



**TRANSCRIPT OF THE 74TH ANNUAL GENERAL MEETING OF ESCORTS LIMITED HELD AT
10.00 A.M. ON MONDAY, AUGUST 24, 2020 THROUGH VIDEO CONFERENCING**

Good Morning,

Dear Shareowners, on behalf of board of directors and every Escortians, I welcome you all to the 74th Annual General meeting of your company.

I hope during this unusual time you; your family and your dear ones are safe and well.

As the requisite quorum being present through video conference for the AGM, now I begin with the business of the meeting.

In view of COVID-19 Pandemic and social distancing norms, this meeting is being held through video conference. Other audio-visual means and is in compliance with various Circulars issued by Ministry of Corporate affairs, and Securities and Exchange Board of India. The Company has taken all feasible efforts under the present circumstances to ensure that the Shareholder are provided an opportunity to participate in the Annual General Meeting and vote.

The Register of Directors and Key Managerial Personnel and their Shareholdings and Register of Contract and arrangement in which Directors are interested are available for inspection of members electronically during this Meeting.

I would now request Mr. Satyendra Chauhan, Company Secretary and Compliance Officer to take us through the general instructions pertaining to annual general meeting.

Thank you, Mr. Nanda, As this meeting is held through video conference, I would like to mention few things that Every member joined is mute by default, to avoid any disturbance arising from background noise and ensure seamless conduction of the meeting. As the question-and-answer session starts, we will speak name of person one by one. On calling the name, the Speaker shareholder has to unmute himself or herself, if the speaker shareholder faces any connectivity issue, we will ask next registered shareholder to speak and the previous shareholder will be allowed to speak post all registered shareholder finished asking questions.

Also, members may post their queries in the message box provided on their screen and we shall appropriately respond to them post the AGM.

We at Escorts are committed to answer all queries of the shareholder, which we may not be able to answer due to bad network connectivity on the part of the Company or Shareholder or for any other reason whatsoever, the Shareholders can email their queries to the email provided in the Notice of AGM, we will email the answers post the Annual General Meeting. The entire proceedings are being recorded.



Thank you Satyendra.

Taking the meeting forward, I will introduce the board members who are present and joining through video conference.

1. Mr. Hardeep Singh, Non-executive Non-Independent Director - Mr. Singh is Chairman of Stakeholders Relationship Committee of the Company.
2. Mr. P.H. Ravikumar, Independent Director - Mr. Ravikumar is Chairman of Audit Committee, Nomination and Remuneration Committee, ESOP & Compensation Committee of the Company.
3. Ms. Vibha Paul Rishi, Independent Director.
4. Dr. Sutanu Behuria, Independent Director
5. Ms. Nitasha Nanda, Whole time Director
6. Mr. Shailendra Agarwal, Executive Director
7. Mr. Sunil Kant Munjal, Independent Director
8. Ms. Tanya Dubash, Independent Director
9. Mr. Harish N. Salve, Independent Director
10. Mr. Dai Watanabe Non-executive Non-Independent Director
11. Mr. Yuji Tomiyama Non-executive Non-Independent Director

On behalf of all stakeholders, I welcome Ms. Dubash, Mr. Salve, Mr. Watanabe and Mr. Tomiyama San on our Board and thank them for extending their mentorship and support to your company.

Also, present key executives of your company joining through video conference from their respective locations, including: - Mr. Bharat Madan our Group CFO and Corporate Head.

- Mr. Shenu Agarwal, CEO Escorts Agri Machinery
- Mr. Dipankar Ghosh, CEO Railway Equipment Division
- Mr. Ajay Mandahr, CEO Escorts Construction Equipment
- Mr. Satyendra Chauhan, your company secretary & compliance officer, is also present

Moving to Auditors

- Mr. Siddharth Talwar, Partner from Walker Chandiok & Co LLP, our statutory Auditors
- Mr. Gavish Uberoi, Partner from Ernst Young, along with his team of internal Auditors
- Mr. Jayant Gupta, practicing Company Secretary and Secretarial Auditors and



- Ms. Parvathy Venkatesh, from M/s. Ramanath Iyer & Co., cost auditor of the company

Thank you for support and continuous guidance.

Shareholders feel free to ask questions to Auditors and Company executive directly.

Moving to the main speech of today's Annual General Meeting:

Dear Shareowners,

On behalf of Escorts, I again extend a very warm welcome to all of you for 74th Annual General Meeting of your Company.

We are going through very unusual times. I think it is in Escorts DNA, that in crisis, we emerge even stronger than before. During this crisis also, Escorts has shown extraordinary resilience.

As a responsible corporate citizen, we did our best to help our communities by distributing food to the needy and donated funds to both the Govt of Haryana and to the Central Govt to help the country fight this battle.

While resuming business post the lockdown, we took utmost precautions to ensure maximum safety for our employees, including a special Covid-19 insurance benefit cover.

We also worked closely with our suppliers to ensure as they open up, they follow all safety precautions. Though we had some up and downs during the last two months, we are glad to say that all our manufacturing Plants are running to full capacity.

The current pandemic has put the Agriculture sector once again in the forefront. Food security has been an issue for long, but the pandemic has made the entire world once again recognise its severity.

In the last few months, some of the steps taken by the Govt towards rural and Agri development will prove to be historical. I think if there is a silver lining to this dark cloud of the virus, it has to be 'Agriculture'!

Dear Shareholders, your Company is fortunate to be in this space.

This year, Escorts is turning 75! (Pause 2-3 seconds) slide change)

Our first Chairman, HP Nanda, had laid strong foundations of this great institution. His legacy was carried forward by our Late Chairman, and my father, Rajan Nanda.

