CARRY HYDRAULIC MOBILE CRANES

HYDRAS-Old generation PnC



TRX-New generation PnC



TRX-New generation PnC



TRX-New generation PnC



Technical drawing of the truck chassis and crane assembly. The drawing shows the truck body, chassis, and the crane mounted on the chassis. Key dimensions are indicated:

- Overall length: 7512
- Crane length (TENDER SPEC. -55.0G): 4736
- Crane length (TENDER SPEC. -55.0G): 4592
- Crane height (TENDER SPEC. -55.0G): 5
- Chassis height (TENDER SPEC. -55.0G): 2513
- Chassis height (TENDER SPEC. -55.0G): 68
- Chassis height (TENDER SPEC. -55.0G): 1605
- Chassis height (TENDER SPEC. -55.0G): 745
- Chassis height (TENDER SPEC. -55.0G): 3100



## May, 2010



## ESCORTS Hydraulic Mobile Rough Terrain

360 ° Slew Cranes

RT 40

40T Cap.  
Under hook ht 31  
m



RT 30

30T Cap  
Under hook ht 26  
m



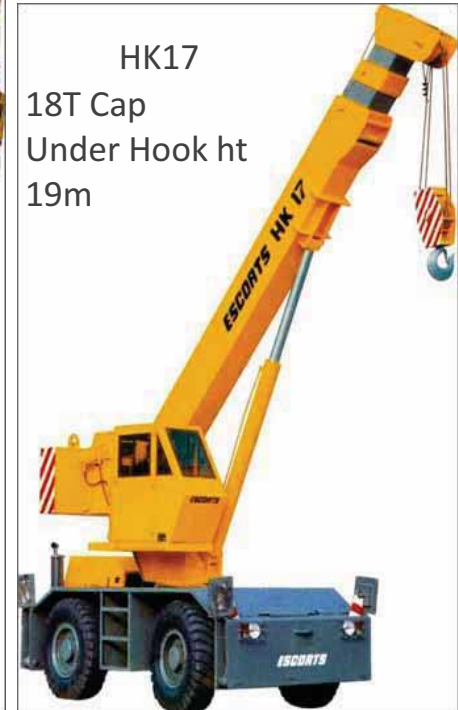
RT 20

22T Cap.  
Under Hook ht  
28 m



HK17

18T Cap  
Under Hook ht  
19m





## ESCORTS Hydraulic Mobile Industrial/Yard 360 ° Slew Cranes

### With Hydraulic Transmission:

HY 18  
20 T Cap  
21m UHH



HY 17  
18T Cap  
15m UHH



### With Mechanical Transmission:

IF 15  
18 T Cap  
16.5m UHH



IF 12  
12.5 T Cap  
12.5 m UHH



IF 10  
10T Cap  
11m UHH



## ESCORTS Vibratory Rollers

### SOIL COMPACTORS



### TANDEM ROLLERS



# Manufactured Product

## ESCORTS FORKLIFT TRUCKS

Diesel- 2T -3.5 T





## ESCORTS -DOOSAN FOKLIFTS

Diesel / LPG / BATTERY



## ESCORTS – ZOOMLION TRUCK CRANES



- Range: 8T to 150 T
- One of the largest manufacturer of Truck cranes in world:  
---Over 8000 cranes every year



