

ANALYST & INVESTORS MEET

07 - Feb -2018



escorts Ltd.

**Mr. Bharat Madan
Group CFO**



KEY TAKEAWAYS: UNION BUDGET 2018



Rural focussed budget



2 years of on-time Normal Monsoon



'**2X** Farmers income by FY2022' - Govt.



₹ 2000 Cr for Rural infrastructure



1.5X Production cost = Kharif MSP



Housing for all by FY2022



Crop Insurance Allocation



₹ 1.49 Cr CAPEX for Indian Railway

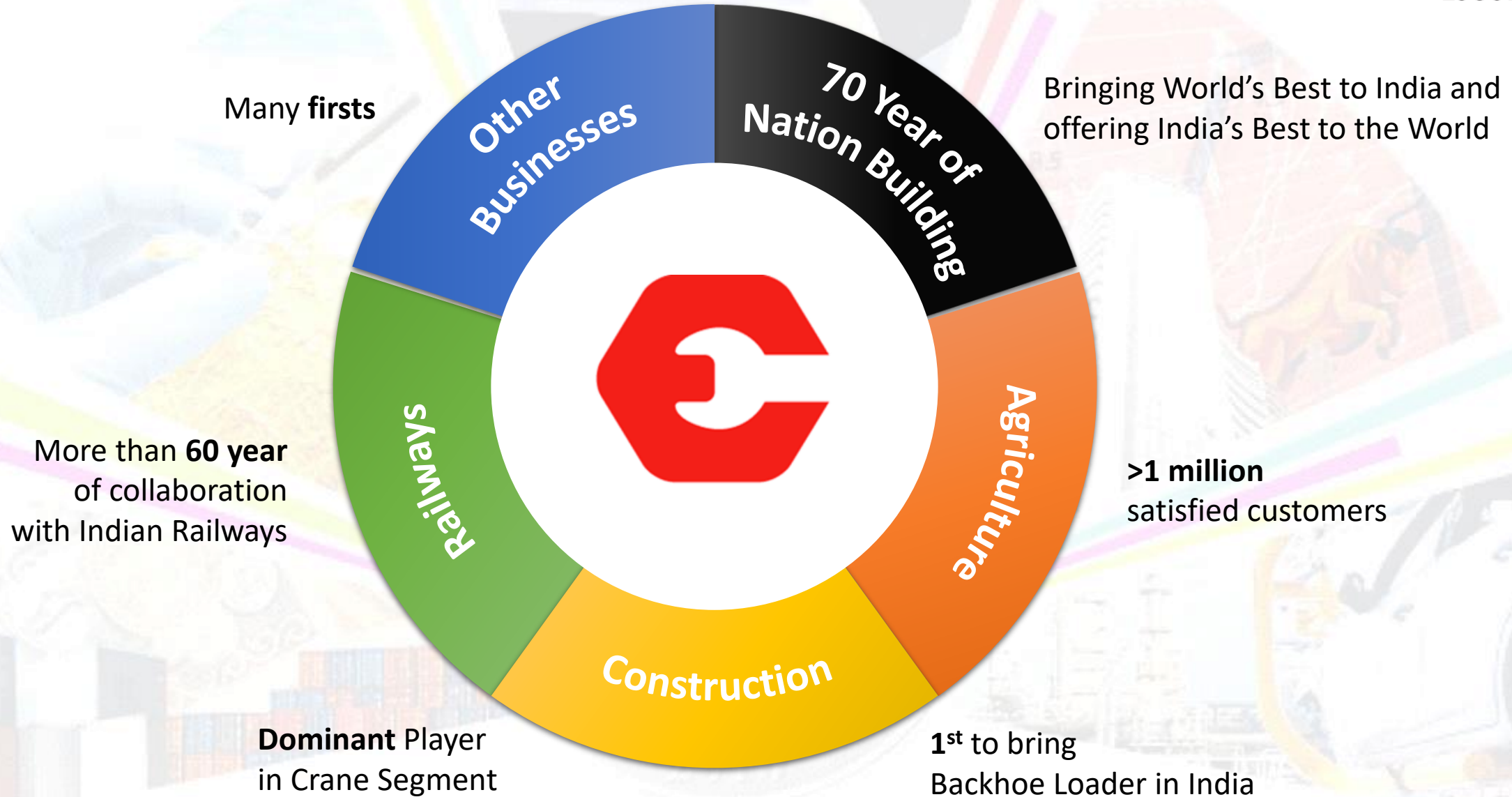


Horticulture development



Bharat Mala Pariyojana

PROUD PARTNER IN NATIONAL DEVELOPMENT



JOURNEY SO FAR !

REPORT CARD OF 2016 MEET...



Focus on Cost Reduction: Material Cost



Divestment of Auto Part Division



ECE Turnaround



EAM EBIT Margin: 13~15%



RED Organic Growth



...REPORT CARD OF 2016 MEET



Exports Growth



Region-wise domestic market share gain has started...



Focus on Manpower Cost Reduction

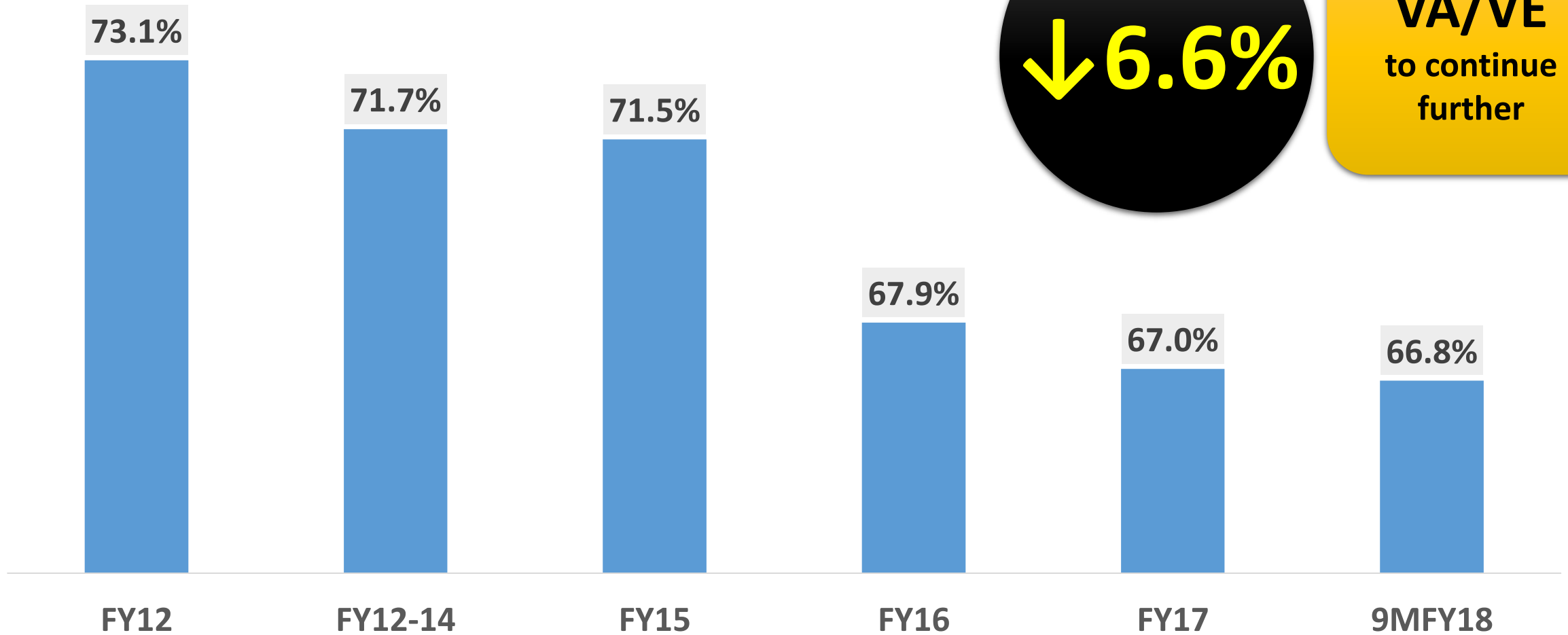


Improving Corporate Governance



↓ MATERIAL COST

Project Shikhar: Completed in FY17

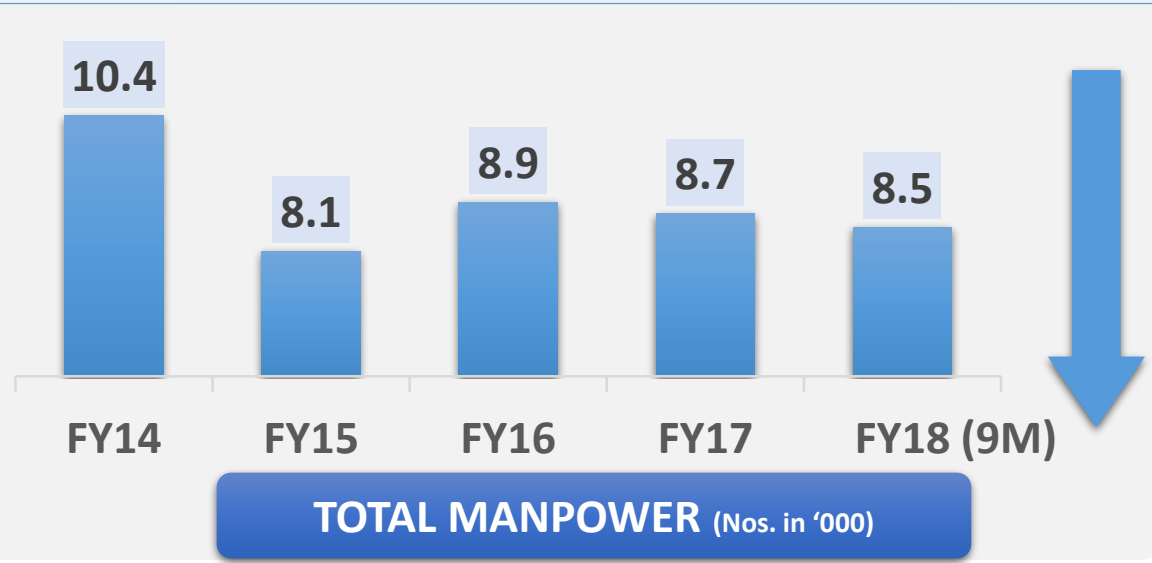
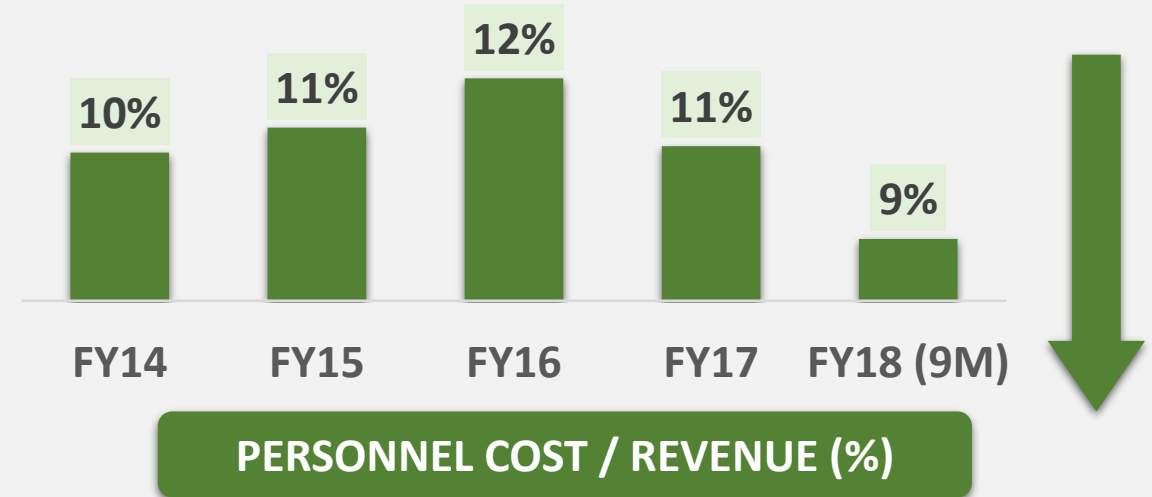


↓ MANPOWER COST

**MANAGERIAL MANPOWER
IS CONSISTENTLY
GOING DOWN**



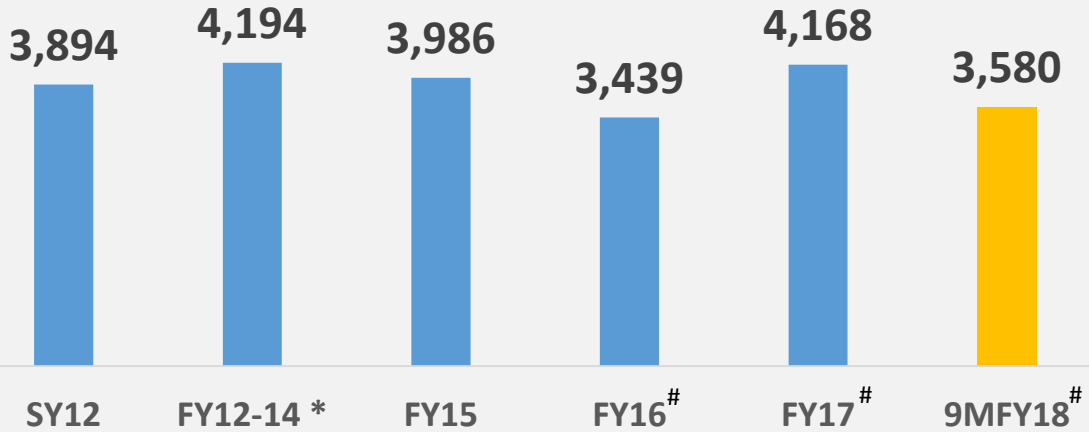
- ❖ Creation of centers of excellence
- ❖ Shared services
- ❖ Outsourcing (Non-core jobs)
- ❖ Natural attrition



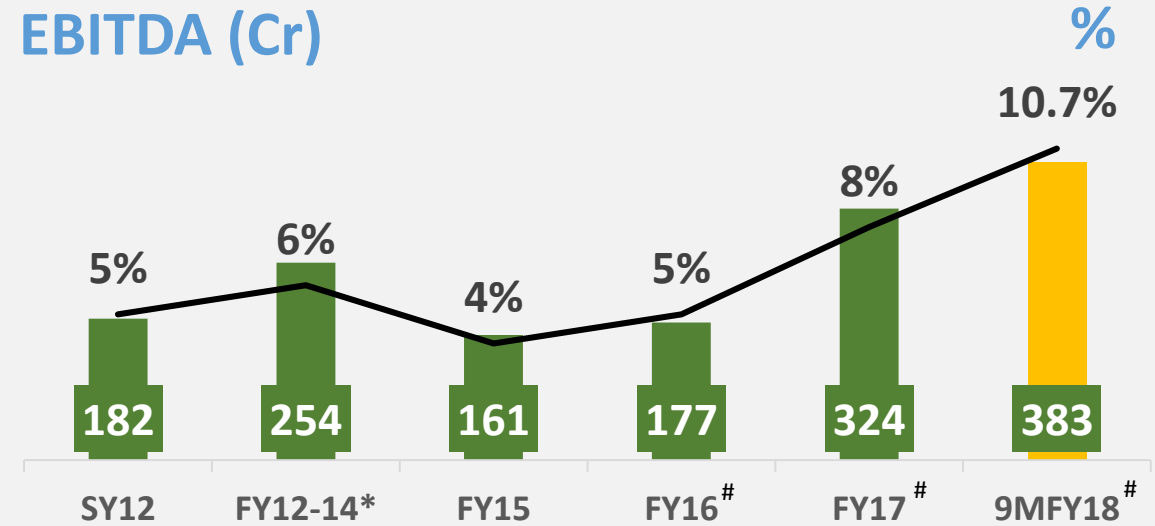
↑ KEY FINANCIAL METRICS



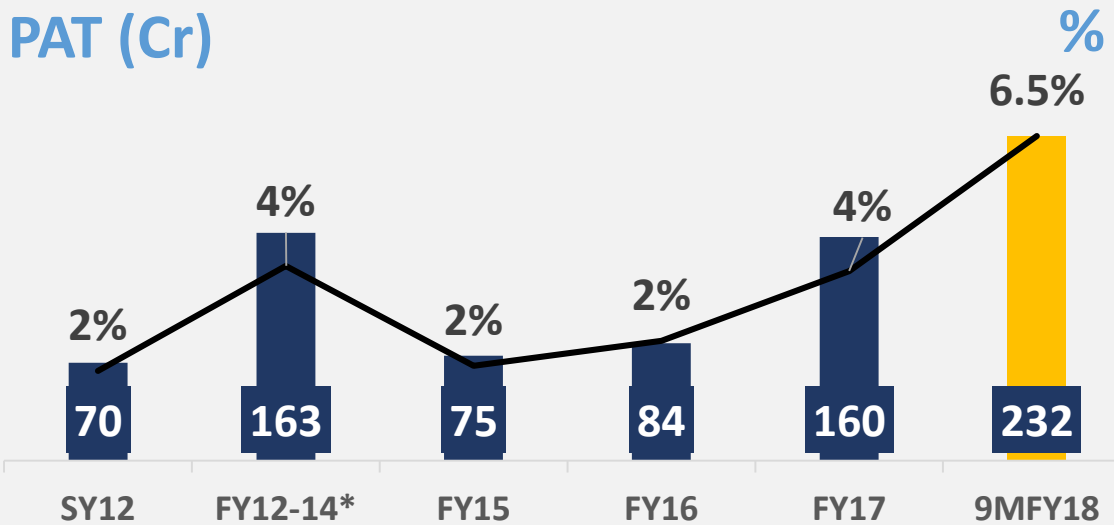
REVENUE (Cr)



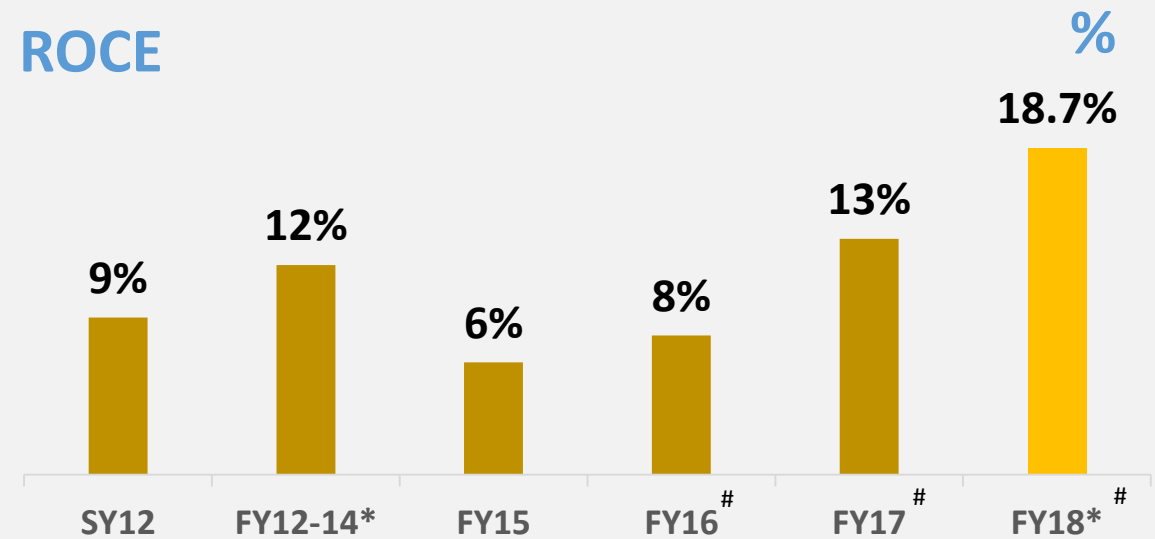
EBITDA (Cr)



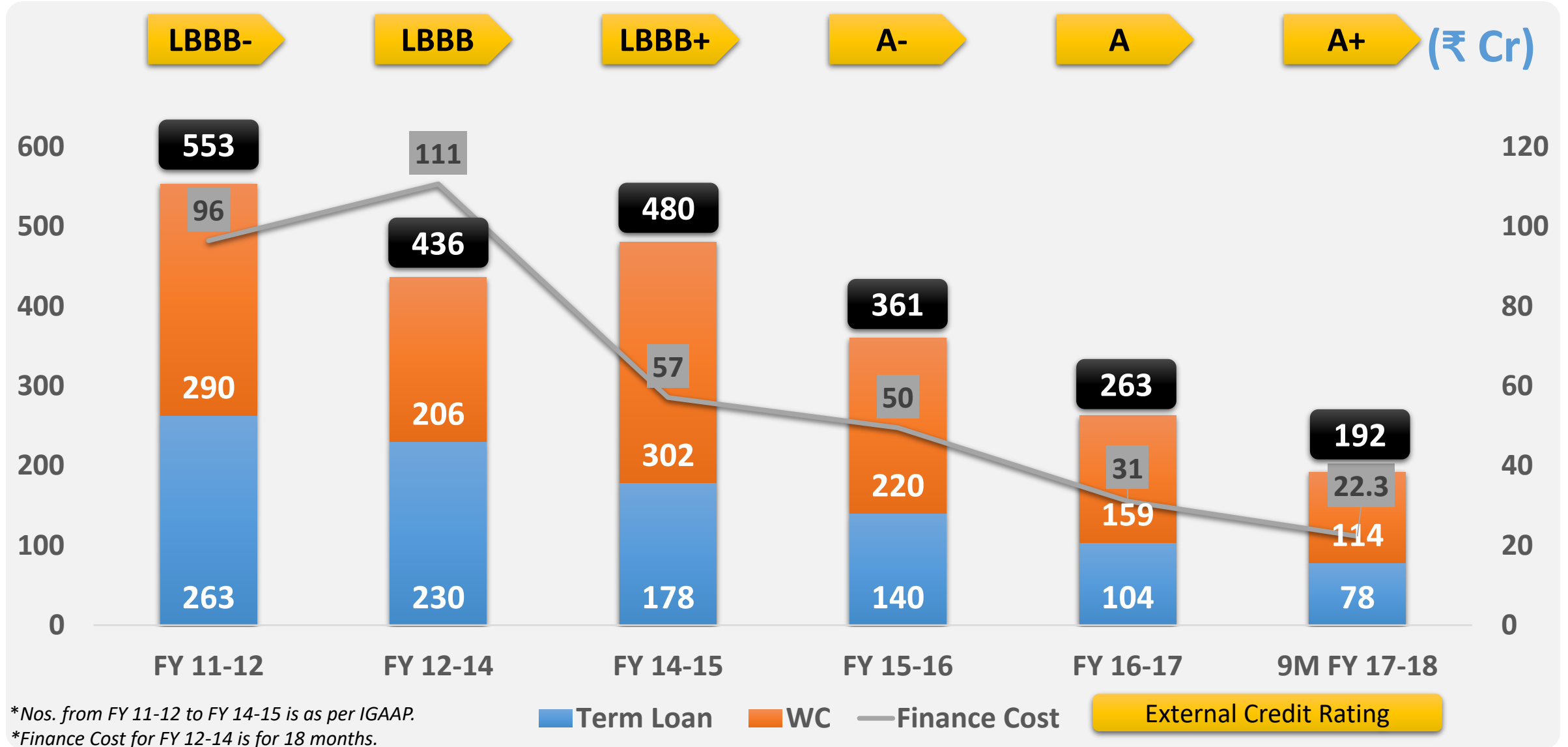
PAT (Cr)



ROCE

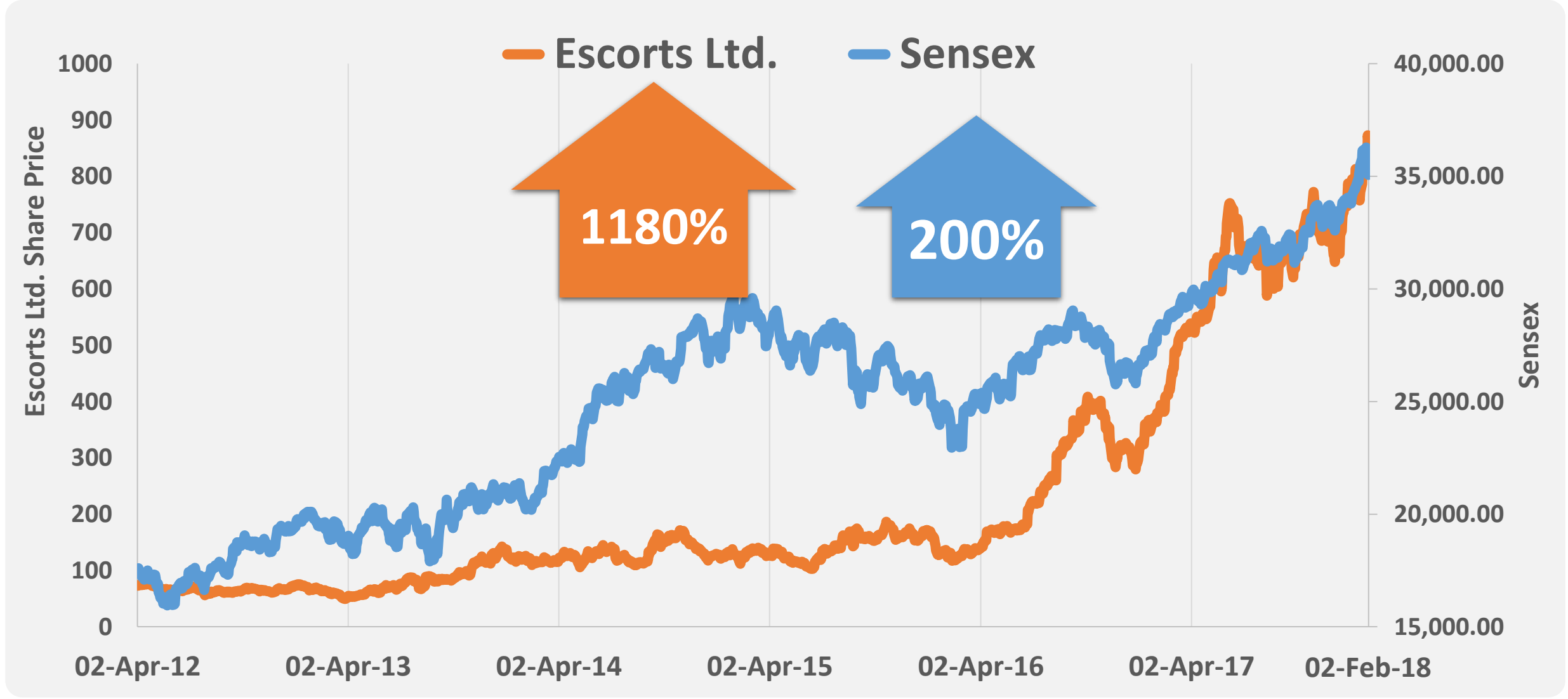


↑ CONSISTENT RATING UPGRADES



*Nos. from FY 11-12 to FY 14-15 is as per IGAAP.
 *Finance Cost for FY 12-14 is for 18 months.

