



Ref /EL/SEC/Eventdisc-6/2016

Date: February 4, 2016

The Manager
Listing Department
National Stock Exchange of India Limited
5th Floor Exchange Plaza
Bandra Kurla Complex, Bandra East
Mumbai -400051

NSE Code: Escorts
BSE Code: 500495
DSE Code: 00012

Dear Sir

Sub: Analyst/ Investors Presentation

Pursuant to the *Regulation 46 (2) of the SEBI* (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy of presentation to be made to the Analyst/ Investors.

Further please note that aforesaid presentation is being made available on the Website of the Company i.e. www.escortsgroup.com.

This is for your information & record.

Thanking you.

Yours Faithfully
For **ESCORTS LIMITED**

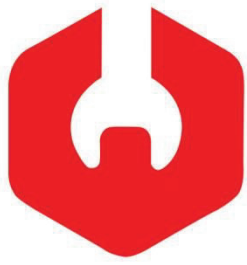
Ajay Sharma
Group General Counsel
& Company Secretary

Encl: Copy of Presentation
Copy to:

The Manager Listing Department BSE Limited 25 th Floor P J Towers Dalal Street Fort Mumbai -400001	The Manager Listing Department The Delhi Stock exchange Association Limited DSE House, 3/1 Asaf Ali Road New Delhi -110002
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ESCORTS LIMITED

Corporate Secretarial & Law
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Corporate Identification Number – L74899HR1944PLC039088



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Investor & Analyst Meet 2016

4 FEBRUARY 2016



Actions in Last 3 years

Brand Led Product Innovation- EAM



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31-40 HP

41-50 HP

> 50 HP



FarmTrac XP



FarmTrac Classic



FarmTrac Executive

FARMTRAC
Prestigious & Powerful &
strong Brand Legacy

POWERTRAC
Efficient & Superior
In-House Engineering



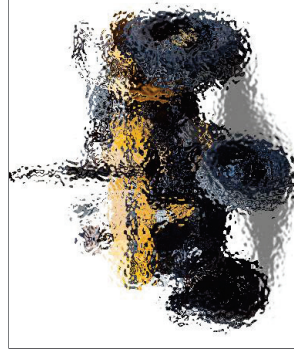
PowerTrac DS+



PowerTrac Euro



PowerTrac ALT



PowerTrac ALT

The tractors introduced in the last 3 years contribute 66 % of total volumes in FY16

Product Innovation – ECE & ERP



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ECE



F 15 (15 T)

Safe Crane TRX 2319 (23 T)



Slew Crane RT 40 (40 MT)



DIGMAX II



Compactor HD85



RED



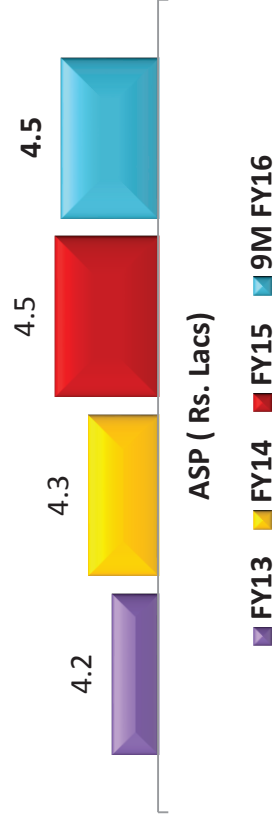
Bogey Mounted Brake Systems- Testing Completed

