



Q2 FY20 | EARNING PRESENTATION

4th November 2019

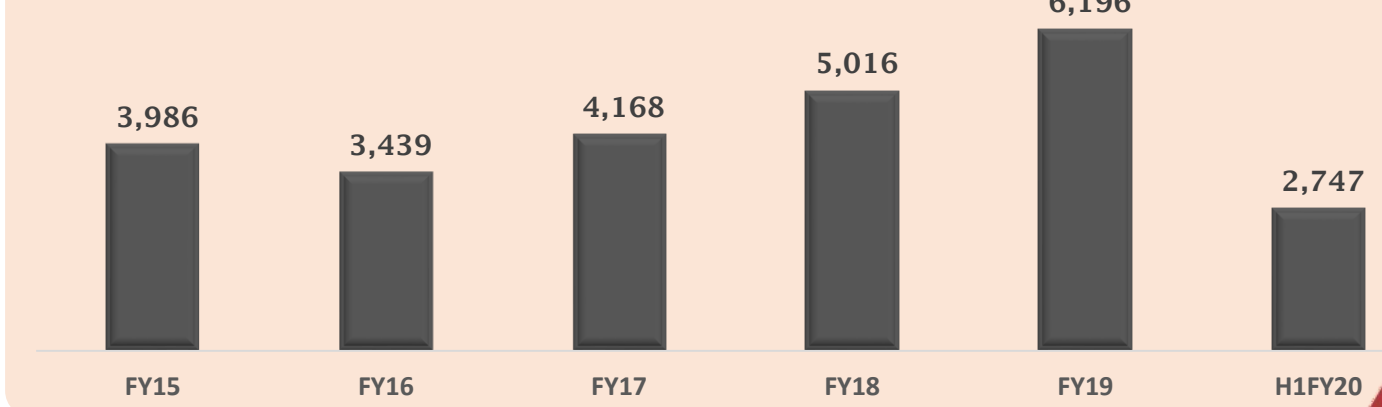
Escorts Limited: An Overview



India's leading engineering conglomerates and for over Seven decades it has helped accelerate India's socio-economic development through its presence across the high growth sectors of

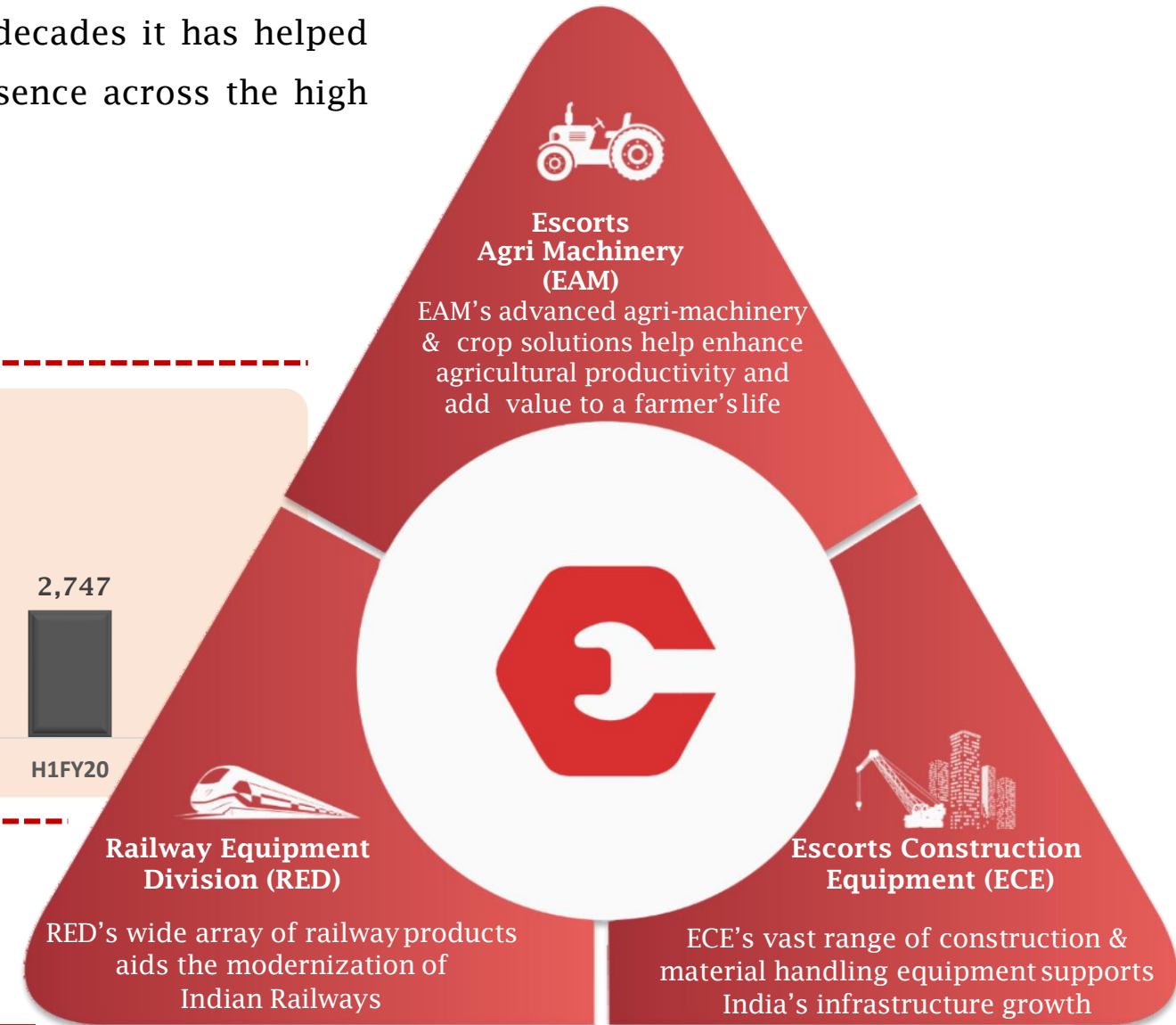
- **Agri-machinery**
- **Construction & Material Handling Equipment**
- **Railway Equipment.**

Escorts Ltd. Revenue (Rs. Cr.)