THANK YOU FOR YOUR TRUST IN US...

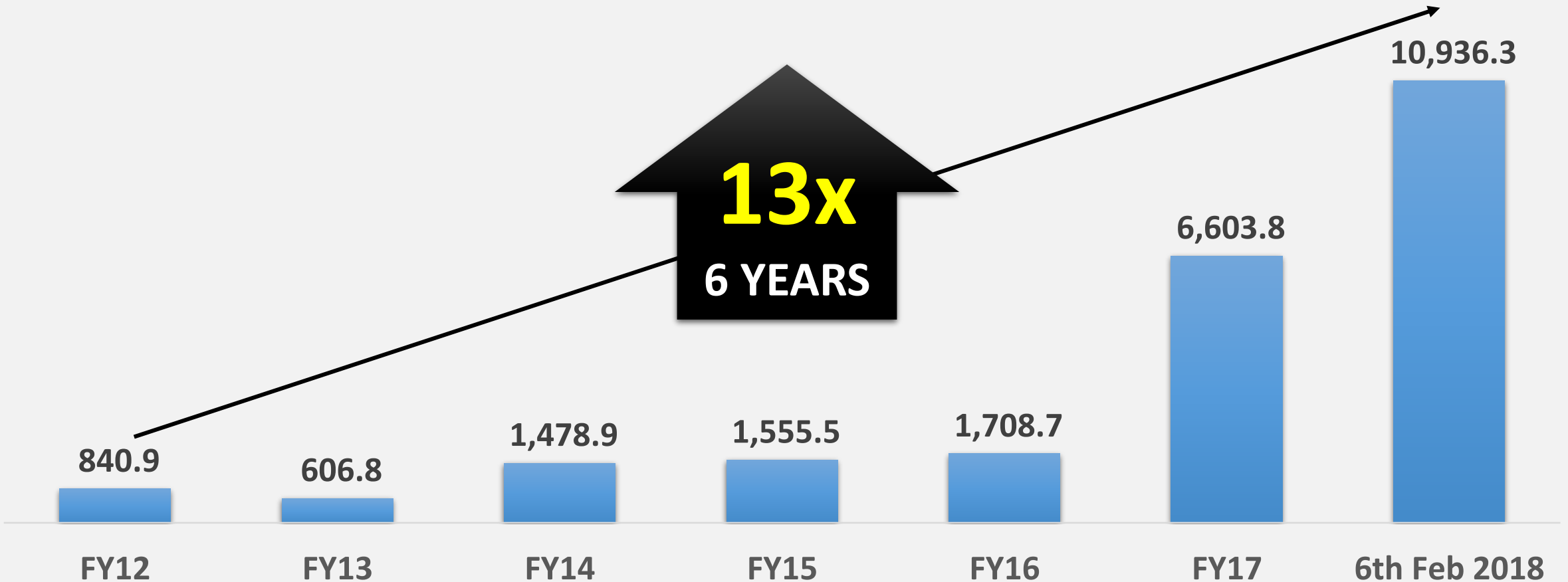


VALUE CREATION FOR SHAREHOLDERS



MARKET CAPITALIZATION

(₹ Cr)



↑ CORPORATE GOVERNANCE



OUR CORE VALUES

RESPECT FOR PEOPLE
We will demonstrate dignity and respect for people in all our interactions. We will not tolerate belittling of people, regardless of position, or circumstance.

EMPOWERMENT
People at all levels must be vested with the power and confidence to take decisions concerning their area of work.

TRANSPARENCY
People will understand the processes and criteria used to arrive at decisions concerning them.

COLLABORATION
We will work with our colleagues with the spirit of collaboration and mutual respect.

OUR STRATEGIC VALUES

CUSTOMER CENTRICITY
Acute sensitivity to the needs and experiences of the customer shall guide all that we do.

EXCELLENCE
We will strive to achieve and surpass world class standards in all that we do.

INNOVATION
We will use the power of technology and imagination to deliver solutions to the customers' needs.

AGILITY
We will operate in our markets with the ability to change direction and position with nimbleness and speed.



Vibrant Board

Big 4 as I-Auditor

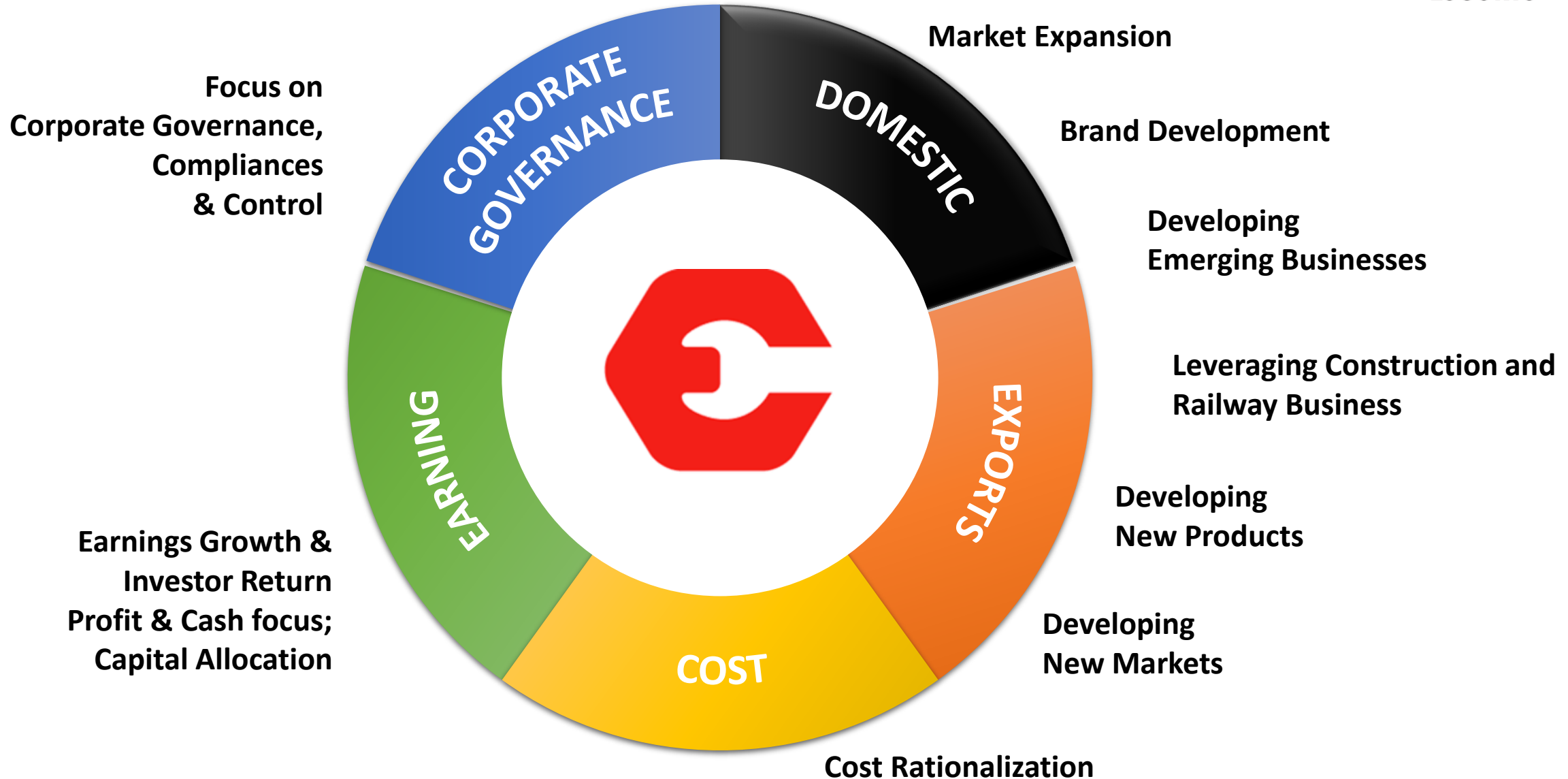
Young leadership

Launches update

Monthly Tractor Volume Disclosure

Quarterly Earnings Con-calls

THE WAY FORWARD





ESCORTS



“ एक पैसला जो बना हौसला ”

“ एक कोरिया जो बनी कामयाबी ”

“ एक बुनियाद जो बनी खुशदमी ”

“ एक तस्कीब जो बनी तस्वरी ”

“ एक मशाल जो बनी भिखार ”

“ एक रिद जो बनी जीत ”

Mr. Shenu Agarwal - CSMO

TRACTOR SOWING FOR BUMPER HARVEST



India Holds the 2nd Largest Agricultural Land in The World



Improve Retail Finance



Rural Focussed Budget



Bumper Food Grain Production

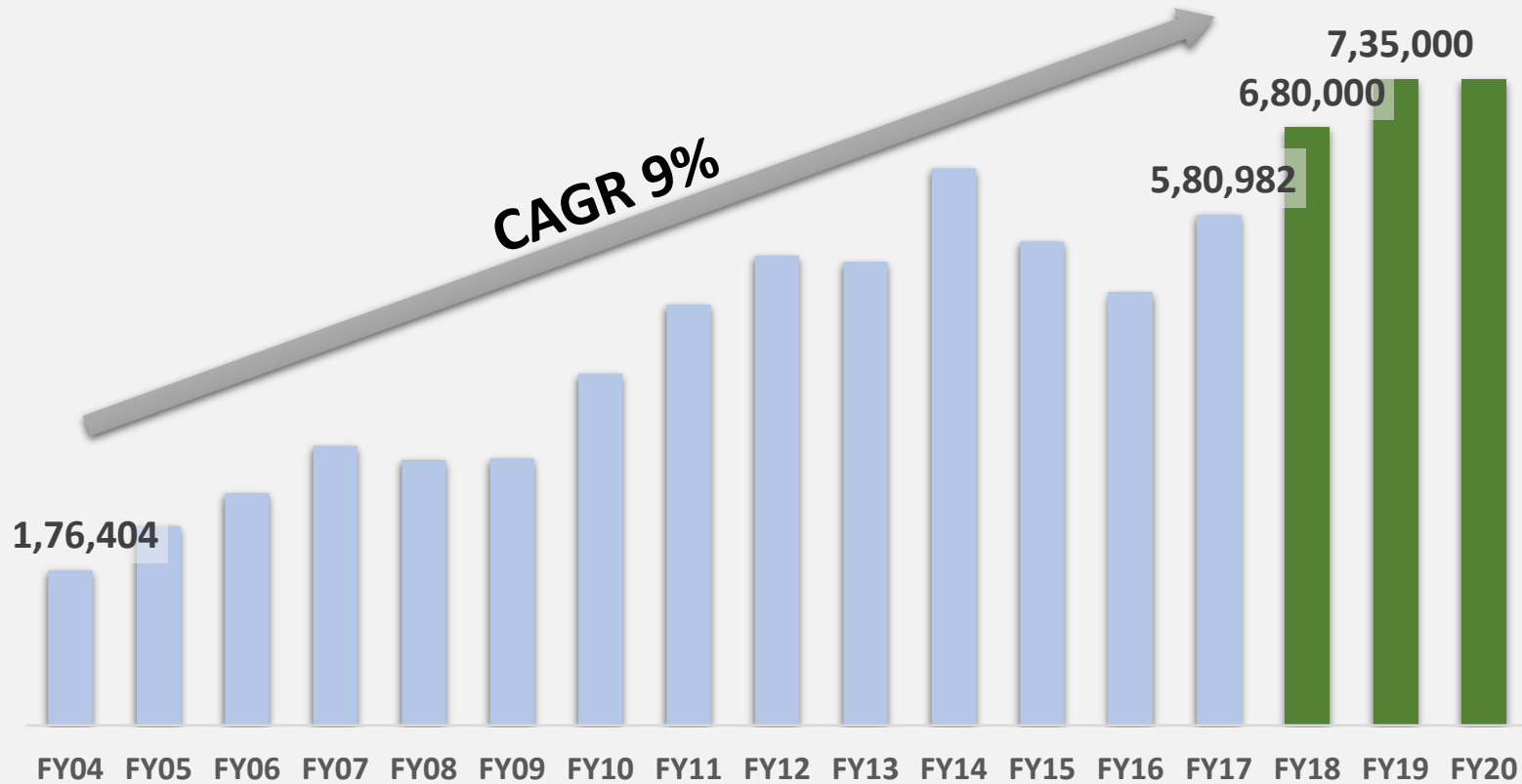


2 Years of on-time Normal Monsoon



Government Focus to Double the Agri-Income of Farmers By 2022

↑ DOMESTIC TRACTOR INDUSTRY



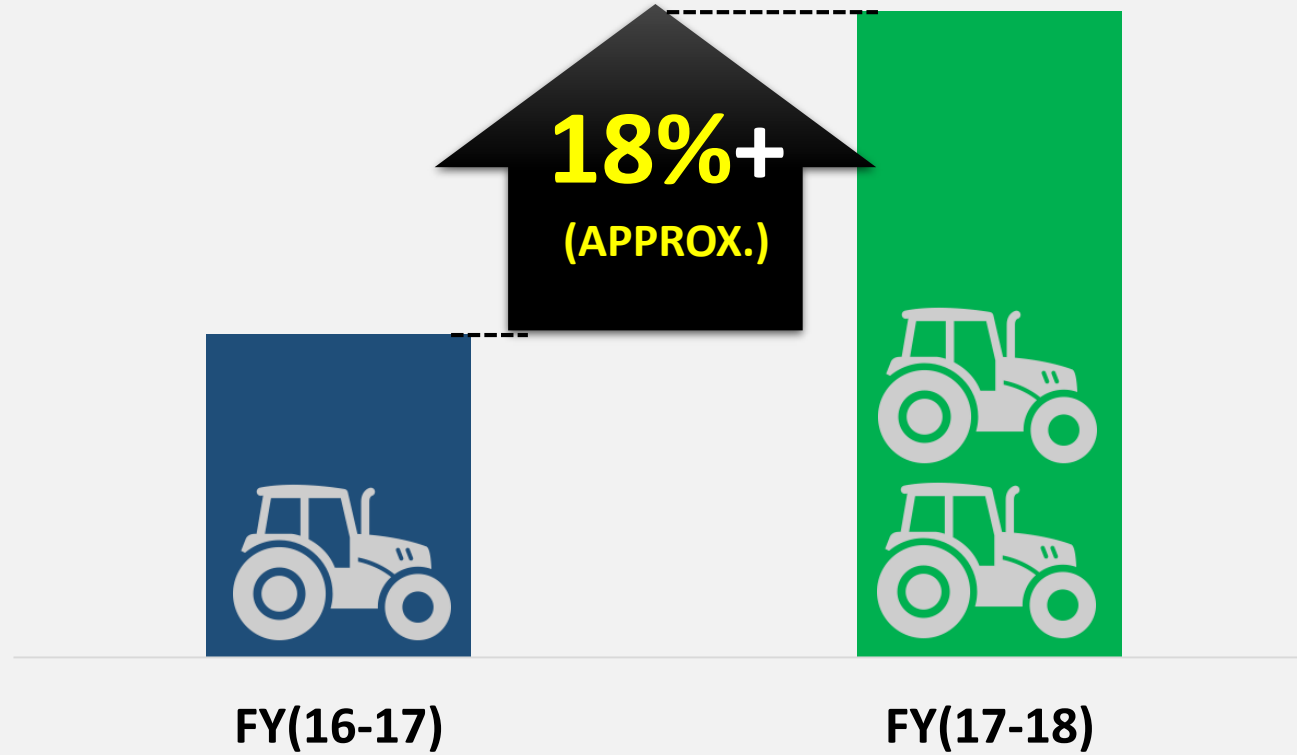
- Increasing Trend towards Mechanisation
- Minimum Support Prices for Key Crops
- Scarcity of Labour
- Ease of Credit Availability from Govt.

- ❖ India is the **largest** manufacturer of farm equipment
- ❖ India accounts for nearly **1/3rd** of the overall tractor production globally
- ❖ **0.6 million** units in **FY17** and reach to approx. **1.2-1.5 million** units by **2030**



DOMESTIC (TRACTORS)