I took over 7 years ago as your Managing director of the company, with lot of hope and excitement, but also with a sense of a big responsibilities on my shoulders.

The world is changing, so are we. Our goal is to reinvent Escorts with changing times and make it a company of this and the next century.

In the last 5 years



- Our Domestic tractor sales almost doubled.
- Our tractor exports increased by 5 times.
- Railway Business sales doubled.
- Construction Business emerged from red to making a small, but modest profits now.
- Our Profit After Tax rose nearly 6 times in 5 years.

Until few years ago, people used to say Escorts is a one-fourth country company.

And they were right to some extent! We are hell-bent on changing that – not just for India but also by spreading our footprint globally.

I am pleased to say that Escorts has now crossed the 1000 mark in terms tractor dealer outlets in the entire country.

Most of the increase has happened in our traditionally weaker markets.

Three years ago, we started on the dual distribution concept.

In more than six major states now, we have separated dealers for Powertrac and Farmtrac brands.

We are running some very disruptive market penetration projects in the country.

For example, Project Bahubali in Telangana, is aimed at providing 100% door-step service to all our customers, directly by Escorts, through a number of mobile service vans and bikes.

In Bihar, the headline of our pitch says: 'Ab Bihar Banega Aaloo ki Kheti Mein #1'. We have opened up several implement banks here where advanced implements of potato and other crops are being given free of cost to progressive farmers for their usage in acres. The intent is to support farmers increase their yield through adoption of modern farm mechanization practices. In Rajasthan, we provide our customers 'Mileage ki Guarantee' for our Powertrac brand, along with a host of other benefits like 5-year warranty and 3-year free maintenance of tractors. And these are just a few projects to name of you.

We are happy that because of these efforts, Escorts has been the second fastest growing tractor company in India in the last five years.

This has helped us drastically narrow the gap from our nearest competitor.

We are confident to continue this winning streak in the domestic market.

Globally too, we are expanding our footprint.

We are doing very well in the European markets now, holding second position in Europe among India-led exporters.



While the numbers are still small as compared to other brands, we have invested more than 800 crores in the last five years, mainly in new product development and plant capacity.

Most of this is aimed towards global expansion.

Speaking about new products, until few years ago, Escorts tractor product line was limited just between to 35 to 50 HP.

Today Shareholders, I am glad to share with you – Today we have a range starting from 11 HP all the way up to 120 HP.

Today, we have products that boast off modern styling created by likes of Porsche;

We have products that don four-wheel drive and 20-speed gearbox technologies;

We have products right from a garden application, to orchards, to big farms and ranches; now we even have tractors with roll-bar protection and cabins.

We recently launched two new series in both our key brands. Farmtrac “Powermaxx” Series and the new Powertrac “Euro Next” series.

Both these tractors will establish new benchmarks of performance and quality in the Indian market.

Our product pipeline remains extremely strong and therefore our confidence shareowners for your company growth in the future.

Going forward we will be launching more new and innovative products to bridge remaining gaps in our product offerings.

So, as to we grow extensively and aggressively in a domestic Markets and in the Global market.

Turning the focus now on the Construction Equipment Business.

The Construction equipment industry has seen in slowdown in FY2020.

While the industry started recovering from Dec’19 but due to government clearances of payments & increased spending, the lockdown in Mar’2020 again pulled down the momentum.

- Last year our served industry de-grew by 23%
- Our total volumes went down by 27%

We believe this is a temporary phase and the construction equipment market also will start improving from Q3 this year.



We have made some significant improvements in turning around this business over last few years, and we are fully committed to making our Construction Equipment business a significant one. We are working on many initiatives like:

- Cost Transformation Program – Wherein, the last few years we have done extensive work in reducing fixed cost and improving EBITDA and I do believe we have a long way to go to take our EBITDA levels to the best benchmarks of the industry.
- Secondly, we have introduced a completely a new range of what we called as Whiteline series of the products, which you can see in the screens. This is absolutely a new platform with new product technology aimed in our crane, compactors and slew cranes. And this will give us confidence to go in the market space.
- Third - Enhancing customer experience through digital interface. We live in a digital world and we won wow experience from all our customers. Your company has taken multiple efforts in creating a digital link, a direct link with your company. So, by the company can reach out to the customer immediately and give them what support they required.
- Fourth – As you are aware, we had announced about our partnership with TADANO and Utilising the partnership and the partnership that we have TADANO will give your Company an entry into the truck mounted crane. TADANO is one of the most respected names in the world, when it comes to safety, when it comes to productivity of the machines.

Dear Shareholders, I am extremely proud to have this partnership and bring the product in Indian market and also used in Indian manufacturing set up to cater to the Global requirements.

Briefly I will now move on to our Railway Business as well.

This is the best growth story in your Group. The business sales doubles in the last five years. Even in FY2020 we registered a growth of 21% in our railway equipment business revenues.

- Our Order book stood at more than Rs. 510 crores as of April 2020.
- We have been working hard on bringing new products to modernize Indian railways.
- We are developing a rich and diverse range of products, through technology transfers with global leaders and deep in-house R&D.
- Shareowners, I am glad to share that of all the investments we made in Railway division, the new products that we have invested into now contributing to 40% of our revenue, and in the last few years have grown by 78% and we will continue to invest and continue to look at the opportunities even if it means mergers and acquisitions. And your board is very very focused in giving us all the support to improve our revenue impact and growth.
- Under “Make in India” program recently we got RDSO approval for Escorts make microprocessor control, electric brakes brake system, (MCBS) for 3 phase locomotives.



