



Escorts Kubota Limited

November 4, 2022

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

BSE - 500495

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

NSE - ESCORTS

Subject: Outcome of the Board Meeting of Escorts Kubota Limited pursuant to Regulation 30 and Unaudited Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Dear Sir/ Madam,

Pursuant to Regulations 30 and 33 of the SEBI Listing Regulations, please note that the Board in its meeting held today i.e. November 4, 2022 has approved, inter-alia, the Unaudited Financial Results (Standalone and Consolidated) for the quarter and Half Year ended September 30, 2022 and Limited Review Report thereon.

Please find enclosed herewith the following:

1. Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2022
2. Limited Review Report
3. Press Release
4. Earning Presentation

We further wish to inform you that the Board Meeting held today commenced at 12:00 Noon and concluded at 2:45 PM.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **Escorts Kubota Limited**

Satyendra Chauhan

Company Secretary and Compliance Officer

Encl.: As above

Note: The Equity Shares of the Company were listed on the Delhi Stock Exchange Limited (DSE). However, DSE has been de-recognised and allowed to exit as a stock exchange by SEBI by way of SEBI's Order No. WTM/ SR/ SEBI/ MRD-DSA/ 04/ 01/ 2017 dated 23 January 2017. For avoidance of doubt, the securities of the Company are not listed on DSE owing to DSE having been de-recognised by SEBI.

ESCORTS KUBOTA LIMITED
(Formerly Escorts Limited)

Registered Office: 15/5, Mathura Road, Faridabad 121 003, India

Tel.: +91-129-2250222

E-mail: escortsgroup@escorts.co.in Website: www.escortsgroup.com

Corporate Identification Number L74899HR1944PLC039088



Escorts Kubota Limited (Formerly Escorts Limited)

Statement of Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2022

Particulars	Standalone results					₹ in Crores
	3 Months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the six months ended		For the year ended
	30-09-2022	30-06-2022	30-09-2021	30-09-2022	30-09-2021	31-03-2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income						
Revenue from operations	1,883.48	2,014.85	1,678.81	3,898.33	3,355.83	7,196.90
Other income	77.56	35.44	47.31	113.00	89.00	168.80
Total income	1,961.04	2,050.29	1,726.12	4,011.33	3,444.83	7,365.70
Expenses						
Cost of materials consumed	1,434.94	1,429.06	1,314.40	2,864.00	2,429.25	4,492.43
Purchases of stock-in-trade	121.63	125.84	140.80	247.47	254.21	508.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(192.77)	(100.29)	(348.99)	(293.06)	(436.19)	(68.37)
Employee benefits expense	148.86	136.90	139.59	285.76	276.70	528.27
Finance costs	2.28	2.59	3.61	4.87	6.56	12.70
Depreciation & amortisation expense	36.48	36.37	32.91	72.85	64.27	129.75
Other expenses	218.16	221.74	206.36	439.90	366.45	740.30
Total expenses	1,769.58	1,852.21	1,488.68	3,621.79	2,961.25	6,343.82
Profit before exceptional items and taxes	191.46	198.08	237.44	389.54	483.58	1,021.88
Exceptional items (refer note 2)	(72.76)	-	-	(72.76)	-	-
Profit before tax	118.70	198.08	237.44	316.78	483.58	1,021.88
Tax expense						
Current tax	43.06	49.18	58.60	92.24	121.13	242.00
Deferred tax charge /(credit) (refer note 6)	(12.02)	1.45	2.12	(10.57)	0.53	14.27
Total tax expense	31.04	50.63	60.72	81.67	121.66	256.27
Net profit for the period	87.66	147.45	176.72	235.11	361.92	765.61
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Net changes in fair values of equity instruments carried at fair value through other comprehensive income	0.19	0.20	0.11	0.39	0.21	0.24
Re-measurements of defined employee benefit plans	(1.40)	2.44	(2.47)	1.04	(3.32)	2.56
Income tax relating to items that will not be reclassified to profit or loss	0.33	(0.64)	0.61	(0.31)	0.81	(0.67)
Total other comprehensive income	(0.88)	2.00	(1.75)	1.12	(2.30)	2.13
Total comprehensive income	86.78	149.45	174.97	236.23	359.62	767.74
Earnings per share of ₹ 10 each :						
	Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	
a) Basic (₹)	6.76	11.38	13.39	18.14	27.42	58.91
b) Diluted (₹)	6.75	11.37	13.37	18.12	27.38	58.71
Paidup equity share capital, equity share of ₹ 10 each	131.94	131.94	134.83	131.94	134.83	131.94
Other equity						7,746.24