VOLUME



BRAND LED PRODUCT INNOVATION



<30 HP

31-40 HP

41-50 HP

> 50 HP

FARMTRAC
Prestigious & Powerful &
strong Brand Legacy



Atom Series



FarmTrac XP



FarmTrac Classic



FarmTrac Executive

POWERTRAC
Efficient & Superior
In-House Engineering



Steeltrac



PowerTrac DS+



PowerTrac Euro



PowerTrac Euro

POWERTRAC-ALT



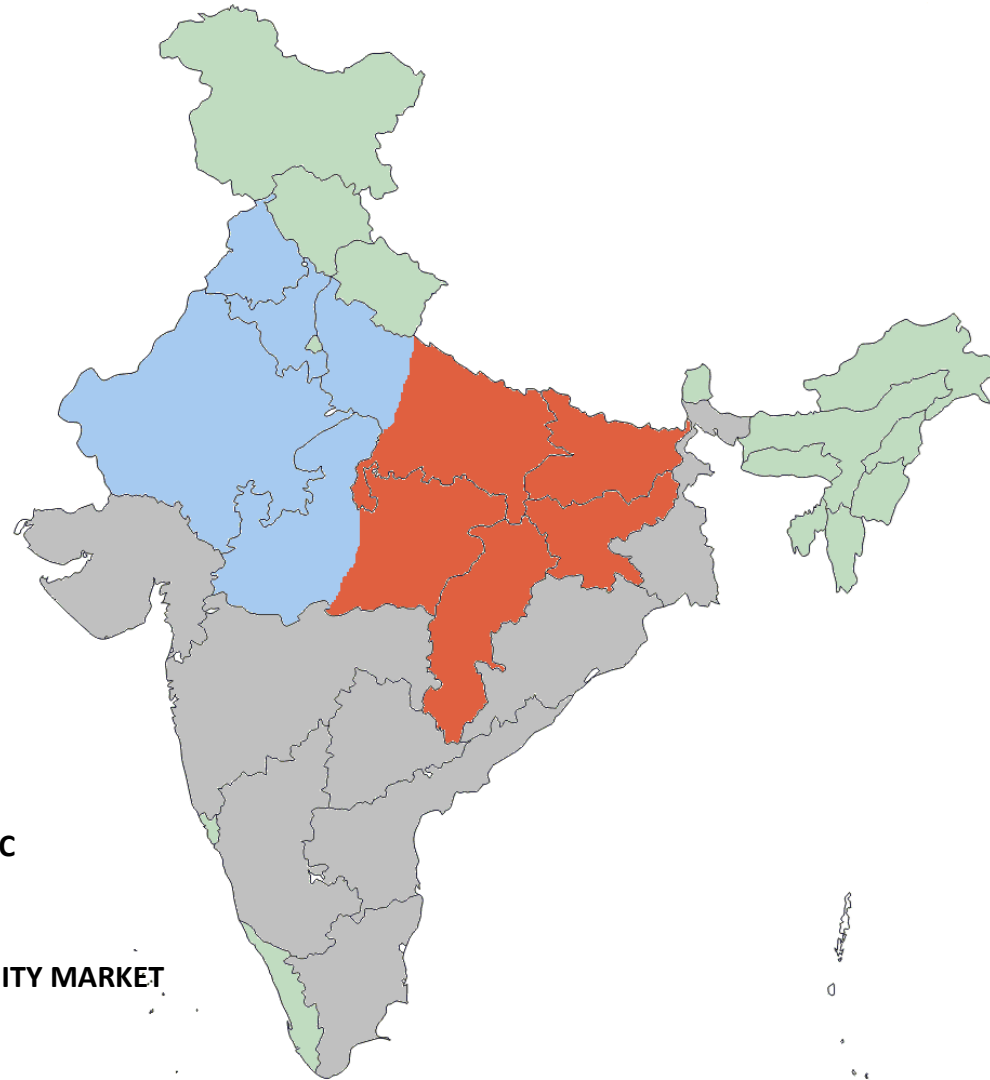
PowerTrac ALT 3500



PowerTrac ALT 4000

**Products
introduced in the
last 3 years
contribute ~75 %
of total volumes
in 9MFY18**

WINNING MARKET



①

Strong Market, Strong Brand

(11%) 12% → 14%

②

Strong Market, Weak Brand

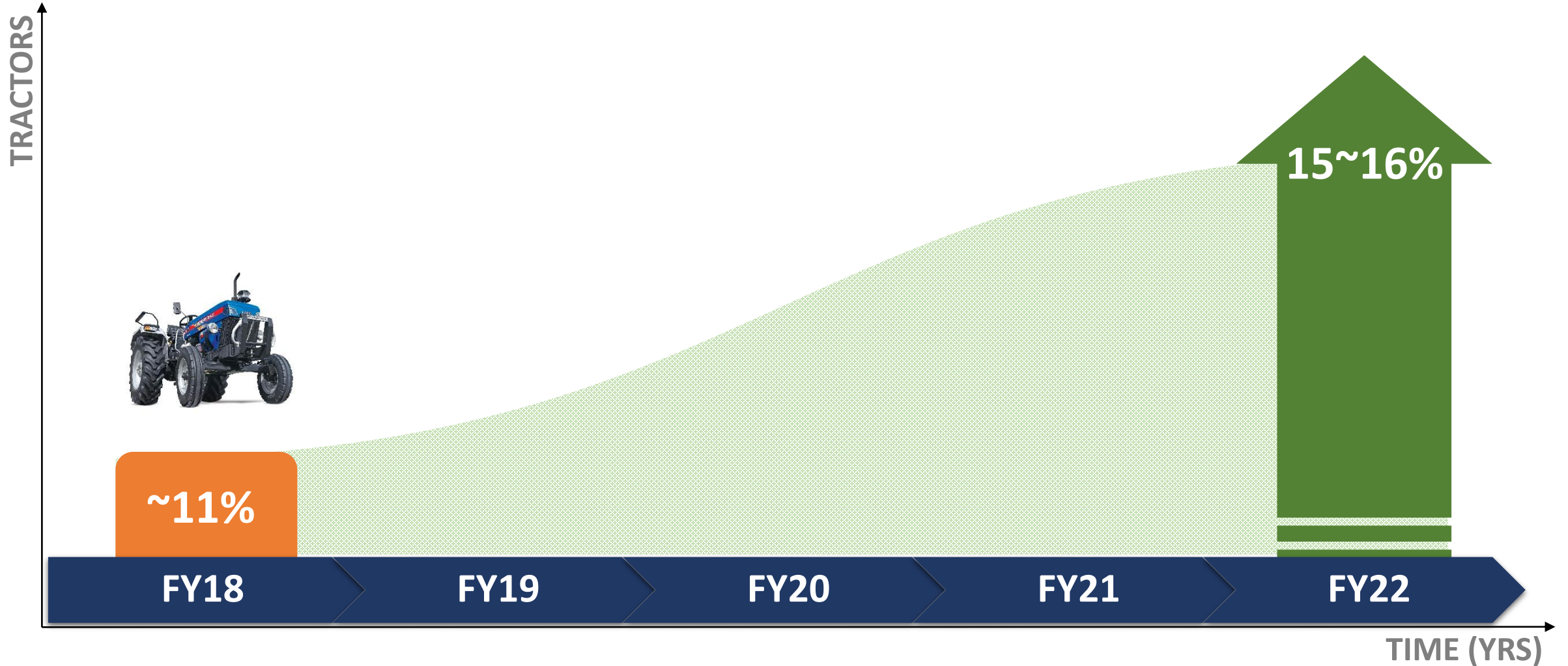
(1%) 2.7% → 8%

③

Opportunity Market

(4.5%) 5.7% → 10%

FY'22 OUTLOOK



INGREDIENTS FOR GROWTH



Dual Distribution

Strong Brand Coverage: 90 → 99%
Weak Brand Coverage: 33 → 80%



South/West Focus

Channel Coverage: 55 → 80%
Compact tractor
Rice tractor



Product Portfolio

Farmtrac: 52% → 95%
Powertrac: 74% → 90%
Steeltrac: 25% → 75%



Escorts Credit

6% Penetration → 40%



Customer Centricity

48-Hours Parts
Care Button
TRAXI
ETC
Mol Anmol



Scientific Sales Management

24X7 CUSTOMER SUPPORT



E-Button



Customer Call Center



Mechanic



Dealer

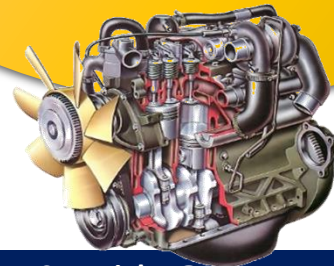
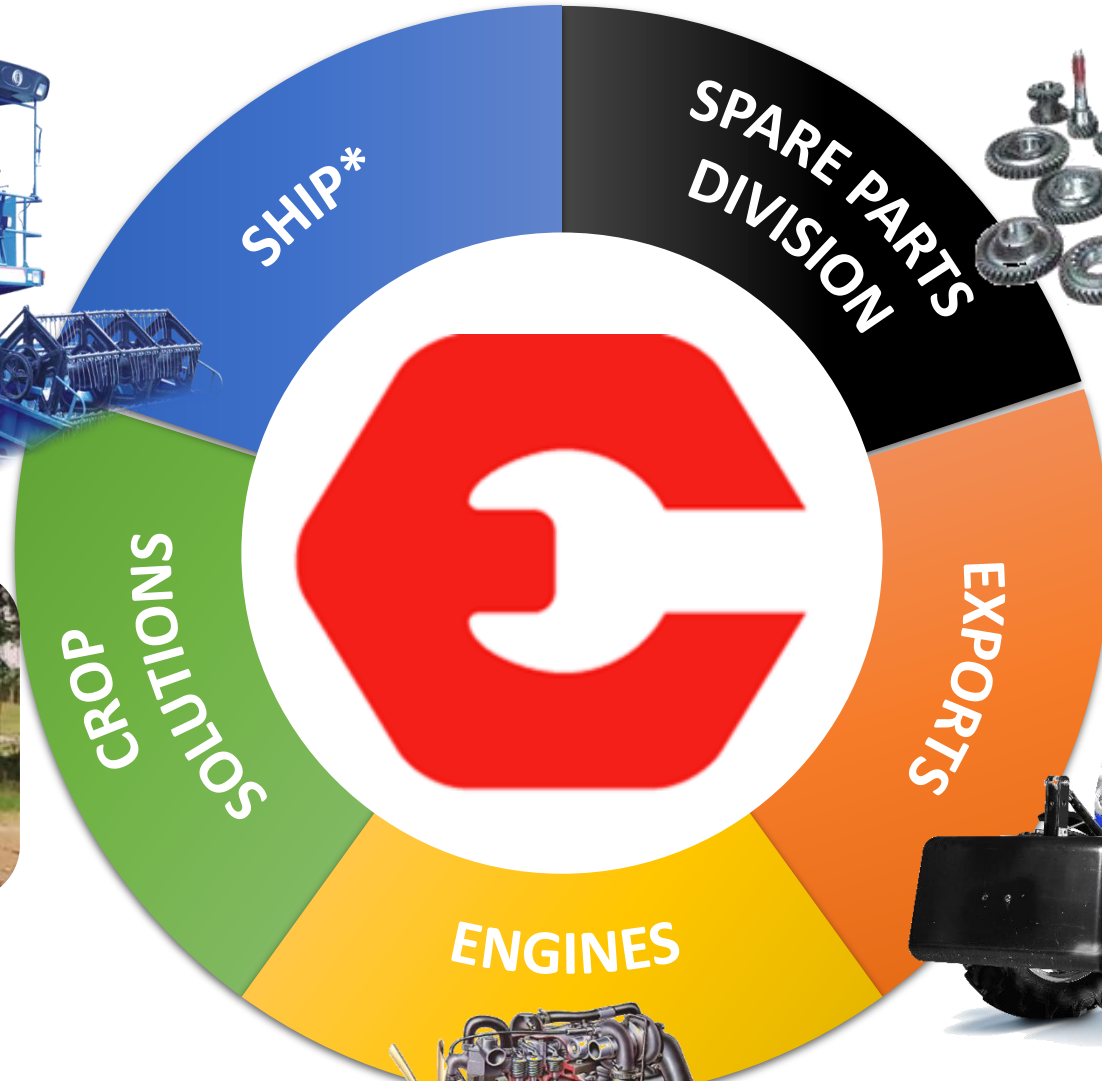


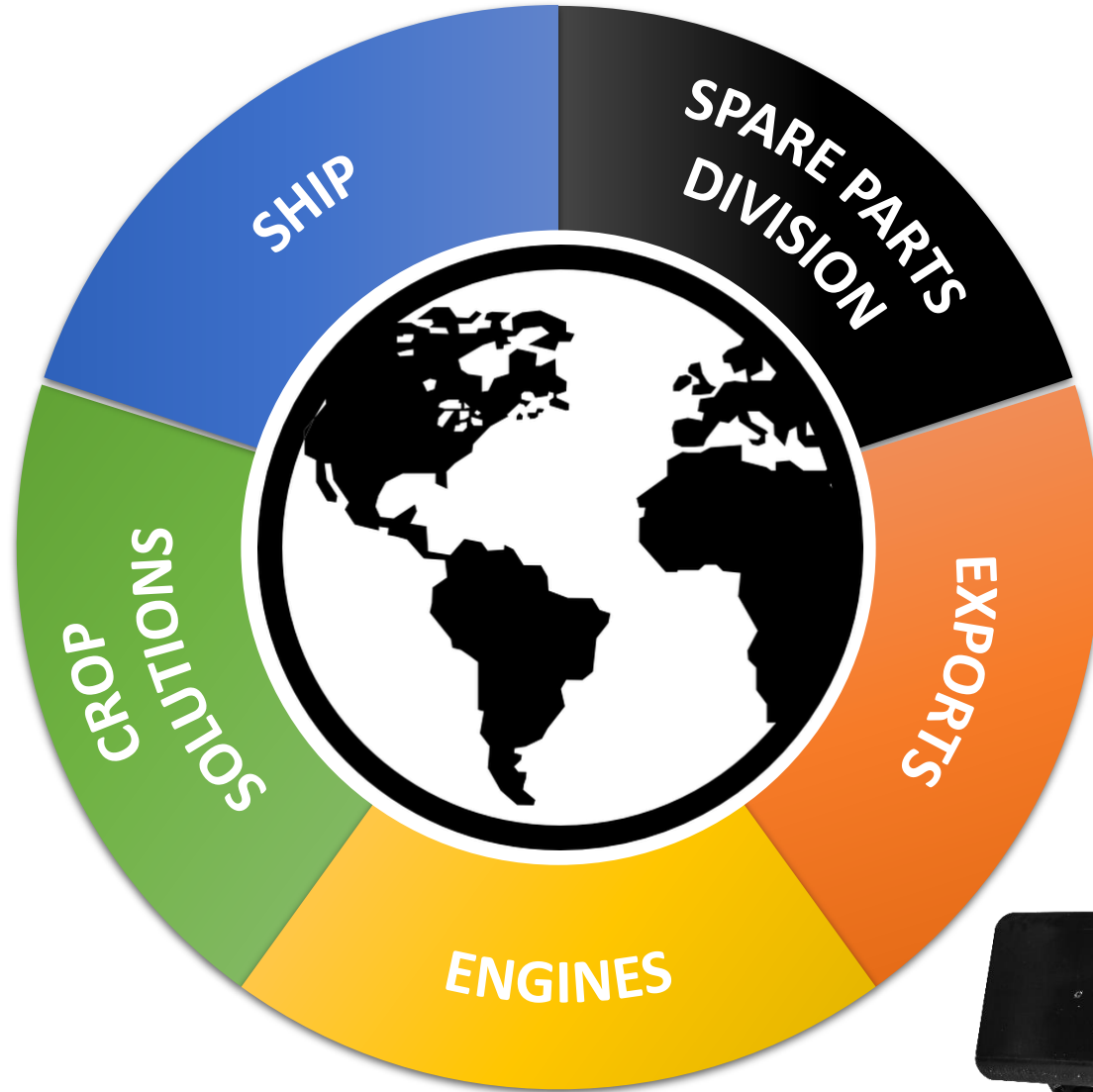
ESCORTS



EMERGING BUSINESSES & INTERNATIONAL MARKETS

==== Mr. Ravi Menon – Chief Executive =====

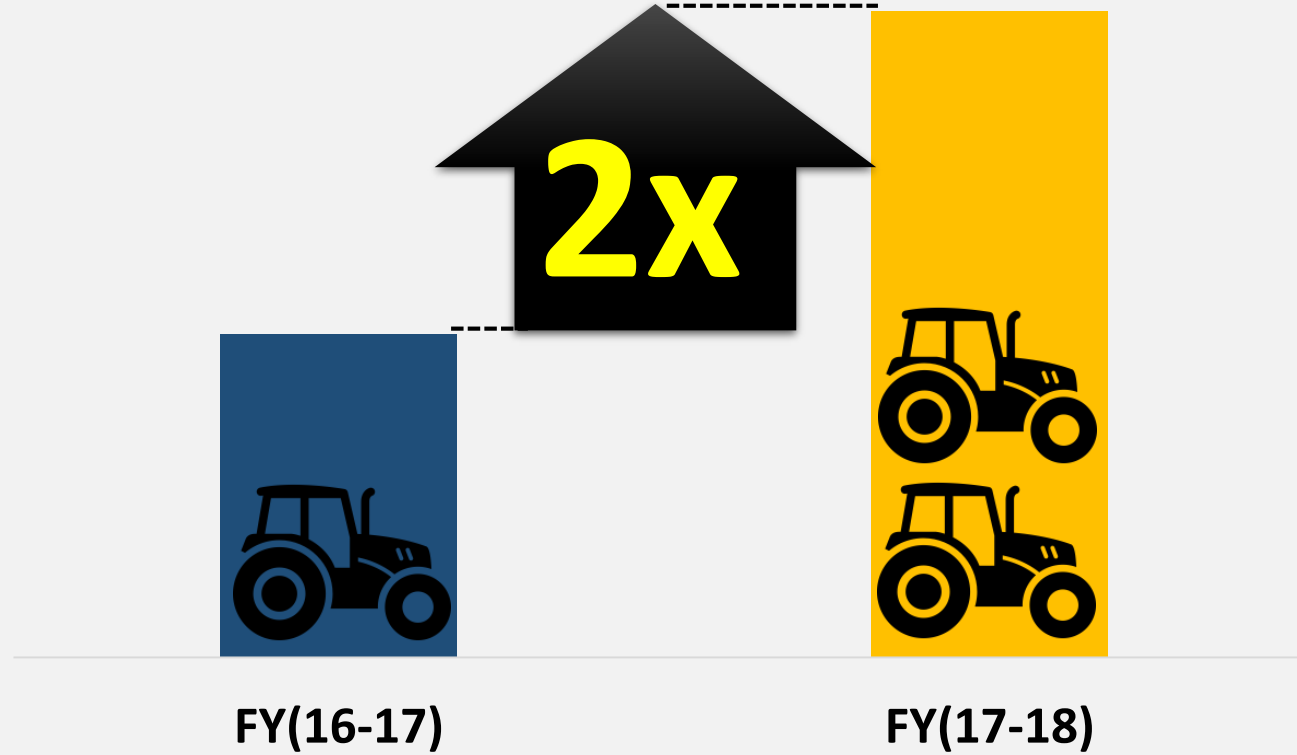




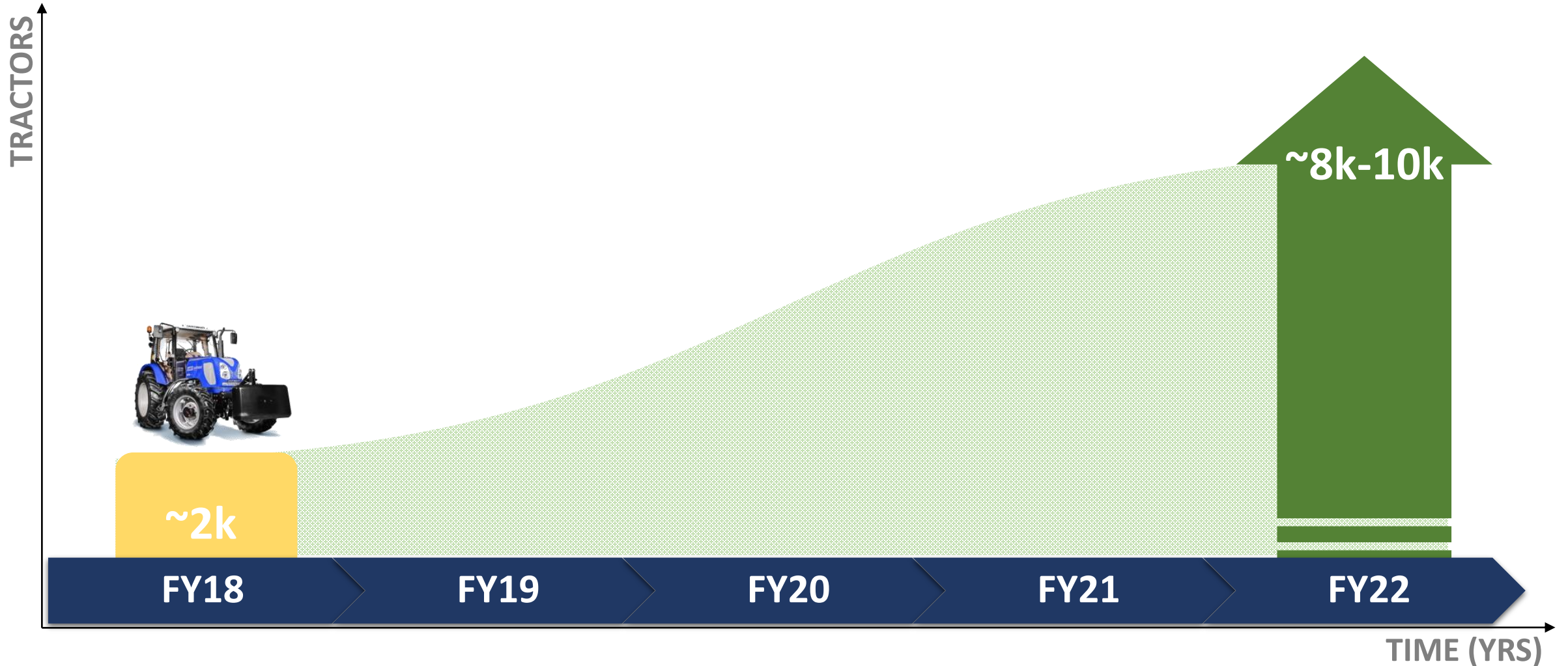
EXPORTS (TRACTORS)