Axle Mounted Disc Brakes- Under Testing

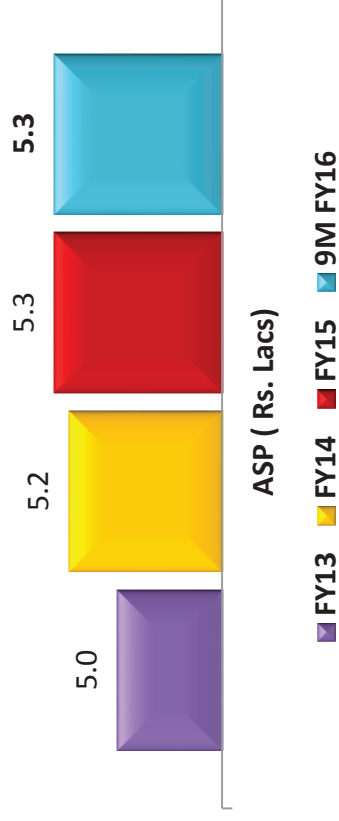
Product Innovation Led to Pricing Power



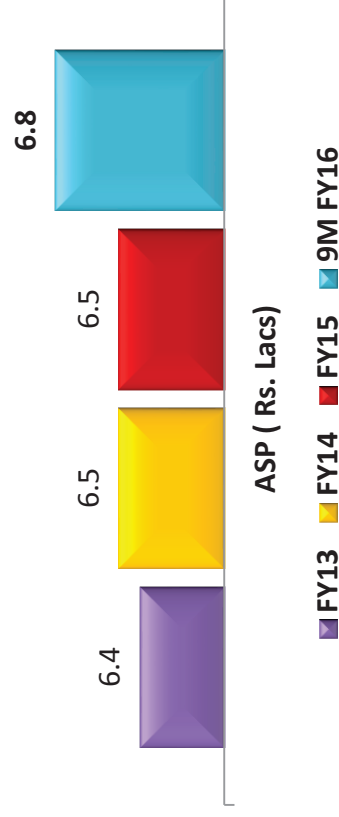
Avg. ASP (31-40) HP



Avg. ASP (41-50) HP

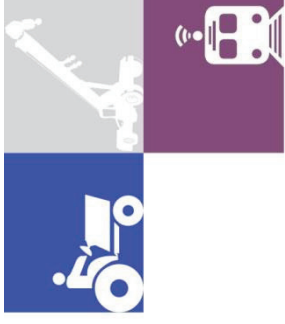


Avg. ASP (>50)HP

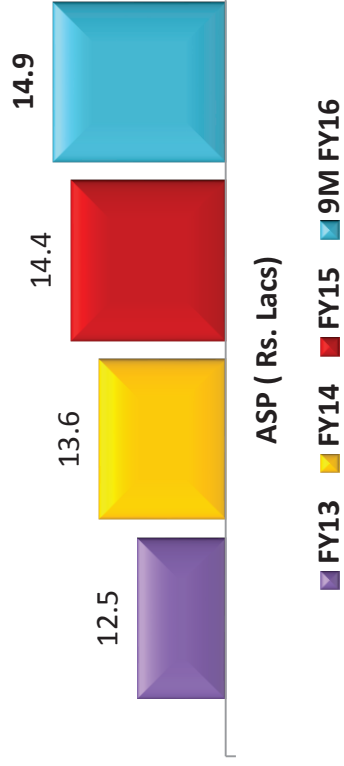


ASP : Average Selling Price

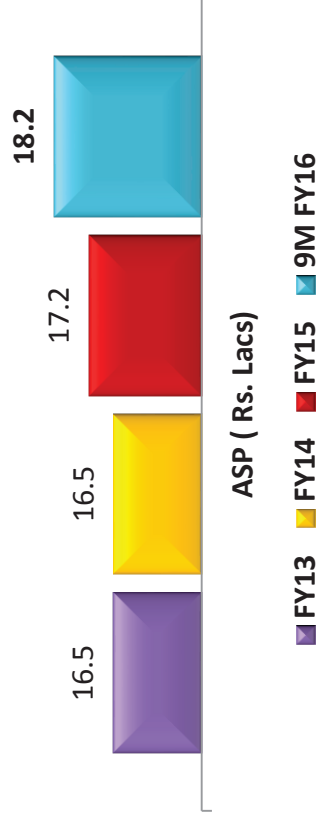
.....higher Pricing Power



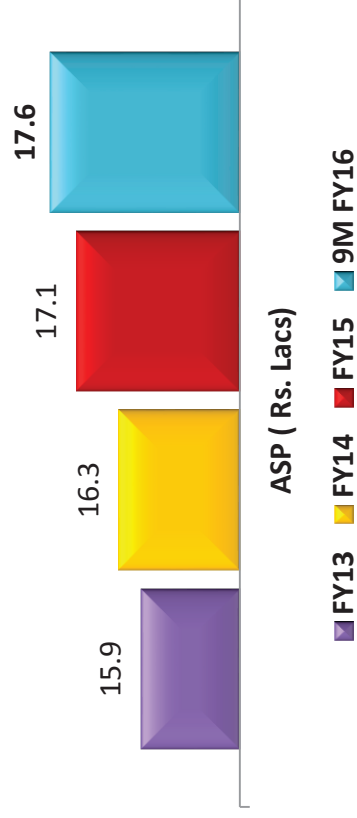
Avg. ASP PnC Cranes



Avg. ASP Compactors



Avg. ASP Backhoe Loaders



ASP : Average Selling Price

New products helping in Balancing product portfolio....



PowerTrac Euro

With the Introduction of Powertrac Euro 45 HP and 50 HP , the Powertrac sales mix has improved towards higher HP.

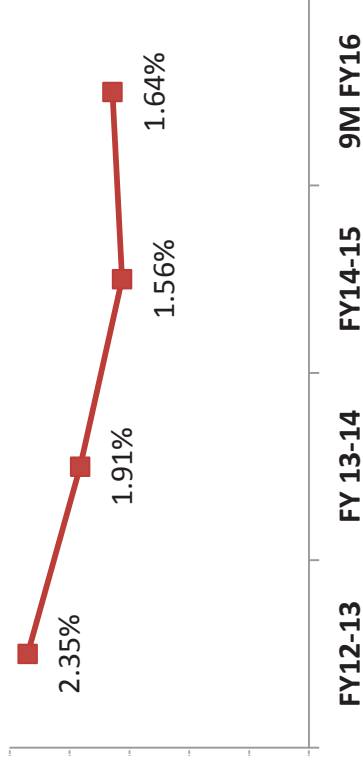
	Q2 FY16	Q3 FY16
35 HP	38%	29%
40 HP	35%	29%
41-50 HP	20%	34%



FarmTrac Classic

With the Introduction of Farmtrac Classic, the continuous slide in the Farmtrac flagship model market share has been arrested.

FT 60 (Flagship Model) Market Share



Region wise market share gains have started...



Market Share Gain/Loss in 9M FY16 v/s 9M FY15

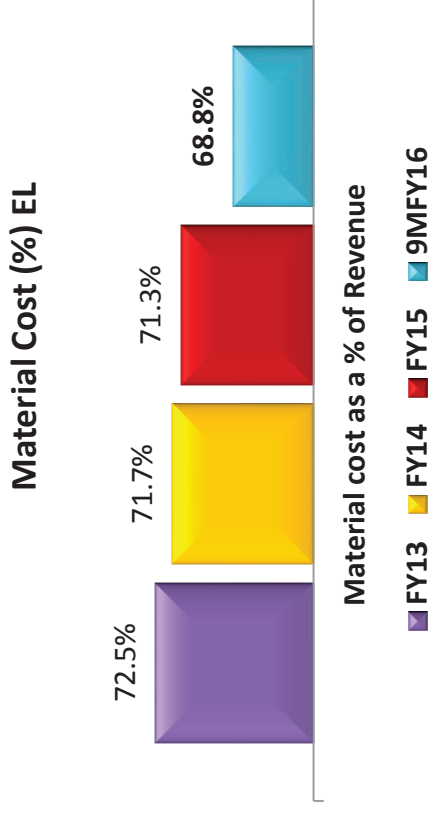
Key States	SOM Gain/Loss
Punjab	-1.1%
Haryana	+1.6%
UP	+0.1%
Rajasthan	-1.0%
MP	+0.2%
Bihar	+0.9%
AP	+0.5%
Maharashtra	-0.2%
Karnataka	+0.2%



Focus on Cost Reduction : Material Cost

Project Shikhar (EAM) :

1. The project started in FY15 to achieve industry benchmarks on the following parameters:
 - a) To reduce the material cost in EAM from 72% to 68%
 - b) To build lean supplier base with best in class suppliers (Reduction by 25%)
 - c) To reduce Inventory (RM+WIP). To reduce inventory days by 35%
2. Institutionalize best-in-class processes and systems for a lean and efficient materials function
3. Key levers for the project included Zero base costing, Vendor rationalization & VA-VE exercises.