Exchange listing

- Listed on NSE, BSE and DSE
- Market cap of ~ Rs. 8,000 Crores (Oct 2019)



Escorts Ltd. Q2 FY20 at a Glance



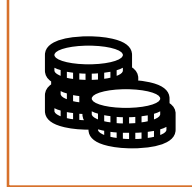
| Particulars (YoY) | Industry Growth | Escorts Ltd. Growth | Variance |
|-------------------------------------|-----------------|---------------------|----------|
| Domestic Tractor Volume | -10.0% | -8.6% | ↑ 1.4% |
| Export Tractor Volume | -16.9% | 97.7% | ↑ 114.6% |
| Total Tractor Volume | -10.7% | -6.1% | ↑ 4.6% |
| Construction Served Industry Volume | -30.1% | -28.8% | ↑ 1.3% |
| Railway Segment Revenue | | ↑ 19.6% | |

Q2FY20 Highlights



Volume & Sales

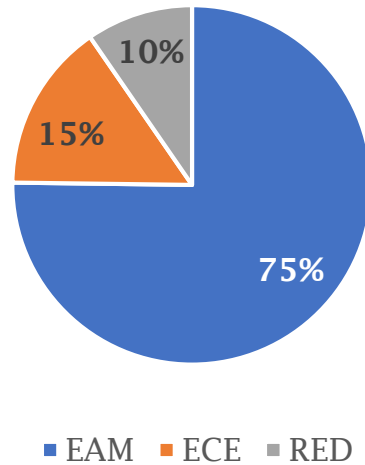
- **EAM** at 19,750
 - YoY down by 6.1%
 - QoQ down by 6.2%
- **ECE** at 945
 - YoY down by 29.0%
 - QoQ down by 11.4%
- **RED** at ₹ 126.7 Cr.
 - YoY up by 19.6%
 - QoQ up by 7.3%



Revenue

- **Q2: ₹ 1,323.9 Cr.**
 - YoY down by 5.3%
 - QoQ down by 7%

Division Wise Revenue Split



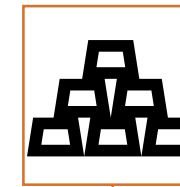
ROCE* : 15.0%



EBIDTA

- **Q2: ₹ 126.7 Cr.**
 - Margin at 9.6%
 - YoY margin down by 169 bps
 - QoQ margin down by 44 bps
- **Impacted by**
 - Industry degrowth in both tractor and construction industry
 - Product Mix
 - New product contribution in railways.
 - Annual increments for manpower.

ROE* :13.3%



Profit

- **Q2**
 - **PAT: ₹ 104.6 Cr.**
 - **EPS : ₹ 8.75**
 - YoY up by 1.8%
 - QoQ up by 19.6%

Key Highlight

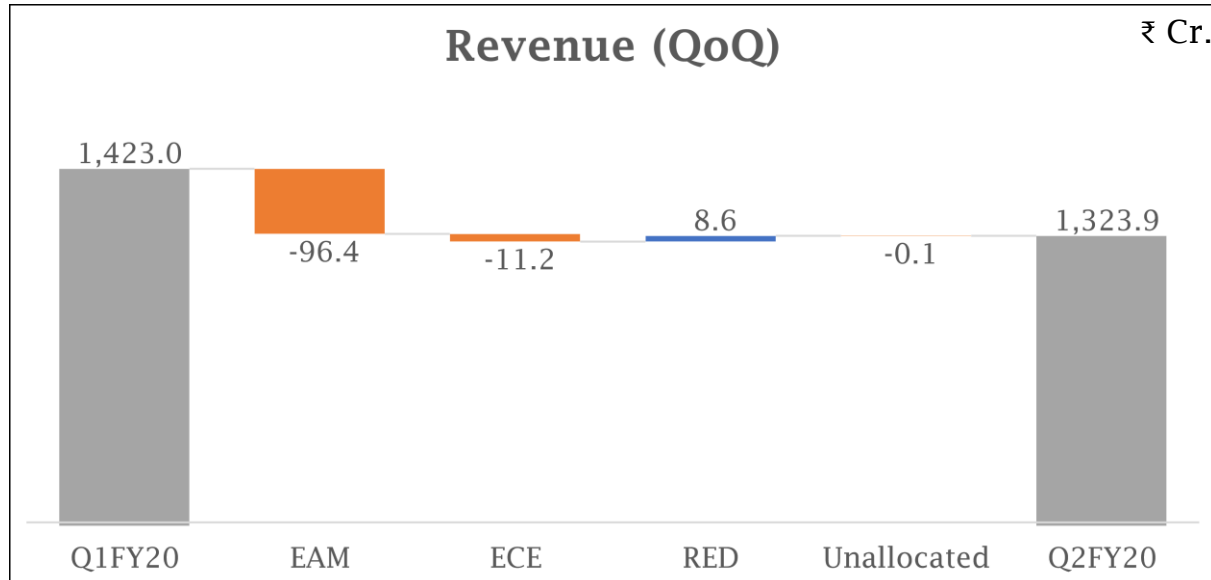
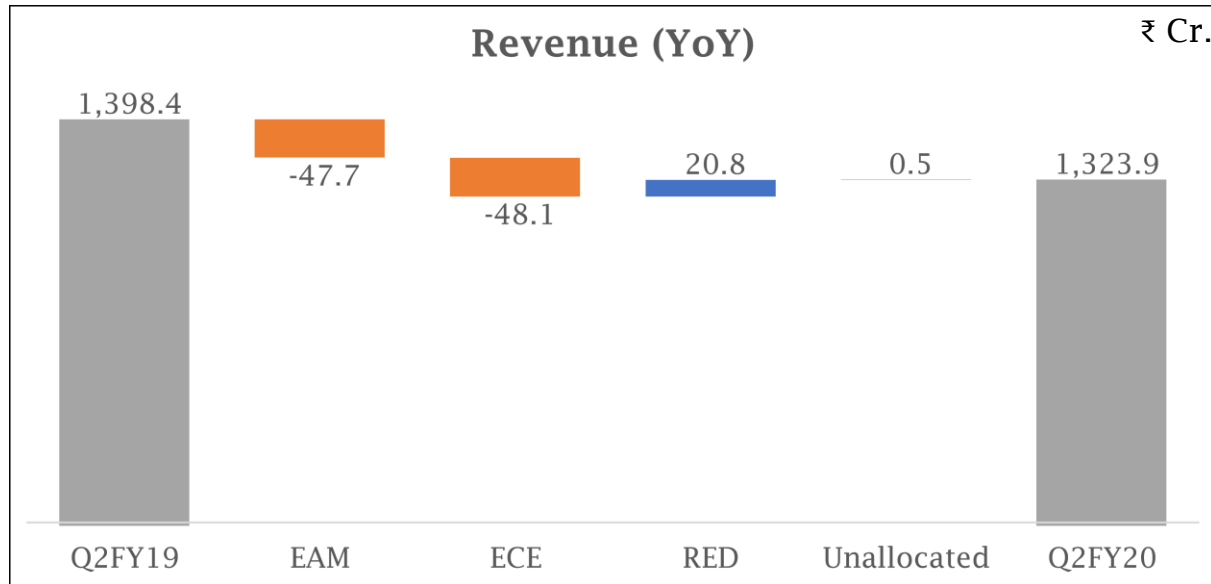
- Effective tax rate down by 7% as per announcement by finance minister

