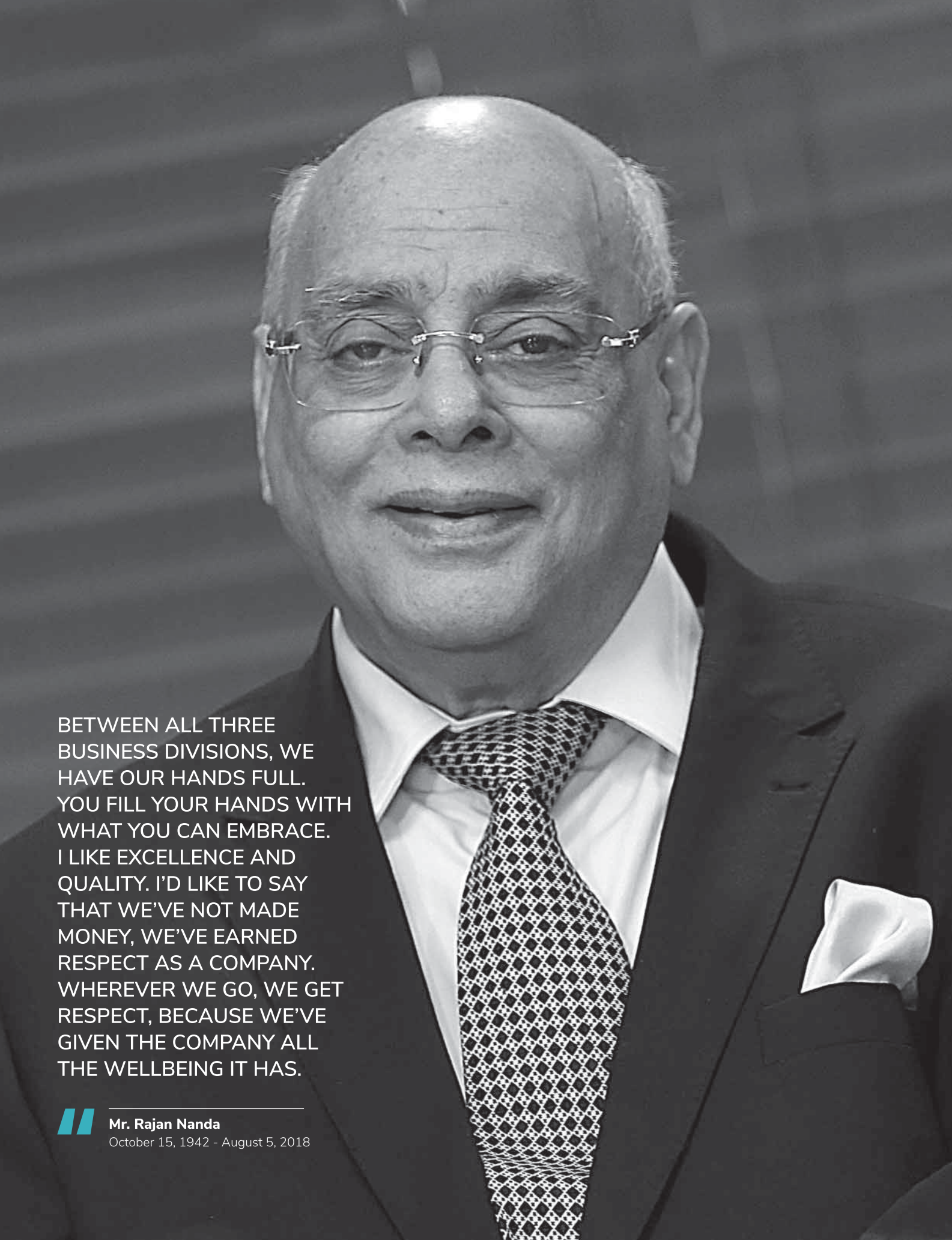


INNOVATION TO IMPACT



ESCORTS LIMITED

72nd Annual Report 2017-18

A black and white portrait of Mr. Rajan Nanda, an elderly man with glasses, wearing a dark suit, white shirt, and a patterned tie. He is smiling slightly and looking towards the camera. The background is dark and out of focus.