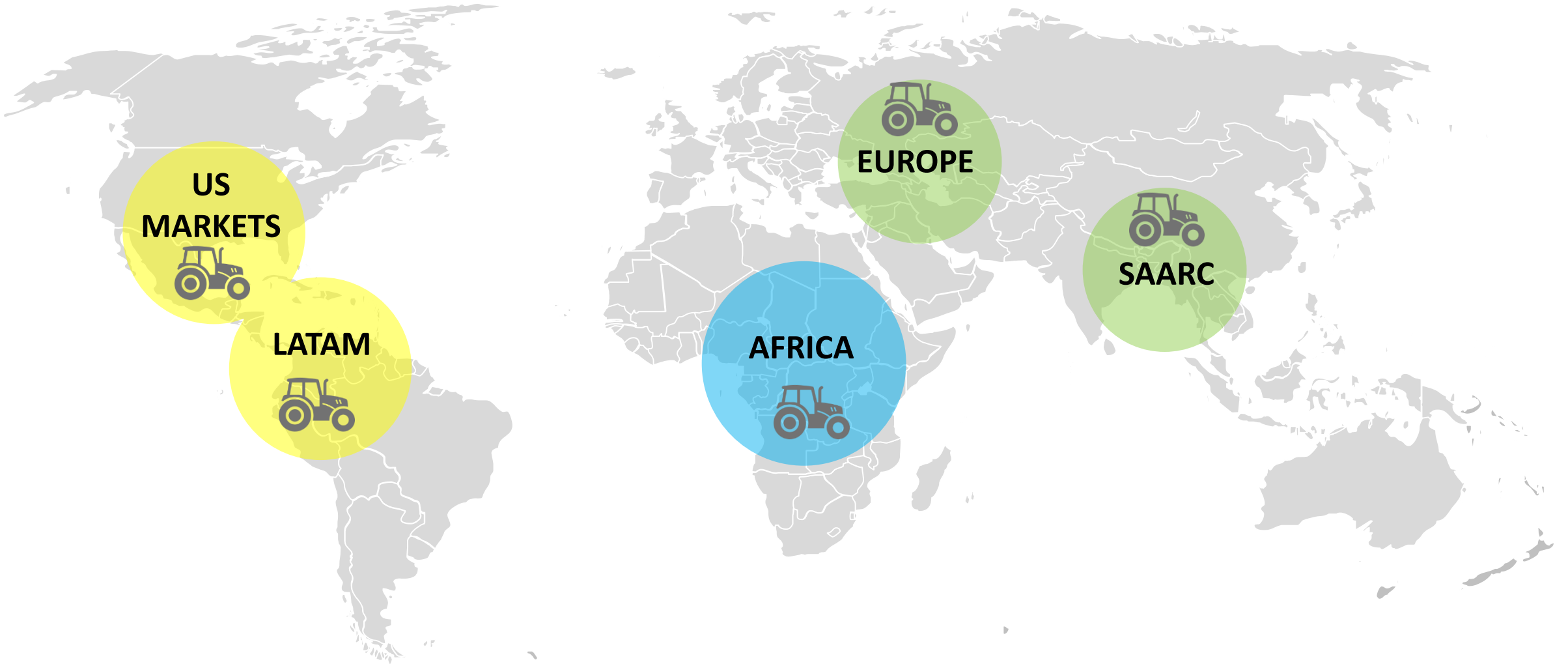
VOLUME



FY'22 OUTLOOK



FOCUS MARKETS



INNOVATIVE PRODUCTS



NEW COMPACT SERIES



AGRITECHNICA, Hannover, Germany

INNOVATIVE PRODUCTS

FARMTRAC 6075 CRDi



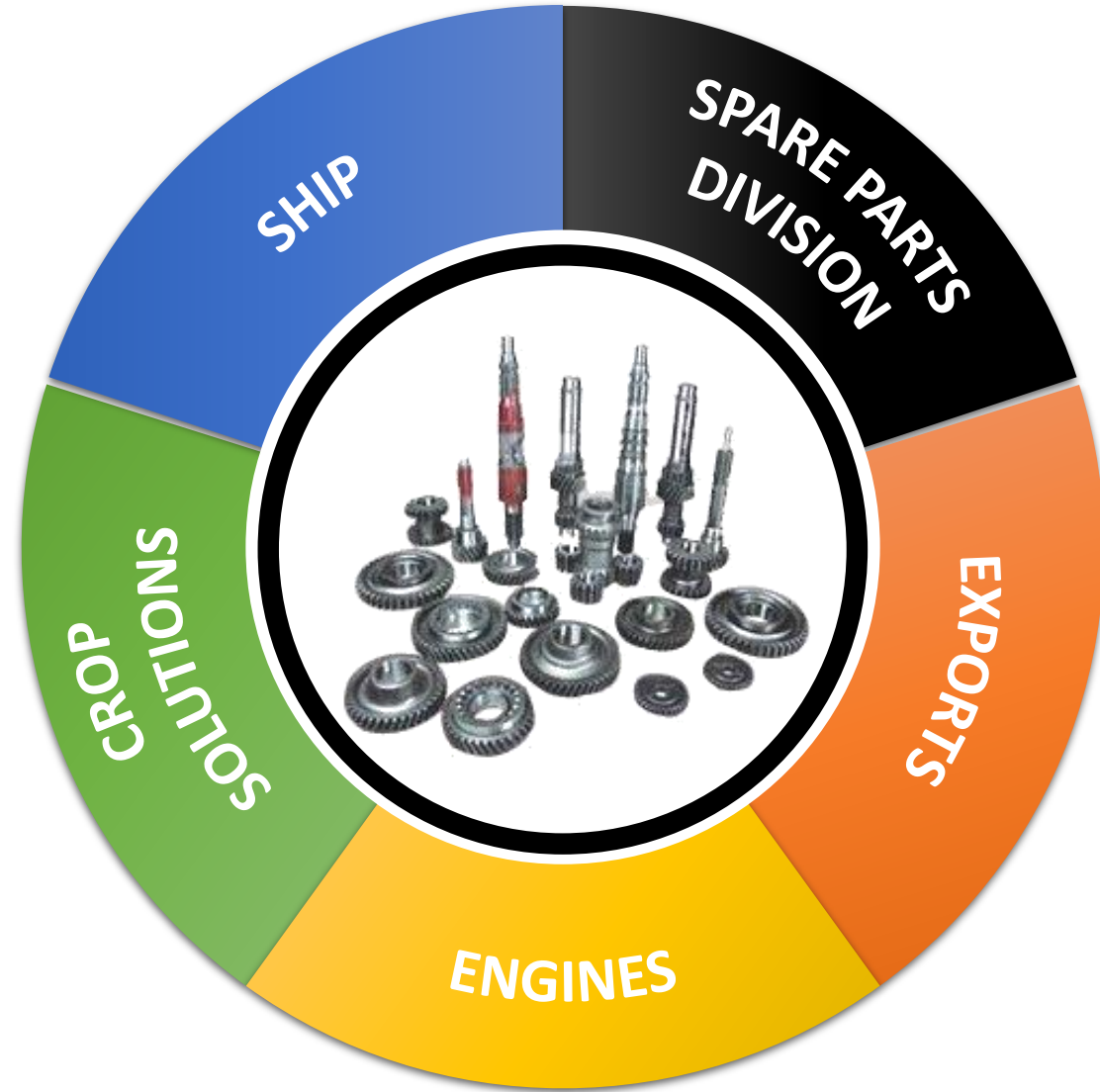
US – EPA
Tier IV Norms

&

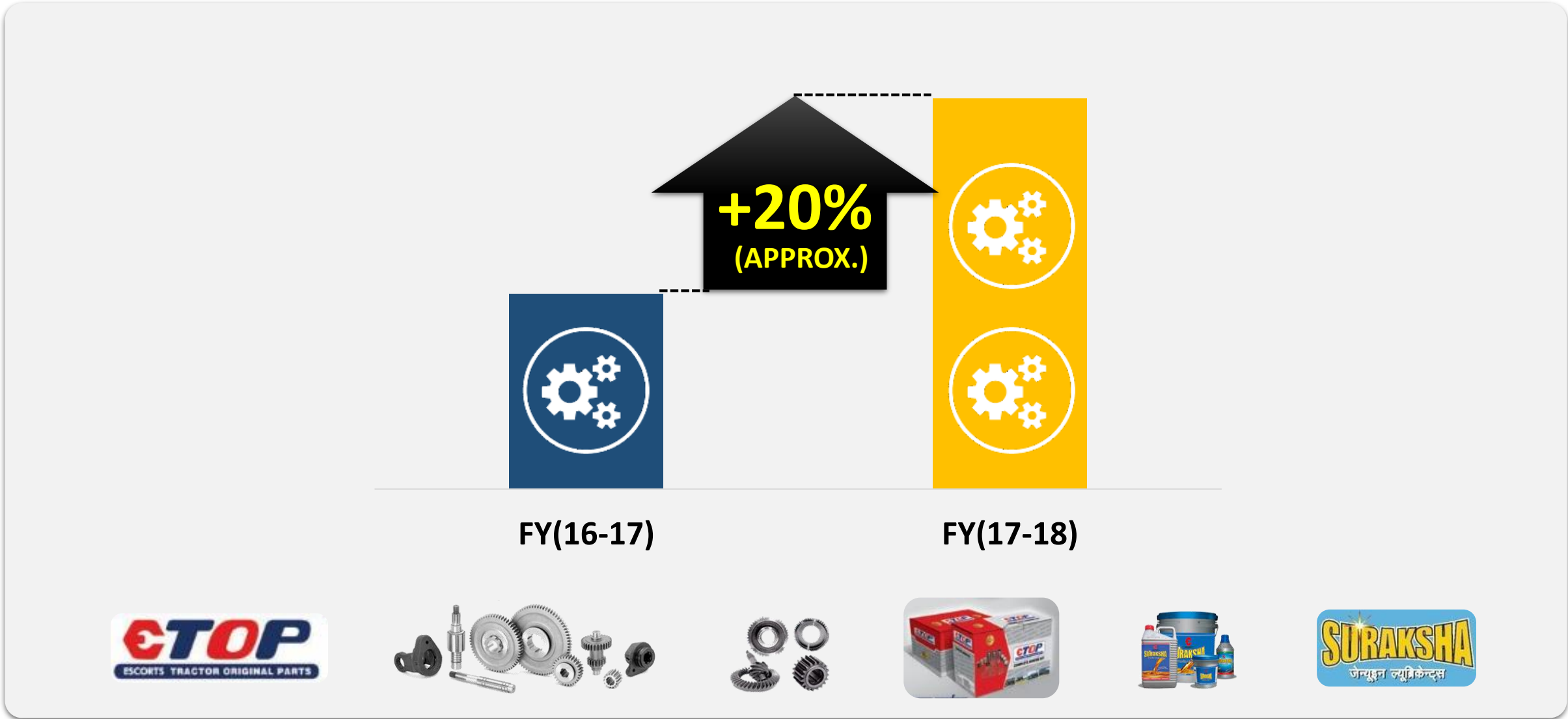
European
3b Standards

FTES - 9120

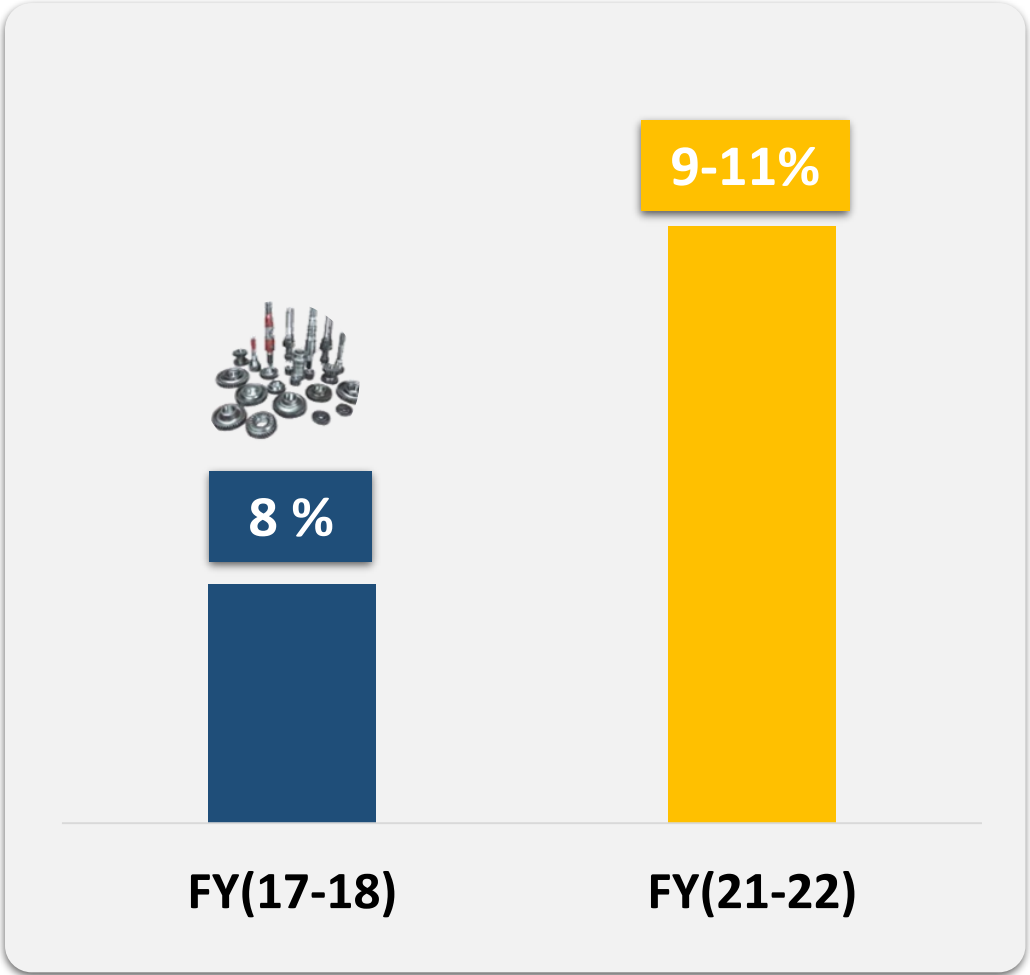
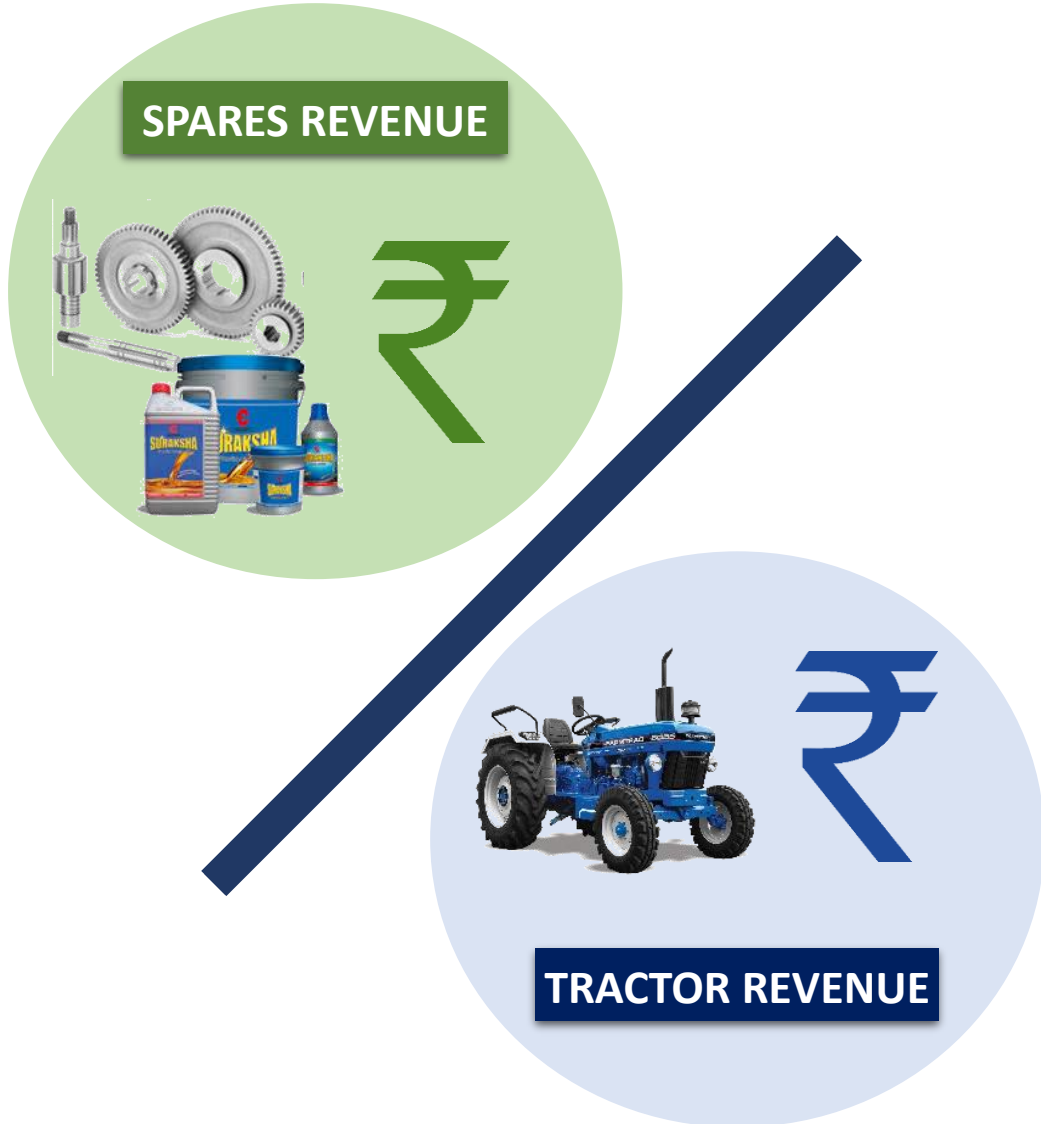




REVENUE (PARTS & LUBES)



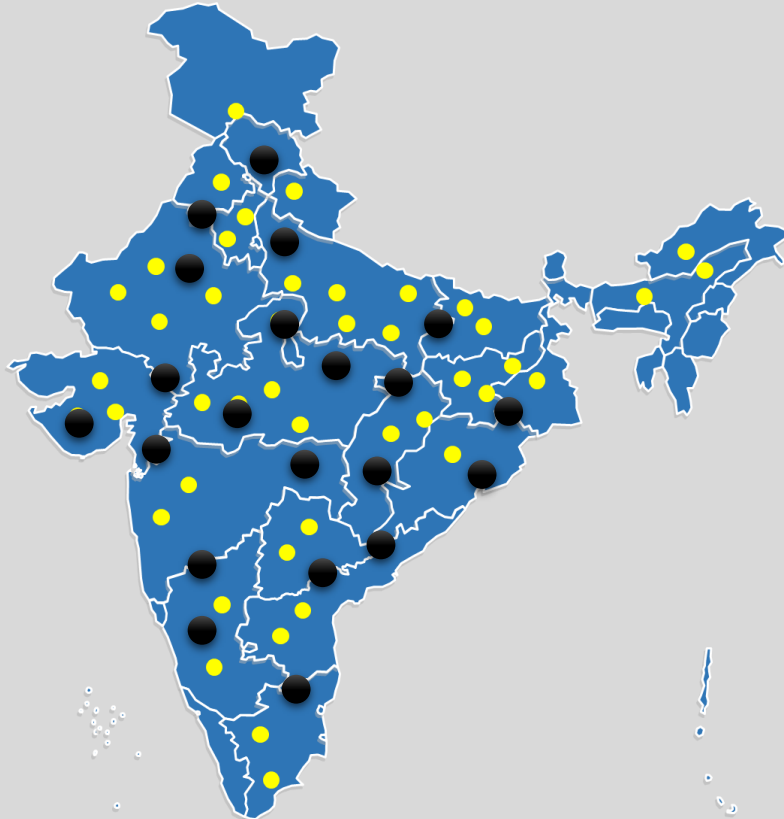
OUTLOOK FY'22



FOCUS AREAS

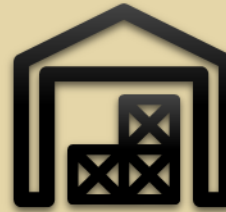


DISTRIBUTION NETWORK



SECONDARY SALES TO DRIVE PRIMARY SALES

WHOLESALE MONITORING



EAM - SPD

DISTRIBUTOR

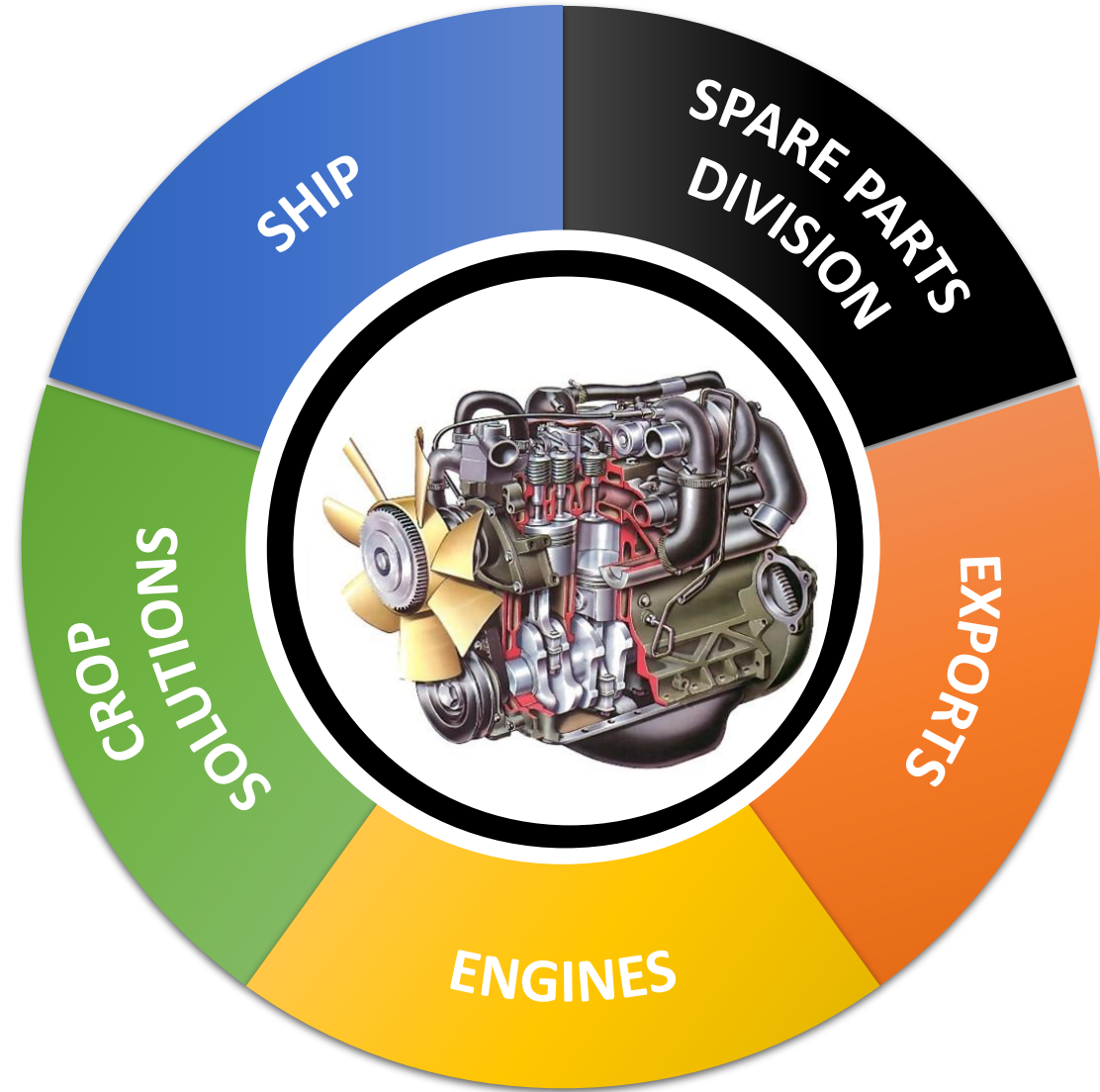
RETAIL MONITORING



RETAILER

MECHANIC



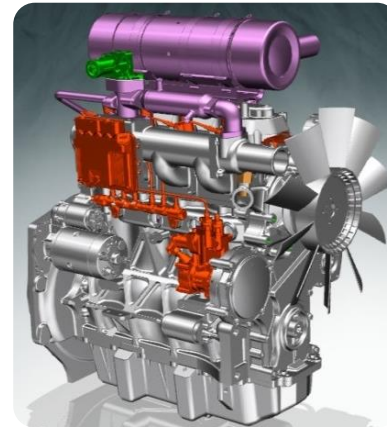


ENGINES



~4000 UNITS

ENGINE SALES FY (17-18)



KOHLER®



GREAVES
SINCE 1859



GENSET → MULTI-APPLICATION FOCUS



CONSTRUCTION
EQUIPMENTS



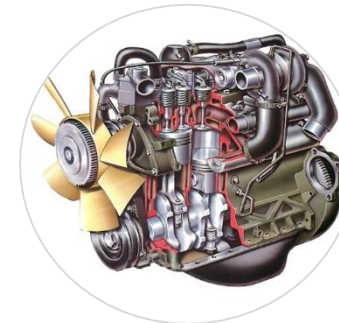
SELF PROPELLED
HARVESTERS



BITUMEN
SPRAYERS



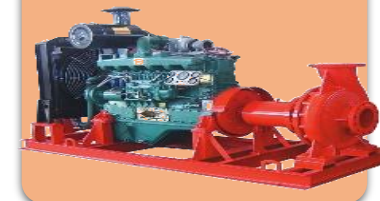
AC BUS
AUXILLIARY ENGINE



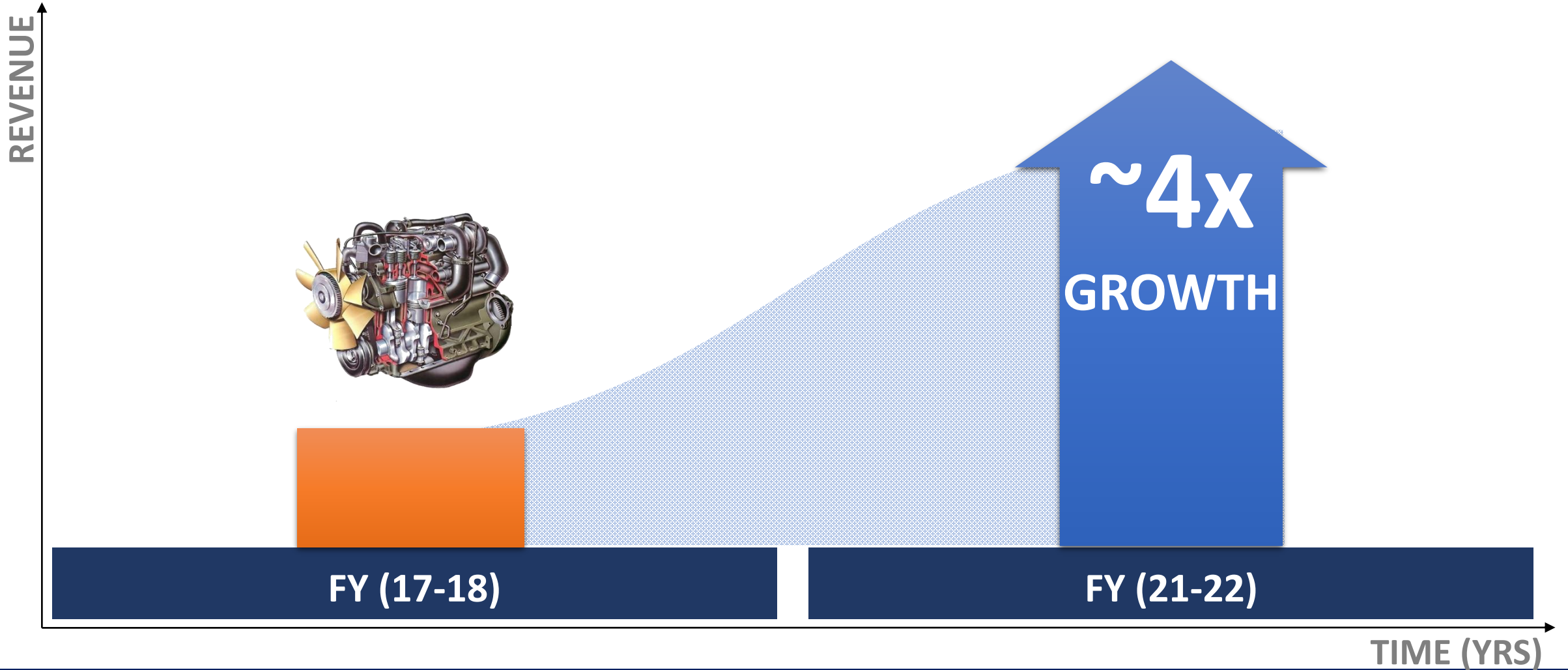
MARINE
ENGINES

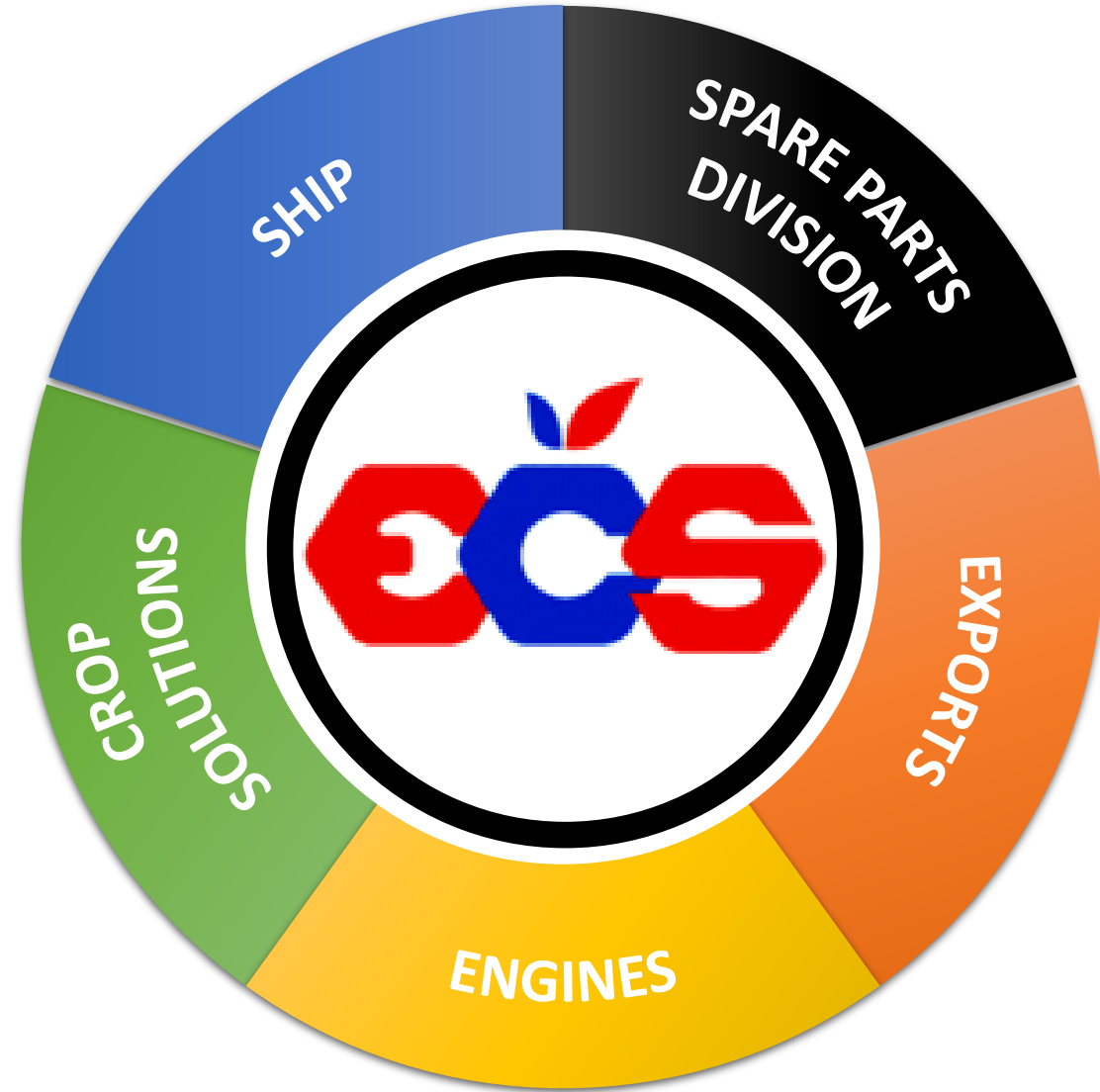


FIRE PUMP



FY'22 OUTLOOK





OWNING vs. HIRING



85%

**FARMERS HOLD
<2HA OF LAND**

MARGINAL LAND HOLDING

**“ I CAN HIRE FARM MACHINES
AS PER MY NEED ”**

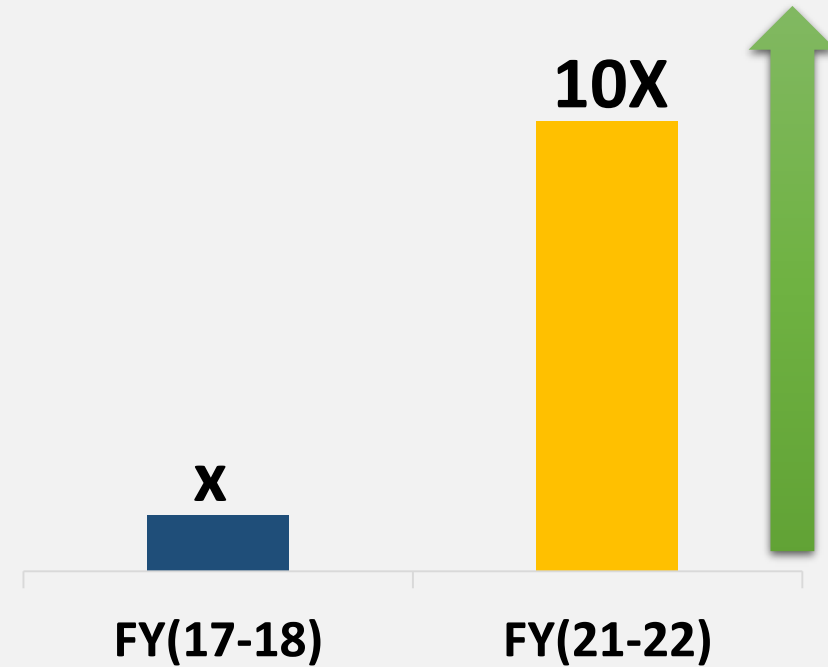
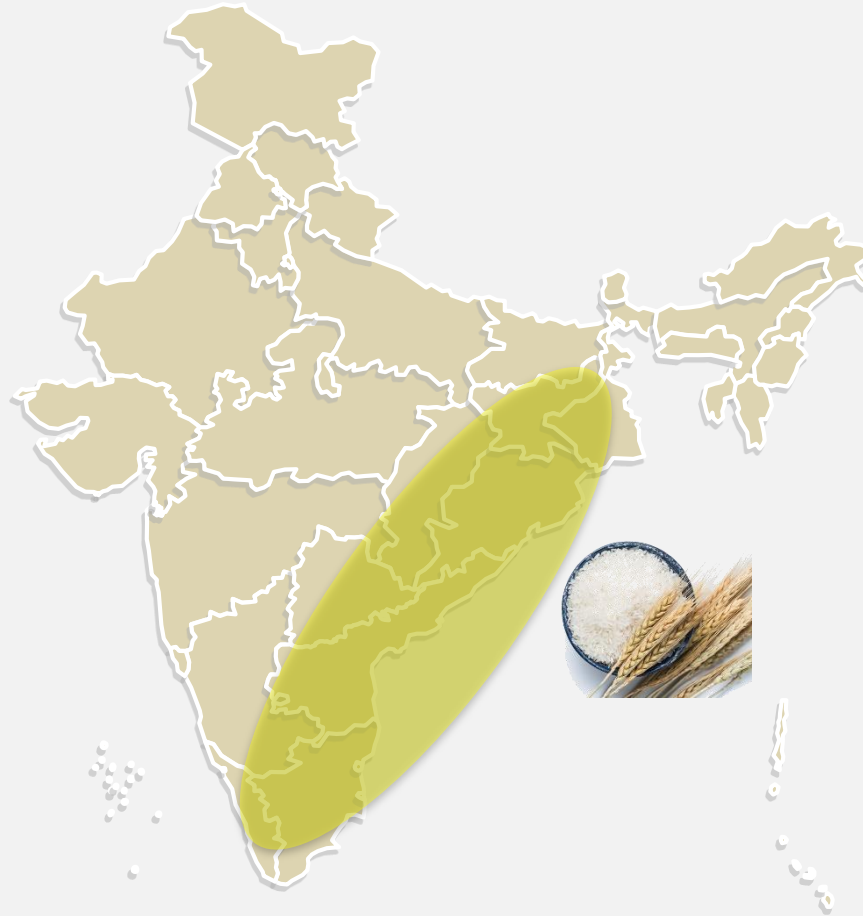
MANUFACTURER → SERVICE PROVIDER