## ESCORTS –IHI CRAWLER CRANES

RANGE: 50 TONNES TO 280 TONNES

IHI

CCH 700

ully Hydraulic Crawler-Spanner Crane

Lifting capacity 70 metric tons



CCH 1200

ully Hydraulic Crawler Crane

Lifting capacity 120 metric tons



CCH 1500

Fully Hydraulic Crawler Crane

Lifting capacity 150 metric tons



CCH 2000

Fully Hydraulic Crawler Crane

Lifting capacity 200 metric tons



CCH 2800

Fully Hydraulic Crawler Crane

Lifting capacity 280 metric tons





## ESCORTS –MANITOU TELESCOPIC HANDLERS

### ■ An extensive range of equipment

Telescopic trucks

# MANISCOPIC

From the most compact to the highest

- 4 to 30 m lift height
- Cap: 1.5 T to 21 T



i/06/2009

 **MANITOU**

15



## ESCORTS –MANITOU AERIAL WORK PLATFORMS

■ **An extensive range of equipment**  
Access platforms

•6M to 20 M

# MANIACCESS



•Up to 10m

5/06/2009



•Up to 12m



•Up to 20m

 **MANITOU**

## ESCORTS –MANITOU AERIAL WORK PLATFORMS



## ESCORTS –FASSI ARTICULATED BOOM CRANES



- 60 models in 1500 variants
- From Micro range to giant 150 Tm Crane
- Over 30,000 Configurations



