



**PRESS RELEASE**

**Escorts H1 Profit Up 74% at ₹ 78.2 cr**

*Escorts Q2 profit up 219% at ₹31.3 crore*

*Quarter turnover up by 21.7% at ₹995.3 crore*

*Second Quarter Tractor volumes up 35.4% at 15,482 units*

*Construction Equipment volumes in Q2 up 18.3%*

**New Delhi, October 27, 2016:** Escorts Limited today reported a profit of ₹ 31.3 crore in the quarter ending September 30, 2016 as against a profit of ₹ 9.8 crore in the corresponding quarter in the previous fiscal. The net profit for the half year ending September 2016 was up by 74 percent at ₹ 78.2 crore as against ₹ 45 crore in the corresponding period last year.

**HIGHLIGHTS**

H1 Turnover up 14.8% at ₹ 2,065 crore.

EBIDTA for quarter up by 139.9% at ₹ 62.5 crore.

EBIDTA for the first half up by 79.7% at ₹ 150.2 crore

Domestic tractor market share up at 11.3%; EBIT margins up 238 bps

Material cost in Q2 down by 105 bps; H1 by 183 bps

Tractor sales were up by 35.4% at 15,482 units during the second quarter of the current fiscal. Sales of construction equipment went up by 18.3% at 724 units as against 612 units in the corresponding quarter.

Turnover for the quarter was up by 21.7% to ₹ 995.3 crore as against the quarter ended September 2015. Turnover for the First half of fiscal 2017 stood at ₹ 2,065 crore, up by 14.8% as against ₹ 1,798 crore in the half year ended September 2015. Material cost was down by 105 bps at 68.06% as against 69.1% in the corresponding period. In the First half, material costs were down by 183 bps at 68.3% as against 70.1% in last year April-September 2015.

EBIDTA for the quarter was up by 139.9% at ₹ 62.5 crore as against ₹ 26 crore in the corresponding quarter. EBIDTA for the First half was up by 79.7% at ₹ 150.2 crore as against ₹ 83.6 crore in the corresponding period last fiscal.

Speaking on the results, **Chairman Mr. Rajan Nanda** said, "We were able to capitalize on good monsoons and return of market demand both through increased sales and continuing returns from cost compression. Favourable monsoons have to be followed by concerted policy action to further give agriculture sector a huge push. This is the time for a big impetus to farm mechanization, crop insurance and agriculture infrastructure. The construction industry too is showing signs of improvement and railways are on a healthy track."



According to **Mr. Nikhil Nanda, Managing Director, Escorts Ltd**, "Our investments in better product mix, increased coverage, enhanced efficiencies and product innovation will continue to deliver results and higher profitability when the demand scenario improves. We have made strategic investments in the recent quarters on building human capital, strong brand and sharp market focus. The new products that we have introduced have been well received by our customers. Our focus on quality, engagement with the customer and cost efficiencies will be a continuous process. Our efforts in strengthening our dealer network and focus on specific markets has helped us gain mindshare and market share in key agricultural zones."

#### SEGMENT WISE PERFORMANCE

##### *Escorts Agri Machinery*

Tractor sales were up by 35.4% at 15,482 units during the second quarter of the current fiscal. This was accompanied by significant improvement in EBIT margins which was up 247 bps at 9.4% as compared to 6.9% in the corresponding period. For the First half of the year, tractor sales was up by 21% at 31,845 units with margins up at 10.3% as against 8.2% in the corresponding period. Market share grew to 11.3% as against 10.6% in the corresponding quarter and 9.9% in the preceding quarter.

##### *Escorts Construction Equipment*

Sales of construction equipment went up by 18.3% at 724 units as against 612 units in the corresponding quarter. Construction equipment sales were up by 30.6% at 1,463 units in the First half of the fiscal as against 1,120 units in the corresponding period.

##### *Escorts Railway Products*

The division recorded a marginal increase in revenue for the second quarter at ₹ 60.1 crore as against ₹ 59.9 crore in the corresponding quarter. For the half year, ERP revenue stood at ₹ 117.9 crore, an increase of 3.06% against ₹ 114.4 crore in the corresponding period of the last fiscal. The current order book is around ₹ 110 crore and will be executed in the next 6-7 months.

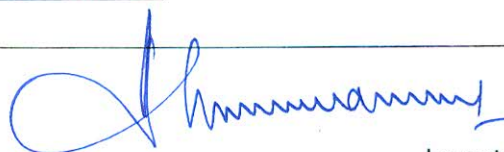
##### *Escorts Auto Products*

Revenues from the Auto division was ₹ 12.6 crore in the quarter ending September 2016 as against ₹ 21.6 crore in September 2015.

**The reviewed accounts of the second quarter and First six months ended 30<sup>th</sup> September 2016 has been approved by the Board of Directors of Escorts Limited.**

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