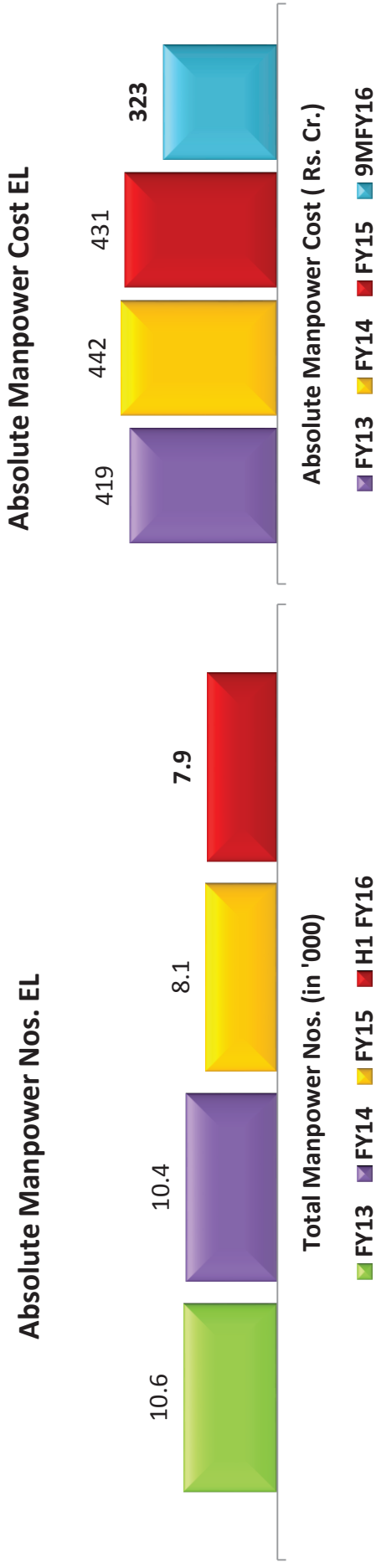
Focus on Cost Reduction: Manpower Cost

White Collar:

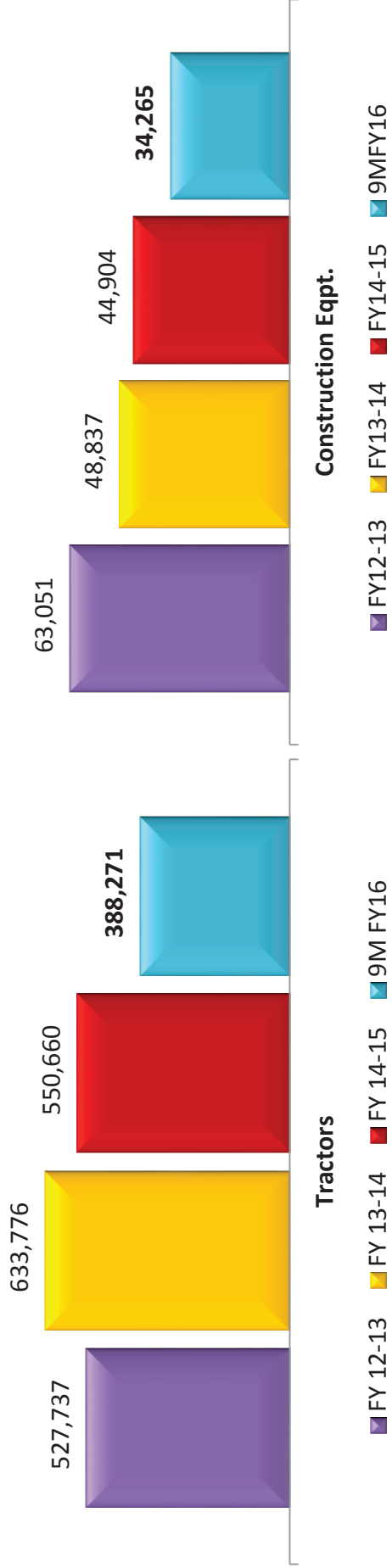
1. The nos. of white collar employees has been steadily going down. The key levers include outsourcing of non core areas, creation of shared services and centers of excellence.

Team Members :

1. The nos. of Blue collar employees has also been steadily going down. The key levers include TPM and productivity gains.
2. VRS and Natural retirements will enable the further lowering of permanent blue collar nos.



Industry Volume trend has pointed downwards...



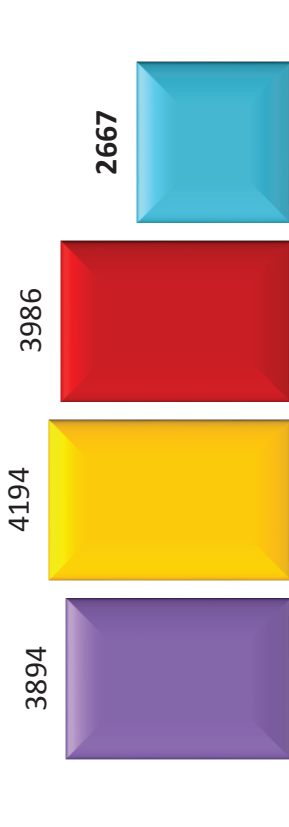
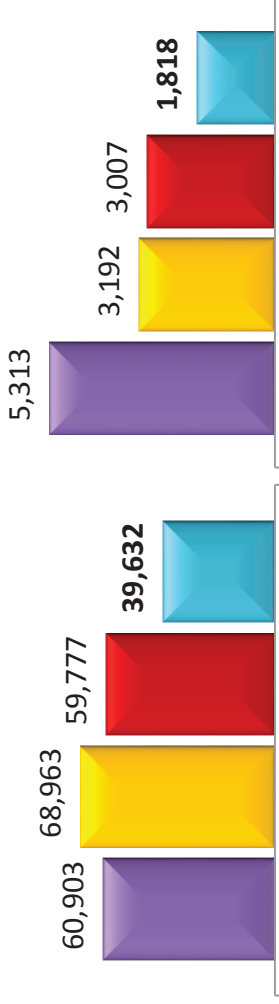
Despite Volume sliding down, Margins are holding up...