Q2FY 20 YoY at a Glance



| Escorts Ltd. Particulars* | Q2FY20 | Q2FY19 | Variance |
|-------------------------------|---------------|---------------|----------|
| Domestic Tractor Market Share | 11.2% | 11.1% | 17 bps |
| Revenue | ₹ 1,323.9 Cr. | ₹ 1,398.4 Cr. | -5.3% |
| Material Cost | 67.0% | 67.5% | -56 BPS |
| Manpower Cost | 9.5% | 8.1% | 138 Bps |
| EBIDTA | ₹ 126.7 Cr. | ₹ 157.5 Cr. | -19.5% |
| EBIDTA Margin | 9.6% | 11.3% | -169 bps |
| PAT | ₹ 104.6 Cr. | ₹ 102.7 Cr. | 1.8% |
| EPS | ₹ 8.75 | ₹ 8.60 | 1.8% |

YoY Revenue de-grew by 5.3%; QoQ



Q2 Revenue Key Highlights (YoY)

- Tractor Sales down by 6.1% at 19,750 units
- Construction Sales down by 29% at 945 units
- Railway division sale up by 19.6%

Q2 Margin Key Highlights

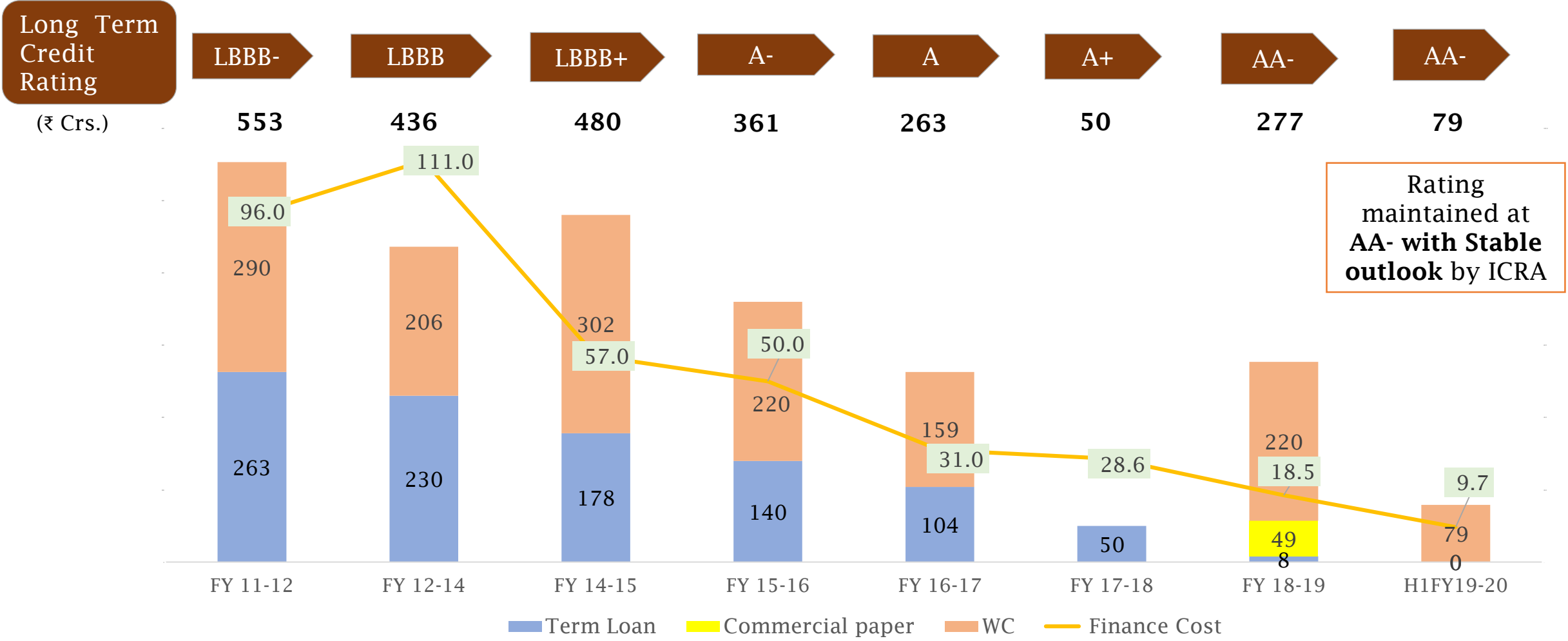
- Negatively Impacted by operating leverage and volume drop in both tractor and construction equipment.
- Sub 40 HP tractor sales contribution in total sales up against LY
- NPD contribution in railway up.

Q2FY 20 QoQ at a Glance



| Escorts Ltd. Particulars* | Q2FY20 | Q1FY20 | Variance |
|-------------------------------|---------------|---------------|----------|
| Domestic Tractor Market Share | 11.2% | 10.5% | 71 bps |
| Revenue | ₹ 1,323.9 Cr. | ₹ 1,423.0 Cr. | -7.0% |
| Material Cost | 67.0% | 69.0% | -198 bps |
| Manpower Cost | 9.5% | 8.6% | 85 Bps |
| EBIDTA | ₹ 126.7 Cr. | ₹ 142.4 Cr. | -11.0% |
| EBIDTA Margin | 9.6% | 10.0% | -44 bps |
| PAT | ₹ 104.6 Cr. | ₹ 87.5 Cr. | 19.6% |
| EPS | ₹ 8.75 | ₹ 7.32 | 19.6% |

Credit Rating & Debt Profile



*Nos. from FY 11-12 to FY 14-15 is as per IGAAP.

*Finance Cost for FY 12-14 is for 18 months.

Nikhil Nanda, Chairman and Managing Director

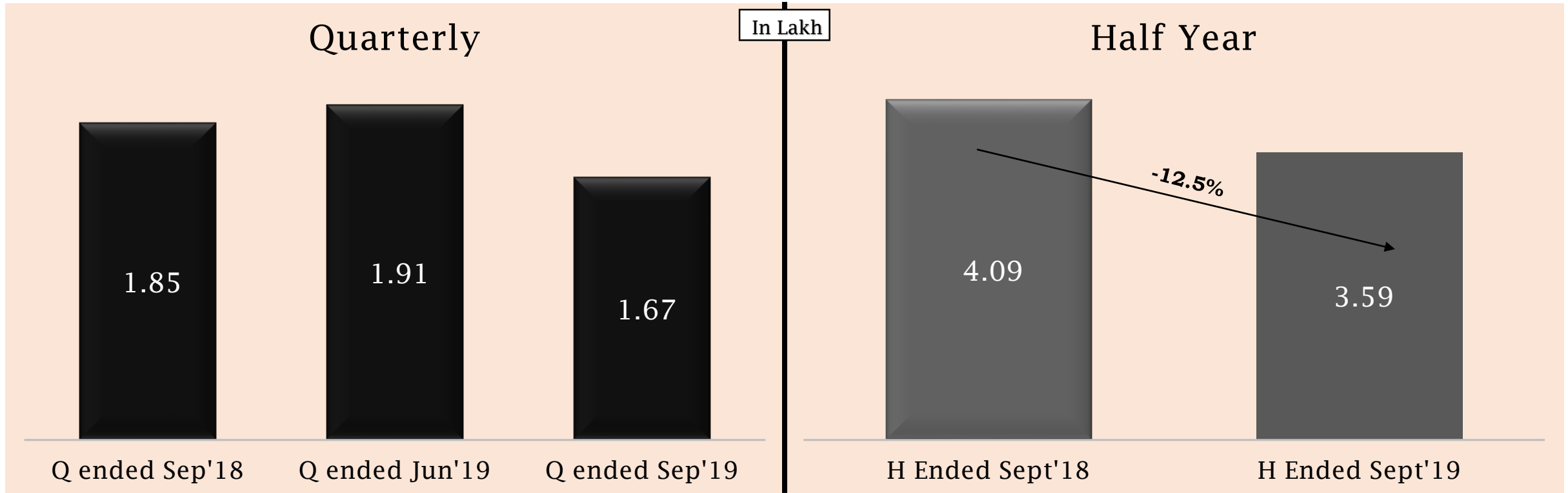
“Our new products across business lines, investments in distribution for wider reach & enhanced customer experience with technology upgrades has helped us foray strong in the current industrial pace. Our continuous cost optimization initiatives will offer us additional leverage for stronger revenue, profitability & increased share of market. We will continue to invest in R&D to create value for our customers across domestic and export geographies.”



