



PRESS RELEASE

Escorts' Q1 Sequential Profit up at Rs. 34.1 crore

Q1 FY 2014-15 HIGHLIGHTS

Tractor volumes at 17,849 as compared to 15,556 in previous quarter ended March 2014

Operating income up by 14.9% at Rs 1,129 crore as against Rs 982.9 crore in previous quarter

EBIDTA up by Rs 11.1 crore as compared to previous quarter

Finance cost down marginally from previous quarter

PBT up 19.1% at Rs 38.8 crore as against Rs 32.6 crore in previous quarter

PAT increases 7.3% at Rs 34.1 crore as against Rs 31.8 crore in Quarter ended March 2014

*Tractor volumes sequentially up by 14.7%
Construction Equipment volumes up 6.2%
Turnover sequentially up by 14.9% at Rs. 1,129.1 crore
EBIDTA at Rs 56.9 crore from Rs 45.8 crore in previous quarter*

New Delhi, July 29, 2014: Escorts Limited today reported an increase in net profit from Rs 31.8 crore in the previous quarter to Rs 34.1 crore in the quarter ending June 30, 2014. The company recorded an increase of 14.7% in tractor volumes from 15,556 tractors in the previous quarter ended March 31, 2014 to 17,849 tractors in the first Quarter of fiscal 2014-2015. Construction Equipment volumes also increased to 719 units, an increase of 6.2 per cent over the preceding quarter. EBIDTA was up by 38 bps at 4.7% in the previous quarter ending March 2014 to 5.0% in the current quarter ended June 30.

However, year-on-year performance showed a decline with revenue lower by 4% from the corresponding quarter in the previous fiscal.

Speaking on the results, Chairman Mr. Rajan Nanda said, "The new government has brought in winds of change and new energy into the economy. We plan to aggressively address segments, which will open up with the implementation of the government's ambitious plans in infrastructure and farm mechanization. There has been a marked improvement in the sentiment around the construction industry due to the announcement of major infrastructure programs. Escorts is strengthening its product portfolio to meet the aspirations of its customer base with higher dependency on mechanization and technology. While we intend to focus on improving market share in the tractor market, we shall maintain our focus on growth in the construction equipment business."

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Mr. Nikhil Nanda, Managing Director added, “We stand today at the cusp of change as a country. The sinews of a new India will emerge from new roads, new rail networks, greater mechanization and productivity. And the tools for executing these projects lie in both farm equipment and construction equipment. At the market end, we continue to work on strengthening our image and technology leadership by understanding our customer better. Our new products have been successful in creating new market segments and tapping into a wider range of customers for our tractors, both in the farm and non-farm segment. On the manufacturing front, we have embarked on ambitious programs that focus on ‘lean’ management and consolidation of manufacturing facilities.”

SEGMENT WISE PERFORMANCE

Tractor volumes went sequentially up by 14.7% to 17,849 tractors in Q1 ending June 2014 as compared to 15,556 tractors in the last quarter of the previous fiscal ending March 2014. Consequently, revenues increased from Rs 802.21 crore to Rs 946.42 crore in the current fiscal. Construction Equipment volumes increased to 719 from 677 in the previous quarter. Consequently, revenue increased to Rs 121.01 crore as against Rs 110.50 crore in the preceding quarter. Auto Products continued to be under pressure and quarterly income dropped to Rs 22.9 crore in the current quarter from Rs 30.6 crore in the previous quarter. While Railway Products also saw a dip in quarterly revenues from Rs 45.1 crore in the previous quarter to Rs 42.7 crore, the current order book of around Rs 33 crore to be executed over the next 2 to 3 months provides a sound base for the forthcoming quarter.

The reviewed accounts of 3 months ended 30th June 2014 has been approved by the financial results committee of the Board of Directors of Escorts Limited.

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