* Annualised Data

Tractor & Construction Eqpt. Volumes

Net Sales

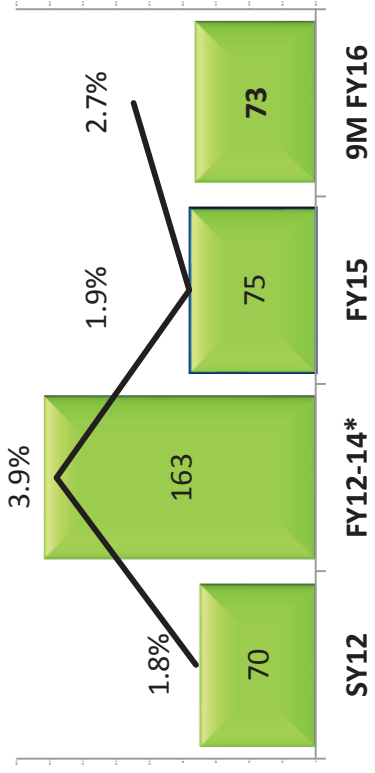


Tractors

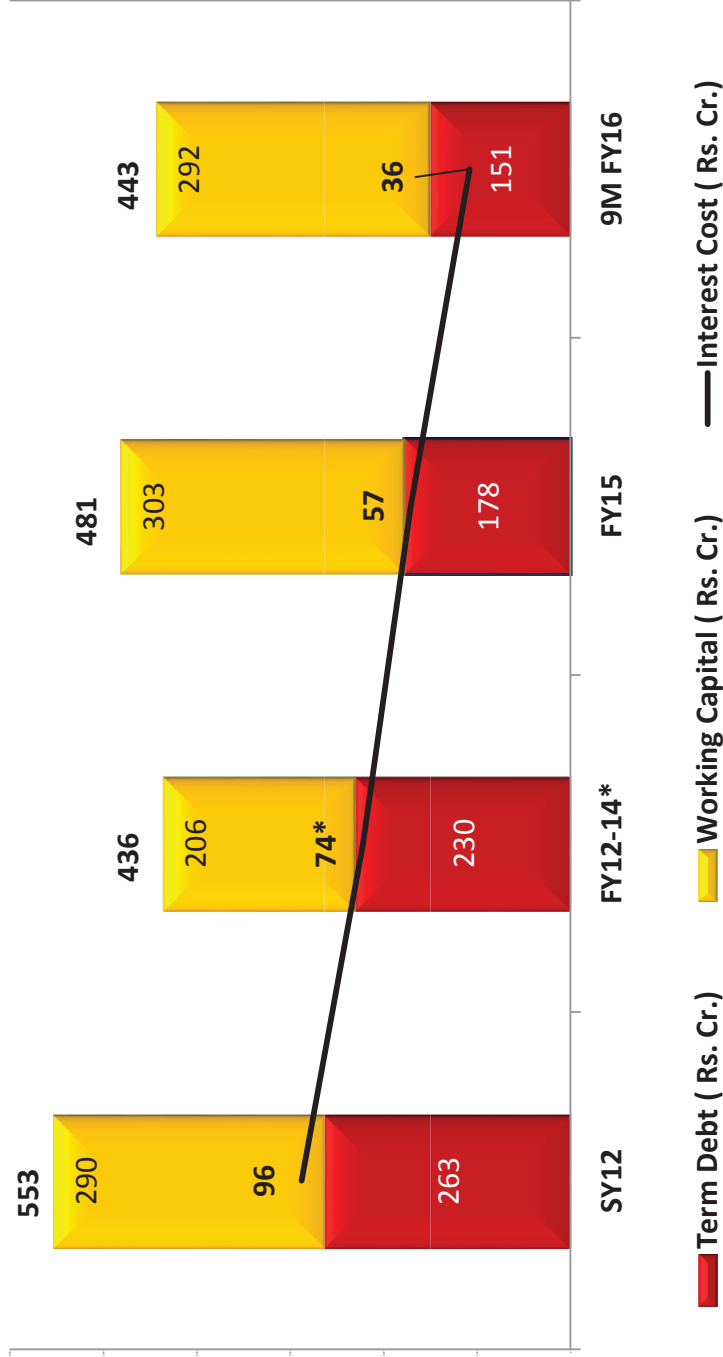
Construction Eqpt.

Revenue from Operations (Rs. Cr.)

■ SY12 ■ FY12-14* ■ FY15 ■ 9M FY16



The debt has gone down... & Ratings has gone up..



Corporate Governance



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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.

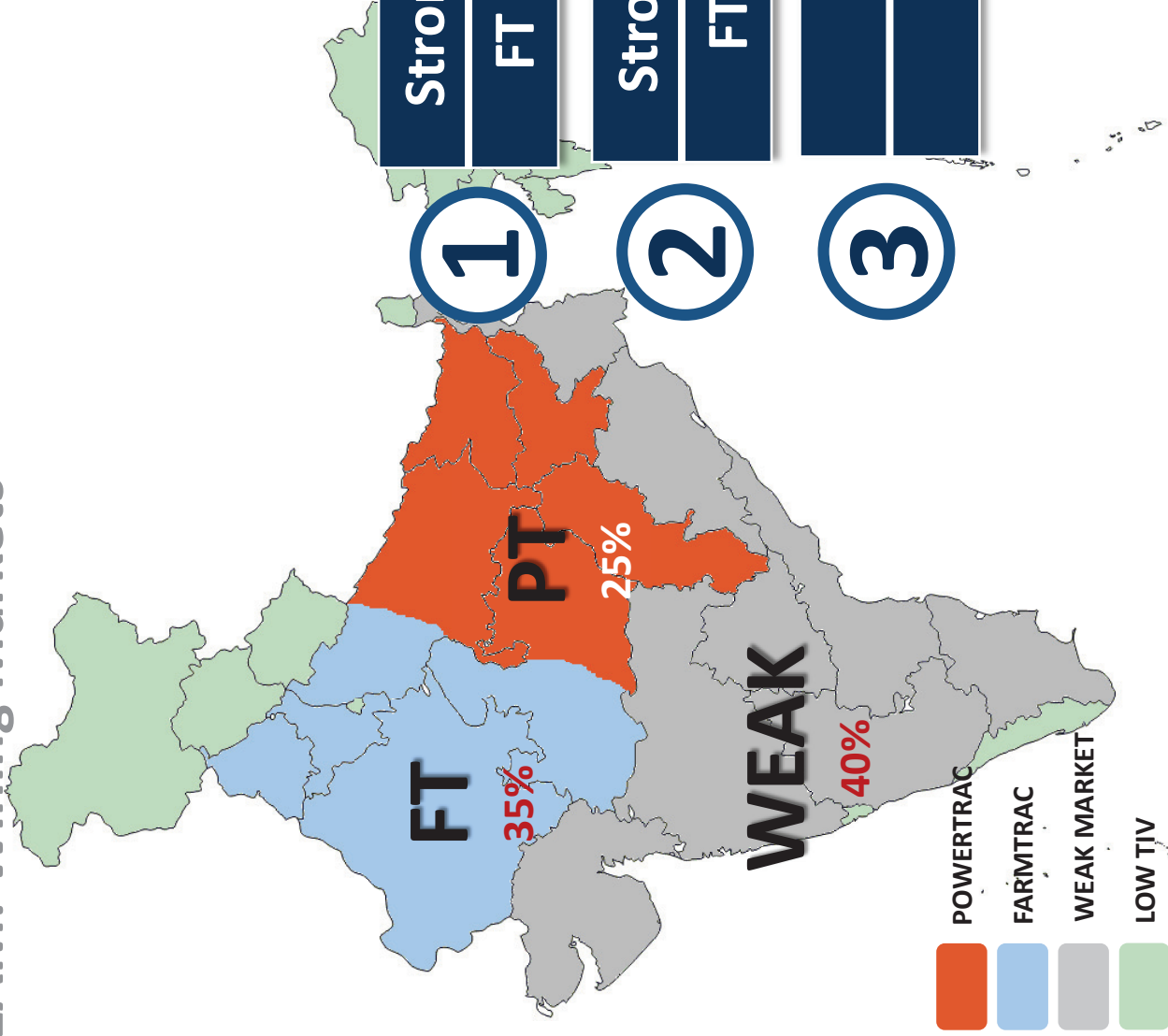
AGILITY
We will operate in our markets with the ability to change direction and position with nimbleness and speed.