Harvesting Smiles; Enriching Lives

Powering The Dreams Of Farmer

Domestic Tractor Industry Overview



- In Q2FY20 on Y-o-Y domestic Industry down by ~10%.
- Industry in Q2FY20 on Y-o-Y basis in North and central region de-grew by 1.8%, whereas industry de-grew by 18.2% in South and west region.
- The long term growth fundamentals of industry are strong with lowering of the replacement cycle, but the pace of monsoon and the central & state Government's policy roll out would govern the long term industry performance.

Q2FY20 Segment Highlights : EAM



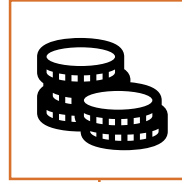
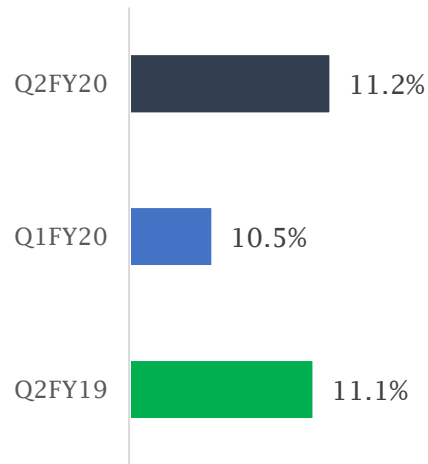
Volume

- **Domestic** at 18,789
 - YoY down by 8.6%
 - QoQ down by 6.6%
- **Export** at 961
 - YoY up by 97.7%
 - QoQ up by 3.6%
- **Total** at 19,750
 - YoY down by 6.1%
 - QoQ down by 6.2%



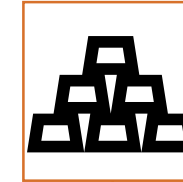
Domestic Market Share

- Market Share at 11.2%
- YoY up by 17 bps
- QoQ up by 71 bps



Revenue

- **At ₹ 995.6 Cr.**
 - YoY down by 4.6%
 - QoQ down by 8.9%
- **Mix**
 - Unfavourable product mix as less than 40 HP sales up



EBIT

- **Q2: ₹ 102.5 Cr.**
 - YoY down by 33.2%
 - QoQ down by 13.6%
- **Margin** at 10.3%
 - YoY down by 441 bps
 - QoQ down by 60 bps

Capacity utilization ~70%

ROCE* : 24.0%

Recent Developments



CARE - 24X7

24X7 customer service across entire range of Powertrac and Farmtrac tractors. Now all our customers can just press a special button on their tractor any time of the day for any technical or other help and receive a call back from a trained Company Engineer within 2 minutes



Hybrid Tractor



Rural Transport Vehicle (RTV)



Hybrid Backhoe Loader



Mini Sugarcane Harvester



Self-propelled sprayers

Concept Showcase - Gearing up for future

Gearing up for Future



Electric Tractor

Strategic Collaboration with Kubota Update



Manufacturing JV (50,000 capacity)

- Contract Manufacturing for Escorts and Kubota Product
- Factory under construction Phase 1 investment done in FY19 and phase 2 investment of approx. Rs. 60 cr. in FY20
- Production to start from June 2020

Kubota Global Channel for Escorts Products

- Escorts Products offering under Joint Branding “E Kubota” to Global market
- First lot of export from November 2019.

Joint development of new products

- Both teams currently discussing same

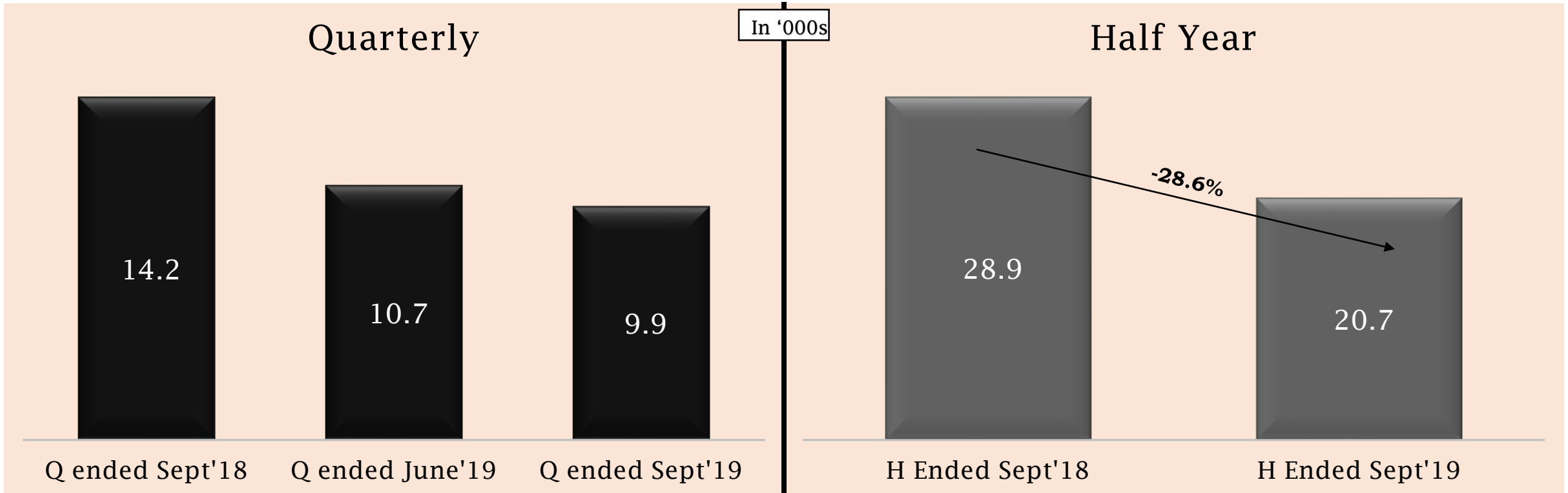
Segment Performance : ECE



**Building a
Better Tomorrow**

PREFERRED PARTNER IN NATION BUILDING

Served-Construction Industry Overview



- Served industry (Backhoe Loaders, Pick n carry crane and Compactors) went down by 28.6% in H1FY20 wrt to LY.
- BHL industry down by 31.1% in H1FY19 followed by compactor with 25.7% degrowth and Cranes industry down by 19.1%.