- We are the first Indian company to join the league of select few companies worldwide, who has the capability to design and manufacture such complex braking system. Now, the same is in the field trial and will be commercialised in FY 22.
- Your company has fostered a technology collaboration with Medel Electronic of Turkey for vacuum toilet systems to bring in a major change in the toilet system currently being used by the Indian Railways.
- This new technology is set to deliver higher efficiency, less water usage and more comfort to passengers.

Dear Shareholders, while it is a good start, we are not contented at all. We still have a very long way to go. Our efforts and results over the past five years have reflected in over 10 times increase in our market capitalisation. And I like to applaud the effort of this effort to all the Escortians, to workers, to engineers, to the entire fraternity to my Board of Directors and to the shareowners, for your blessing and for your faith for where Escorts was few years back and where we are, and as I mentioned, the contentment is not there at all. We have a long, long way to go. And we speak with your blessing would want to continue on this momentum.

Dear Shareholders, I am also very happy and pleased to share with you that very reputed publishing house, Harper Collins recently published a book titled "Back from the Brink" capturing Escorts turnaround story. I recommend you read through it in your free time. It will give you a glimpse and a perspective of all the hard work the entire fraternity has put in in the last six years, and the foundation that we have laid for the future.

I would now take you through your company's financial performance for FY 20.

- As you are aware all businesses throughout the world, got impacted by the lockdown in the last few days of the fiscal year 2020. We also missed the normal demand surge at the end of the fiscal year 2020. As you know, the lockdown by the government was announced on March 20 and it was just at the peak of navratras. So your company could have done a lot more in terms of his volume delivery, but due to the uncertain shut down, we did miss out on meeting the number that we had aspired for.

This impacted and yet our turnover stood at 5810 Crores.

Tractor volumes because of the sudden shutdown dropped by 10.8% and construction equipment volume dropped by 27.1%.

While volume was down, the net profit stood at 471.7 crores, a fall of only six Crores.

EPS stood at 55.04.

Despite some challenges faced in the year, I'm happy that your Board of Directors of the company recommended a dividend of 25% i.e. which was 2.5 rupees per equity share.



Some other financial highlights as you can see on the screen, I'll give you just a few seconds to browse through it.

Moving on. As I said, we are happy about a recent journey, but we are not contented at all. I firmly believe Escorts has much more potential than what it has delivered yet. Numbers are one thing, as they are just a reflection or outcome of our thoughts and actions. Each day each Escortians coming to work is trying to put in a solid foundation to build a better future for the Escorts.

Our future would stand on three pillars.

First, creating a winning partnership.

Second, developing futuristic technologies and

Third, incubating New Age business models and practices.

By doing so, we believe we would not just reinvent escorts but would help in contributing and transforming our great nation and the world in many unique ways.

Let me expand on these three points that I've mentioned, which will become the future pillars of building escorts into one of the most respected companies in this space. On partnership, Escorts has always believed in partnership. I believe this is one of the DNA which Mr. HP Nanda the founder laid in this company. There are companies who are wanting to work on their own, nothing wrong with it. But there are companies who take the pride with working with partners, escorts in the last 75 years take great pride in working with multiple partnership from across the globe. And that is a reason that we have learned so much and delivered what we can do the market.

My grandfather and the founder of Escorts Limited, always said, in two lines. I want to bring the world's best to India and offer India's best to the world.

And again, escorts is at a cusp of bringing in partnerships which are respected and will allow us Escorts to bring in the world's best to India and offer India's best to the world through what Escorts can offer to this platform.

So, as I said, going to the first point of creating a winning partnership. I am absolutely proud on behalf of the Board of Directors and every Escortians to talk about our partnership with Kubota cooperation from Japan. Kubota is a highly respected name in tractors and machinery around the world, with a turnover exceeding more than USD of \$18 billion dollar. We believe working with closely Kubota we will achieve the following.

First, Escorts will put up one of the finest tractor companies manufacturing entities in Faridabad right here, will be one of the best manufacturing facilities that we will put up and will be commercially ready by November this year. We expect to give a large boost to our exports with this partnership and we want to structurally move from tractionalization to



mechanization and from products to solutions. By Escorts bringing his frugal engineering and smart marketing capabilities, and by Kubota, bringing its manufacturing know how and product technologies, this Escorts Kubota platform would be unique in the world to faster growth and innovation.

Dear Shareholders, I am absolutely pleased to present to you Mr. Yuichi Kitao, President & Representative Director of Kubota Corporation, to share his vision of the Escorts - Kubota partnership.

Please take some precious of your time to see his message which he has made from Japan. Thank you.

Thank you, Kitao San.

This will be a win-win collaboration and will benefit Escorts from product innovation, product systems excellence, access to global supply chain, synergies in sales and distribution, and by acting as a global sourcing hub for Kubota.

In the construction equipment space, we are proud of our partnership with Tadano Group, which I spoke about sometime back. The world's leading mobile crane manufacturer from Japan. We are jointly developing high-end products customised for the Indian market, to cater to the demand for rough terrain and truck cranes in the 20 to 80 tonnage segments.

Dear Shareholders, I am pleased to present to you Mr. Tadano, the Founder Owner of Tadano to share his vision of the Tadano-Escorts partnership.

Please, I would like to make turn your attention to the video message.

We look forward to creating a sustainable positive impact on the high-end crane ecosystem in India.

Our ecosystem and the competitive landscape are changing so rapidly that we cannot imagine.