3 STATES

PAY PER USE MODEL

COMPLETE FARM SERVICES

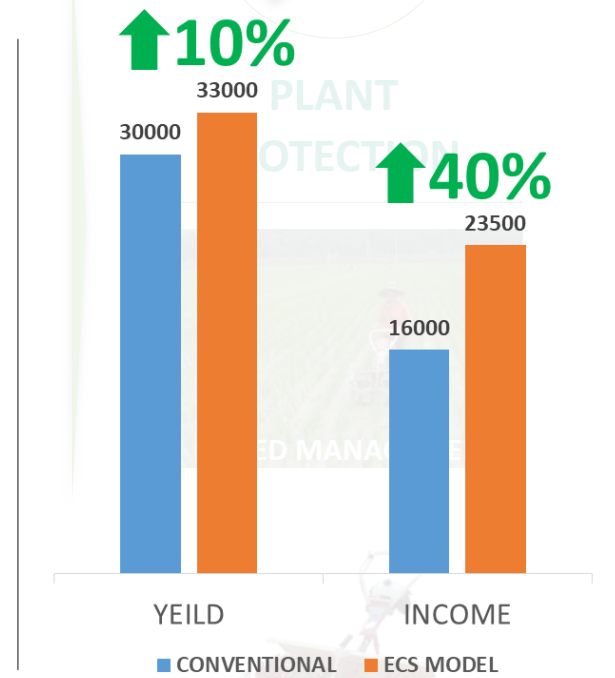
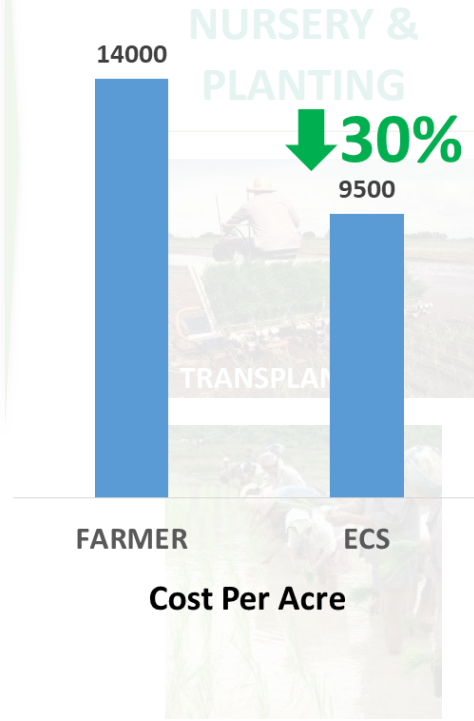
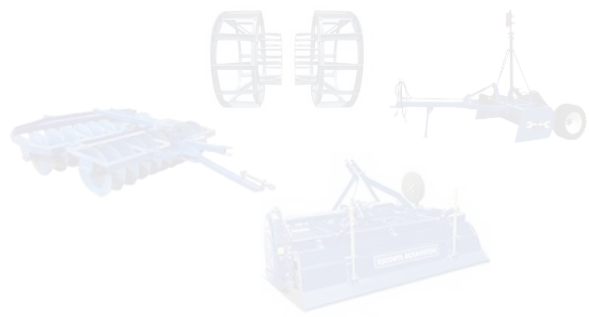


We are going to expand rapidly in next 2-3 years

CROP VALUE PROPOSITION: PADDY

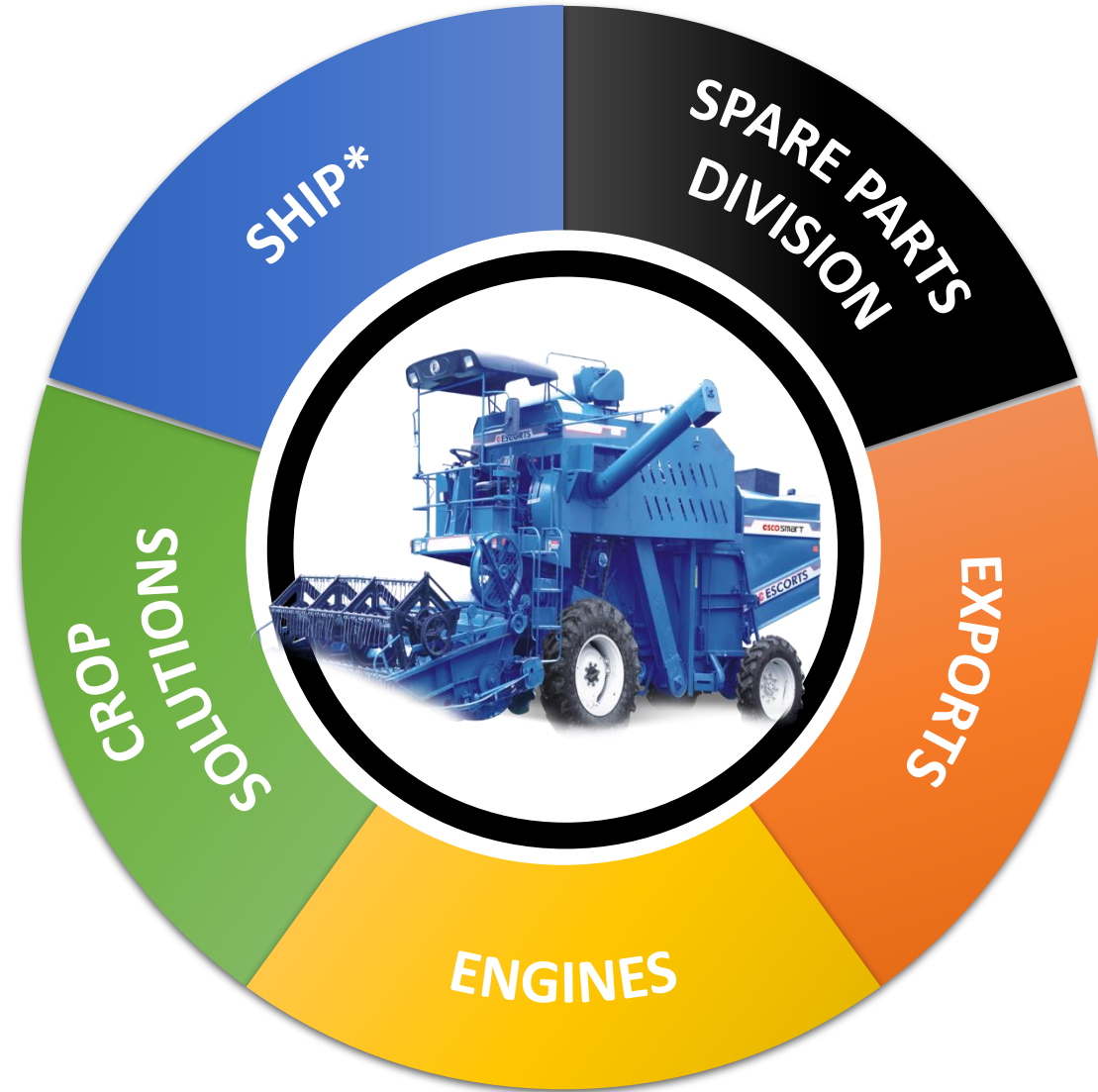



FIELD PREPARATION




HARVESTING





SPRAYERS, HARVESTERS, IMPLEMENTS & PLANTERS

TRACTOR IS AS GOOD AS ITS ATTACHMENTS



SHIP* BUSINESS

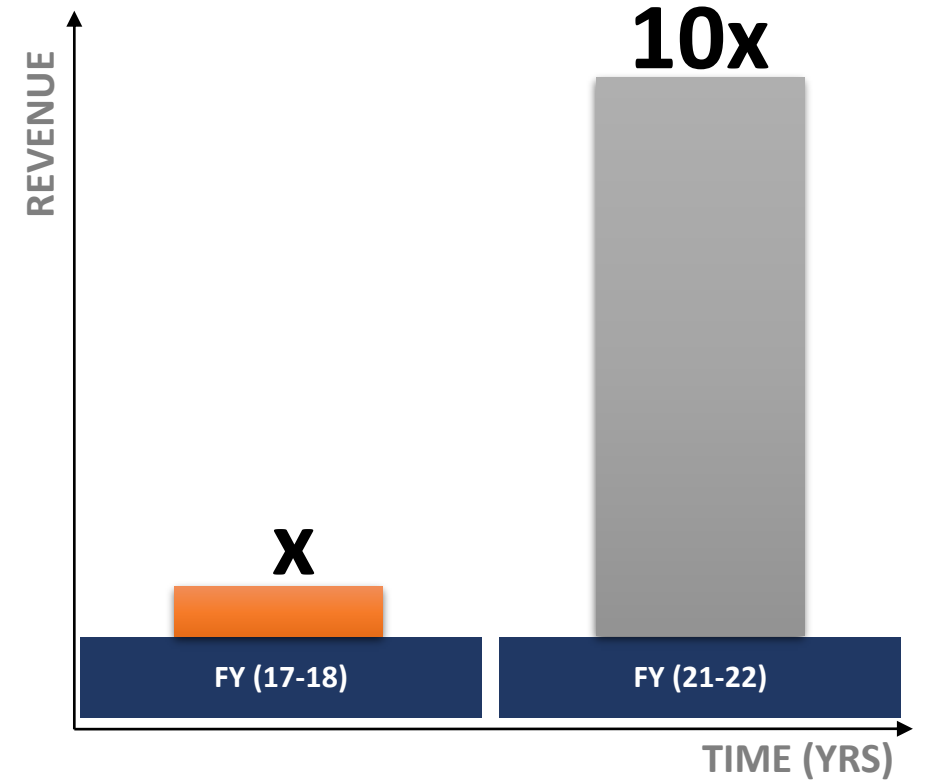
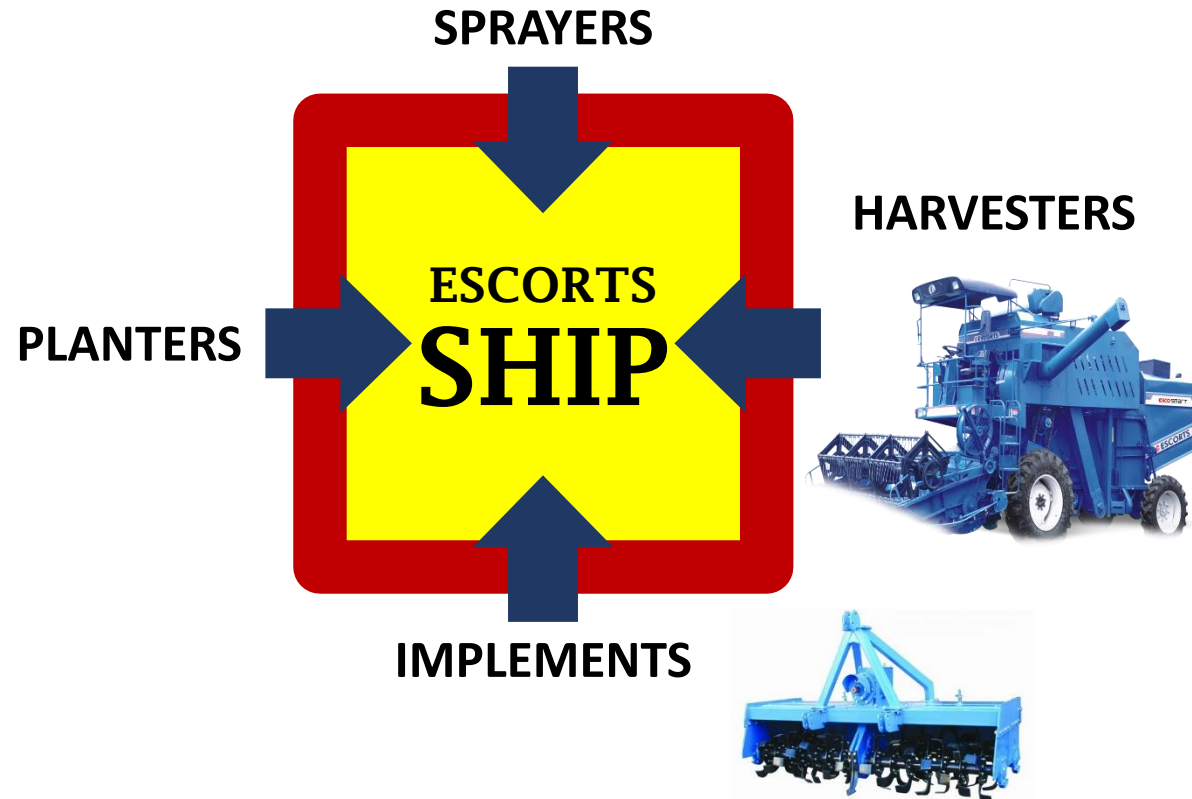


✓ TECHNOLOGY

✓ PRODUCT RANGE

✓ SUPPLY CHAIN

✓ DISTRIBUTION NETWORK





ESCORTS

TRACTORS



SOLUTIONS



ESCORTS CONSTRUCTION EQUIPMENT (ECE)

==== Mr. AJAY MANDHR – Chief Executive ====

INFRASTRUCTURE ON THE VERGE OF A TAKEOFF!!

GDP growth of 7%

100 Smart Cities

Bullet Trains

Digital India

Bharatmala

Housing For all

NHAI 15km to 30km a day

Powered by Thermal and Solar Energy

FDI

49% FDI in Defence

Power for all

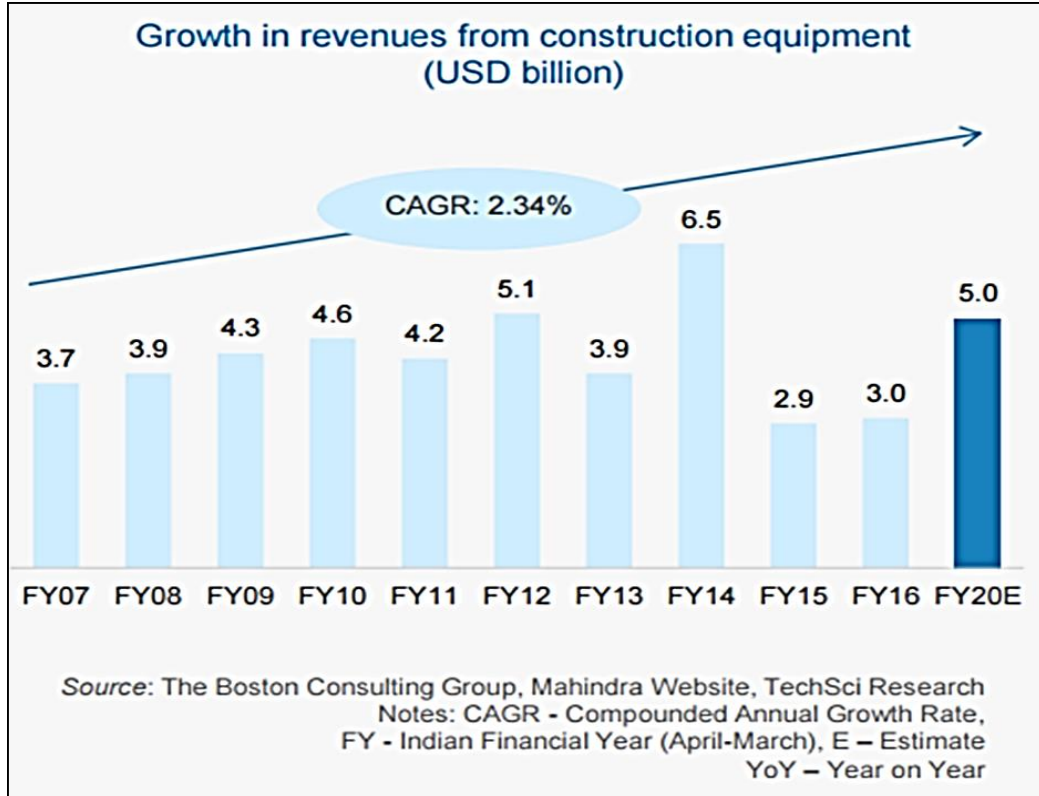
Swach Bharat

10 New Metros & 25 Airports

INDIAN CONSTRUCTION EQUIPMENT (ICE) INDUSTRY



Industry Revenue Estimates



Estimated Industry's Revenue by FY 20

5 billion US \$

Industry Growth Levers

Rising Infrastructure Investment

9% of GDP (FY 17)

Increasing Private Sector Involvement

In Roads / Communication Power / Airports / etc..

Growth in Rear Estate Sector

US \$ 180 Billion by FY 20
From US \$ 126 in FY 15

2022: Infrastructure Potential – 1.0 trillion US \$

2025: Infrastructure Potential – 6.6 trillion US \$

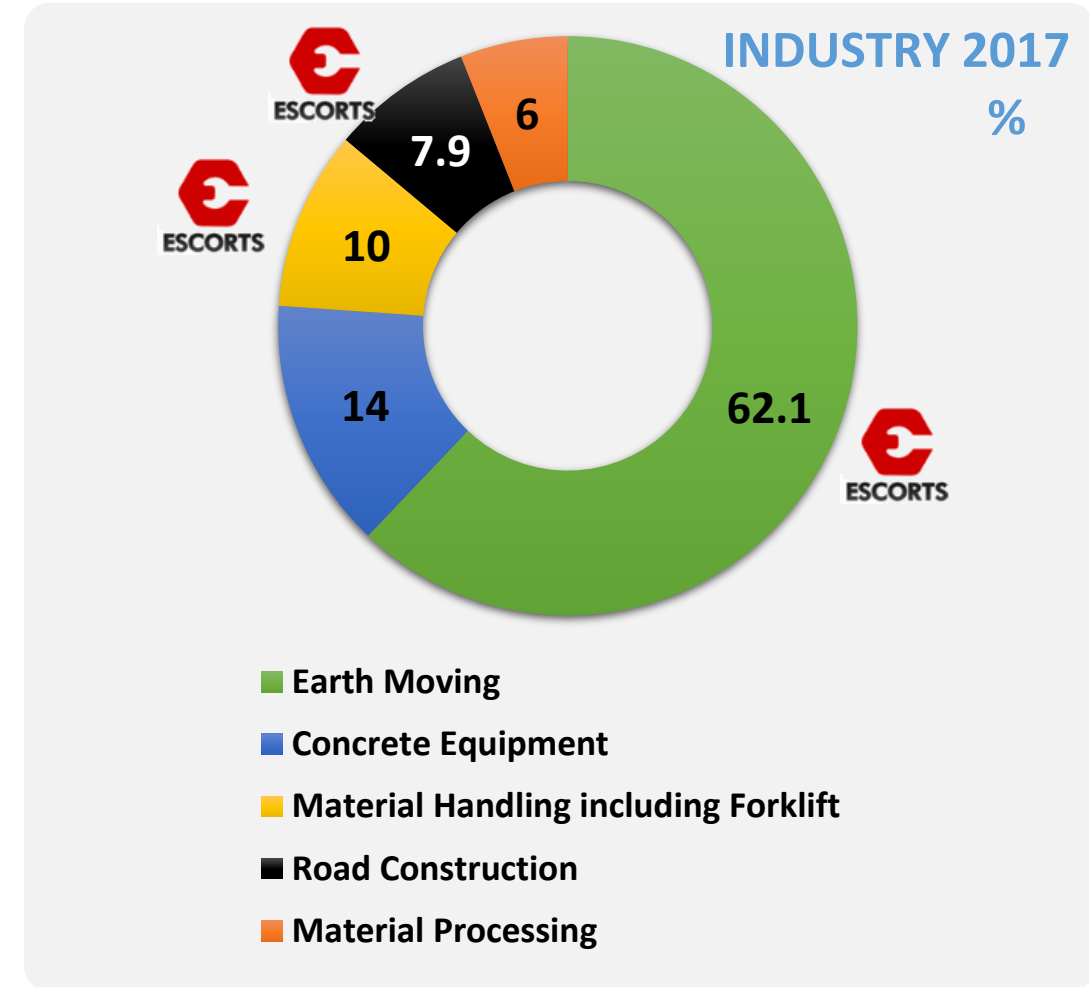
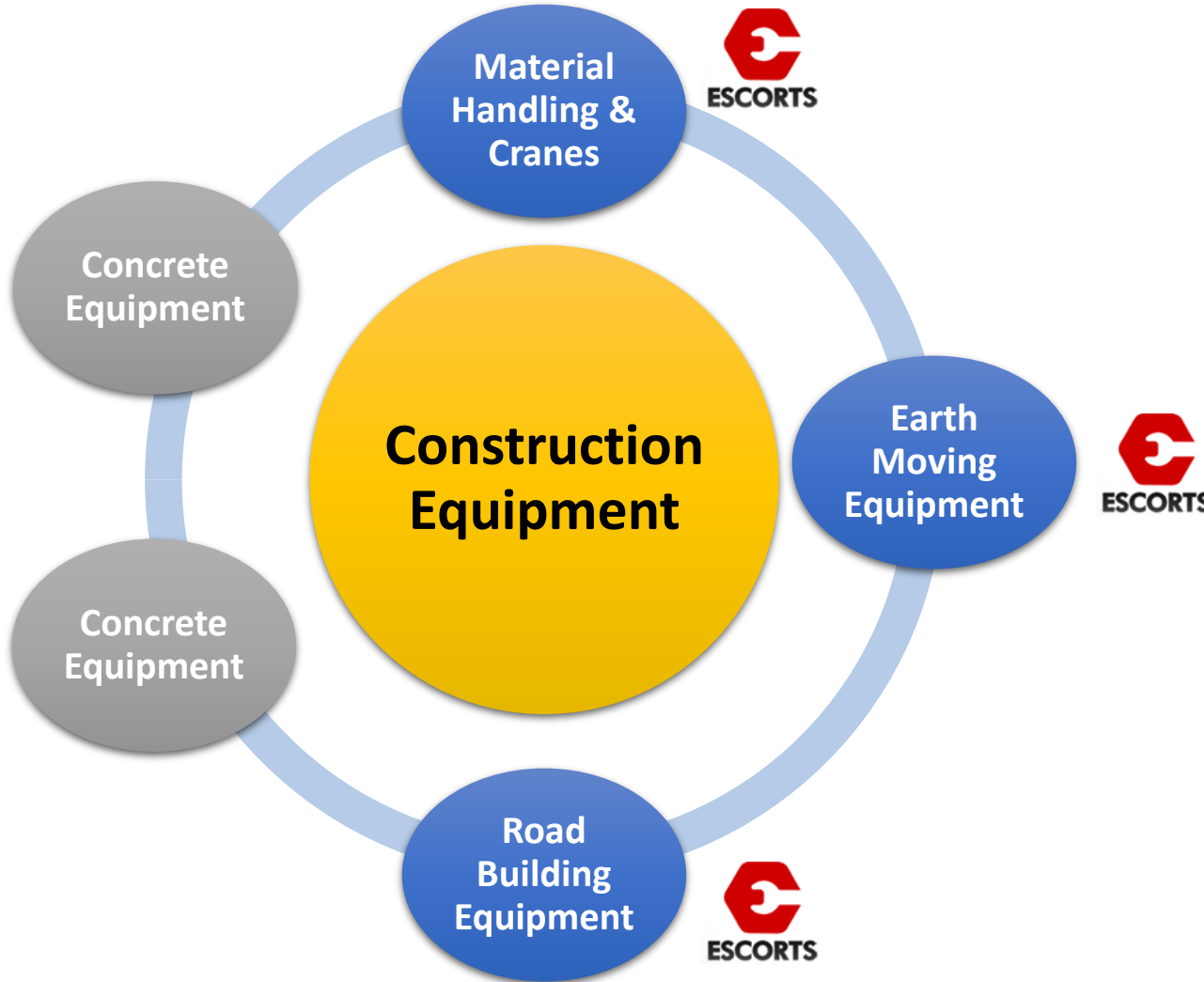
97,000 units
By 2020

66,000 units
By 2016

50,000 units
By 2007






CONSTRUCTION EQUIPMENT SEGMENTS



ECE present in 40 % Revenue Potential of the Construction Equipment Industry – Strategic Partnership and Distribution Agreement make it to 80% in Value Terms