- **Vibrant Board:** New directors introduced in FY15 in order to create a more vibrant board.
- **Internal Audit Outsourcing :** Internal Audit is outsourced to Grand Thornton.
- **Disclosure & Shareholder Interaction:** Increased disclosures and shareholder interaction.



Way Forward Escorts Agri Machinery

EAM: Wining Markets



Strong Market, Strong Brand

FT 11.3%

PT 13.2%

Strong Market, Weak Brand

FT 0.9%

PT 2.6%

Weak Market

4.5%



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Escorts Construction Equipment

Material Handling

Earth Moving

Road Compaction

Domestic Construction Equipment Industry... Signs of Recovery in sight



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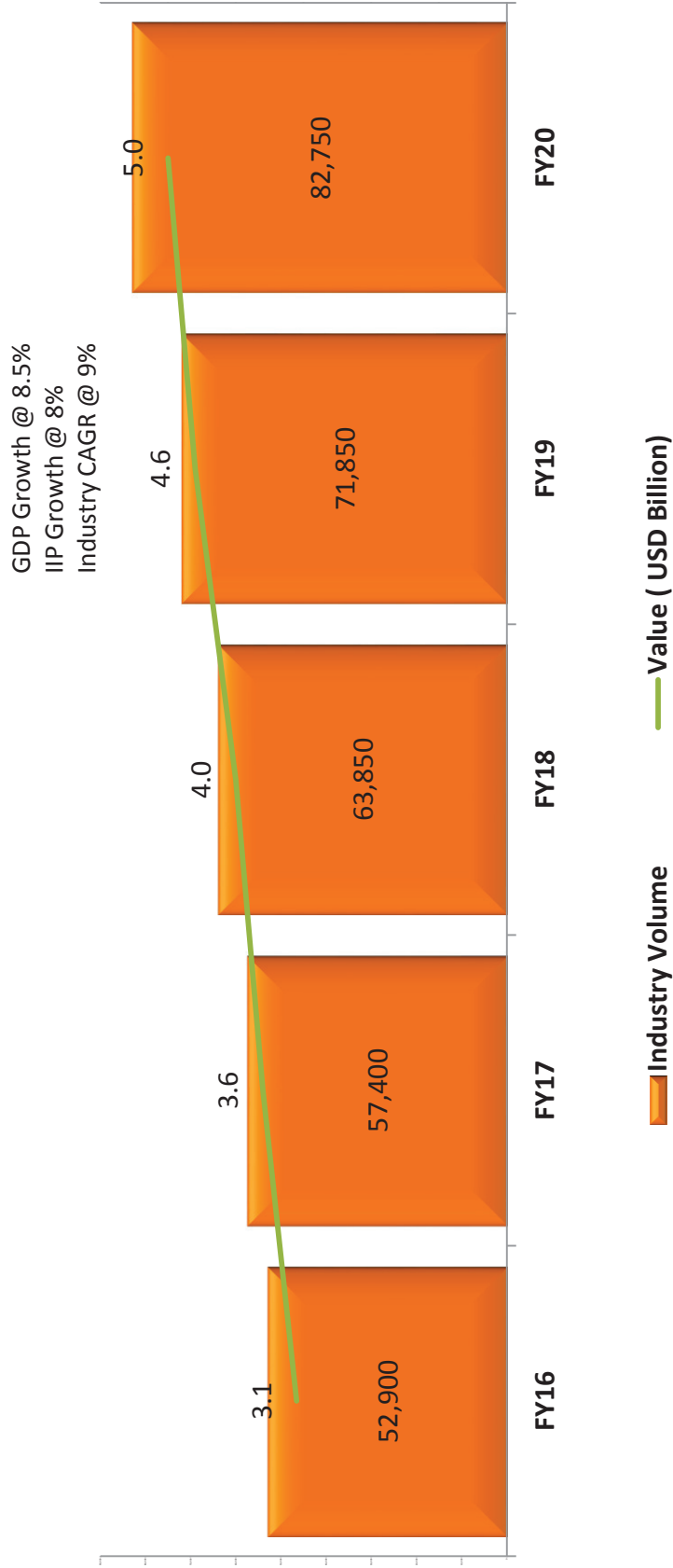
S.No.	Category	Application	Major Eqpt.	Volumes (9M FY15)	Volumes (9M FY16)	Growth (%)
1	Earthmoving	Roads	Backhoe Loaders	16,159	15,086	-7%
		Power	Excavators	7,129	8,121	14%
		Real Estate	Others	2,169	2,527	16%
2	Material Handling	Roads	Pick & carry Cranes	2,987	2,641	-12%
		Power				
		Other Infra				
3	Road Building	Roads	Compactors	1,539	1,783	16%
		Airports	Others	41	237	478%
4	Concreting	Irrigation	Mixer, Pumps, Batch plants	1,322	1,848	40%
5	Material Processing	Mining	Compressors, Crushers	1,621	2,022	25%
	Total	NA	Total	32,967	34,265	4%

- The overall Industry grew by 4% and 13 out of 21 product categories witnessed growth in 9M FY16.
- In our served markets, Compactor Industry has started growing on YoY basis. PnC Cranes and Backhoe Loader market decline has reduced and is expected to grow from next year onwards.

Domestic Construction Equipment Industry... Long Term Attractive



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- The Govt. policy action and investment in key areas e.g. Roads, Railways, Defence and Smart cities is likely to fuel the industry.

ECE Strategy



ECE will be a major Indian construction equipment company that will provide solutions for infrastructure development and drive profitable growth.