Do you know that in rural India the penetration of internet is now even more than in our large cities? Do you know that the number of likes and channel subscriptions coming on YouTube from rural India far outweighs those from Urban India? We have to respond to this, and we have to continuously reinvent our business models and we have to bring digitization in everything we do. Your company will stand at the forefront of this change. Escorts has taken steps towards creating new age business models that aim at disrupting the markets in many unique ways. Few to mention are here as follows:

- Escorts Crop Solutions: - A pay per use model
- Parts Easy - an app based spare parts distribution model
- Digitrac - a contact less online selling platform



- Care24X7 - a SIM base device to connect customers with company digitally. I'm happy to share shareholders that Escorts among the first and few companies in the world that is provided a button along with a digital link with every customer. So every tractor is fitted with this device. So, when a customer has a problem, he just has to press a button and it goes into a call centre and we give immediate support. And we know the location of the customer. And we will send them the engineers to do whatever he needs to do to delight the customer, and escorts will do what it takes to create a wow experience for the customer even in times ahead.

I have a firm belief that technology will continue to disrupt the future of the world and in the areas where we operate.

I am very pleased shareholders and I'm also taking great immense of pride as an Indian and as an Indian company, and as an Indian multinational company that escorts is amongst the first company to now commercially launch an electric compact tractor. We have received some good orders from the European continent and also from the Americas. And we are now increasing our production and happy that has been very, very well received. At exclusive 2019 the third edition of our annual innovation program, we showcase innovative technology concepts such as hybrid tractor, as you can see on the screen is one of his first prototype, Hybrid backhoe loader a rural transport vehicle RTV, which we call the rider and few range of new construction and railway products. These technologies and these product pipelines will see, and we'll be commercially launched as we have done for the electric compact tractor. In nutshell, I just want to give the confidence to the shareowners that your company believes in technology and disruption and we will invest in new products and we'll create a differentiation of value proposition for a customer.

Off late, we also launched Rajan Nanda Innovation Lab, which is RNIL, which aims to create an innovative platform to bring to the forefront lot of disruptive ideas, and in our field. This year, we aim to choose 10 of such ideas from across the globe and provide incubation fund to take them to the next stage. Some of these ideas are very, very innovative and have the power to impact the world in ways that we have never thought before.

Dear shareholders, to enable all of this we have to create a more vibrant escort. An escort that is far younger in its thinking, leaner in its working, stronger in his commitment and more responsible to work all stakeholders and society at large. Your company is trying to be more and more agile and useful. The current average age of his Escortians is now around 36 years we can go lower, and we will try. From almost zero, about 4.5% of our managerial workforce are women. We have a long way to go in this because we believe in women empowerment, and we would want to recruit far more many more women in our companies and have a good balance between the two ratios. We will continue to give more opportunities to the young and we shall continue to be more inclusive in our growth and in our conversations. Your company has consistently been working on becoming more efficient and leaner. We have reduced our costs significantly through various cost compression and value engineering programs.



Our material cost has come down drastically from 71.5% in 2015 to 66.3% in last year. On the current top line, this amounts to nearly 300 Crores of saving. Our personal cost to sales ratio has come down from 10.8%, five years ago to about 8.9% currently.

COVID-19 has challenged us to think and rethink on cost in many ways. A few questions have emerged that we never thought we will ever face. Do we really need all these offices to operate from? Do we really need to travel so much around the world to make business happen? Can we think about a more efficient, safer contact, contact less way of doing sales? In the last few months of lockdown, that is how we have been conducting business and how save huge costs. So why not in the future?

Escorts will soon find right answers to all these. Your company today is in a far better financial health situation, your company is zero debt company. Our cash reserves as of June 30, 2020 are of 1055 crores.

The fact that we did better profit in quarter one this year, in comparison to last corresponding quarter shows the strength and the resilience of your company. Escorts is aware and conscious of our responsibility towards all the stakeholders, including our communities in our nation in the process of developing a sustainability goal, which we shall announce sometime this year with a commitment to systematically contribute towards global environmental causes.

Today shareowners I'm proud and this is my personal strength and the strength of your company. The vibrant board that is advising you today and advising the entire company today. I cannot thank them enough for the contribution, I cannot thank them enough for all the right pressures they put on me and the entire team. And all this wonderful progress has happened because of the participation that we have in each board meeting. And I want to thank them and on behalf of the entire team for your guidance, and I know that this board wants us to do a lot more. So, thank you to our esteemed board of directors.

We have a solid leadership team. Many of our top leaders have long stints with us. Other than bringing a lot of management skills they are also very passionate about nation building purpose of escorts. Thank you, guys, for your commitment and passion. Escorts is very passionate about bringing youth back to agriculture and this is a global platform that we need to address. As I said, we have a lot more to do a long way to go. While we will progress on our goals and on our commitments. There are some four principles that We will never waver from number one, cash would always be king for us, as they say profit is a concept cash real.

Number two, we will continue to aim at being either number one or number two in every business that we operate in.

Number three, we will turn around Escorts from a product centric company to a solution centric company with digitization and technology at its helm.



Number four, we will be responsible, and we will comply with all the governance that we have to gain the respectability of trust across the value chain.

Five years ago, your company first launch and made public his vision to 2022. I'm pleased to advise that we are working steadfastly to achieve that. Escorts has now started to build a vision to 2027 and 2028. And in the next few quarters. We shall present this to you, I would love to hear your thoughts and we would love to hear your thoughts of Escorts that you want us to build for the future. So please write to us and share your thoughts.

As I conclude, I must mention how privileged I am to work with such an extraordinary team of Escortians, our board of directors, our leadership team, all our employees and Associates, our business partners, banks, and financial institutions, and our dealers and our supply partners. I'm most grateful to you, our shareholders, for a continued faith in our company. And in mean, your support is a biggest strength in our success, as we stretch our aspiration higher and spread them wider to every home every life. Thank you for being with us today. And thank you for being part of this fabulous and yet emerging story at Escorts.

As the notice is already circulated to all the members, I take the notice of the AGM as read.