SEGMENTS APPLICATION & USERS



Segment	Major equipment types	Application Segment	User	
1 Earthmoving Equipment	A - Backhoe loader, B - Excavator, C - Wheeled loader 	<ul style="list-style-type: none"> • Mining • Roads • Real Estate/Land Development • Power • Railways/Metros 	Small/ Individual	70%
			Medium fleet owners	20%
			Institutional/corporate	10%
2 Material Handling & Cranes	Pick and Carry cranes 	<ul style="list-style-type: none"> • Erection work in projects • Power • Steel • Mining • Railway/metros 	Government	5%
			Institutional/corporate	20%
			Medium fleet	20%
			Small / Individual	55%
3 Road building equipment	Compactors, pavers, asphalt finishers 	<ul style="list-style-type: none"> • Highways • Rural roads • Airports • Land Reclamation • Motor Graders 	Rental hirers	7%
			Contractors	76%
			Corporate Buyers	3%
			Govt Bodies	14%
4 Concrete equipment	Mixers, pumps, batching plants	<ul style="list-style-type: none"> • Irrigation Canals • Road construction • Building construction • Airports • Precast/In situ 		
5 Material processing	Compressors, Crushers	<ul style="list-style-type: none"> • Stone Quarries • Mining • Over ground blue metal crushing 		

OVER 45 YEARS OF RICH ENGINEERING HISTORY



2017

New HD85 compactor introduced

2015

Launch of new crane F15, F20, Hydra 1236 and new variant - Hydra12 HD

Launch of TRX 2319 (Mech), Hydra 14 (2 Part)

2014

Designed & Developed Tow tractor of 100 & 140 HP

Backhoe Loader was launched - DIGMAX-II

Launch of new variant of Crane model F15 (2WD)

2010

Designed & Developed Backhoe Loader

2009

Designed & Developed M1000 Cane Loader

2007

Designed & Developed TRX Series Crane

2002

1st Safe Crane F15 (Farana)

2001

Developed 1st Soil Compactor (Hamm)

1999

K10 Crane (Farana)

1995

Forklift Trucks (Doosan)

1985

1st Vibratory Compactor (Dynapac)

Slew Cranes RT30 & RT40 (Faun)

1971

1st Pick & Carry Crane of India

PRODUCT PORTFOLIO



1) Material Handling



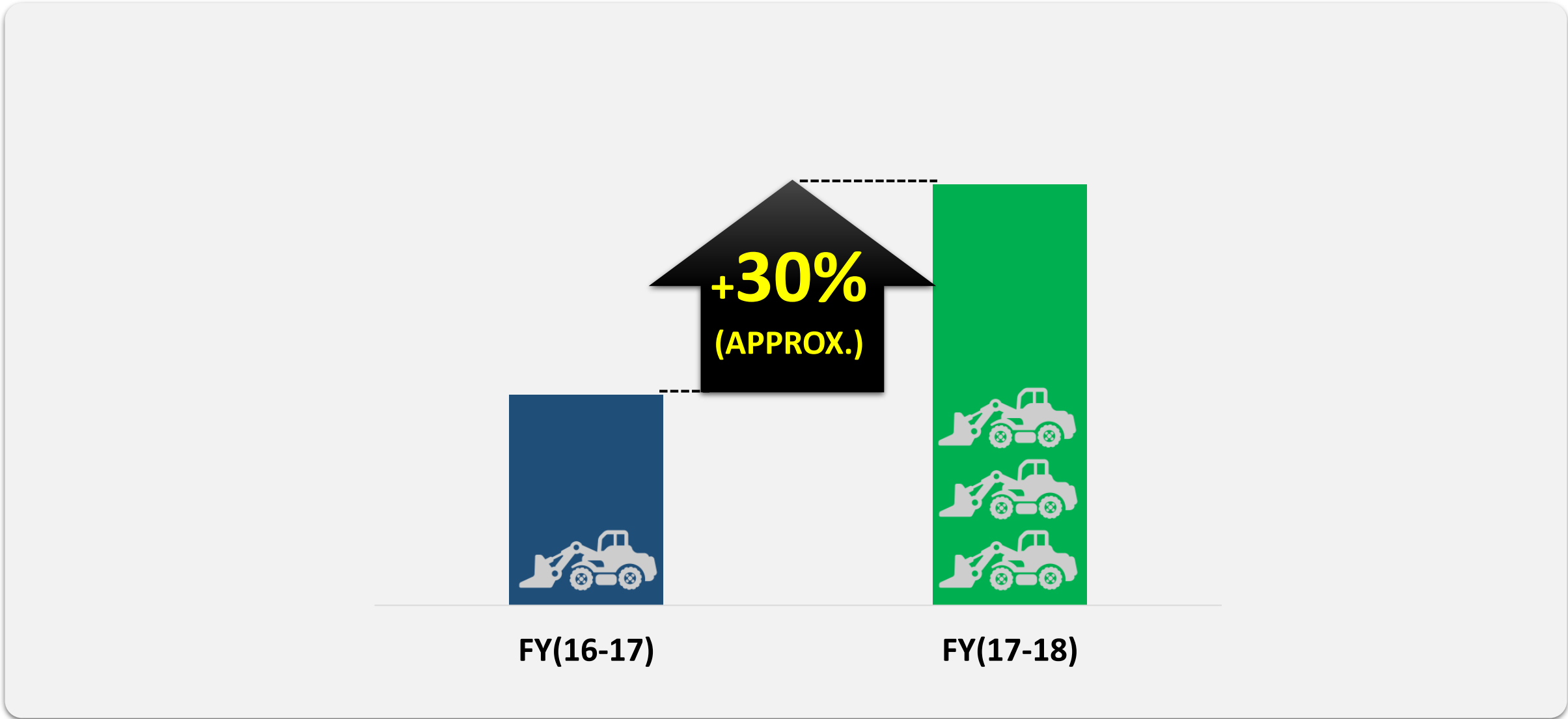
2) Earth Moving



3) Road Construction



VOLUMES

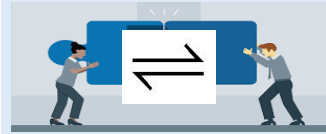


WHAT WE DID IN LAST 3-4 YEARS



New Product Launches

- City Crane
- Jungli
- HYDRA 14EX Plus
- F17



Backward integration of Construction Operations with Tractors



Operations Excellence through Total Productive Maintenance



White Collar Manpower Optimization (30% reduction)

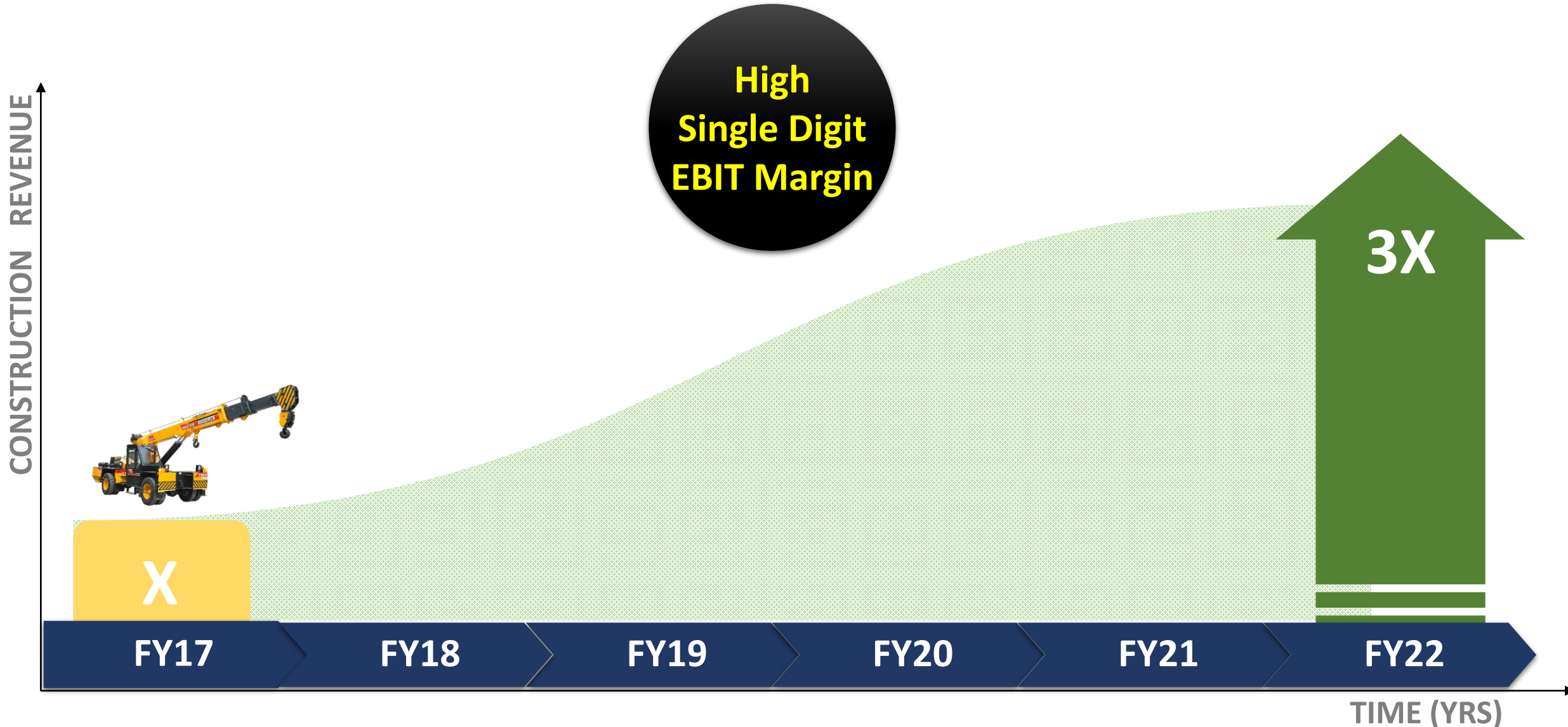


Cultural transformation ~Customer Centric, Open Office, training and development



Break even point reduction leading to EBIDTA break even

FY'22 OUTLOOK



LEVERS FOR EXPONENTIAL GROWTH



Strategic Tie ups

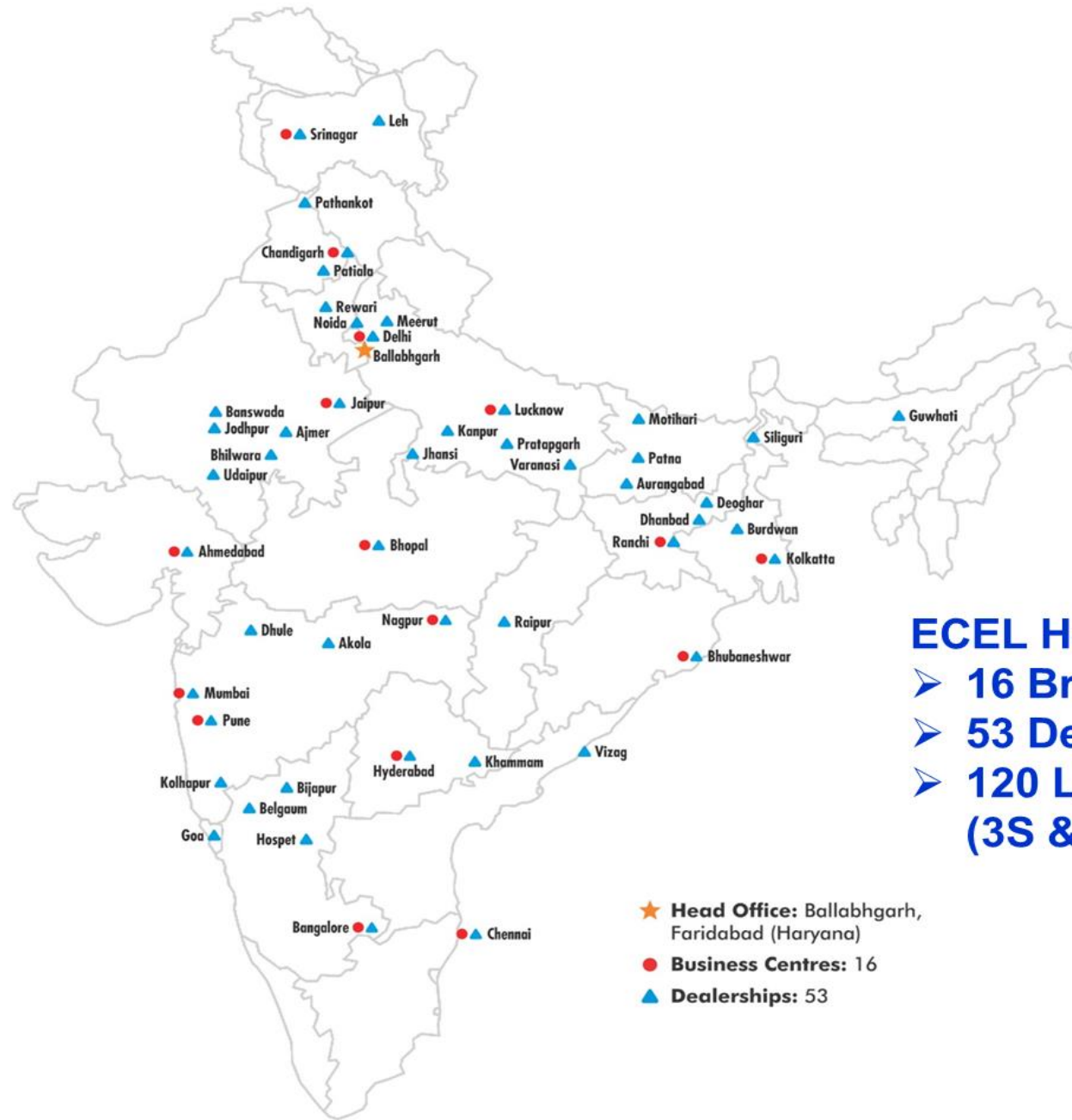
Focus on Cost Reduction : Material Cost

Focus on Export reach Enhancement

Channel Financing

Dealership & Outlet reach expansion

NETWORK



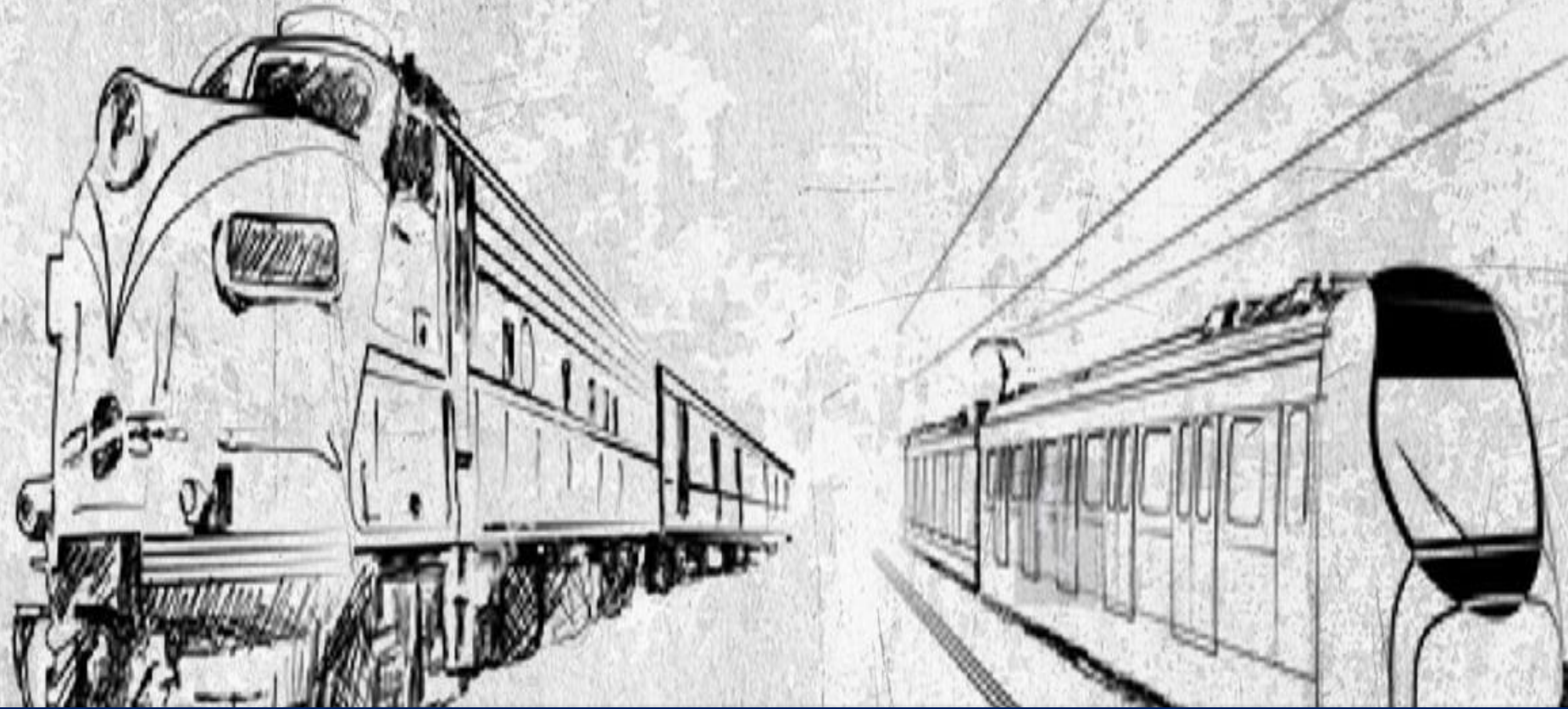
ECEL Head Office – Near DELHI

- **16 Branch Offices**
- **53 Dealerships (3S)**
- **120 Locations/Touch Points (3S & 2S)**

★ **Head Office:** Ballabgarh, Faridabad (Haryana)
● **Business Centres:** 16
▲ **Dealerships:** 53



ESCORTS



RAILWAY EQUIPMENT DIVISION (RED)

== Mr. DIPANKAR GHOSH - Chief Executive ==

MAJOR INVESTMENT IN RAILWYAS

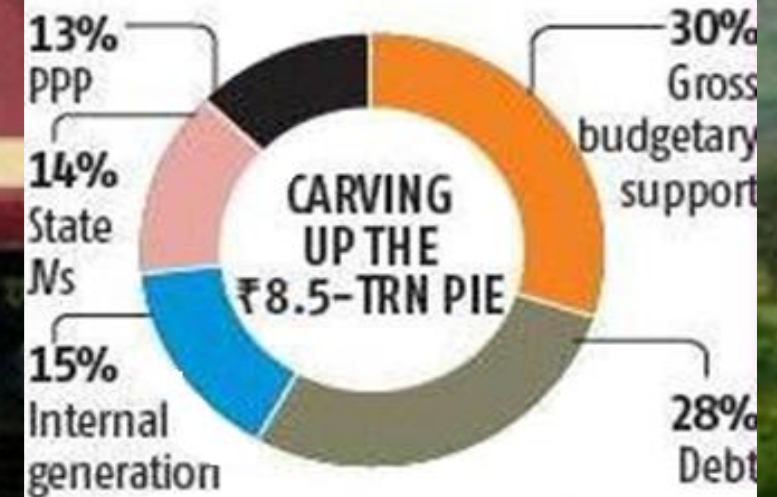
Estimates of infrastructure investments, (₹lakh crore)

	Power	Railways	Roads & Highways	Urban	Ports & Aviation	Others	Total
FY07-12 Actual	7.8	2.0	4.6	1.1	0.8	7.4	23.8
FY13-17 RE Niti Aayog	12.7	3.8	7.6	1.9	0.9	10.2	37.2
FY17-22 E CRISIL	14.7	8.0	10.0	5.5	1.0	11	50.2

Source: NITI Aayog, CRISIL analysis & estimates; RE = Revised estimate; E = Estimate

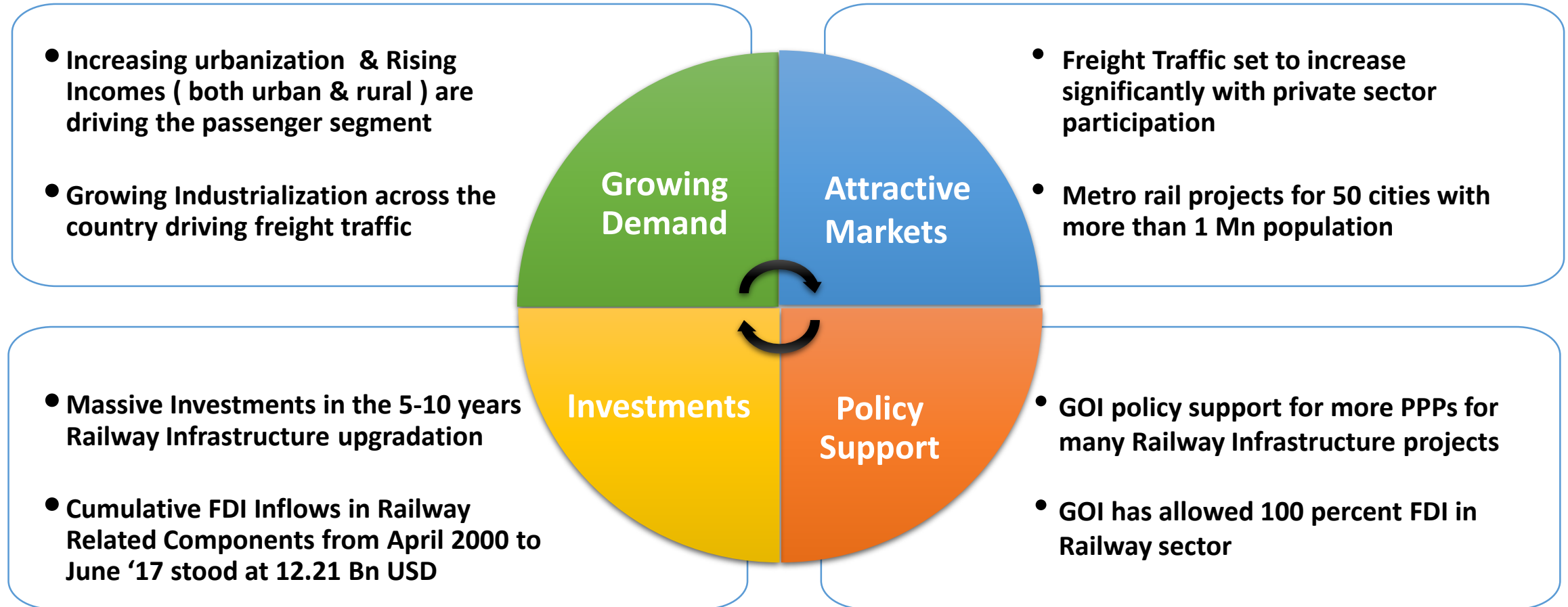
Strong Demand and Govt Policy Support to drive Mega Investments in the coming years

- For a Plan outlay of ₹1.46 trillion that the railways has proposed for 2018-19, ₹600 billion is expected to come from gross budgetary support
- Of the ₹8.56 trillion five-year mega investment Plan started 2014-15, close to ₹4 trillion has been done so far



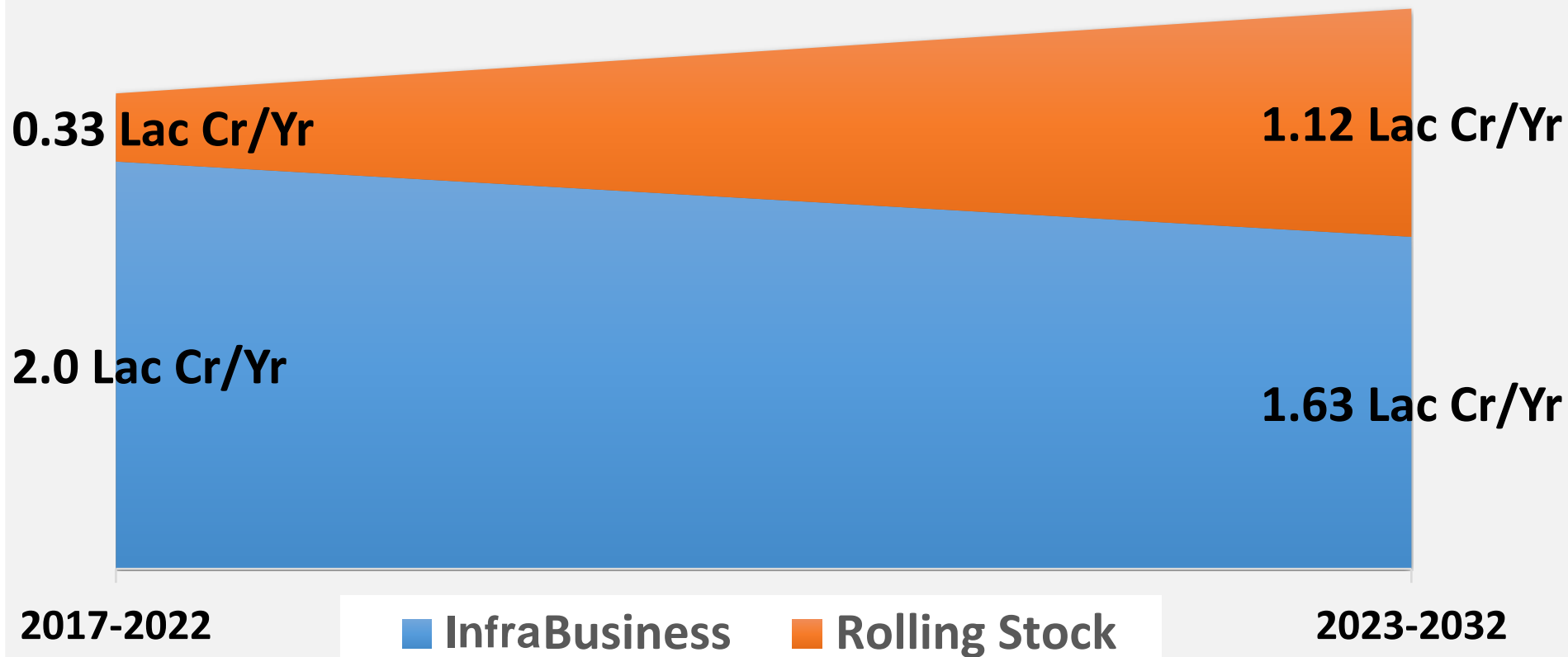
JV: Joint venture; PPP: Public-private partnership
Source: Indian Railway

ADVANTAGE INDIAN RAILWAYS



Notes: 2017F – MRTS - Mass Rapid Transit System, Forecast 2017, MT - Million Tonnes, FDI - Foreign Direct Investment, FY is Indian Financial Year (April–March), F – Forecast
Source: Railway Budget 2014-15, Press Information Bureau, Department of Industrial Policy and Promotion; Aranca Research

RAILWAY INDUSTRY SPEND (NEXT 5 TO 15 YEARS)



First 5 years maximum spend will be in Infrastructure enhancement.
Then after for next 10 years there will be a shift toward spends in Rolling Stock

GROWTH OPTIONS

Rail
Operators

Project, EPC,
Infra
Companies

OEM: Rolling
Stock
Manufacturer

Component
Manufacturer

Railway Investment Plan

a) Rolling Stock

- > 0.33 Lac Cr/Yr for initial 5 Yrs
- > 1 Lac Cr/ Yr from 6th Yr onwards.

b) Railway Infrastructure

- > 2 Lac Cr/Yr for initial 5 Yrs
- > 1.6 Lac Cr/ Yr from 6th Yr onwards.