Escorts Kubota Limited (Formerly Escorts Limited)
Statement of assets and liabilities

₹ in Crores

Particulars	Standalone	
	Unaudited	Audited
	As at	As at
	30-09-2022	31-03-2022
ASSETS		
1 Non-current assets		
a) Property, plant and equipment	1,689.37	1,692.24
b) Capital work-in-progress	64.98	56.34
c) Investment property	80.58	82.60
d) Right-of-use assets	30.86	34.64
e) Other Intangible assets	24.68	22.70
f) Intangible assets under development	35.30	31.45
g) Financial assets		
(i) Investments	2,978.43	548.85
(ii) Other financial assets	16.46	16.55
h) Income tax assets (net)	8.69	8.69
i) Other non-current assets	92.49	87.87
Total non-current assets	5,021.84	2,581.93
2 Current assets		
a) Inventories	1,311.28	803.57
b) Financial assets		
(i) Investments	1,790.88	4,584.60
(ii) Trade receivables	1,053.41	827.56
(iii) Cash and cash equivalents	97.88	82.83
(iv) Bank balances other than (iii) above	186.51	175.63
(v) Other financial assets	28.96	25.52
c) Other current assets	391.16	281.10
Total current assets	4,860.08	6,780.81
3 Assets held for sale	17.55	9.00
Total assets	9,899.47	9,371.74
EQUITY AND LIABILITIES		
1 Equity		
a) Equity share capital	131.94	131.94
b) Other equity	7,919.76	7,746.24
Total equity	8,051.70	7,878.18
2 Non-current liabilities		
a) Financial liabilities		
(i) Lease liabilities	37.89	41.34
(ii) Other financial liabilities	25.94	26.72
b) Provisions	39.82	42.03
c) Deferred tax liabilities (net)	27.65	37.91
d) Other non-current liabilities	7.69	8.52
Total non-current liabilities	138.99	156.52
3 Current liabilities		
a) Financial liabilities		
(i) Lease liabilities	10.77	10.59
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	117.70	71.75
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,157.99	805.90
(iii) Other financial liabilities	91.27	93.93
b) Other current liabilities	197.04	235.16
c) Provisions	100.93	97.17
d) Current tax liabilities (net)	33.08	22.54
Total current liabilities	1,708.78	1,337.04
Total equity and liabilities	9,899.47	9,371.74

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Escorts Kubota Limited (Formerly Escorts Limited)

Unaudited Standalone Cash Flow Statement for the six months ended September 30, 2022