Before moving to the Q&A session, I would like to play a very brief video of the initiative of the Company. Your company has taken during this epidemic time on creating a safe environment to do business a short video and thereafter, we are going to go towards the Q&A.

Before we put the proposed resolutions to Vote, I would like to invite the registered speakers one by one who can ask the question by unmuting themselves. In order to accommodate maximum numbers of speakers, I request you to please be brief and restrained from repeating the point and put forward your question forthrightly to the board and to myself and to the executives of the company. Request our shareholders to ask your questions. And at the end, we will answer the format that we were suggesting is that we have quite a few registered shareholders who want to ask and we want to give everybody a chance and we want to hear your thoughts out. So, we will invite five speakers. And we will ask you to ask your questions and your views. And after the five shareholders have given their views or ask the questions, we will then answer five collectively and then follow this pattern. May I ask now the company secretary please to read out the first shareholder to come up and ask the question.

Speaker: Mr. Narender Singh

Good morning. I request you to the board of directors that pls consider about the bonus of the shares. So that trading value increase and I also hopeful for increasing the share price.

Thank you very much to express my view.



Chairman:

Your question to the Board of directors is that please consider issuing a bonus. Is that right? Is that is that your suggestion?

We will deliberate this in the board. Thank you very much for your suggestion.

Next shareholder: Mr Pradeep Sood

Thank you, Chairman sir. Thank you very much for giving me your precious time. Last time, during the physical meeting you have promised me that you will increase the share price and you have done it. I am very happy about it. 70 years back, your Grandfather has put all his hard work and he got the goodwill for this company. Your father has taken to the company to the next level. Now, you have taken this company to the next level, where our company price has gone up to Rs 1,100/-, which is a happy occasion to all the shareholders. Pls continue to have the same efforts so that all our shareholders will be happy due to increase in share price. I would like to inform you one thing sir. Whenever I contact Escorts Team, I get a good response always especially from Mr Bharat Madan, Mr Vinod Dixit, our CS Chauhan, Mr Aman, Mr Amit and Mr Kishan. I am in regular touch with them for last so many years and never faced a problem from them till date. Thank you, Chairman Sir and God bless, you.

Chairman:

Thanks. What I would like to say that the credit of the share price and performance is the collective efforts of the entire eco system of Escorts, and it is a reflection of the Board, reflection of the great team and reflection of workers and entire fraternity and I am sure they are hearing you. But again, I will convey to them your gratitude and appreciation. Thank you very much.

Next Speaker: Mr Ashok Kumar Gupta

Good Afternoon to Chairman, Board of Directors and fellow Shareholders. Myself Ashok Gupta. Due to Covid-19 we are conducting the meeting thru virtual and we are unable to meet our Chairman in person. Otherwise, our Chairman used to meet the shareholders in person and interact every year. This year company's performance was too good. Our share price is fluctuating between 1100 to 1200. This is because of hard work done by the you, company and employees. Our PM has announced this year, 1 Lakh Crore rupees towards agriculture sector. How much our company can get the benefit out of this scheme, in future? We have sold 15% stack to Japanese promoters @ Rs 865/- This helped us to improve our financial position. We congratulate the company for the good performance and a debt free company. Request you to announce an interim dividend more than Rs 50/- as the promoter stake is higher and it will be proved to be a beneficial step for the company too.



Chairman:

Mr Gupta is saying with better cash flows in the hands of the farmer. And with all the changes and support the government is doing for the rural market, what be the impact in this agriculture sector? Mr. Gupta, I think this is a very welcome step taken by the government. I think also in terms of the deregulation in terms of the farmer who he can now sell, not just to the mandy as he was doing for decades, I think with free market activity with free trade, not only the farmer will get better prices, but also he will get access to better buyers in India across the globe and whereby he can qualitatively position his produce at a far larger and better margin, which means he will have more money in his hand, which means decision making is going to be far more powerful and decisive in the future. Because now it's all about productivity and quality of what is produced in the farmland. So I think all the steps taken by the government is very, very welcome. And we are excited and think that the rural market and the rural prosperity is here to stay for long periods of time. And with this, we believe that the industry should positively respond and therefore you have seen that even with the COVID times that the agriculture sector has rebound and revived much faster than we thought it would. And we believe that this is here to stay, and it will continue. So, I'm quite positive and my team and we all believe that this momentum is here to stay. Thank you.

Next Speaker: Mr. Jasmeet Singh

Dear Chairman Sir, it is 74th AGM for us and we are attending this AGM thru virtual mode. I hope when we celebrate the 75th AGM, which will be conducted in usual place. Sir you have given a very detailed informational overview about what we are doing and what we intend to do and becoming. And that covers everything. And I would be surprised if any if anyone else will ask any question. I have few observations which I would like to share with you here on. The years gone by was very tough. But wedid well under your leadership. As you have said that you are convinced of all the three verticals of our businesses, that is Agri, construction equipment, and railway hold great potential in creating technologies that will maximize India's economy spend. I fully agree and subscribe to your value too your views. More powerful given our core values of respecting people, empowering them, bringing in transparency of our customer centric approach, bringing innovation, striving excellence, we at Escorts main preferred partner for nation building. I would like to welcome Mr. Watanabe San and Mr Tomiyama San from the Kubota and from the Tadano corporation,

These Japanese collaborators who will become a reliable partner sharing their first client and technology will help our company to achieve desired results and I Re called I voted in favor of the resolution to issue equity to Kubota Corporation during the lockdown this year itself. Dear Sir, theRajan Nanda Innovation Lab is doing extremely good work. The hybrid motor, electrical, electric tractors are some of the things which will definitely help to scale up business, the CSR spend, which we have gone up about 10 Crores, which has covered about 70,000 beneficiaries. That is, that is very good. What I want to understand that with respect to COVID what all CSR activities we have done, Sir, my next question is, given the pandemic



situation, have we resorted to any pay cuts, bonuses, incentives as part of the cost reduction plan and have we done any layoffs this may have taken place. Please appraise this. Given the above average monsoon this year, and the thrust given by the government to start privatizing the Indian railways, I see green shots for our economy in general and our company in particular, by next meeting that I hope that our market capitalization will cross 10,000 crore milestones. Before I end, I have noted that there is a change in our secretarial department. We have got new company Secretary Mr. Satyendra Chauhan. I welcome him, along with legal counsel Mr. Vinod Dixit and group CFO Shri Bharat Madan and the teams, including Vicky Chuahan, Kishan Sahai are formidable teams, this can achieve high standards of corporate governance. Thank you.