ESCORTS RAILWAYS: MANUFACTURING SAFETY & COMFORT



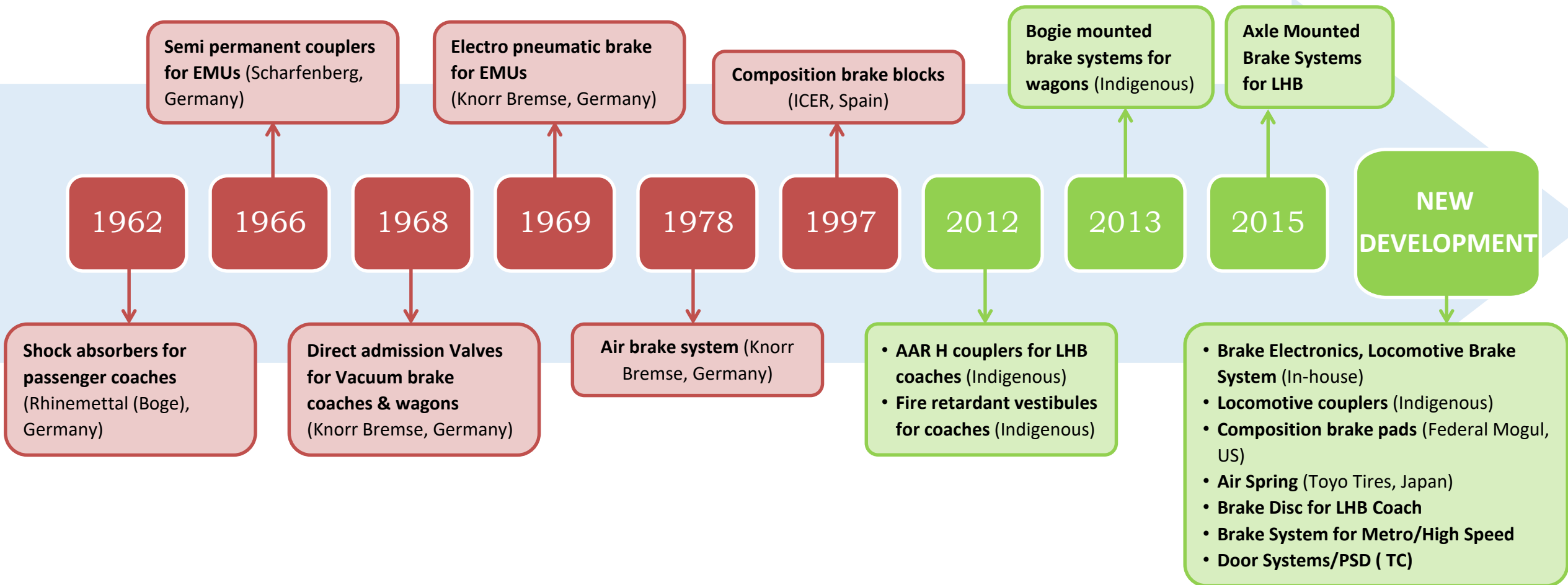
ESCORTS
RAILWAY EQUIPMENT DIVISION



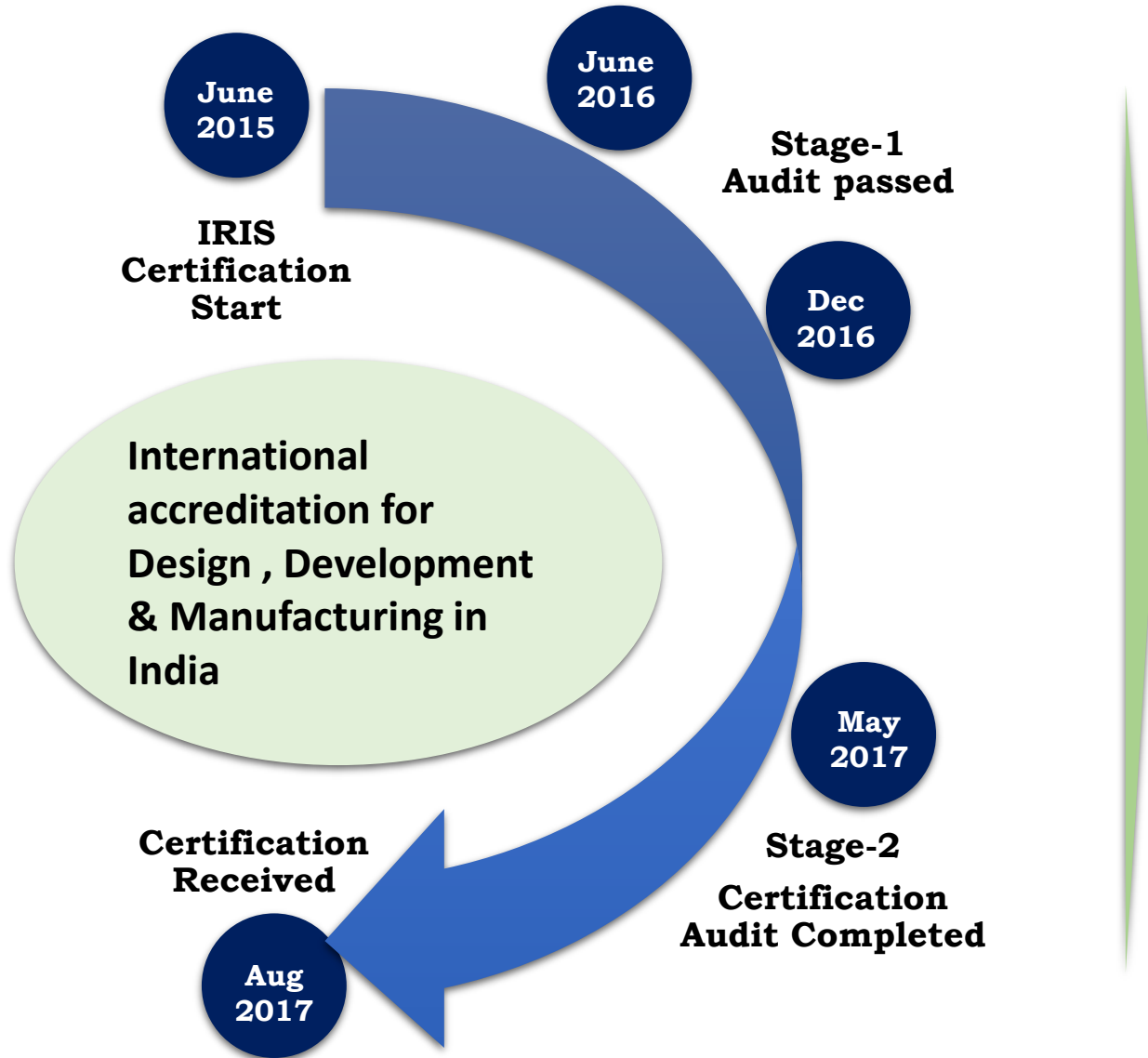
**To achieve Leadership position in Indian Railways
Components Industry in the defined segment**

**Major Sourcing partner for global Rolling Stock OEMs &
Operators**

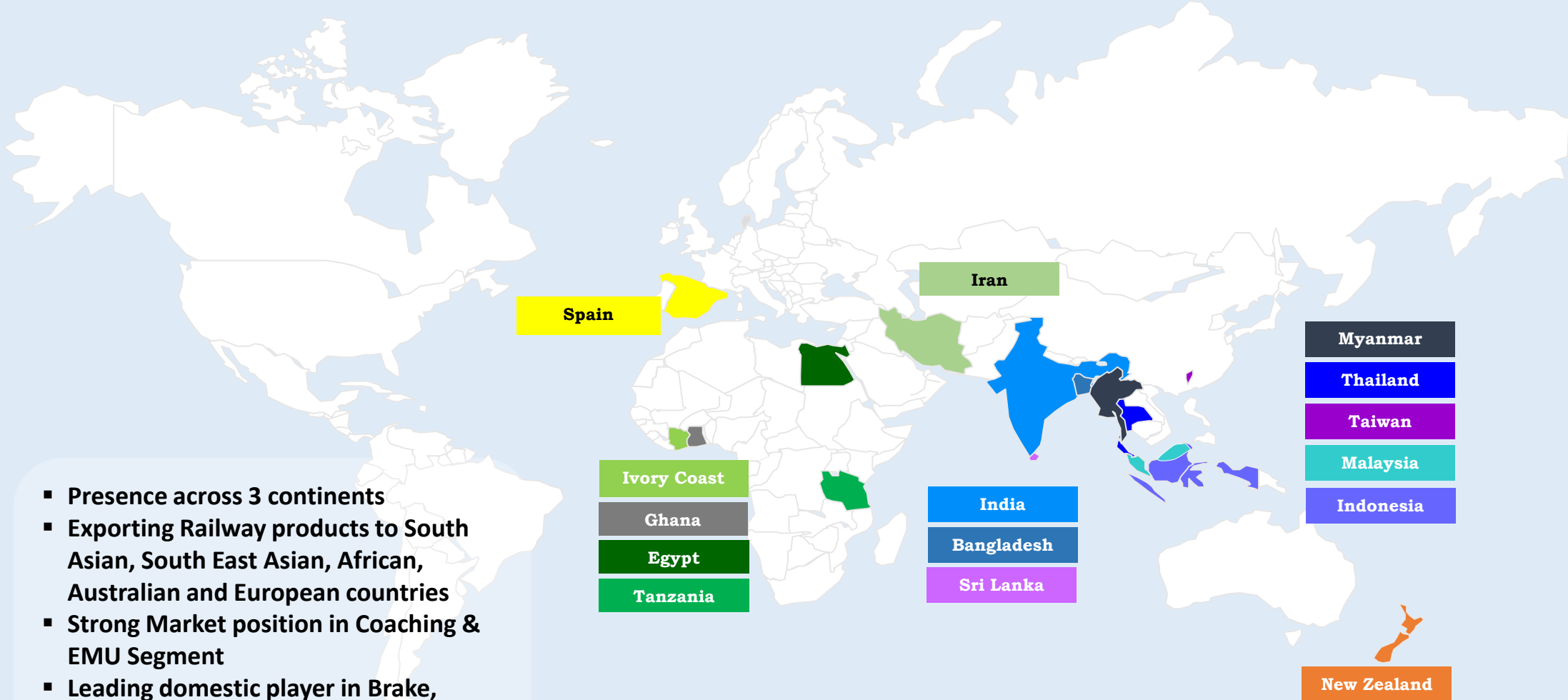
JOURNEY SO FAR



IRIS CERTIFICATION



PROVIDING COST EFFECTIVE SOLUTION TO WORLD RAILWAYS & METROS



- Presence across 3 continents
- Exporting Railway products to South Asian, South East Asian, African, Australian and European countries
- Strong Market position in Coaching & EMU Segment
- Leading domestic player in Brake, Coupler and Suspension Systems

GLOBAL CUSTOMERS WITH WHOM WE ARE WORKING



Working closely with new global customers for their upcoming projects in INDIA

BOMBARDIER



ALSTOM



中国铁建

STADLER

SIEMENS



Working closely with new global customers for their upcoming projects in INDIA

ON GROWTH TRACK

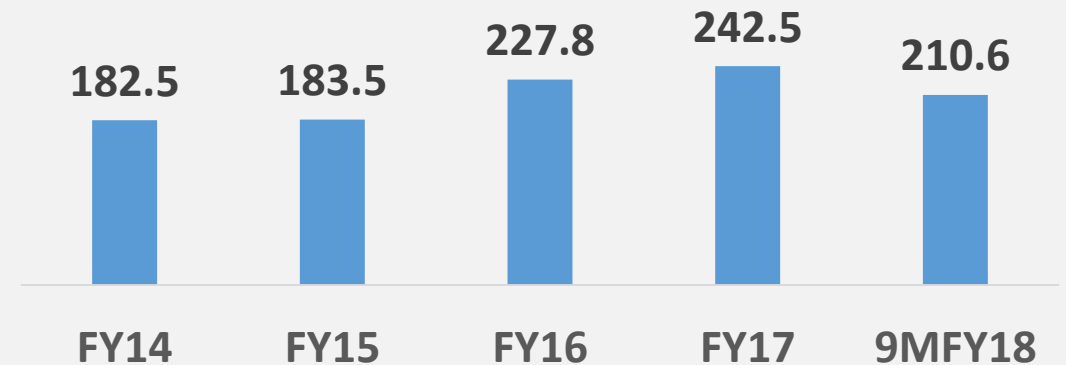


YOY EBIT GROWTH
of more than 25 %
from FY15

- ✓ Manpower Cost, Productivity Improvements
- ✓ Material Cost improvements
- ✓ New Product Revenue boost
- ✓ Building Strong Inhouse R&D

**CONSISTENT
ORDER BOOK GROWTH**

₹ 330 Crs. – DEC'17



REVENUE (₹ Crs.)

Growth momentum to continue



FY17

Existing

New Inhouse

Collaboration & Inorganic

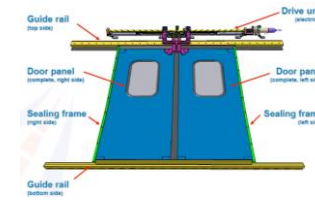
FY2022



Leveraging Core Strengths

Strategic Tie-up & Inorganic

4X





ESCORTS



STRATEGY

VISION

LEADERSHIP

COMMON
LANGUAGE

EVERYDAY
GOALS

MISSION

PEOPLE

CULTURE
(INTERNAL)

PERFORMANCE

STANDARDS

HUMAN RESOURCES (HR)

==== Mr. Amanpreet Singh Bhatia ====

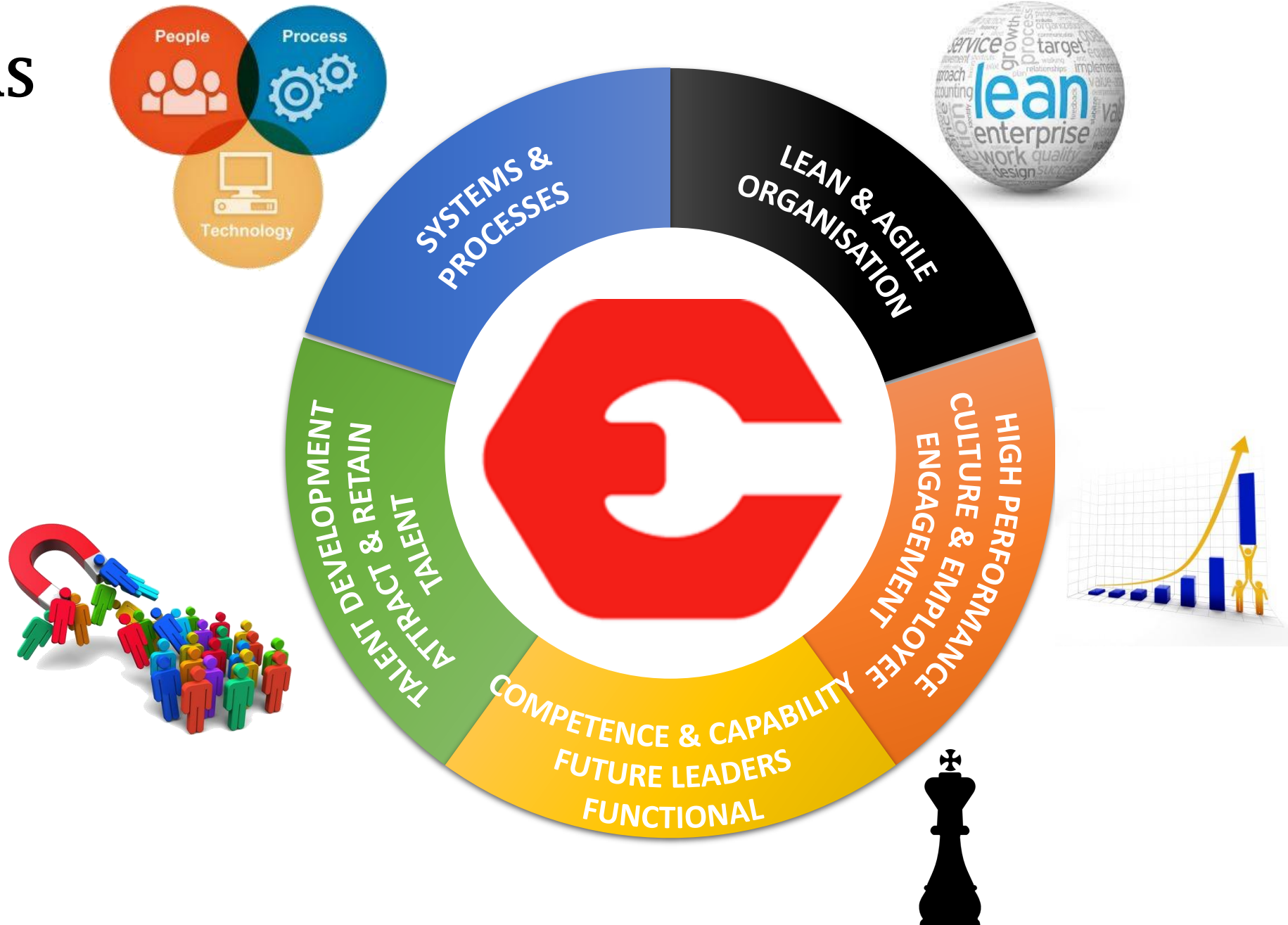
CULTURAL TRANSFORMATION @ ESCORTS



BUSINESS OBJECTIVE



LEVERS



LEVERS



Integration of structures at backend and frontend across EL

Functional organization with clear-cut accountabilities bringing about ownership

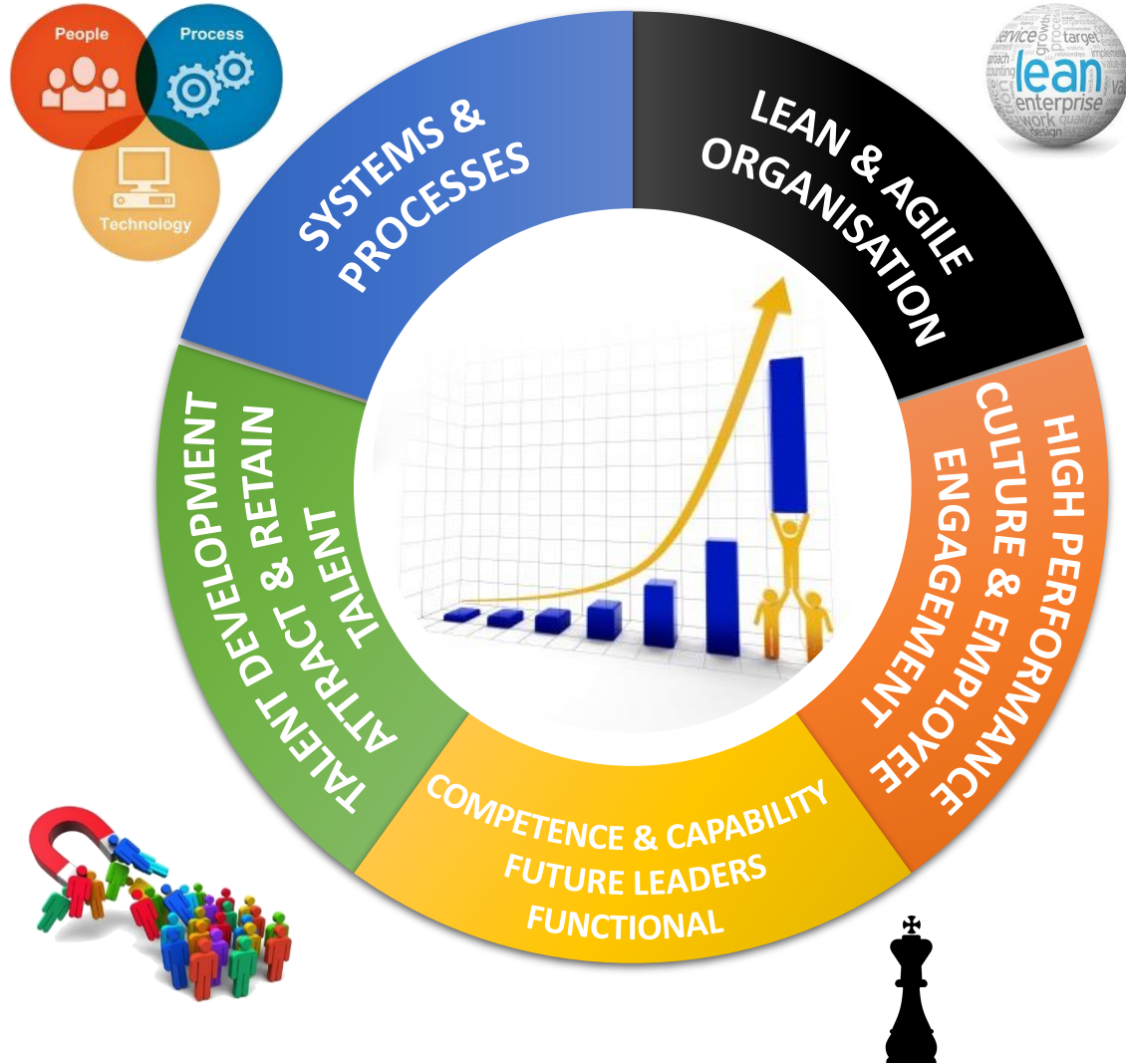
Clubbing of roles / jobs – removing duplication of roles

Optimizing span of control



Rationalising Manpower Cost

LEVERS



Redefining the Performance Management Process – Change the narrative from “Managing Performance” to “Enabling Performance”

360 degree feedback of Leadership team to build a culture of **Transparency** for better **Governance** and **Performance**

Introduction of GPTW – Take the engagement score from 63% to 80+%

To be the employer of choice for right talent attraction and retention

LEVERS



Identify and Groom internal **“Critical talent”** and **“Successors”** –
 Creating internal talent pool of future leaders in the organization –
 Fill 60% - 70% positions from within the organization

Creating **“Functional Specialist”** for key roles – R&D, Operations
 and Sales & Marketing

