



PRESS RELEASE

ESCORTS NET PROFIT UP 19.6% AT ₹ 89.4 CRORE

FY 2016 HIGHLIGHTS

PAT at ₹ 89.4 against ₹ 74.7 crore in FY 2015

PBT at ₹ 91.9 crore up by 34.6% from ₹ 68.3 crore

Tractor volumes at 51,455

Tractor domestic **market share** at 10.3%.

Material cost down by 252 bps at 68.9%

EAM segment margin (EBIT) up by 95 bps

- Profit for Q4 up 28.7% YoY at ₹16.4 crore
- Q4 EBIDTA up 76.2% at ₹38.8 crore
- Tractor volumes at 51,455 units in FY 2016

New Delhi, May 25, 2016: Escorts Limited today reported an increase in net profit of 19.6 % at ₹ 89.4 crore in the fiscal year March 31, 2016 as against ₹ 74.7 crore in the previous fiscal. For the quarter ending March 2016, net profit was up by 28.7 % at ₹ 16.4 crore as against ₹ 12.8 crore in the corresponding quarter in the previous fiscal.

EBIDTA for the fourth quarter of the 2015-16 fiscal was up at ₹ 38.8 crore by 76.2% against ₹ 22 crore in the corresponding quarter ended March 2015 and up by 13.7% as against ₹. 34.1 crore in the preceding quarter ended December 2015. Profit before tax was up by 49.2 % in the quarter ended March 2016 at ₹ 15.5 crore as against ₹ 10.4 crore in the corresponding quarter of the last fiscal.

There was an improvement in segment margins with Escorts Agri Machinery showing a positive increase of 504 bps at 9.7% over the corresponding quarter (at 4.6%) as a result of better product mix and cost reduction. Similarly, Escorts Construction Equipment showed a positive swing of 25 bps sequentially.

In the fourth quarter of FY 2016, tractor volumes were up by 7.1 % at 11,823 tractors as against 11,036 tractors in the corresponding quarter. Construction Equipment volumes during the quarter were marginally lower by 0.4% at 737 units as against the corresponding quarter (740 units) but up by 5.6 % over the preceding quarter (at 698 units) ended December 2015.

For the quarter ending March 2016, turnover stood at ₹ 804.7 crore as against ₹ 817.7 crore in the corresponding quarter. Turnover for the year stood at ₹ 3,472.2 crore as against ₹ 3,985.8 crore.

Material costs were down by 143 bps at 69.4% in the fourth quarter of FY 2016 as against 70.9% in the corresponding quarter of the previous fiscal. In FY 2016, material costs were down by 252 bps at 68.9% as against 71.5% in the fiscal ended March 2015.

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Speaking on the results, Chairman Mr. Rajan Nanda said, "The tractor industry has now been impacted for almost seven consecutive quarters by adverse weather conditions. While the forecast for the forthcoming monsoons have been optimistic, the need for concerted action across multiple fronts in the farm sector has become urgent. Focus on farm mechanization, effective crop insurance and agriculture infrastructure is critical to dealing with farm distress. At Escorts, we have focused on improving margins through better product mix and cost reduction and the results are evident. We have improved our profitability and are confident that the company is well poised to take advantage of the inevitable improvement in both the farm and construction sector."

Q4 HIGHLIGHTS

PAT at ₹ 16.4 crore, up by 28.7%
from ₹ 12.8 crore in Q4 2015

PBT at ₹ 15.5 crore, up by 49.2 %
from ₹ 10.4 crore in Q4 2015

EBIDTA at ₹ 38.8 crore up by 76.2%
against ₹ 22 crore in Q4 2015

Tractor Volumes at **11,823** tractors,
up by 7.1% against **11,036** tractors in
Q4 2015

Turnover at ₹ **804.7 Cr.**

Material cost down by 143 bps at
69.4% from corresponding quarter in
FY 2015

Segment margin for EAM at 9.7% up
by 504 bps against 4.6% in Q4 2015

Says Mr. Nikhil Nanda, Managing Director, Escorts Ltd, "Escorts today is a leaner, fitter company where we have created efficiencies through integration of production processes and cut costs across the board. However, the improvement in profits is as much an outcome of the investments we have made in expanding our product portfolio, appointing new dealers for an expanded channel coverage. Escorts Agri Machinery, for instance, has improved its domestic market share to 11.1% from 9.48% in the preceding quarter. In the new fiscal, we will continue to innovate, add new product features to meet applications demand and drive greater cost efficiencies."

SEGMENT WISE PERFORMANCE

Escorts Agri Machinery

Tractor volumes in the fiscal year ended March 2016 stood at 51,455 units as against 59,779 units in the previous fiscal. The fourth quarter of FY 2016 saw sales increase of 7.1% to 11,823 tractors against 11,036 units in the corresponding quarter of the last fiscal. Revenues for the fiscal year stood at ₹ 2,739.4 crore as against ₹ 3,204.3 Cr. in the previous fiscal. On a quarterly basis, the fourth quarter of FY 2016 saw revenues up by 0.71% at ₹ 613.7 crore in the quarter ended March 2016 as against ₹ 609.4 crore in the corresponding quarter of the previous fiscal. Escorts Agri Machinery improved its domestic market share to 11.1% at the end of March 2016 as against 11.05% in the corresponding quarter (March 2015) and 9.48% in the preceding quarter ended December 2015.

Escorts Construction Equipment

Construction Equipment volumes stood at 2,555 units in FY 2016 as against 3,007 units in the previous fiscal. In the fourth quarter of the fiscal, sales went up to 737 units from 698 units in the preceding quarter ended December 2015. Revenue for the year stood at ₹ 455.6 crore as against ₹ 511.4 crore. Revenue for the fourth quarter ended March 2016 stood at ₹ 121.6 crore as against ₹ 118.9 crore in the preceding quarter ended December 2015.

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Railway Equipment Division

Railway Equipment Division recorded a rise in income for the second successive year with revenues increasing by 11.98% to ₹ 205.4 crore from ₹ 183.5 crore in the previous fiscal. Segment margins (EBIT) improved to 11%, up by 147 bps, as against 9.6% in the previous fiscal. The current order book is of approximately ₹ 55 crore which will be executed in the next 3-4 months of FY17.

Escorts Auto Products

Escorts Auto Products recorded revenue of ₹ 92.4 crore for FY 2016 as against ₹ 103.4 crore in the preceding fiscal. The division recorded revenues of ₹ 23.4 crore in the fourth quarter of the fiscal, up from ₹ 16.5 crore in the preceding quarter ended December 2015.

The audited accounts of the 12 months ending March 2016 has been approved by the Board of Escorts Limited.

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