Chairman:

You have applauded and welcome the Kubota partnership. I thank you for that. I do believe that the Kubota partnership, as I mentioned in my speech, this is one of the most strategic moves for both Kubota and escorts not just for the Indian market, but we call it is a partnership for the world. And there is lots that will come and I'm happy and in the future, It would be my pleasure along with Watanabe San to share what we will do jointly as two companies in spreading prosperity and growth. I also thank you Sir for your acknowledgement and applaud on the RNIL Which is on my to pay tribute not only to my father but to also keep open a platform where we invite the youth to come with disruptive ideas. In the next year, I'm quite hopeful that we can share with you some precise ideas. As I mentioned, my speech will be incubating 10 such thoughts based on the first prelim that I had, I must say that some of the ideas that have come on our platform are wonderful or very disruptive, and we will follow the process and ensure that we are able to support them to the seed capital. That you mentioned on the CSR activity. I think you may have heard me in my speech that your company did take many initiatives such as we did give donation to the state government to the central government, with distributed food packets to many, many people. We also came out with the insurance cover for our employees. A lot of other safety measures were taken and we are continuously looking for ideas and avenues of how we can as a company support and help. So, CSR is something that we are engaging and will ensure that we do what we have to responsible as a corporate house. Thank you, Sir, for your question.

Next Speaker: Mr Pramod Kumar Jain

Sir, I am Pramod Jain from Delhi. I welcome Chairman, Secretarial Department and all other officials to this 74th AGM. Due to Covid, we are conducting this AGM in virtual mode and next year we should conduct in physical mode. We should celebrate the AGM in a grand manner. Our share price was less than Rs. 500 and is currently around 1,200 Rs and next year while celebrating 75th AGM our share prices goes beyond 2000 Rs. This is my wish and hope you will announce the bonus shares as well. Thank you.



Chairman:

I heard you and this is our aspiration as well that our share price should keep going up, your wishes to see Escorts share price should go to 2000 rupees. That is our wish as well but for that we have to do a lot of hard work. Your point is noted my board is hearing you, my entire leadership is hearing you and I think it is a good point. We will deliberate and we will see how we can meet up to your expectations and aspirations. Thank you very much for your comments.

Next Speaker: Ajay Khurana

Respected Chairman sir, and esteemed shareholders and board of directors. Very good morning to all of you.

In this pandemic of COVID-19, you and your team has done a well done. Good work for the company

as well as to the shareholders. We hope when the pandemic is over you will go to a new height and you will reward your shareholders as well as your employees. And thanks to the share department, and I think they have done a lot of good job. Thank you, sir.

Thank you.

Chairman:

I pass our wishes for your good health. I think, I am this COVID times will pass indeed. We will resume back to normalcy and I wish you all the good and thank you for your wishes. Stay Well. Thank you.

Next Speaker: Mr Yash Pal Chopra

My query is that what the company is going to gain out of that a virtual partner Kubota. How far, that will be useful for our company and the second query that every v our highest price in the market. So, is there any good plans in pipeline? These are my two queries. Otherwise, I'm very very happy with the performance of the company. I know the company is doing very well. But my queries are only two queries. The first is what advantage we are going to get because of the virtual partner Kubota, who are the strategic shareholder of the company? And the second query is that such a rising price of our share? Are we expecting any good news in future? So that is the main thing, sir. And I must congratulate our corporate governance, they are doing a fantastic job. And our management is excellent management in the corporate sector. So that's all and back to you. And please, if you are listening to my queries, please reply to that.

Chairman:

Thank you very encouraging compliment on behalf of the entire ecosystem of escorts on the good performance of escorts. So, thank you very much. I appreciate I think the other question



that you have asked is what the benefit of Kubota partnership with escorts is and how this partnership will help escorts in the future.

Watanabe San - would like to say a few words? I am getting one of the directors Mr Watanabe San he is the representative director on our board from Kubota. Maybe he would just like to share his thoughts about the benefit of Kubota and escort partnership. Watanabe San, maybe you can say a few words.

Mr Watanabe San:

We represent Kubota, we are proud to be a joined it's called the Escorts group and we think based on the business in India with the with the utilization of Escorts and also the knowledge of India market for us, if we can provide the technology and the production methodology, we believe with the collaboration with Escorts. Kubota and Escorts can be the number one tractor manufacturer in the Kubota and also, we expect will export other than the Kubota and will become the major business even though the outside of India, this is a Kubota intention. Thank you very much.

Chairman:

Thank you, Watanabe San. But also, if I may add to what Watanabe san said. We are also currently preparing a very robust joint business plan between Kubota and Escorts. And by November we are quite hopeful to arrive in terms of scripting for the future. This partnership apart from Watanabe was mentioned will also add strength to escorts on the joint research and development activities. It will also add a lot of strength to your company on the manufacturing excellence by bringing in Kubota manufacturing systems of the best Japanese manufacturing TPM. And as Watanabe San mentioned about exports, we want to use the global network of Kubota across the globe and see how Escorts products can strengthen in penetrating into our aspiration of larger market share. And last but not least, our journey as a partnership with Kubota is about mechanization of giving solutions to the customers. So these are some of the great synergies that Escorts will get from Kubota.