## ESCORTS –TOP SLEWING – SELF ERECTING TOWER CRANES



Weihai Huata

## ESCORTS - ALTEC POWER UTILITY EQUIPMENT



Digger Derricks

## ESCORTS –XGMA MOTOR GRADERS



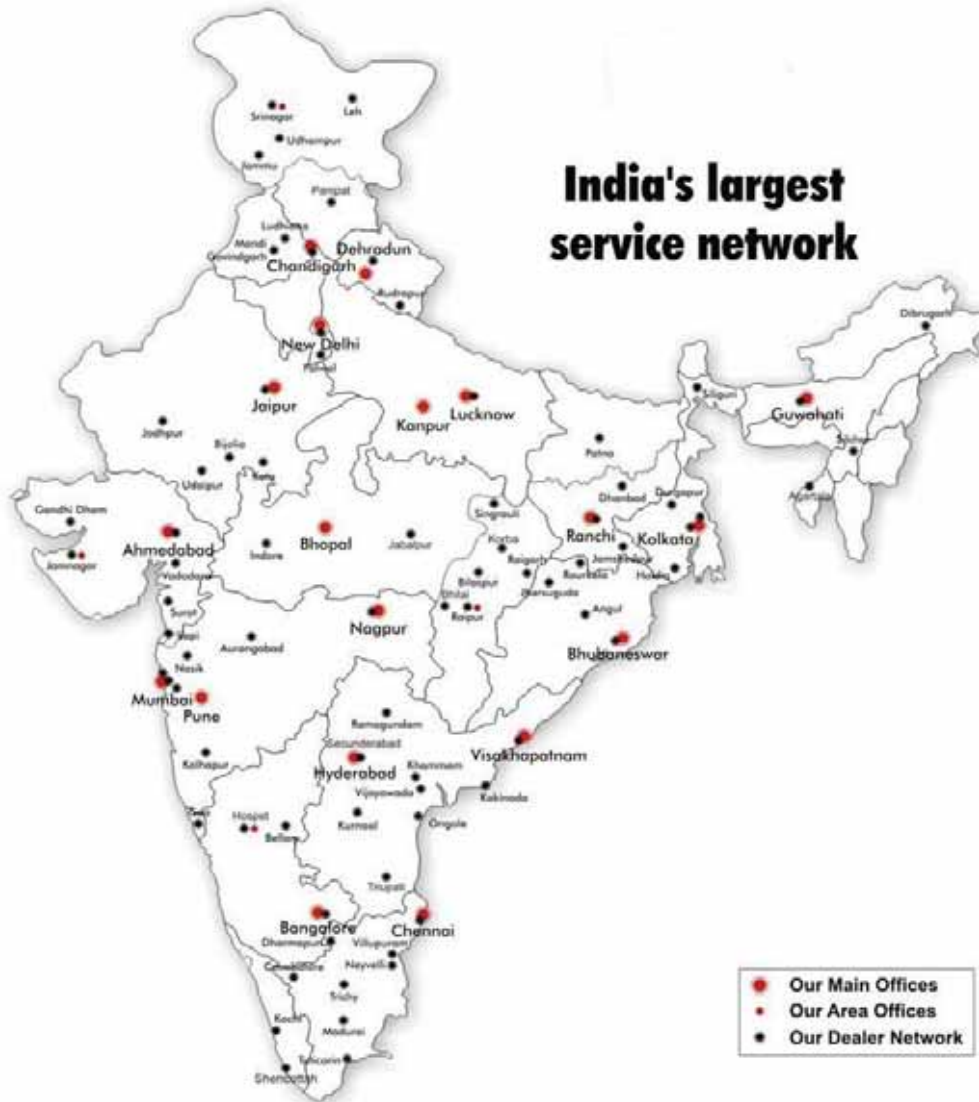
175 HP – 240 HP



## ESCORTS –XGMA LOADERS



## India's largest service network



ECEL Head Office – Ballabhgarh

104 Location Support Network

Sales & Service Manpower - 544

# Indian Market – Past Trends

Particulars	Sales	Sales	Sales	Sales	Sales
	2005	2006	2007	2008	2009
Articulated Dump Trucks	3	19	13	33	11
Asphalt Finishers	473	687	954	879	920
Backhoe Loaders	9133	13797	21769	16673	16001
Compaction Equipment	1445	2335	3219	2905	2787
Crawler Dozers	325	550	599	608	562
Crawler Excavators	4522	5904	9606	9897	7944
Crawler Loaders	1	3	6	5	4
Mini Excavators	22	24	22	64	71
Mobile Cranes	4140	5859	8115	7870	6050
Motor Graders	185	360	544	553	342
Rigid Dump Trucks	784	749	594	771	808
RTLTLs - Mastoid	0	0	0	0	0
RTLTLs - Telescopic	0	3	11	6	15
Skid Steer Loaders	118	175	265	480	290
Wheelers Excavators	0	4	5	0	0
Wheeled Loaders < 80 hp	10	2	0	0	0
Wheeled Loaders > 80 hp	1302	1877	2364	2540	1902
<b>Total</b>	<b>22463</b>	<b>32348</b>	<b>48086</b>	<b>43284</b>	<b>37707</b>

Source: Off Highway Research

# Indian Market: Future Trends

Particulars	2009		2010		2011		2012		2013		2014	
	Units	Rs Crs	Units	Rs Crs	Units	Rs Crs	Units	Rs Crs	Units	Rs Crs	Units	Rs Crs
Articulated Dump Trucks	11	13.53	20	24.6	30	36.9	40	49.2	50	61.5	60	73.8
Rigid Dump Trucks	808	323.2	900	360	1000	400	1050	420	1100	440	1150	460
<b>Total Hauling</b>	<b>819</b>	<b>336.7</b>	<b>920</b>	<b>384.6</b>	<b>1030</b>	<b>436.9</b>	<b>1090</b>	<b>469.2</b>	<b>1150</b>	<b>501.5</b>	<b>1210</b>	<b>533.8</b>
Asphalt Finishers	920	322	1150	402.5	1350	472.5	1500	525	1600	560	1650	577.5
Compaction Equip	2787	418.1	3400	510	3800	570	4200	630	4500	675	4800	720
Crawler Dozers	562	505.8	700	630	800	720	900	810	1000	900	1050	945
Motor Graders	342	212	600	372	700	434	800	496	900	558	950	589
<b>Total Road Const Equipment</b>	<b>4611</b>	<b>1458</b>	<b>5850</b>	<b>1915</b>	<b>6650</b>	<b>2197</b>	<b>7400</b>	<b>2461</b>	<b>8000</b>	<b>2693</b>	<b>8450</b>	<b>2832</b>
Crawler Excavators	7944	3019	10500	3990	13500	5130	16500	6270	19500	7410	22500	8550
Crawler Loaders	4	2.32	5	2.9	5	2.9	5	2.9	5	2.9	5	2.9
Mini Excavators	71	14.56	100	20.5	150	30.75	200	41	300	61.5	400	82
Backhoe Loaders	16001	2560	17500	2800	20000	3200	22500	3600	25000	4000	30000	4800
Skid Steer Loaders	290	34.8	350	42	450	54	550	66	650	78	750	90
Wheel Loaders>80 hp	1902	606.3	2500	800	3200	1024	3700	1184	4200	1344	4700	1504
<b>Total Earth moving Equipment</b>	<b>26212</b>	<b>6237</b>	<b>30955</b>	<b>7655</b>	<b>37305</b>	<b>9442</b>	<b>43455</b>	<b>11164</b>	<b>49655</b>	<b>12896</b>	<b>58355</b>	<b>15029</b>
Mobile Cranes	6050	647.5	7000	749	9000	963	10000	1070	11000	1177	11500	1231
RTLs Cranes	15	4.2	35	98	70	19.6	100	28	150	42	200	56
<b>Total</b>	<b>37707</b>	<b>8683</b>	<b>44760</b>	<b>10802</b>	<b>54055</b>	<b>13058</b>	<b>62045</b>	<b>15192</b>	<b>69955</b>	<b>17310</b>	<b>79715</b>	<b>19681</b>