₹ in Crores

Particulars	Six months ended	
	30-09-2022	30-09-2021
A Cash flow from operating activities		
Profit before tax	316.78	483.58
Adjustments for:		
Depreciation and amortisation expense	72.85	64.27
Provisions written back net of provisions recognised	8.81	(15.05)
Provision for diminution on investment in Joint Venture	72.76	-
Finance costs (other than finance and bank charges)	3.61	5.03
Interest income	(76.81)	(43.65)
Gain on disposal of property, plant and equipment (net)	(1.39)	(2.25)
Gain on fair valuation and sale of investments carried at fair value through profit or loss (net)	(25.64)	(56.51)
Share based payment to employees	2.24	5.74
Unrealised foreign exchange (gain)/loss	(3.16)	(0.42)
Operating profit before working capital changes	370.05	440.74
Movement in working capital		
Inventories	(507.71)	(550.02)
Trade receivables	(237.17)	(165.86)
Other financial assets	(3.36)	3.42
Other assets	(110.01)	(120.70)
Trade payables	401.46	23.90
Other financial liabilities	7.93	(33.42)
Other liabilities	(38.95)	(9.49)
Cash generated from operating activities post working capital changes	(117.76)	(411.43)
Income tax paid (net)	(83.68)	(104.51)
Net cash generated from operating activities (A)	(201.44)	(515.94)
B Cash flows from investing activities		
Purchase of property, plant and equipment (including capital advances)	(89.67)	(77.41)
Sale of property, plant and equipment	3.22	3.56
Purchase of intangible assets	(10.82)	(3.81)
Purchase of investment property	(0.02)	(7.29)
Proceeds from sale of assets held for sale	-	12.40
Investment in subsidiary and joint venture	-	(19.15)
Sale/(Purchase) of other non current investments	(219.44)	25.84
Purchase of current investments (net)	608.82	(415.66)
Bank deposits (having original maturity of more than 3 months)	(11.06)	957.49
Margin/bank deposits	-	(0.25)
Interest received	5.32	70.30
Net cash used from investing activities (B)	286.35	546.02
C Cash flows from financing activities		
Proceeds from shares(including ESOPs) issued	12.72	10.71
Repayment of lease liabilities	(3.28)	(2.84)
Interest paid	(3.61)	(4.21)
Dividend paid	(75.69)	(73.73)
Net cash generated in financing activities (C)	(69.86)	(70.07)
Increase/(decrease) in cash and cash equivalents (A+B+C)	15.05	(39.99)
Cash and cash equivalents at the beginning of the period	82.83	100.50
Exchange difference on translation of foreign currency cash and cash equivalents	-	(0.02)
Cash and cash equivalents at the end of the period	97.88	60.49

11



Escorts Kubota Limited (Formerly Escorts Limited)

Segment wise revenue, results and capital employed for the quarter and six months ended September 30, 2022

₹ in Crores

Sl. No.	Particulars	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
		30-09-2022	30-06-2022	30-09-2021	30-09-2022	30-09-2021	31-03-2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment revenue:						
	a) Agri machinery products	1,454.86	1,595.76	1,256.97	3,050.62	2,673.68	5,563.74
	b) Construction equipments	241.89	246.14	249.72	488.03	390.79	986.79
	c) Railway equipments	182.01	173.35	170.16	355.36	289.56	636.21
	d) Unallocated	4.72	(0.40)	1.96	4.32	1.80	10.16
	Total	1,883.48	2,014.85	1,678.81	3,898.33	3,355.83	7,196.90
	Less: Inter segment revenue	-	-	-	-	-	-
	Net segment revenue	1,883.48	2,014.85	1,678.81	3,898.33	3,355.83	7,196.90
2	Segment results:						
	a) Agri machinery products	121.78	168.52	186.89	290.30	406.74	855.98
	b) Construction equipments	(6.32)	2.44	8.95	(3.88)	5.66	23.87
	c) Railway equipments	26.64	23.49	29.37	50.13	46.77	94.32
	Total	142.10	194.45	225.21	336.55	459.17	974.17
	Less :						
	- Finance costs	2.28	2.59	3.61	4.87	6.56	12.70
	- Exceptional items (refer note 2)	72.76	-	-	72.76	-	-
	- Other unallocable expenditure (Net of unallocable income)	(51.64)	(6.22)	(15.84)	(57.86)	(30.97)	(60.41)
	Total profit before tax	118.70	198.08	237.44	316.78	483.58	1,021.88
3	Segment assets						
	a) Agri machinery products	3,738.22	3,276.71	3,483.68	3,738.22	3,483.68	3,009.91
	b) Construction equipments	336.34	332.79	375.76	336.34	375.76	376.49
	c) Railway equipments	535.25	407.44	259.68	535.25	259.68	374.77
	d) Auto ancillary products (discontinued operation)	0.12	0.12	0.68	0.12	0.68	0.55
	e) Unallocated	5,289.54	5,942.92	3,382.51	5,289.54	3,382.51	5,610.02
	Total	9,899.47	9,959.98	7,502.31	9,899.47	7,502.31	9,371.74
4	Segment liabilities						
	a) Agri machinery products	1,268.06	1,363.70	1,296.23	1,268.06	1,296.23	947.78
	b) Construction equipments	224.91	207.58	224.87	224.91	224.87	236.18
	c) Railway equipments	136.81	122.14	94.13	136.81	94.13	92.85
	d) Auto ancillary products (discontinued operation)	5.15	5.15	6.82	5.15	6.82	6.83
	e) Unallocated	212.84	231.99	187.69	212.84	187.69	209.92
	Total	1,847.77	1,930.56	1,809.74	1,847.77	1,809.74	1,493.56