Next Speaker: Ms. Pushpadevi Khandelwal

Very Good morning, sir. I'm speaking on my mother's behalf you, if you can permit she is busy in another meeting. I was just like to present certain clarification if you permit, I can present it.

Good morning sir. Respected Chairman Shri Nikhil Nanda ji distinguished members of the board and fellow shareholders namaste to all. I am Pushpadevi khandelwal, shareholder of the company from Chennai. I wish good health to all. First of all, I would like to thank Chairman for this opportunity. I appreciate the arrangement in the presentation made for this virtual AGM excellent of presentation In the annual report, annual report has been prepared in very detailed transparent and informative manner, it contains all historic performance from the day it has been started to till date. I appreciate the KFIIn tech for assisting in conducting this



virtual meeting. I also welcome the Company Secretary and the new legal team on the board of the company. So, sir, I would like to seek certain clarification with respect to the so why our company has not been expanding in certain region. We don't see escort vehicles in general, in southern markets, so what's your outlook on that? Whether you plan to expand in southern region also, when can we expect the electric sector launching Indian markets and 3rd is in the backdrop of the private train of the initiative from the Indian government, what is the outlook for our railway division as far as the business is concerned? So we are very satisfied and happy with the contribution Our company has contributed to the society to business and CSR initiatives. I am glad our company has contributed towards rebuilding our society economy and the nation. All our best wishes and good health, sir. And thank you for this opportunity.

Chairman:

Thank you very much. Firstly, do Convey my regards to Ms Pushpa Devi. I appreciate you as a son coming on her behalf. Thank you for your compliments on our balance sheet and also on today's presentation. I appreciate your appreciation. Your question is about why Escorts not growing enough in the southern part of the country? And it's a very valid question that you've asked, and I have covered part of this question in my speech today. That many issues are being looked upon in terms of initiative by your company. We have appointed many dealers in the southern part. We have also invested as I mentioned in my speech many many new products which have been developed for this specific area. And in the last two years, we have grown our market share from 3.6% to 4.8%. And in every state, we are seeing some very, very positive momentum after the launches of the new products that we have seen in both Farmtrac and Powertrac, and I believe that this is something that will continue we have a much, more journey to fulfill. But I'm quite confident that with the new products and the new appointments channel that we've seen some good traction on the ground. So that covers on the fact of our focus in the southern market. As for the railway division is concerned, we are extremely extremely buoyant and positive about his positive aspiration in terms of growth. The company has grown wonderfully well in the last four years as I covered in my speech. We're investing into new product lines; we're enlarging onto the product lines. As I mentioned in today's speech, we get to vacuum toilets, we are also getting into you know, products in the metro. We're also looking at products that can perhaps in the future even be exported. So, we're getting into even age voc which I didn't cover in my speech, but we had developing products on the age voc as well which is the air conditioning system. And also, in terms of the new platform doors and the doors for the general Metro and for the wagons. So, there are many, many products as you can see on the screen. You can okay the screen is not, you do not have a screen there. So, in couplers, we are enlarging our our products, we are enlarging our products in the braking systems. BNBS is something we introduced so that the growth that you see in the real way, I believe we can maintain that growth for the next three to four years, given the opportunity in the space and given the fact that we're investing into this space. So that the answers your query on the opportunity and the robustness that you see in



the railway business. You talked about exports. Electric tractor. Yeah, so electric tractor as I mentioned, you know, it's been very, very well received in the European market and in the Americas, we have received some good order books. Now, we are beginning to ramp up the production. I do believe that before we launch it commercially in India, we still require some more time because of certain competitiveness in terms of cost of ownership and the cost of the battery. But the way the product has been developed is being well received and accepted even with the cost that we have in terms of the product our MRP so in the Indian market, I think we still have about one year more, but till then we will be exploiting all the opportunities in the global markets. Thank you for your question. I appreciate it.

Next Speaker: Mr Rangan V

Good morning, I congratulate the company for the excellent market capitalization. If one sees and I am observing from the time of Swaraj days when they came to Escorts, when they came to our house and got the signature 1985 onwards Okay. Now I'm already 67 now Okay, now I bought about eight years back your share at Rs 85/- and your market capital share that 33 per year very well worked out, but you're gonna rest on the laurels and we go up to the 2000 Rs we'll be wrapping up and no doubt I got former commitment you will do that. But I would like to know what the current year's expenses is, what is the net profit per employee and net sales per employee with the current existing production line everything, how much you increase to the turnover to the what level for the next three years. Thank you. Thank you. I wish all the Best.

Chairman:

Mr Rangan thank you for your appreciation on the share price. I think your question is in terms of what capacity do we have and are we prepared for the future momentum to continue this market share aspiration that your company has indeed, we are preparing for a much larger capacity than what is stated in the balance sheet. In the short period of time, we will announce those numbers to you also with the for our own aspirational market share that we see within the domestic market for both Farmtrac, powertrac, this year, we are going to be investing in in creating certain capacity and investing into certain Capex on the machining side. So, I believe in excess of 250,000, tractors and beyond we can do before powertrac and Farmtrac. And with our partnership with Kubota, we are looking at an additional capacity in that joint venture. So, we will come back to you with the exact numbers. But just to give you an assurance that your company is fully prepared fully ready in making its investment programs for meeting market share aspiration we have for the domestic market and for the aspiration that we have for the export. So, the exact numbers Please allow us to get back to you, you can contact my CFO and we will get back to you. But rest assured we are fully prepared and looking into the future. And also, as I mentioned in my speech today that are in the next few quarters, we will be making public, our vision 2027-2028. So, the next three years and five years, a lot of the questions that you've asked in terms of the aspiration in terms of top line



growth and growth within the segment of agriculture construction will be stated in that vision document.