*Served industry include- Cranes, Backhoe loaders and Compactors

Q2FY20 Segment Highlights : ECE



Volume

- **ECE at 945**
- YoY down by 29%
- QoQ down by 11.4%

• Key Highlight

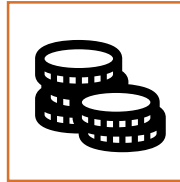
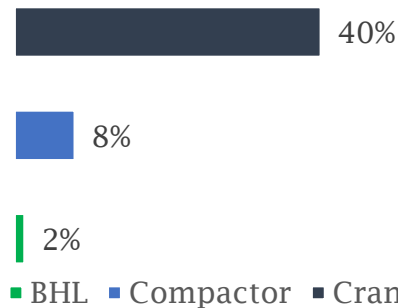
- **Served industry** went down by 30.1% in Q2FY20 wrt to LY.
- **BHL industry** down by 31.3%.
- **Crane industry** down by 21.8%
- **Compactors industry** down by 37.9%.



Served industry Market Share

- **Q2: 9.2%**
- YoY up by 17 bps
- QoQ down by 38 bps

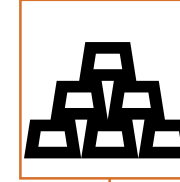
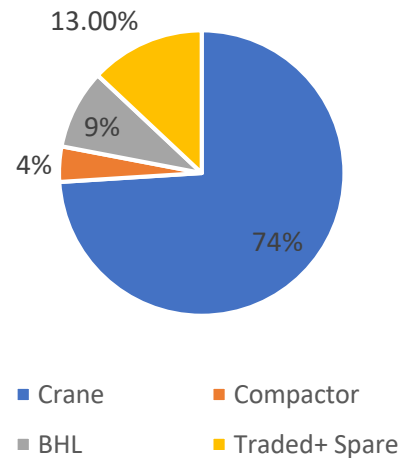
Product wise Market Share



Revenue

- **Q2: ₹ 201 Cr.**
- YoY down by 19.3%
- QoQ down by 5.3%

• Revenue Break up



EBIT

- **Q2: ₹ 5.4 Cr.**
- YoY up by 196.2%
- QoQ up by 0.8%

• Margin at 2.7%

- YoY up by 195 bps
- QoQ up by 16 bps
- **Better product mix, price increase and cost optimization.**

Capacity utilization ~40%

ROCE* : 13.5%

Segment Performance : RED



Mobility Solutions
Of the future

ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT

Q2FY20 Segment Highlights : RED

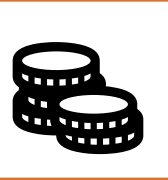


Order Book

- **As of Sept'19** around ₹ 500 Cr.
- Execution time 12~15 Months

• Key Highlight

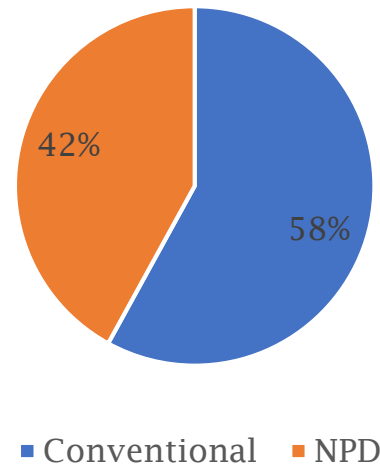
- New product order book increasing with railways modernization same have adverse impact on margin due to high import content in short term