Source: Off Highway Research

# Govt. Outlook for Construction Sector

- Construction is the 2<sup>nd</sup> largest Economic activity after Agriculture.
- Construction Employs the 2<sup>nd</sup> largest labor force after Agriculture
- The investment in construction is nearly 11% of India's GDP
- 46% of the total planned allocations of Rs.1,73,552 crs, allotted for infrastructure development

## Roads:

- Allocation for road transport increased by over 13% from Rs.17,520 crs to Rs.19,894 crs
- The National Highways Authority of India plans to bid out projects worth Rs 7,800 crs in the next 2 months
- The Government of India has targeted to build 20km of roads per day.



Source: Budget 2010-11



# Govt. Outlook for Construction Sector

## Power

- Government finalized the bids for two Ultra Mega Power Projects with a generation capacity of 4000 MW each. Bids will be called for more such projects in the coming months.
- Announced of Mega Power Project Policy with tax benefits
- Formulated regulations for Independent Power Producers and power trading through exchanges

## Urban Infrastructure

- Jawaharlal Nehru National Renewal Mission (JNNURM), with an estimated provision of Rs.50,000 crs is being implemented in about 60 cities to develop urban infrastructure
- FDI in Real Estate has boosted the investment in this sector



*Source: Budget 2010-11*



# Govt. Outlook for Construction Sector

## Ports

- Development of new ports with an outlay of US\$ 1.66 bn under the Public-Private Partnership

## Airports

- Modernization of existing Airports, developing new Airports through Public-Private Partnership

## Railways

- Indian Railways planning to add 25,000 kms of New Lines by 2020, supported by Public Private Partnerships (PPPs).