Building frontline capabilities at Dealer Sales Executives and Sales
 Managers

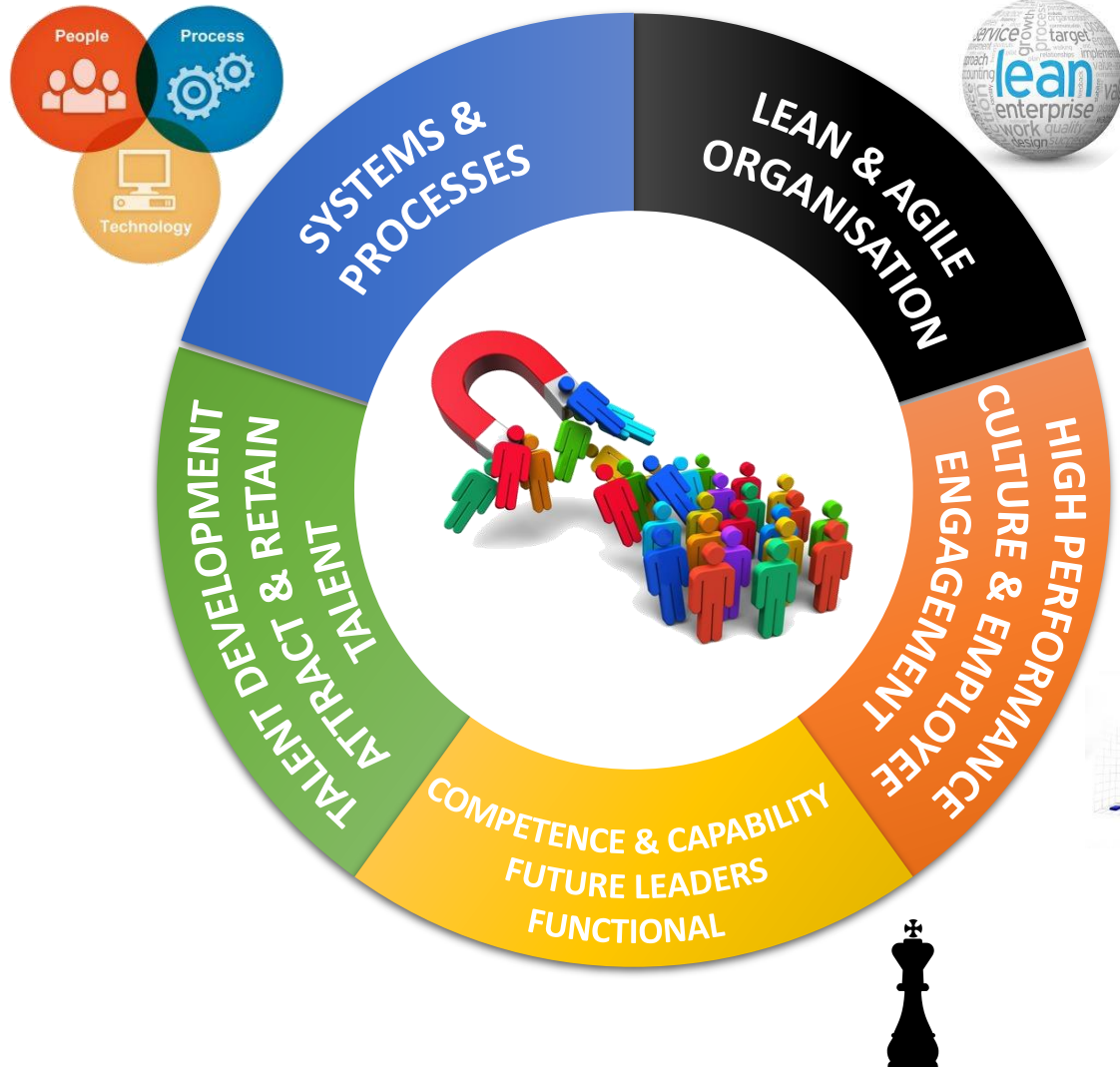
Dealership Clinics for focused individual development of channel
 partners

Build the Culture of Coaching at Leadership levels in the
 organization – Create internal certified coaches



Enhance Competence at backend, Frontend including Channel
 and sustenance

LEVERS



Hire the right talent at the grass root level – Focus on Campus hiring

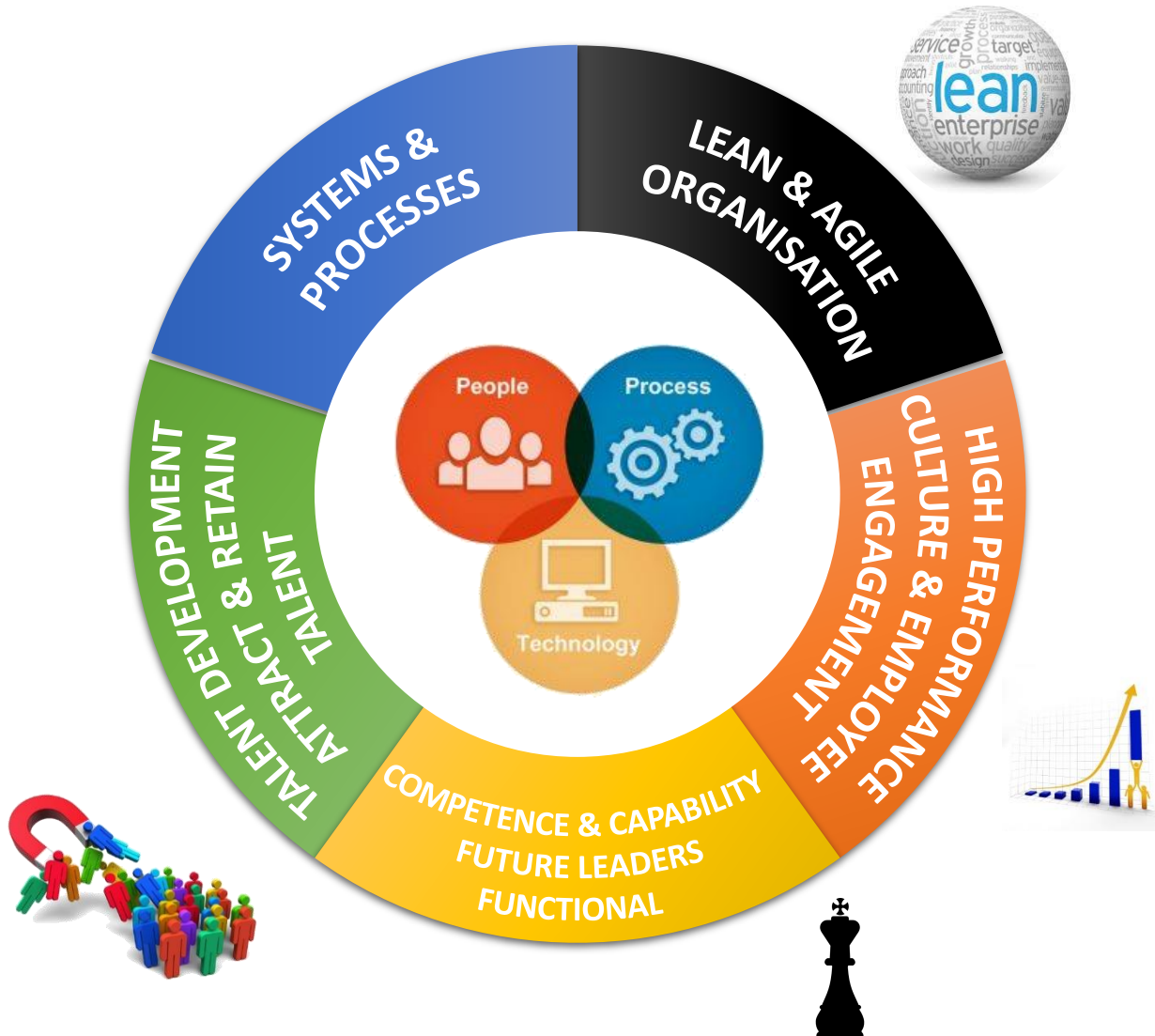
Provide internal opportunities – Career Path

Focus on Employee Engagement and Benefits

Building opportunities to learn and grow

Identification of High Potential Talent and creating internal talent for Succession

LEVERS



Transition from **“Transactional”** focused HR to **“Transformational”** role of HR focusing on Business outcome

Digitization HR process with best in class technology platform

Impactful HR analytics for driving Performance Culture and Talent Management

Real time Information at finger tips

CULTURE BUILDING FRAMEWORK @ ESCORTS



Performance
Driven

Leadership
Development

Capability

**CULTURE IS A JOURNEY,
NOT A DESTINATION**

C & B
Strategy /
Philosophy

HR
Technology

Policy
Framework

Process

Employee Friendly &
Technology Driven



ESCORTS

Future Transformation Journey



 **ESCORTS LTD.**

Mr. Shailendra Agarwal
Chief Transformation Officer
(CTO)

ESCORTS BUSINESS TRANSFORMATION



PERFORMANCE

- ❖ Outperforming Industry in OE Sales
- ❖ Additional revenue streams – Spares, Trading and Services
- ❖ Cost Competitiveness - Material, Manpower and fixed costs



CAPABILITY BUILDING

- ❖ Enhancing Product portfolio
- ❖ Agile and responsive Processes
- ❖ Plant capability - 2 X within existing space
- ❖ Building and strengthening alliances with competent Partners
- ❖ Performance culture through People development

OUTPERFORMING INDUSTRY IN SALES GROWTH



Investing in Brands - Farmtrac and Powertrac

- Separate channels for Farmtrac & Powertrac to enhance sales & Marketing focus
- Widening & deepening pan-India distribution channels for Customer reach

New way of working for Sales acceleration

- “Triplet Based Strategy” of Micro-markets (Geography-Application-Product) -60 Triplets with annual TIV of 10-15 k each
- Winning proposition for each cluster with matching products and positioning against competition
- Unlocking of entire ecosystem for cluster thro’ strengthening of Channel funding, Retail financing and Dealer development
- Escorts Sales academy for Dealer sales executives as well as our Sales force

NEW PRODUCTS (FY 2016→2018) - DOMESTIC MARKET



FARMTRAC

COMPACT SEGMENT



Compact Series
22 & 26 HP

POWERTRAC



STEELTRAC



PT 425 N (PS, OIB)

SUB UTILITY SEGMENT



Classic Series
35 to 45 HP



PT 434 PLUS



PT 439 PLUS



EURO 41 PLUS



EURO 45 PLUS 4WD

UTILITY SEGMENT



Classic Series
45 to 55 HP
- F20 Technology
- T20 Technology



FT 6080 PRO



EURO 55



EURO 60



EURO 75

12 HP

12 HP to 80 HP PRODUCTS RANGE

80HP

NEW PRODUCTS (FY 2016 TO 2018) - EXPORT MARKET



Compact Segment



22 HP 25 HP
 26 HP 30 HP
 Mechanical & HST

Sub Utility Segment



FT 6045



FT 6050 C

Utility Segment



FT 6075 PRO



EURO 60/75 4WD



FT 6080 PRO



FT 6090 PRO



FT 6090 X PRO



FT 6090 X PRO CAB

22 HP

22 HP to 90 HP PRODUCTS RANGE

90HP

TRANSFORMATIONAL PRODUCTS – ECE



CT SMART 15



Jungli 4 x 4



New EC 5250 with Water Cooled Engine



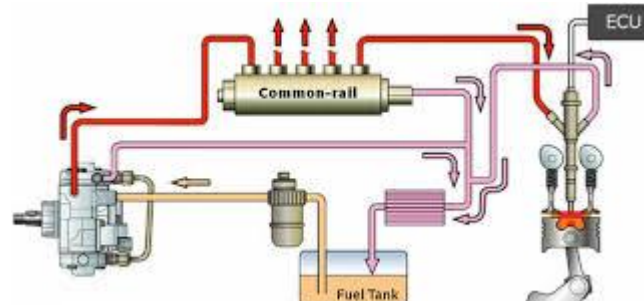
RT 40 POWER BOOM

FUTURE PRODUCT MAP - 2022



EMISSIONS

- STAGE IV - EU
- TIER IV - USA
- STAGE V - EU
- BHARAT TREM IV - INDIA



COMMON RAIL DIRECT INJECTION



DIESEL OXIDATION CATALYST- DOC

LEVERS FOR SUPPORT

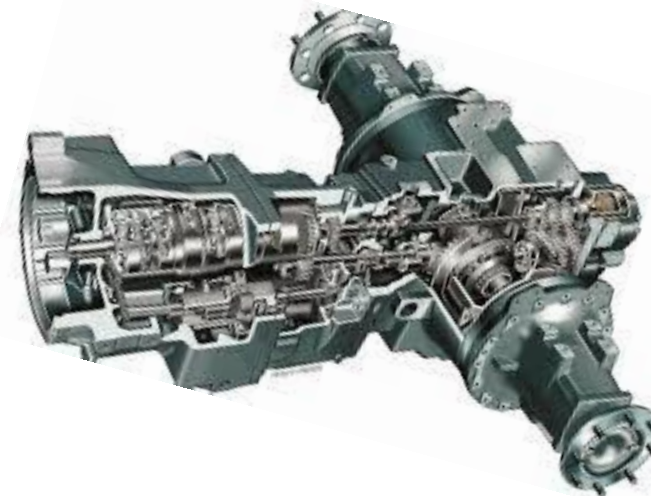


DRIVE TRAINS

- HYDRO STATIC
 - SYNCHRO SHUTTLE
 - POWER SHIFT
 - MULTIPLE SPEEDS
- (AS PER DIFF SOIL & APP.)



HYDROSTATIC TRANSMISSION



POWERSHIFT TRANSMISSION

FUTURE PRODUCT MAP - 2022



PRODUCTS

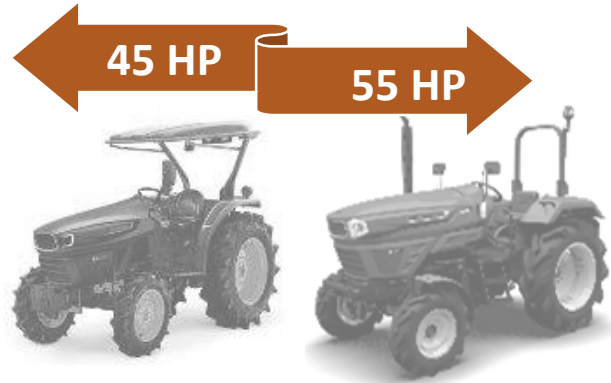
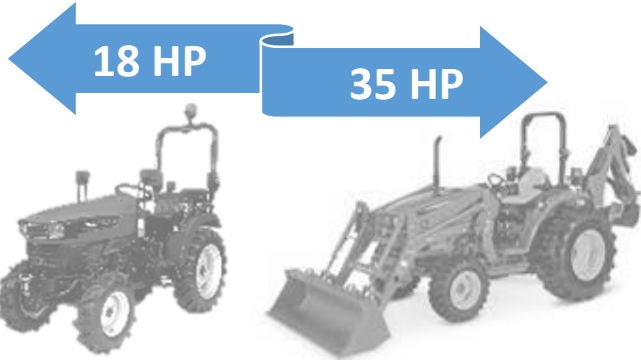
- TARGETING LOWER & HIGHER HP SEGMENT
- ALTERNATE FUEL PRODUCTS

LEVERS FOR SUPPORT

UTILITY SEGMENT

COMPACT SEGMENT

SUB UTILITY SEGMENT



- LOWER HP FOR BASIC ORCHARD NEEDS
- HIGHER HP TO MEET MECHANIZATION NEEDS

- 45-50 HP LIGHT WEIGHT OFFERING TO MEET RICE REQUIREMENTS
- INCREASED POWER RANGE IN SAME HP SEGMENT

- NEW STYLING & PLATFORMS
- HYBRID & AUTONOMOUS



AGILE AND RESPONSIVE PROCESSES



New way of working for Sales acceleration

- Digitization of processes and advanced analytics – Lead generation, lead prioritisation and recommendation to Dealer Sales executive
- ESMS (Escorts Sales Management) & EDMS (Escorts Dealer Management)

TPM as a Core methodology

- TPM Excellence award from Japan Institute of Plant Maintenance in March, 2017
- Culture of workmen ownership for Safety, Quality and Cost (Zero ABCD)
- Journey towards TPM World class status with extension of TPM to partners

Product Development Process

- Concurrent working and Supplier collaboration for lead time reduction

COST COMPETITIVENESS



Material Cost : Targeting for Best in Industry Cost structure

- Alternate Vendors, Alternate technologies and Alternate materials
- Supplier suggested Value engineering with benefit sharing
- Design levers – Feature value analysis, Model specific tear down for high volume – low contribution models

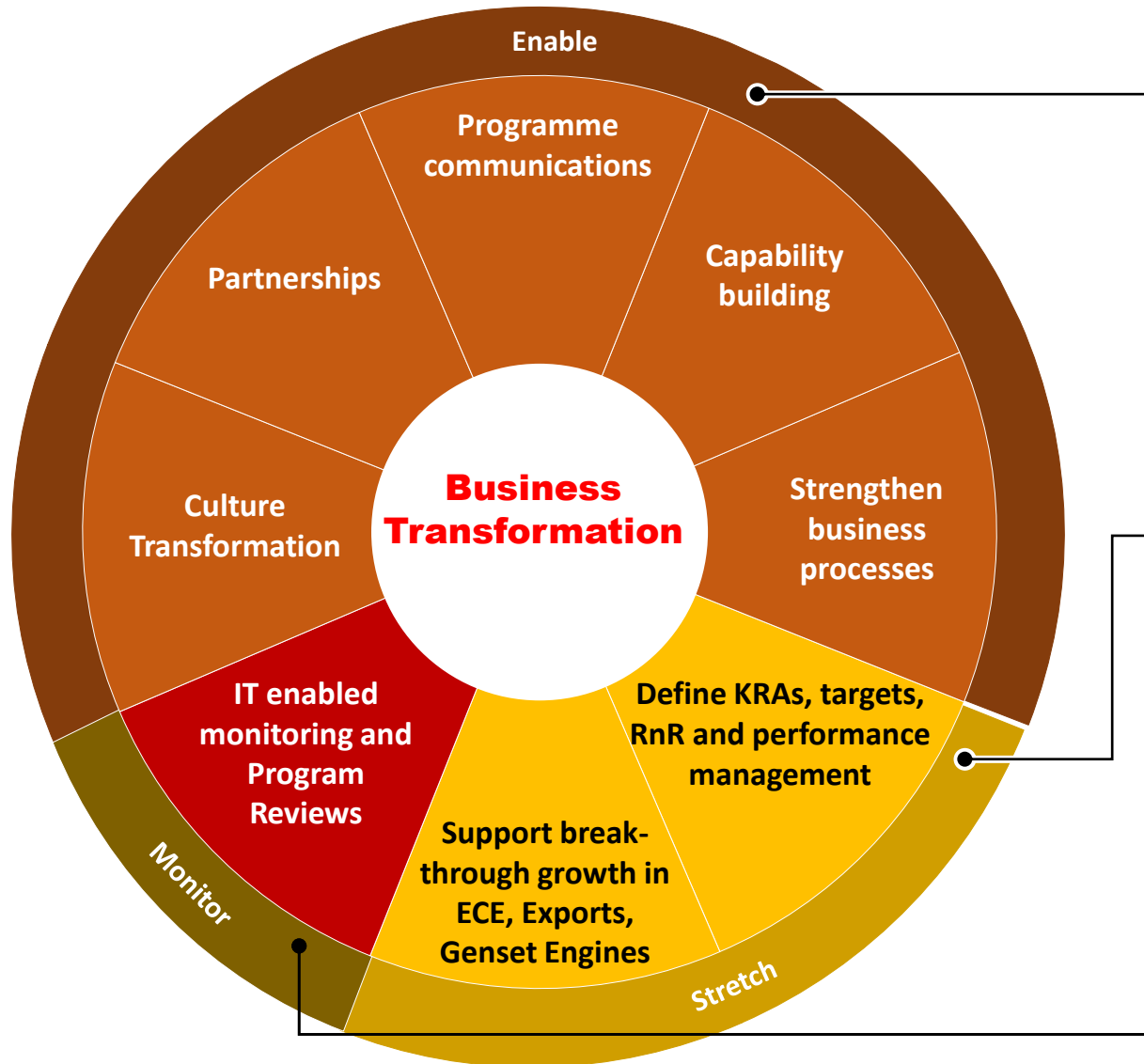
Fixed Cost : Optimisation & variablisation of costs for flexibility in down cycles

- **Manpower Cost**
 - Philosophy of zero based Org redesign for white collar
 - Blue collar productivity through multiskilling and zero defect processes
 - Consolidation of backend and support functions
- **Energy Cost** – Use of solar power, new technologies for energy efficiency
- **Administrative overheads** - Zero based working and renegotiations for Travel, Telecom, Logistics and job contracts, Office consolidation

Plant Capability for 150,000 Tractors in existing space

- Lean Inhouse Manufacturing with focus on Strategic and critical to Quality activities
- Building flexibility in manufacturing lines for changing model mix
- New tooling technology for cycle time reduction
- Overall equipment efficiency improvement through Kaizens by employees

Building Performance Culture



❖ **Enable** through Capability building, Communication and Strengthening Business Processes

❖ **Stretch** through audacious goals and targets, Input-output Performance Indicators and Recognition of top performers

❖ **Monitor** through reviews for providing support

PLAN To 2022

CAPABILITY BUILDING

- ❖ Enhancing **Product** portfolio
- ❖ Agile and responsive **Processes** - Sales lead gen to conversion, Product development, Quality
- ❖ **Plant** capability - 2 X within existing space
- ❖ Building and strengthening alliances with competent **Partners**
- ❖ Performance culture through **People** development



ESCORTS

Our Aspiration for 2022

EAM (Escorts Agri Machinery)

- ✓ To create standards & Lead Indian Farm Mechanization Services Industry
- ✓ To achieve challenger position (No.2) in Indian Tractor Industry

ECE (Escorts Construction Equipment)

- ✓ To achieve Dominant Leadership position in Indian Crane Industry

RED (Railways Equipment Division)

- ✓ To achieve Leadership position in Indian Railways Components Industry in the defined segments



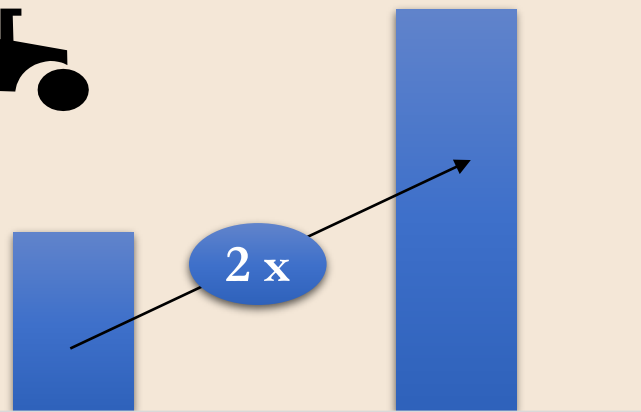
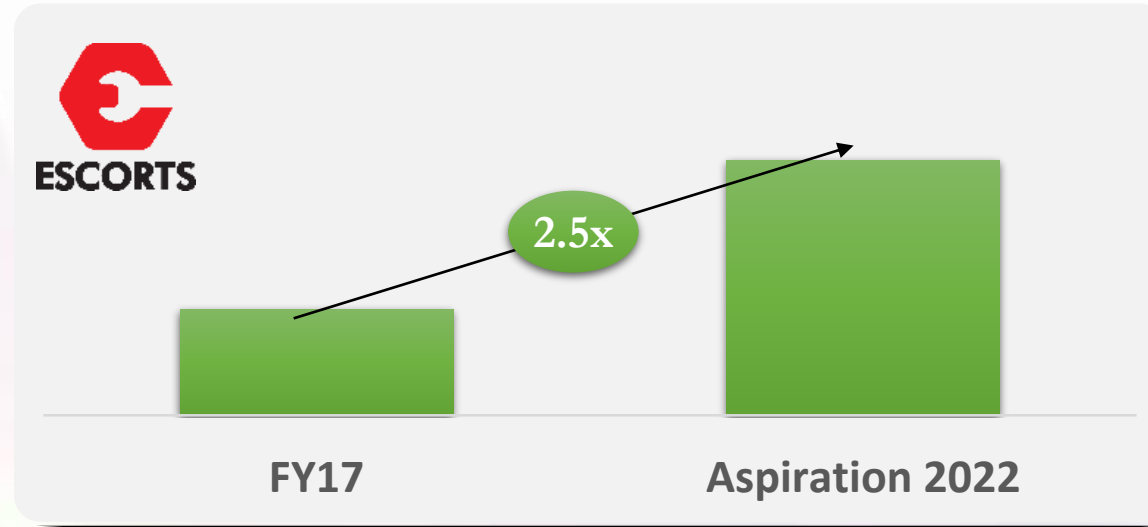
ESCORTS



 **Vision**

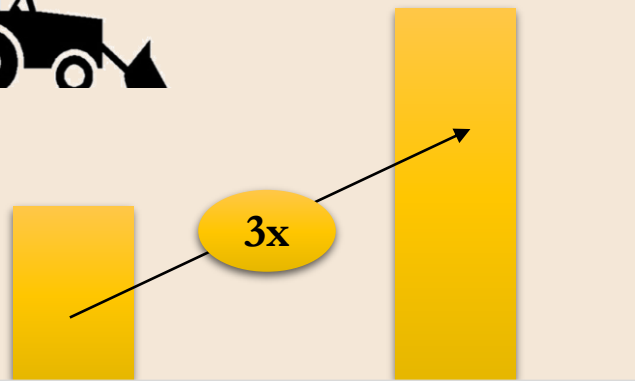
By 2022

REVENUE (₹ CR.)



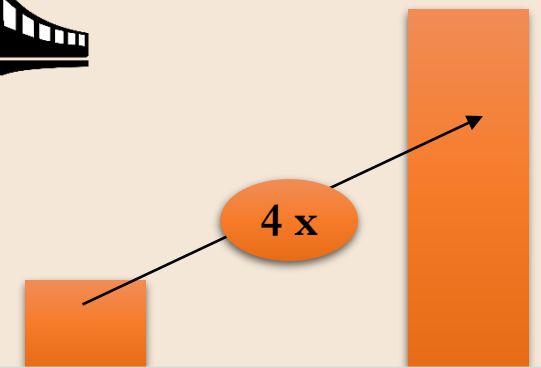
FY17

Aspiration 2022



FY17

Aspiration 2022



FY17

Aspiration 2022

VISION 2022



2.5X Revenue



10% Plus



Margin 13~14%



25% - 30%



ESCORTS

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.

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THE NEW ESCORTS



TOGETHER 2022