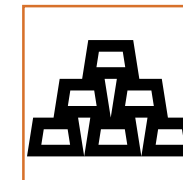
Revenue

- **Q2: ₹ 126.7 Cr.**
- YoY up by 19.6%
- QoQ up by 7.3%

• Breakup



ROCE* : 60%



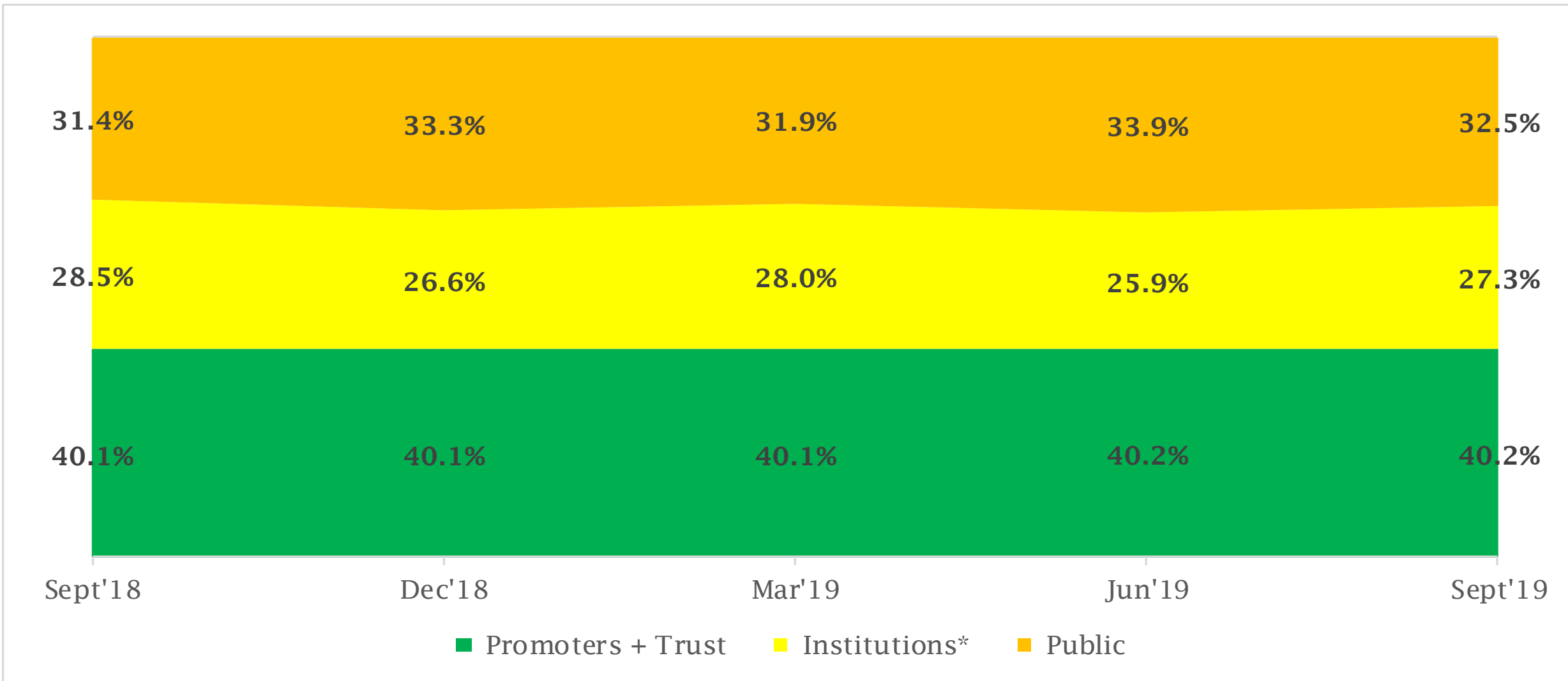
EBIT

- **Q2: ₹ 24.2 Cr.**
- YoY up by 14.5%
- QoQ up by 2.4%

• Margin at 19.1%

- YoY down by 86 bps
- QoQ down by 91 bps
- Impacted due to high share of NPD products with lower margin.

↑ SHAREHOLDING PATTERN



* FPI/Financial Institutions/ Banks/Insurance Companies

As of quarter ended

...Escorts Ltd. H1FY 20 at a Glance



| Escorts Ltd. Particulars (YoY)* | H1FY20 | H1FY19 | Variance |
|---------------------------------|---------------|---------------|----------|
| Domestic Tractor Market Share | 10.9% | 10.9% | |
| Revenue | ₹ 2,746.8 Cr. | ₹ 2,909.6 Cr. | -5.6% |
| Material Cost | 68.0% | 67.6% | 44 bps |
| Manpower Cost | 9.0% | 8.1% | 98 Bps |
| EBIDTA | ₹ 269.1 Cr. | ₹ 343.0 Cr. | -21.6% |
| EBIDTA Margin | 9.8% | 11.8% | -199 bps |
| PAT | ₹ 192.1 Cr. | ₹ 223.4 Cr. | -14.0% |
| EPS | ₹ 16.07 | ₹ 18.70 | -14.0% |

Q2FY20 Results



Escorts Limited

Statement of Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2019

| Particulars | Rs. in Crores | | | | | |
|---|--------------------|--------------------------|---|--------------------------|-----------------|--------------------|
| | Standalone results | | | | | |
| | 3 Months ended | Preceding 3 months ended | Corresponding 3 months ended in the previous year | For the six months ended | | For the year ended |
| | 30-09-2019 | 30-06-2019 | 30-09-2018 | 30-09-2019 | 30-09-2018 | 31-03-2019 |
| Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited | |
| Income | | | | | | |
| Revenue from operations | 1,323.86 | 1,422.97 | 1,398.36 | 2,746.83 | 2,909.64 | 6,196.36 |
| Other income | 21.05 | 16.70 | 22.12 | 37.75 | 39.10 | 80.85 |
| Total income | 1,344.91 | 1,439.67 | 1,420.48 | 2,784.58 | 2,948.74 | 6,277.21 |
| Expenses | | | | | | |
| Cost of materials consumed | 869.05 | 749.07 | 1,004.14 | 1,618.12 | 2,020.16 | 4,040.28 |
| Purchases of stock-in-trade | 104.22 | 77.52 | 108.38 | 181.74 | 197.32 | 403.99 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | (86.19) | 155.12 | (167.69) | 68.93 | (250.72) | (203.62) |
| Employee benefits expense | 125.33 | 122.57 | 113.04 | 247.90 | 234.10 | 471.74 |
| Finance costs | 3.85 | 5.86 | 3.86 | 9.71 | 6.73 | 18.48 |
| Depreciation & amortisation expense | 26.00 | 24.11 | 21.48 | 50.11 | 42.05 | 85.37 |
| Other expenses | 184.74 | 176.28 | 183.00 | 361.02 | 365.75 | 750.68 |
| Total expenses | 1,227.00 | 1,310.53 | 1,266.21 | 2,537.53 | 2,615.39 | 5,566.92 |
| Profit from continuing operations before exceptional items and taxes | 117.91 | 129.14 | 154.27 | 247.05 | 333.35 | 710.29 |
| Exceptional items (refer note 2) | (9.22) | - | - | (9.22) | - | 10.91 |
| Profit from continuing operations before tax | 108.69 | 129.14 | 154.27 | 237.83 | 333.35 | 721.20 |
| Tax expense | | | | | | |
| Current tax | 18.61 | 42.88 | 52.98 | 61.49 | 104.35 | 198.63 |
| Deferred tax (credit)/charge | (14.52) | (1.23) | (1.35) | (15.75) | 6.79 | 38.89 |
| Total tax expense | 4.09 | 41.65 | 51.63 | 45.74 | 111.14 | 237.52 |
| Net profit from continuing operations after tax | 104.60 | 87.49 | 102.64 | 192.09 | 222.21 | 483.68 |

Q2FY20 Results



| | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Profit from discontinued operations before tax | - | - | 0.15 | - | 1.89 | 1.89 |
| Tax expense of discontinued operations | - | - | 0.05 | - | 0.66 | 0.66 |
| Net profit from discontinued operations after tax | - | - | 0.10 | - | 1.23 | 1.23 |
| Net profit for the period | 104.60 | 87.49 | 102.74 | 192.09 | 223.44 | 484.91 |
| Other comprehensive income | | | | | | |
| Items that will not be reclassified to profit and loss | | | | | | |
| Net changes in fair values of equity instruments carried at fair value through other comprehensive income | (0.08) | (0.09) | (0.04) | (0.17) | (0.05) | 4.03 |
| Re-measurements of defined employee benefit plans | (2.75) | - | 0.27 | (2.75) | 0.27 | (1.74) |
| Income tax relating to items that will not be reclassified to profit or loss | 0.39 | 0.01 | (0.09) | 0.40 | (0.09) | 5.73 |
| Total other comprehensive income | (2.44) | (0.08) | 0.14 | (2.52) | 0.13 | 8.02 |
| Total comprehensive income | 102.16 | 87.41 | 102.88 | 189.57 | 223.57 | 492.93 |
| Earnings per share (for continuing operation) of Rs. 10 each : | | | | | | |
| (a) Basic (Rs.) | 8.75 | 7.32 | 8.59 | 16.07 | 18.60 | 40.48 |
| (b) Diluted (Rs.) | 8.75 | 7.32 | 8.59 | 16.07 | 18.60 | 40.48 |
| Earnings per share (for discontinued operation) of Rs. 10 each : | | | | | | |
| (a) Basic (Rs.) | - | - | 0.01 | - | 0.10 | 0.10 |
| (b) Diluted (Rs.) | - | - | 0.01 | - | 0.10 | 0.10 |
| Earnings per share (for discontinued & continuing operation) of Rs. 10 each : | | | | | | |
| (a) Basic (Rs.) | 8.75 | 7.32 | 8.60 | 16.07 | 18.70 | 40.58 |
| (b) Diluted (Rs.) | 8.75 | 7.32 | 8.60 | 16.07 | 18.70 | 40.58 |
| Paidup equity share capital, equity share of ₹ 10/- each | 122.58 | 122.58 | 122.58 | 122.58 | 122.58 | 122.58 |
| Other equity | | | | | | 2,900.28 |