From a leader in Pick and carry crane to be a leader in
Material Handling segment

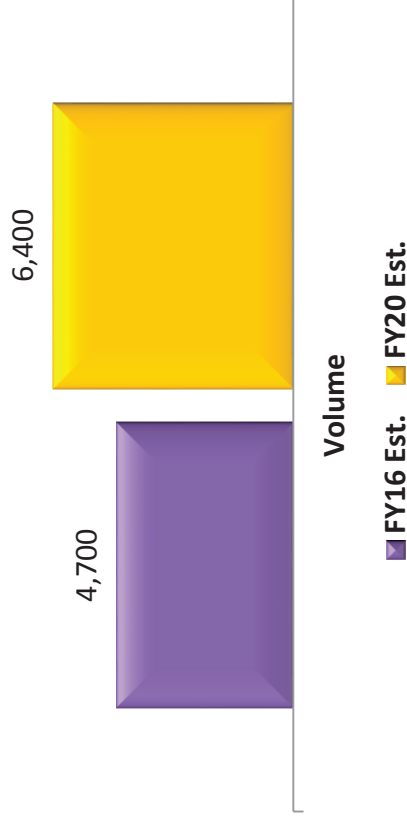


From a new entrant to be a niche player in the Backhoe
loader segment



From a compaction solution provider to be a road
construction and repair solution provider

Material Handling Segment



- The market is expected to grow at a CAGR of 8.2% to 6,400 units by FY20.
- The market is expected to move towards high value and high tonnage cranes.
- The focus on safety is increasing and hence market will shift towards safer & specialized cranes.
- Smart city concepts may influence the product types towards more compact products.

To strengthen the dominant position in PnC crane segment. To move to other crane segments in the material handling Industry & develop high value, specialized cranes.



Product Categories	ECE Current Status
PnC Cranes	●
Rough Terrain	●
Truck	●
Tower	●
Forklift Trucks	●
Truck Mounted	●
Tele handlers	●
Crawler	●

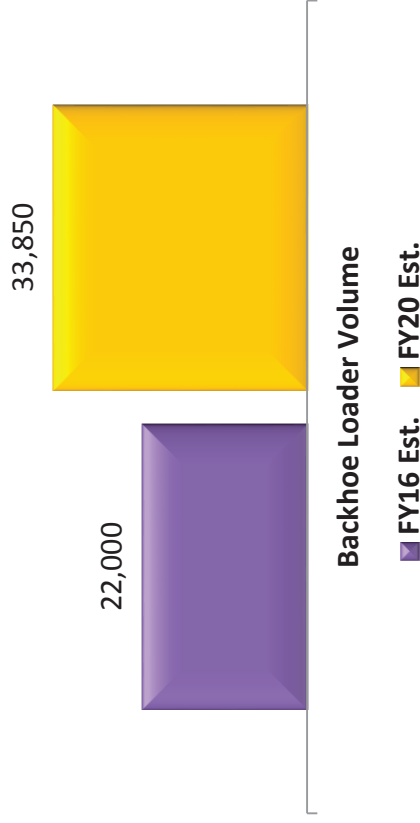
● Manufacture ● Trade ● Not Present

Material Handling Segment.... New Product categories



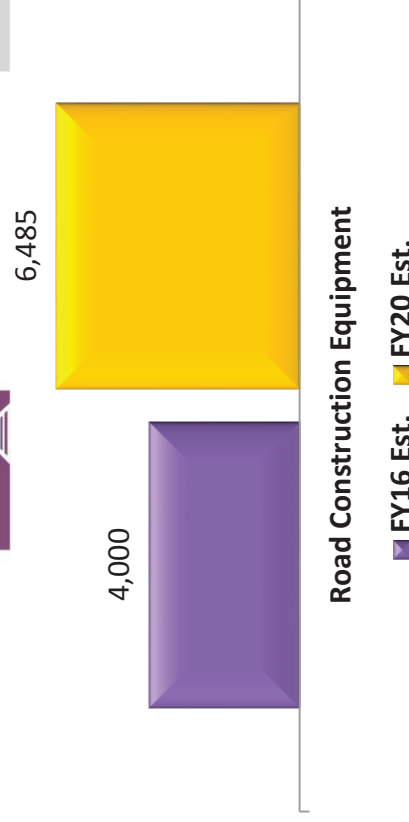
Segment	Image	Vol. (FY16- Est)	Industry (Mn.\$)	Expected growth rate	Current Status	Approach
Pick n Carry		3,900	81	7.5%	Present Leader	To be aggressive and grow market share
Rough Terrain		60	15	12.0%	Present Challenger	Develop new Products and grow market share
Truck		160	36	13.5%	Traded	Develop new Products
Tower		410	25	8.7%	Traded	Collaboration & tie up
Crawler		145	48	15.0%	Not Present	Collaboration & tie up

Backhoe Loaders & Road Compaction



- The market is expected to grow at a CAGR of 11.4% to 33,850 units by FY20.
- The backhoe loader segment will continue to dominate the Industry, however as the Industry will mature, specific segments will emerge.

Our strategy is to focus on specific applications/geography, where equipment productivity is key and shall build a niche for our brand/product.



- The market is expected to grow at a CAGR of 12.8% to 6,485 units by FY20.
- The growth of concrete roads shall have an impact on the range of equipment's used..

Our strategy is to accelerate the growth in compactor portfolio & partner with other companies to provide the complete solution to the customer.

Short term target ...To breakeven in FY17



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Revenue Growth Initiatives

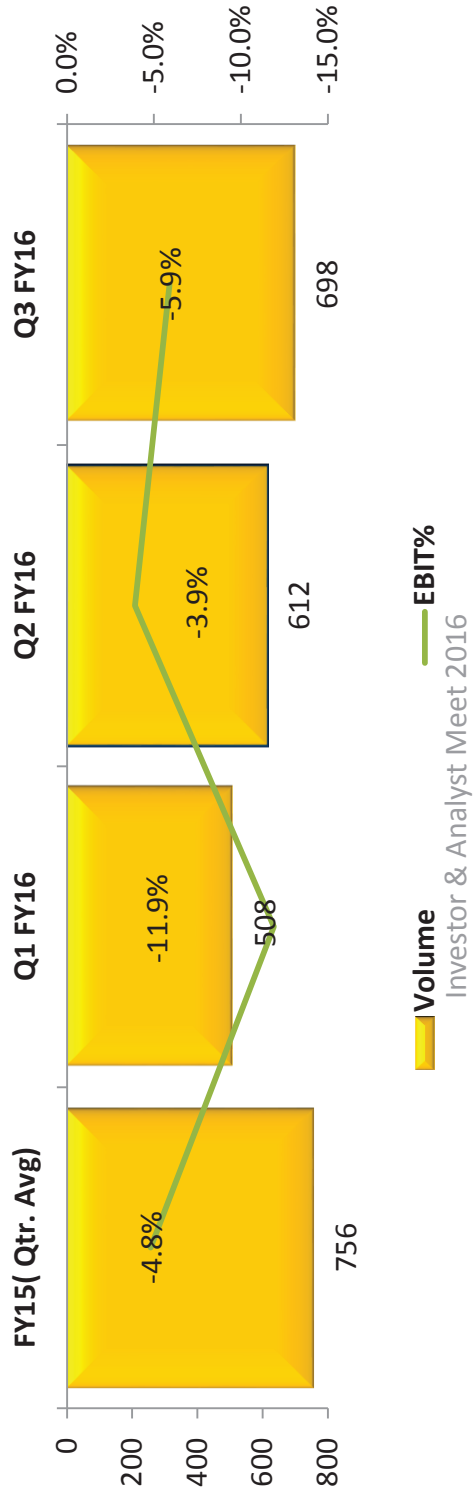
Better Revenue Realization
Higher Exports & Parts Sales