BETWEEN ALL THREE
BUSINESS DIVISIONS, WE
HAVE OUR HANDS FULL.
YOU FILL YOUR HANDS WITH
WHAT YOU CAN EMBRACE.
I LIKE EXCELLENCE AND
QUALITY. I'D LIKE TO SAY
THAT WE'VE NOT MADE
MONEY, WE'VE EARNED
RESPECT AS A COMPANY.
WHEREVER WE GO, WE GET
RESPECT, BECAUSE WE'VE
GIVEN THE COMPANY ALL
THE WELLBEING IT HAS.



Mr. Rajan Nanda

October 15, 1942 - August 5, 2018

THE LEGACY LIVES ON

We, at Escorts, are committed to strengthen the vision and ideals of our late Chairman and Managing Director, Mr. Rajan Nanda, who has left behind a stellar trail of corporate excellence. He touched the lives of millions of people as an industrialist, nationalist and a committed philanthropist.

Mr. HP Nanda founded the Escorts Group, after migrating from Lahore to New Delhi during Partition. As the pioneer of farm mechanisation in India, Mr. HP Nanda dedicated his entire life to the wellbeing and prosperity of farmers. Mr. Rajan Nanda joined Escorts in 1965 at the age of 23. He helped steer Escorts through many upheavals, in step with India's gradual progress towards a globally integrated and a liberalised economy.

Taking over the mantle of Chairmanship in 1994, Mr. Nanda was instrumental in chartering the growth of Escorts as a leading agricultural and infrastructure solutions company with world-class manufacturing excellence.

Like his illustrious father, Mr. Rajan Nanda believed in empowering India with the latest in innovation and ingenuity to help eradicate human drudgery through technology-driven agriculture and infrastructure. Under his leadership, Escorts has successfully navigated unprecedented challenges and grown consistently in capabilities, influence, technological advances and response to customer requirements. He always believed in making Escorts customer's best companion for respective products and solutions.

Mr. Nanda was also a very active member of several apex industry bodies and played a critical role in various policy frameworks and trade relations with multiple countries. His opinion and recommendations across agriculture and infrastructure were highly valued across segments and gained respect across sections of the industry.

Mr. Nanda also helped shape a culture that encourages and supports superlative performance, teamwork, knowledge-sharing, and leadership. He was the principal architect in setting up the state-of-the-art R&D facility for Escorts at Faridabad, which today serves as the bedrock for innovation and new product development for global exports. Known as the Knowledge Management Centre, the facility is supported by hundreds of engineers who are engaged in creating innovative technology solutions for the discerning needs of customers.

The grand arc of his vision extended far beyond business priorities. He firmly believed that businesses must play a pivotal role in social engineering and uplift. This conviction encouraged him to proactively pursue the cause of education, healthcare and other community initiatives.

Although he is no longer among us, his legacy lives on. Every member of the Escorts family will continue to be guided and inspired by Mr. Rajan Nanda's sound philosophy of corporate governance, acumen and value-driven management practices.

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For further information,
log on to www.escortsgroup.com

KEY HIGHLIGHTS OF THE YEAR

Revenue (₹ in crores)

5,016.0 ↑ 20.4%

EBITDA (₹ in crores)

557.2 ↑ 72.1%

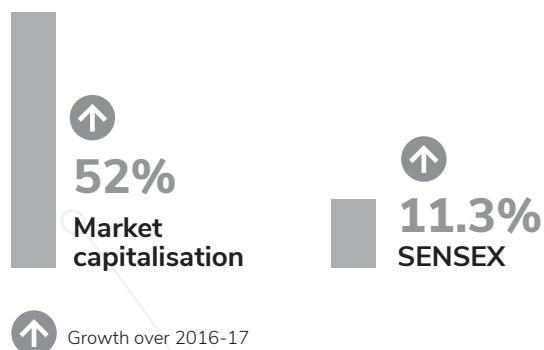
Earnings per share (₹)

28.8 ↑ 114.8%

Net profit (₹ in crores)

344.7 ↑ 114.9%

Comparison of growth in market
capitalisation vis-à-vis SENSEX



EQUITY SHARE INFORMATION

Proposed dividend
₹2.0 per share
(Face value: ₹10 per share)
Promoters holding
40%

NSE
ESCORTSEQ
BSE
500495

WE

- are reimagining our business in line with the changing times on the strength of our innovation and foresight.
- are using our know-how and technologies to equip farmers and make agriculture contribute more to the national GDP.
- are participating in nation-building and helping India's infrastructure stand out globally.
- are facilitating safety, comfort and reliability for millions of railway passengers in India every day.
- are developing global capabilities to make our customers future-ready across geographies.