Next Speaker: Mr Gagan Kumar

I am Gagan Kumar joint holder for this folio 30020611044559. Chairman Sir, I wanted to ask some questions but, you have covered all the points in your speech. With reference to Dividend, you have declared 25%, but we expect more Sir. Today the share price is around 1100 / 1200 and we expect that it will reach 2000 Rs by next year. I would like to thank you for the same in advance, since we believe you. Thank you.

Chairman:

Thank you very much for your good wishes and we will do our best and work hard to ensure that Escorts gains its momentum everything we do, thank you.

Next Speaker: Mr Navneet Kaur Reen

I am Bhupinder Singh Reen the joint holder of Navneet Kaur Reen. Chairman Sir, in your speech about the vision of 2027, would like to know about the Export Business. Do you have any plan of opening a plant in South or near any of the ports, since we are going to focus more on Export business?

Chairman:

It is a good question on Vision you have made that given the fact that Escorts is going to be looking at robust export numbers in the future that we should consider in the future when we are looking for capacity expansion to put up a plant near the port and use that infrastructure to benefit from the logistics and in terms of catering to the market wherever we can export these tractors. Certainly, thank you for your suggestions, we will deliberate this and we will keep it in the board and our board will discuss on the merits of your suggestion and we will try to build it in in Vision 2027-28 If it merits, thank you for your inputs.

Next Speaker: Mr. Rakesh Kumar

Good morning sir Chairman sir. Good morning board of directors. We thought you will take care of us and definitely you have taken care of us very well. The way you have brought the company in heights and am sure you will make further heights from here in future. Share price has increased a lot and it may increase further as well. We expect the way the company has progressed, and it will continue, and we will continue to get our profits. Thank you, sir.

Chairman:

Thank you for your good wishes and I accept compliments on behalf of the entire company in the ecosystem. We will try to live up to your expectations for having the future momentum of the progress visual Thank you.



Next Speaker: Mr. Surendra Kumar Arora

Very, very thankful. I am very impressed with your very informative speech and very thankful to your share department. I have only one question. That is are we planning to give some bonus shares?

Chairman:

So, our board is hearing you they are very much live right now with me, so your request is for the board to consider bonus so thank you we understand and take your suggestion and we will be deliberated in the board. What decisions come from the deliberation? I cannot say it but they're hearing you. So, thank you for your inputs. We appreciate it.

Next Speaker: Mr Dinesh Gopal Das Bhatia

First let me congratulate you and your team for the performance of the company during this current situation. Our results are seem excellent. Since most of the questions are already asked by the shareholders, I have only one question. Since coming year is going to be a diamond jubilee year, how are you planning to celebrate the same? Pls keep Shareholders in mind while planning in the board, since next celebrations will be a Centenary year after 25 years. So, you may consider to issue Bonus Shares in Diamond Jubilee Year and we will remember you. I would like to thank you and the secretarial team for this opportunity. Thank you.

Chairman:

I am just putting it in English for my other directors who are coming in from Japan to understand what he said that we are on 74th years. So, his request is for the 75th year bonus or some special announcement given to the shareholders. We will deliberate on that board. And also he says by the time we turn hundred, maybe they would remember what we did from the 75th years. So, thank you for good wishes. I appreciate and with your blessing, we will continue to do our best.

Next Speaker: Ms Urmila Jain:

Good Afternoon Sir. Today we are in 74th year and getting into 75th Diamond Jubilee year. I would request you to give some new special gift to the shareholders like Bonus or second Dividend etc. I would like to thank you for the announcement of interim dividend & Final dividend every year. All our shareholders are happy for the same. Even in the market, our share price is around 1,200/- It is good for the shareholders and for the company. Sir, investment in R&D is very important. If we do that, we may get good returns later. Sir, Secretarial department in your company, is working very well and they are working hard to take this company to the highest level. In Covid situation, Q1 & Q2 what is the impact? Thank you, Sir.



Chairman:

Ms Urmila ji, Thank you very much. I wish in 75th year, once COVID issues resolved, I can take my blessings from you in person. Whatever word you have given in terms of appreciation to the company, I accept on behalf of the team. Thank you very much.

To May I basis this move on, conclude the Q&A session and go towards the E-voting. The Companies Act 2013 has provided an option to you shareholders for casting the votes through e-voting process. The entire procedure for this purpose has been stated in the detail in the notice of the meeting. I'm confident that you have gone through the same.

The option of Evoting was exercised by shareholders during the period from 21st to the 23rd August 2020. And the company has appointed Mr. Jayant Gupta, practicing company Secretary as scrutinizer to supervise the voting process. The voting results together with the scrutinizer's report shall be placed on the company's website. Also, on the website of KFin Technology. A communication to this regard will also be sent to the stock exchange. Now, the members are given 15 minutes to cast their valuable votes, in respect of the items stated in the notice. Instruction for voting has been described in the notice of the annual general meeting.

With that I pronounce and announced the conclusion of your 74th Annual General Meeting of your company and on behalf of the Board of Directors and behalf of Escort fraternity, I wish you good health, peace, prosperity. I look forward to hopefully seeing you in person on the 75th anniversary and AGM in next year.

On behalf of my directors, I want to thank them for the presence. And with that I conclude today's session officially. Thank you and God bless. Thank you.