## Telecom

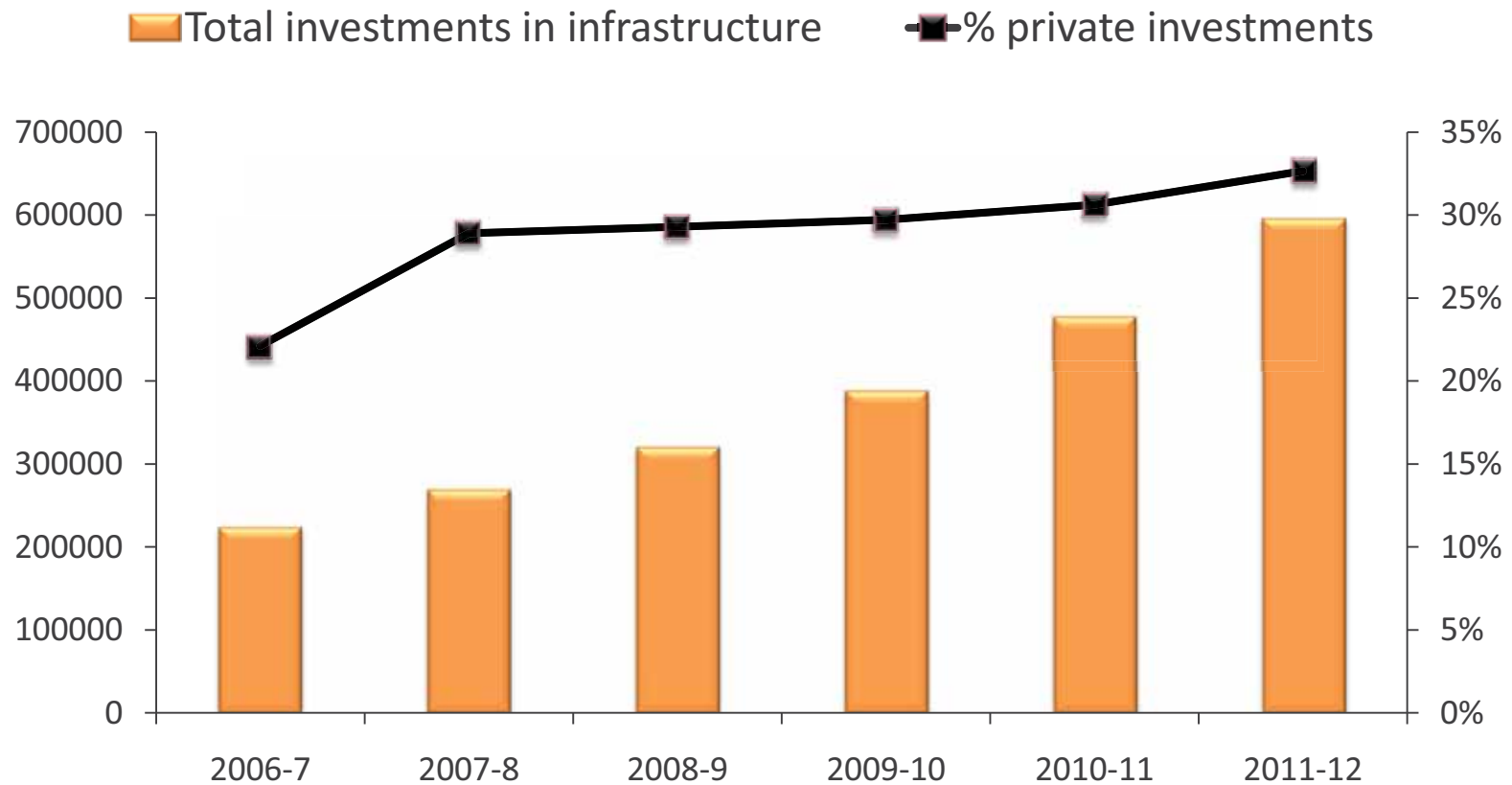
- Telecom licenses to new players and opening up the bidding for 3G services