Q2FY20 Results



Statement of assets and liabilities

Rs. in Crores

| Particulars | Standalone | |
|---|-----------------|-----------------|
| | Unaudited | Audited |
| | As at | As at |
| | 30-09-2019 | 31-03-2019 |
| ASSETS | | |
| 1 Non-current assets | | |
| a) Property, plant and equipment | 1,622.42 | 1,577.02 |
| b) Capital work-in-progress | 84.82 | 53.07 |
| c) Investment property | 26.85 | 23.09 |
| d) Intangible assets | 29.04 | 30.36 |
| e) Intangible assets under development | 26.59 | 23.41 |
| f) Financial assets | | |
| (i) Investments | 466.95 | 465.52 |
| (ii) Loans | 5.68 | 5.40 |
| g) Income tax assets (net) | 29.22 | 16.56 |
| h) Other non-current assets | 96.64 | 94.64 |
| Total non-current assets | 2,388.21 | 2,289.07 |
| 2 Current assets | | |
| a) Inventories | 750.41 | 821.93 |
| b) Financial assets | | |
| (i) Investments | 403.37 | 391.09 |
| (ii) Trade receivables | 837.04 | 931.96 |
| (iii) Cash and cash equivalents | 65.68 | 85.80 |
| (iv) Bank balances other than (iii) above | 149.45 | 144.27 |
| (v) Loans | 29.34 | 5.51 |
| (vi) Other financial assets | 14.93 | 14.48 |
| c) Other current assets | 269.61 | 298.91 |
| Total current assets | 2,519.83 | 2,693.95 |
| 3 Non-current assets classified as held for sale | 13.92 | 13.92 |
| Total assets | 4,921.96 | 4,996.94 |

| Particulars | Standalone | |
|--|-----------------|-----------------|
| | Unaudited | Audited |
| | As at | As at |
| | 30-09-2019 | 31-03-2019 |
| EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| a) Equity share capital | 122.58 | 122.58 |
| b) Other equity | 3,066.29 | 2,900.28 |
| Total equity | 3,188.87 | 3,022.86 |
| 2 Non-current liabilities | | |
| a) Financial liabilities | | |
| (i) Borrowings | 23.36 | 0.15 |
| (ii) Other financial liabilities | 18.77 | 17.33 |
| b) Provisions | 26.76 | 24.45 |
| c) Deferred tax liabilities (net) | 36.70 | 52.87 |
| d) Other non-current liabilities | 11.38 | 10.80 |
| Total non-current liabilities | 116.97 | 105.60 |
| 3 Current liabilities | | |
| a) Financial liabilities | | |
| (i) Borrowings | 78.59 | 269.23 |
| (ii) Trade payables | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 18.84 | 32.98 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,147.66 | 1,179.52 |
| (iii) Other financial liabilities | 115.41 | 135.57 |
| b) Other current liabilities | 133.02 | 131.19 |
| c) Provisions | 122.60 | 119.99 |
| Total current liabilities | 1,616.12 | 1,868.48 |
| Total equity and liabilities | 4,921.96 | 4,996.94 |

Q2FY20 Results



Segment wise revenue, results and capital employed for the quarter and six months ended September 30, 2019

| Sl. No. | Particulars | Rs. in Crores | | | | | |
|---------|---|-----------------|--------------------------|---|--------------------------|-----------------|--------------------|
| | | Standalone | | | | | |
| | | 3 Months ended | Preceding 3 months ended | Corresponding 3 months ended in the previous year | For the six months ended | | For the year ended |
| | | 30-09-2019 | 30-06-2019 | 30-09-2018 | 30-09-2019 | 30-09-2018 | 31-03-2019 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited | |
| 1 | Segment revenue: | | | | | | |
| | a) Agri machinery products | 995.62 | 1,092.03 | 1,043.34 | 2,087.65 | 2,220.54 | 4,743.97 |
| | b) Construction equipments | 200.98 | 212.20 | 249.09 | 413.18 | 495.09 | 1,054.07 |
| | c) Railway equipments | 126.74 | 118.10 | 105.93 | 244.84 | 194.01 | 394.07 |
| | d) Unallocated | 0.52 | 0.64 | - | 1.16 | - | 4.25 |
| | Total | 1,323.86 | 1,422.97 | 1,398.36 | 2,746.83 | 2,909.64 | 6,196.36 |
| | Less: Inter segment revenue | - | - | - | - | - | - |
| | Net segment revenue | 1,323.86 | 1,422.97 | 1,398.36 | 2,746.83 | 2,909.64 | 6,196.36 |
| 2 | Segment results: | | | | | | |
| | a) Agri machinery products | 102.50 | 118.97 | 153.45 | 221.47 | 320.09 | 666.49 |
| | b) Construction equipments | 5.39 | 5.36 | 1.82 | 10.75 | 7.71 | 37.81 |
| | c) Railway equipments | 24.21 | 23.62 | 21.15 | 47.83 | 43.45 | 78.32 |
| | d) Auto ancillary products (discontinued operation) | - | - | 0.15 | - | 1.89 | 1.89 |
| | Total | 132.10 | 147.95 | 176.57 | 280.05 | 373.14 | 784.51 |
| | Less : | | | | | | |
| | - Finance costs | 3.85 | 5.86 | 3.86 | 9.71 | 6.73 | 18.48 |
| | - Exceptional items (refer note 2) | 9.22 | - | - | 9.22 | - | (10.91) |
| | - Other unallocable expenditure (Net of unallocable income) | 10.34 | 12.95 | 18.29 | 23.29 | 31.17 | 53.85 |
| | Total profit before tax | 108.69 | 129.14 | 154.42 | 237.83 | 335.24 | 723.09 |