Dealership & Outlet reach expansion
Channel Financing

Cost Rationalization Initiatives

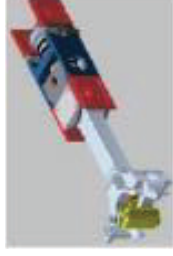
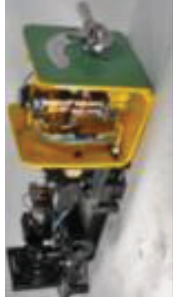
Reduction in fixed cost

Reduction in material cost through
negotiation and VAVE





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Railway Equipment Division

Indian Railways

Rapid Transport

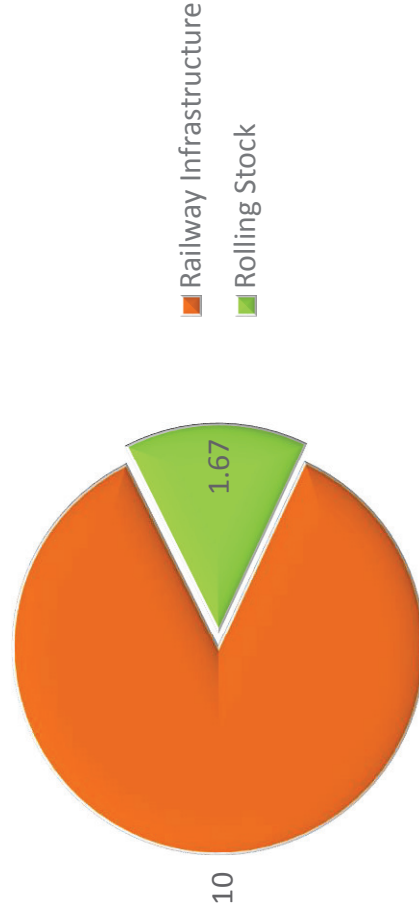


Investment in Indian Railways in Medium Term

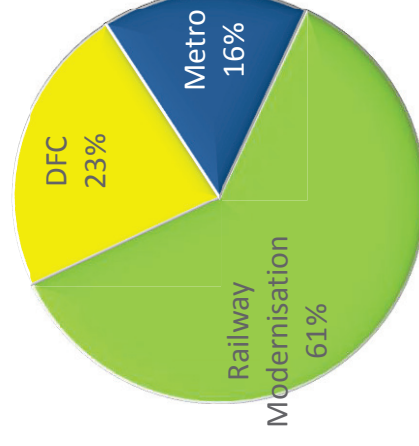
Government Thrust on Railways

- The Govt. has planned a total investment of Rs. 11.67 lacs Cr. in the 5 years from 2015-19.
- Initially the investment shall be skewed towards Railways infrastructure subsegments e.g. Tracks, Bridges, Network expansion, electrification, signalling and safety.
- The investment in the rolling stock is c. **Rs. 1.67 lacs crores** (Coaches, Wagons, Locomotive, EMU/DMU, Metros etc.)
- With in rolling stock, the lion's share of investment will be done Indian Railway modernization.

Investment (Lacs Cr.) in 5 years (2015-2019)



Investment Split with in Rolling Stock



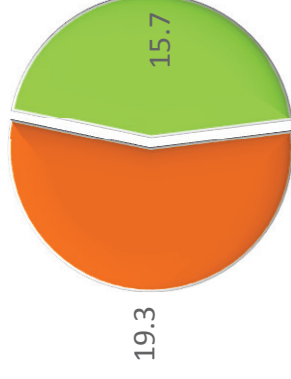
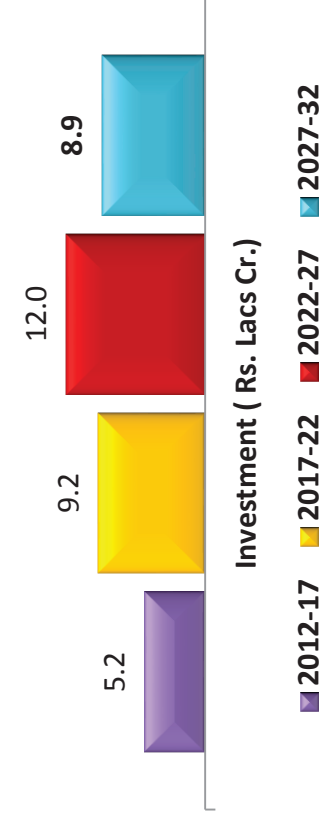
Source : Railway Budget, Safety Committee Report, Respective Metro Projects & Escorts Management Research & Analysis