Source: Budget 2010-11

# Govt. Outlook for Construction Sector

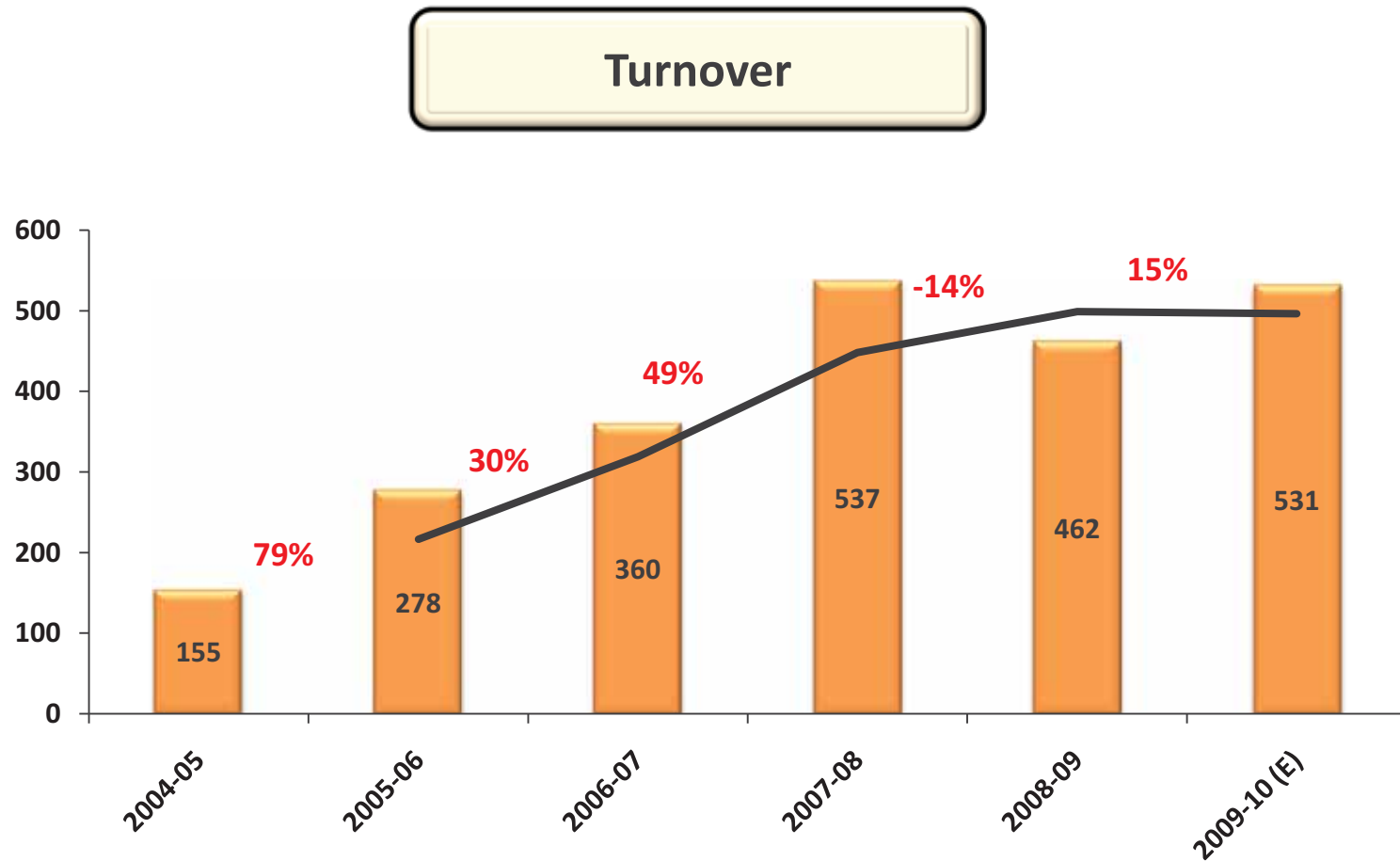
Government initiatives boosting private investments in infrastructure



# Estimated spending in Infrastructure

Sector	Estimated Spending during 2008-12	%
	<b>(Amt Rs. Billion)</b>	
Power	10736	52%
Road	1989	10%
Exploration and Production	1879	9%
Coal Mining	1400	7%
Rail	1166	6%
Ports & Port Based Infrastructure	878	4%
Oil Field Services	575	3%
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Urban Water Supply	514	2%
Airport	268	1%
Management of municipal solid waste	153	1%
Industrial water supply and effluent treatment	19	0%
<b>Total</b>	<b>20650</b>	<b>100%</b>