| Sl. No. | Particulars | Rs. in Crores | | | | | |
|---------|---|-----------------|--------------------------|---|--------------------------|-----------------|--------------------|
| | | Standalone | | | | | |
| | | 3 Months ended | Preceding 3 months ended | Corresponding 3 months ended in the previous year | For the six months ended | | For the year ended |
| | | 30-09-2019 | 30-06-2019 | 30-09-2018 | 30-09-2019 | 30-09-2018 | 31-03-2019 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited | |
| 3 | Segment assets | | | | | | |
| | a) Agri machinery products | 2,863.86 | 2,741.88 | 2,788.64 | 2,863.86 | 2,788.64 | 2,974.62 |
| | b) Construction equipments | 414.40 | 402.65 | 418.49 | 414.40 | 418.49 | 420.54 |
| | c) Railway equipments | 269.51 | 253.89 | 206.18 | 269.51 | 206.18 | 214.69 |
| | d) Auto ancillary products (discontinued operation) | 0.70 | 1.14 | 0.61 | 0.70 | 0.61 | 1.10 |
| | e) Unallocated | 1,373.49 | 1,372.42 | 1,324.37 | 1,373.49 | 1,324.37 | 1,385.99 |
| | Total | 4,921.96 | 4,771.98 | 4,738.29 | 4,921.96 | 4,738.29 | 4,996.94 |
| 4 | Segment liabilities | | | | | | |
| | a) Agri machinery products | 1,242.94 | 1,149.05 | 1,330.87 | 1,242.94 | 1,330.87 | 1,405.79 |
| | b) Construction equipments | 253.81 | 245.34 | 285.06 | 253.81 | 285.06 | 277.09 |
| | c) Railway equipments | 99.76 | 101.77 | 100.16 | 99.76 | 100.16 | 80.70 |
| | d) Auto ancillary products (discontinued operation) | 7.10 | 7.53 | 7.15 | 7.10 | 7.15 | 7.56 |
| | e) Unallocated | 129.48 | 156.67 | 264.78 | 129.48 | 264.78 | 202.94 |
| | Total | 1,733.09 | 1,660.36 | 1,988.02 | 1,733.09 | 1,988.02 | 1,974.08 |

Notes :

- The above Standalone financial results for the quarter and six months ended September 30, 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 2, 2019.
- Exceptional items (loss) of Rs 9.22 crores during the quarter and six months ended September 30, 2019 represents payment towards full and final settlement of product liability matter. Exceptional items (gain) of Rs 10.91 crores during year ended March 31, 2019 represents income from transfer of Rough Terrain cranes business to the newly formed Joint Venture with M/s Tadano Limited on a slump sale basis.
- Previous period figures have been re-grouped / reclassified wherever necessary, to conform to current period's classification.
- The Group has adopted Ind AS 116 "Leases" effective April 1, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the quarter and six months ended September 30, 2019.

Q2FY20 Results



Escorts Limited

Unaudited standalone statement of cash flow for the six months ended September 30, 2019



| | Rs. in Crores | |
|---|------------------|-----------------|
| | Six months ended | |
| | 30 Sep 2019 | 30 Sep 2018 |
| | Unaudited | Unaudited |
| A Cash flow from operating activities | | |
| Profit before tax from | | |
| Continuing operations | 237.83 | 333.35 |
| Discontinued operations | - | 1.89 |
| Profit before tax including discontinued operations | 237.83 | 335.24 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 50.11 | 42.05 |
| Bad debts and advances written off, allowance for doubtful trade receivable, write backs & others (net) | 7.31 | 2.01 |
| Interest expense | 8.36 | 5.11 |
| Interest income | (20.46) | (16.74) |
| Gain on disposal of property, plant and equipment (net) | (0.39) | (0.83) |
| Gain on sale of investments (net) | (1.08) | (6.52) |
| Gain on investments carried at fair value through profit or loss (net) | (12.27) | (6.44) |
| Share based payment to employees | 2.45 | 0.80 |
| Unrealised foreign exchange loss | 0.85 | 0.42 |
| Operating profit before working capital changes | 272.71 | 355.10 |
| Movement in working capital | | |
| Inventories | 71.52 | (340.63) |
| Trade receivables | 87.68 | (161.31) |
| Other financial assets | (24.56) | 3.61 |
| Other assets | 28.67 | (114.97) |
| Trade payables | (46.29) | 80.76 |
| Other financial liabilities | (17.37) | (18.28) |
| Other liabilities | 4.47 | 6.29 |
| Cash from / (used in) operating activities post working capital changes | 376.83 | (189.43) |
| Income tax paid (net) | (74.15) | (76.84) |
| Net cash from / (used in) operating activities (A) | 302.68 | (266.27) |

| | Rs. in Crores | |
|--|------------------|---------------|
| | Six months ended | |
| | 30 Sep 2019 | 30 Sep 2018 |
| | Unaudited | Unaudited |
| B Cash flows from investing activities | | |
| Purchase of property, plant and equipment (including capital advances) | (96.27) | (67.85) |
| Sale of property, plant and equipment | 1.24 | 5.02 |
| Purchase of intangible assets | (8.64) | (7.03) |
| Investment in subsidiaries and equity shares of other companies | (1.60) | (13.39) |
| Proceeds on maturity of current investment (net) | 1.07 | 70.42 |
| Bank deposit (having original maturity of more than 3 months) | - | 23.10 |
| Interest received | 15.25 | 13.53 |
| Net cash (used in) / from investing activities (B) | (88.95) | 23.80 |
| C Cash flows from financing activities | | |
| Repayment of long term borrowings | (7.43) | (29.88) |
| Proceeds/(repayment) from short term borrowings (net) | (190.64) | 190.71 |
| Interest paid | (7.72) | (3.91) |
| Repayment of lease liability | (1.42) | - |
| Dividend and tax thereon paid | (26.02) | (22.82) |
| Net cash (used in) / from financing activities (C) | (233.23) | 134.10 |
| Decrease in cash and cash equivalents (A+B+C) | (19.50) | (108.37) |
| Cash and cash equivalents at the beginning of the period | 85.80 | 148.74 |
| Exchange difference on translation of foreign currency cash and cash equivalents | (0.62) | 0.36 |
| Cash and cash equivalents at the end of the period | 65.68 | 40.73 |

Narrations



- **EAM** - Escorts Agri Machinery
- **ECE** - Escorts Construction Equipment
- **RED** - Railway Equipment Division
- **FY** - Fiscal Year represents the 12 months period from 1st April to 31st March.
- **Q2FY20** - Represents the 3 months period from 1st July 2019 to 30th September 2019.
- **Q1FY20** - Represents the 3 months period from 1st April 2019 to 30th June 2019.
- **Q2FY19** - Represents the 3 months period from 1st July 2018 to 30th September 2018.
- **H1FY20** - Represents the 6 months period from 1st April 2019 to 30th September 2019.
- **H1FY19** - Represents the 6 months period from 1st April 2018 to 30th September 2018.
- **QoQ** - Represents Quarter on Quarter
- **YoY** - Represents Year on Year
- **LY** - Represents Last Year
- **CY** - Represents Current Year
- **BHL** - Backhoe Loader
- **IndAS** - Indian Accounting Standards
- **NPD** - New Product Developed
- **PnC** - Pick & Carry Crane

SAFE HARBOR



Certain statements in this document include forward-looking comments and information concerning the company's plans and projections for the future, including estimates and assumptions with respect to economic, political, technological, weather, market acceptance and other factors that impact our businesses and customers. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Escorts Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Accounting standard: Financials in presentation are as per IndAS

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Thank You