Investment in Indian Railways in Long Term



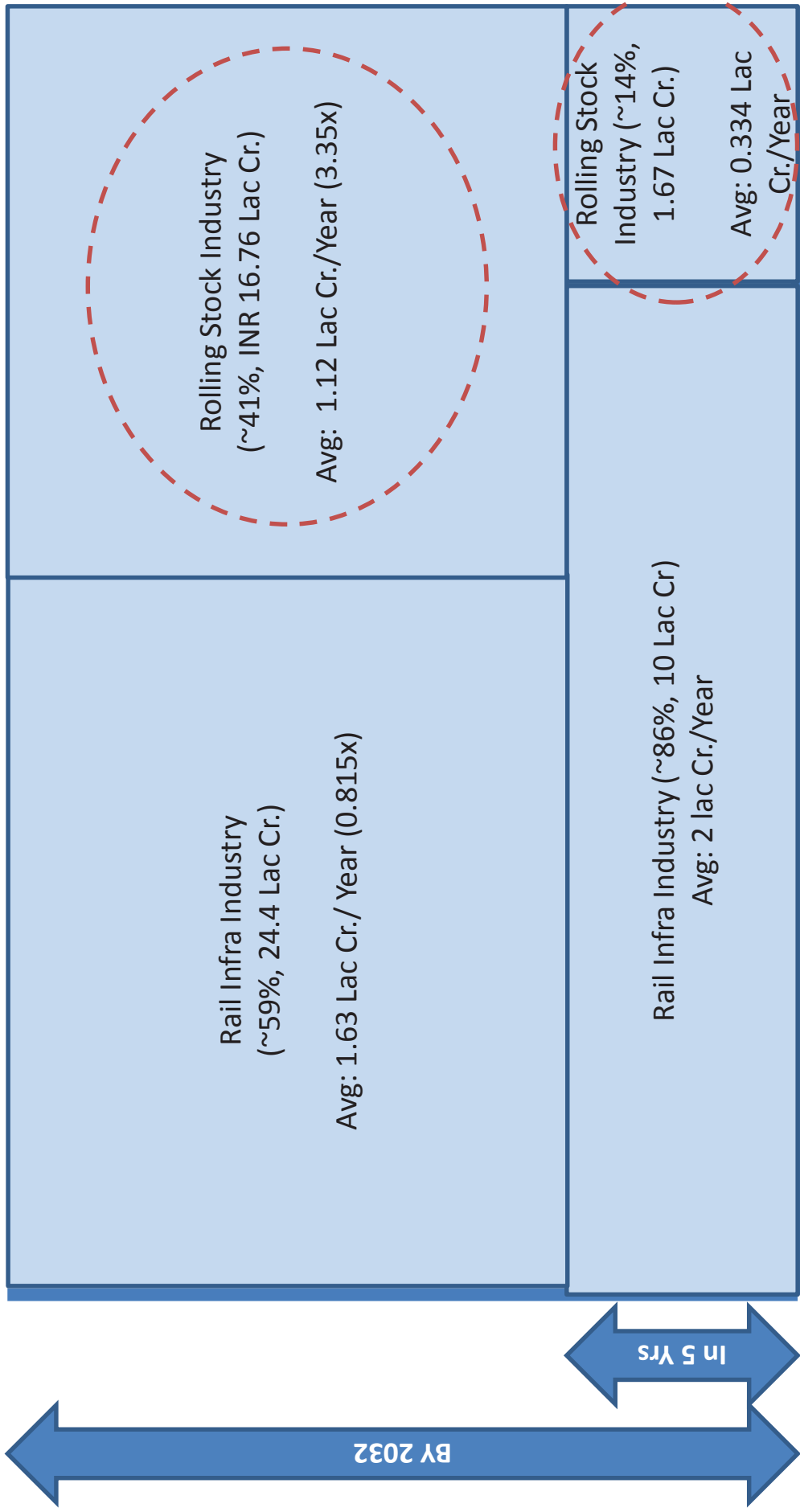
Investments in Railways (2015-32)

Investment Split

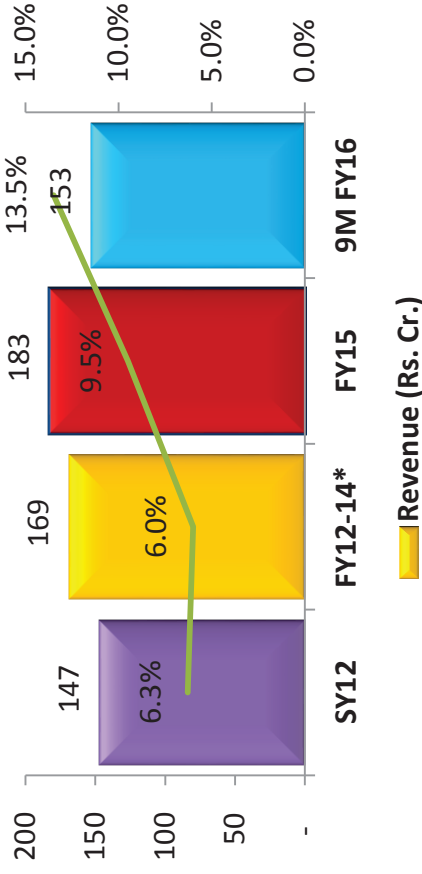


Rolling Stock Category	Current holding (2013-14)	Incremental requirement by 2032	Growth
Freight Wagons	245,266	1,100,000	4.5x
Electric Locomotives	4,823	28,000	5.8x
Diesel Locomotives	5,633	15,000	2.7x
EMU/MEMU/DMU's	9,371	30,000	3.2x
Coaches	50,229	210,000	4.2x

Investments in Railways



ERP: Market entry through technology partnerships



	LHB Coach	BMBS Wagon	EMU/DMU	Diesel Loco	Electric Loco	Metro
Brakes	YES	YES	YES	UD	UD	PLAN
Couplers	YES	N/A	YES	YES	YES	PLAN
Shockers	UD	N/A	YES	YES	YES	N/A

■ Revenue (Rs. Cr.)

UD: Under Development

- The strategy is to expand the product basket and expand the addressable market.

S. No.	Products	Revenue FY 15	Addressable Market	Competition
Existing Products	Brakes: Air Brakes, EP Brakes, Brake pads Couplers: AARH coupler, SHAKU Coupler Shockers: Suspension	Rs. 184 Cr.	c. Rs. 500 Cr.	4 to 5
Product Pipeline	Bogey Mounted Brake System (Completed testing) Axle Mounted Brake System (on going testing)		c. Rs. 300 Cr.	1 to 2
New Products	Evaluating 4 to 5 new products		c. Rs. 1580 Cr.	4 to 5

Safe Harbour



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Certain statements in this document may be forward-looking statements. 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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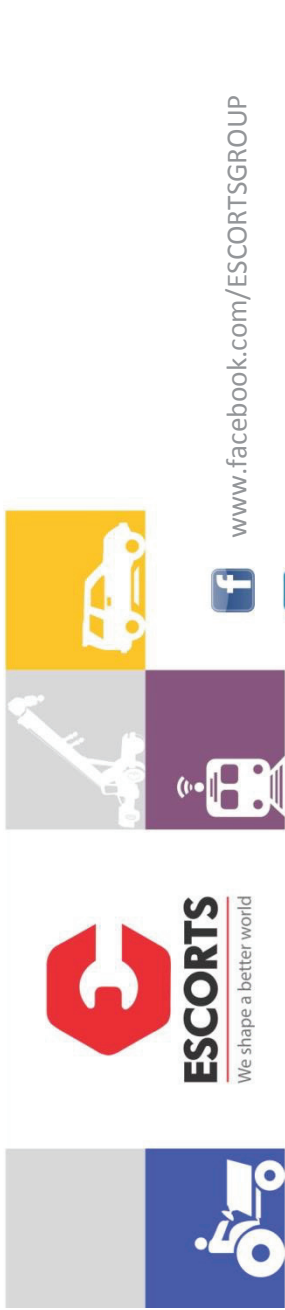
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