Our customers are at the centre of our universe and helping them build a better world motivates us every day. Through a strategic focus on operational excellence and expanded product offerings and services, we are moving in step with their aspirations, in India and large parts of the world.

Our market insight enables us to deliver on the expectations of customers and stakeholders.

And create impact that is extensive, enduring and empowering for all.

COMPANY AT A GLANCE

INTRODUCING ESCORTS

Escorts Limited (Escorts) manufactures best-in-class equipment for agriculture, infrastructure and railway for national and international markets.

We are committed to transforming lives by designing future-ready solutions, leveraging the power of technology and imagination. More than 1.5 million tractors and 65,000+ construction equipment across the world reflect our commitment to societal progress and human well-being.

For over seven decades, we have been partnering India's journey towards economic prosperity and inclusive growth, with focus on empowerment from the grassroots.

Across three core businesses in which we operate, we aspire to bring the best that the world has to offer to India and take India's best capabilities to the world.



Our Vision

Escorts' vision is to be among the top engineering companies in India. We shall achieve this goal by being the preferred solution provider to the needs of our customers; by practising respectful and ethical business practices; by being the employer of choice within the engineering industry; and by providing superior returns to our investors.



Our Core Values

Our Core Values define who we want to be. These are to be upheld at all times and embedded into the DNA of the organisation.

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

Our Strategic Values define how we will achieve the envisioned future. These must be embedded into our manner of thinking and ways of work.

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 customers' needs.

Agility

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

Our Business Divisions

1

Escorts Agri Machinery (EAM)



We are one of India's foremost tractor manufacturers, offering more than 225 variants (12 to 75 HP) in the domestic market under three marquee brands, Farmtrac, Powertrac and Steeltrac; our comprehensive range addresses the widest of industry preferences. Additionally, EAM offers crop solutions, engines, spare parts and lubricants, SHIP (Sprayers, Harvesters, Implements and Planters) and gensets.

For more information see **page 22**

2

Escorts Construction Equipment (ECE)



We are a dominant player in material handling, earth moving and road construction segments of construction equipment. The Company is among the world's largest manufacturers of Pick and Carry (PnC) hydraulic mobile cranes.

For more information see **page 26**

3

Railway Equipment Division (RED)

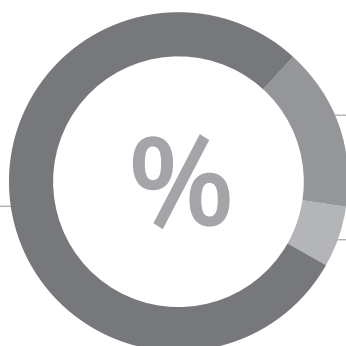


We manufacture advanced components for Indian Railways, anchored around safety, comfort and reliability. These include brake systems, couplers, suspension systems, shock absorbers and rail fastening systems, among others.

For more information see **page 30**

78.7

Revenue contribution in FY 2017-18



15.6

5.7



Manufacturing Facilities

Escorts Agri Machinery (EAM)

INDIA

3

Plants in Faridabad, Haryana, spread over 2,96,836 sq. m.