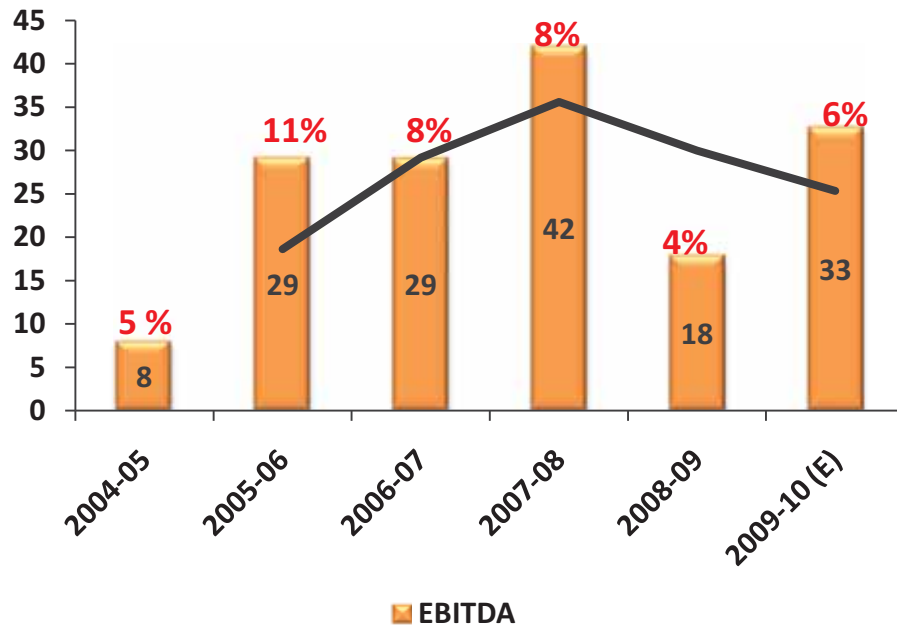
(Rs. Crs.)



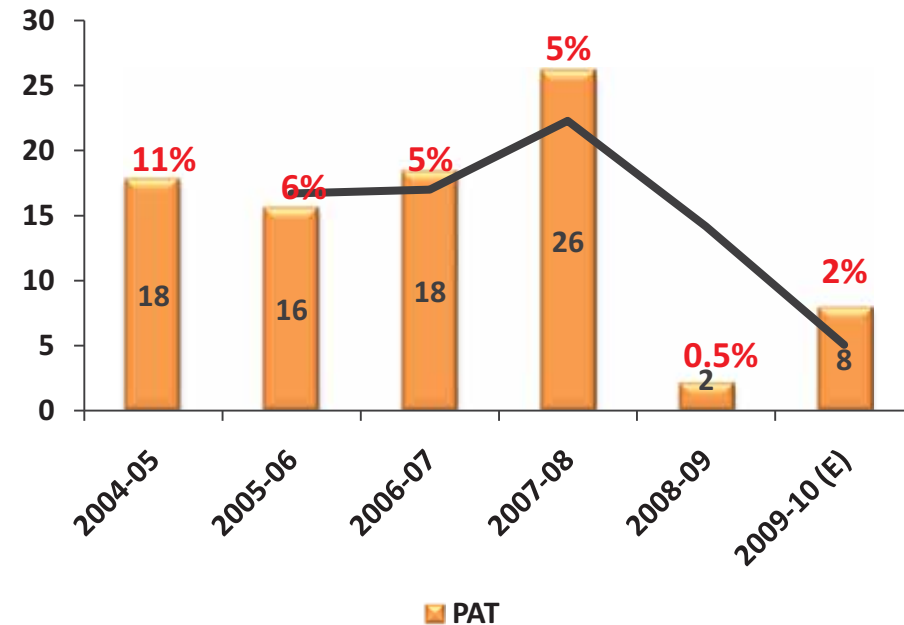
# ECEL: EBITDA & PAT

(Rs. Crs.)

## EBITDA



## PAT



In FY 2004-05 there was a Deferred Tax Saving of Rs. 13.1 Crs.



*“ICRA has upgraded the rating “*

	Rating as on April'10
Cash Credit/ WCDL Facilities	LB BB-
Long Term Loans*	LB BB-
Non Fund Based Limits	A 3

\* The long term Rating has been assigned a **“Stable”** outlook.

*Together we are ESCORTS*

