

ESCORTS

PRESS RELEASE

ESCORTS QUARTER SALES UP 21.2% AT 600.22 CRORE NET PROFIT AT 23.40 CRORE

- **Profit Before Tax (PBT) surges over 50 fold at Rs 35.45 crore**
- **EBIDTA up 82.4% at Rs. 54.15 crore**
- **Agri Machinery Division revenue up by 22.5%**
- **Tractor volumes grow 33.8%**

NEW DELHI, JANUARY 15, 2010: Escorts Limited has registered a 21.2% increase in sales in the first quarter of fiscal 2009-10 ending December 31, 2009. Net Sales for the quarter rose to Rs.600.22 crore as against Rs. 495.26 crore in corresponding period. Escorts Limited turned in a net profit of Rs 23.40 crore for the quarter against a loss of Rs 0.34 crore in the corresponding period. The company sold 13,561 tractors in the quarter as against 10,135 nos. in Q1 last year – a growth of 33.8%. Escorts Limited follows an October-September fiscal year.

The Company registered over 50-fold increase in Profit before Tax (PBT) Year on Year (YoY) at Rs 35.45 crore against Rs 0.70 crore of corresponding quarter. Escorts Limited increased its EBITDA by 82.4% Year on Year (YoY) to Rs 54.15 crore from Rs 29.69 crore.

Speaking on the results, Chairman and Managing Director Mr Rajan Nanda said, “Escorts has turned in a robust performance this quarter. Quarter sales have increased across the businesses. The Agri Machinery division revenue grew by 22.5% riding on market share gains by the new range of higher horse power tractors introduced last fiscal and a concerted push in designated markets.



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The new tractors models address more segments and agro-climatic zones and have been well received in the market. Escorts Railways Division has got a good order book for the current fiscal and registered a revenue growth of 17.6%. The railway business offers potential for growth and Escorts is according high priority to its railway division. 4 new railway products for coaches and wagons built for the Indian Railways are to be introduced by the division. The company will further reinforce the focus on agriculture and infrastructure this fiscal.”

Mr Nikhil Nanda, Joint Managing Director said, “The results reflect our consistent focus to enhance profitability through a slew of measures. All key ratios have shown significant improvement in comparison to the corresponding quarter. Material costs as a % to sales have been brought down by 2.5% from 70.3% to 67.8% through a series of cost reduction measures. Substantial term debts have been reduced leading to interest charges dropping by 58.7% to Rs 6.78 crore from Rs 16.40 crore. As we move ahead, cost rationalization and resource optimization initiatives will be further strengthened.”

For further information

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