1,00,000

Tractors annual production capacity

POLAND

1

Plant with an installed annual capacity of 2,500 tractors

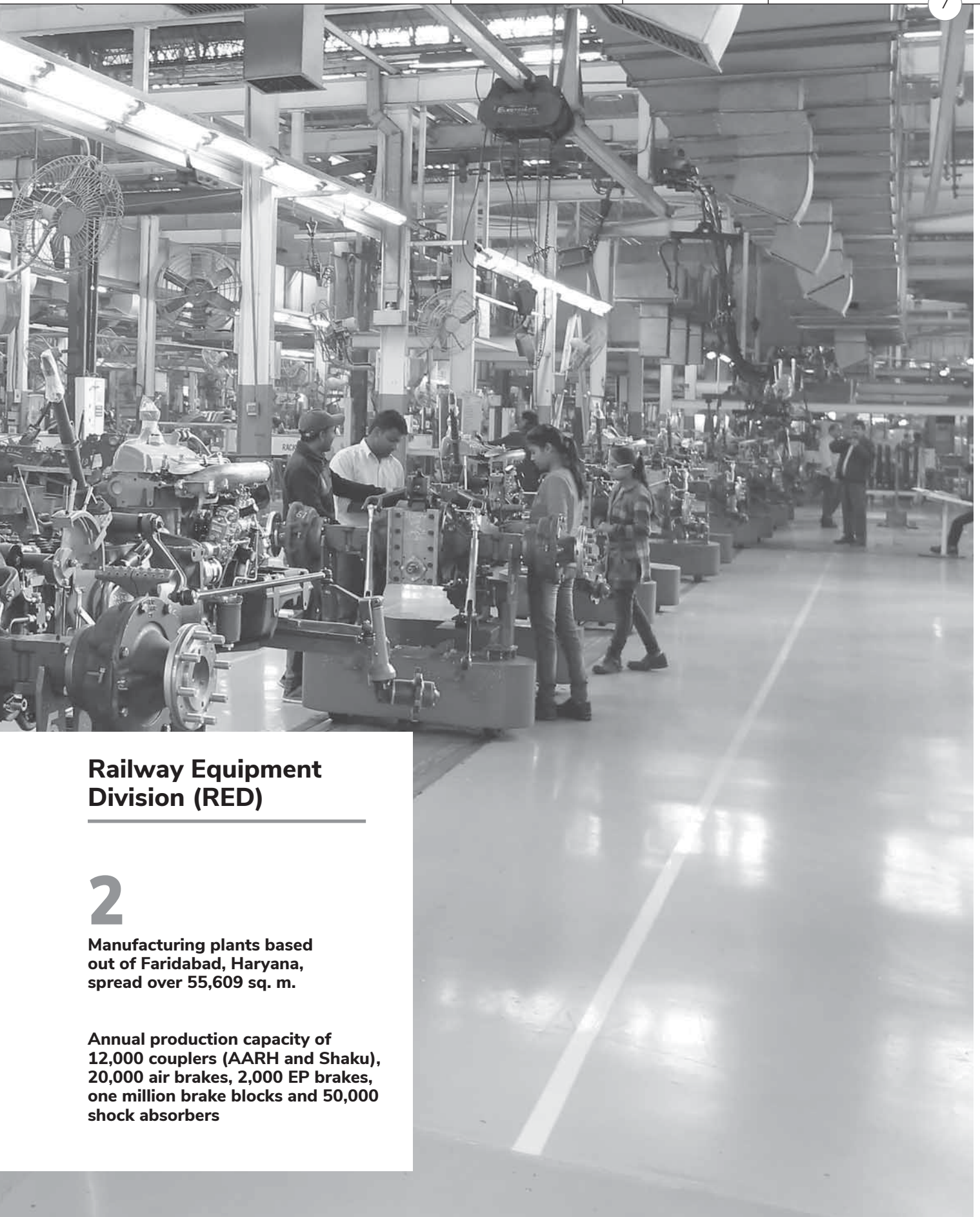
Escorts Construction Equipment (ECE)

1

Manufacturing and assembly plant in Faridabad, Haryana, spread over 60,702 sq. m.

10,000

Units annual capacity



Railway Equipment Division (RED)

2

Manufacturing plants based out of Faridabad, Haryana, spread over 55,609 sq. m.

Annual production capacity of 12,000 couplers (AARH and Shaku), 20,000 air brakes, 2,000 EP brakes, one million brake blocks and 50,000 shock absorbers

BUSINESS HIGHLIGHTS OF THE YEAR

OPERATIONAL CANVAS



Escorts Agri Machinery (EAM)

Escorts, on an occasion marked as 'International Day', launched an expanded global portfolio, in the 22-90 HP range, under the flagship brands Farmtrac and Powertrac. The day also marked the launch of 'ESCLUSIVE', a platform for introducing innovative products and solutions that the Company has pledged to unveil every year.

At the 2017 edition of the world's biggest trade fair for agricultural technology, Agritechnica, Escorts launched India's

first electric and hydrostatic concept tractor, Farmtrac 26E. Held biennially in Hanover, Germany, the event saw the Company highlight the New Escorts Tractor Series (NETS) that is fully compliant with the tier-4 emission norms of Europe and USA.

A revolutionary addition to the Escorts' 21-30 HP compact tractor segment is the Farmtrac Atom. Feature-rich, compact and stylish, the tractor is designed for every type of orchard farming. It is ideal for all applications, including high-end sprayers, rotavators and haulage. Its low-turning radius and best-in-class cooling system gives it a clear edge over competition.

Farmtrac F20 is India's first double-HP tractor that offers 100% power on full load and bigger savings on ideal load. The F20 technology not only enables farmers to save up to 20% of fuel, but also improves the life of their machine by optimising load handling.

Launched India's first electric and hydrostatic concept tractor, Farmtrac 26E.