Notes :

- The above Standalone financial results for the quarter ended September 30, 2022 were reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on November 4, 2022.
- The Board of Directors at its meeting held on November 4, 2022, has approved sale of 7,27,65,000 equity shares constituting 49% stake held by the Company in Tadano Escorts India Private Limited (TEIPL), a joint venture between the Company and Tadano Limited, Japan (Tadano), to Tadano. A Share Purchase Agreement (SPA) to sell the aforesaid equity shares at a fair value of ₹ 0.01 Crores is being executed on November 4, 2022 and the shares will be transferred to Tadano on November 9, 2022 or such other extended date as may be mutually agreed between the Parties. An amount equivalent to ₹ 72.76 Crores, being, the excess of carrying value of the investment over the aforesaid consideration has been provided for in the books and disclosed as exceptional item and the carrying value net of impairment loss has been classified as non-current assets held for sale. Post the execution of the SPA and other related activities, the Joint Venture with Tadano will come to an end.
- The Board of the Directors of the Company on February 18, 2022 had approved a draft Scheme for Selective Capital Reduction ("Scheme"), under Section 66, Section 52 and other applicable provisions of the Companies Act, 2013, read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("NCLT Rules"). The Scheme provides for selective reduction of the share capital of the Company by cancelling and extinguishing 2,14,42,343 Equity Shares, held by the Escorts Benefit and Welfare Trust. The scheme has been cleared by the stock exchanges vide their no observation letters dated June 29, 2022 and has been approved by the shareholders on August 5, 2022. Subsequently, the Scheme has been filed with the NCLT, Chandigarh, on August 14, 2022 and the approval is awaited.
- The Board of the Directors of the Company on September 15, 2022 had approved a Scheme for Amalgamation ("Scheme"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and rules framed thereunder. The Scheme, inter alia, provides for amalgamation of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited (Amalgamating Companies) into and with Escorts Kubota Limited (Amalgamated Company). The Scheme is subject to approvals of requisite majorities of the shareholders, creditors of the Companies and regulatory authorities as may be required, including those of the National Stock Exchange of India Limited, BSE Limited, SEBI and the National Company Law Tribunal, Chandigarh bench. Pending approval of the scheme, no impact thereof has been considered in these financial results.
- The Board of Directors, at its meeting held on November 4, 2022, has approved a Business Transfer agreement for purchase of Rough Terrain (RT) Crane Business and the associated equipment and parts (including spare parts) from TEIPL at a negotiated lumpsum cash consideration of ₹ 16.59 Crores on a slump sale basis. The said agreement is being executed on November 4, 2022 pursuant to which the related assets and liabilities of the RT crane business including certain other assets will be transferred to the Company.
- Deferred tax charge/(credit) for the quarter and six months ended September 30, 2022 includes deferred tax credit of ₹ 18.31 Crores related to exceptional item.
- Previous period figures have been re-grouped/ reclassified wherever necessary, to conform to current period's classification.

Place : Faridabad
Date : 04-11-2022



For Escorts Kubota Limited

Nikhil Nanda
(Chairman and Managing Director)

Escorts Kubota Limited (Formerly Escorts Limited)
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E-mail: corpsect@ndb.vsnl.net.in, Website: www.escortsgroup.com
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CIN - L74899HR1944PLC039088

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of Escorts Kubota Limited (formerly Escorts Limited) pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Escorts Kubota Limited (formerly Escorts Limited)

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Escorts Kubota Limited ('the Company') for the quarter ended 30 September 2022 and the year to date results for the period 1 April 2022 to 30 September 2022, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulation').
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Dehradun, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Ashish Gupta

Partner

Membership No.: 504662

UDIN: 22504662BCABXZ3812



Place: Mumbai

Date: 4 November 2022



Escorts Kubota Limited (Formerly Escorts Limited)

Statement of Consolidated Unaudited Financial Results for the quarter and six months ended September 30, 2022

Particulars	Consolidated 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
	30-09-2022	30-06-2022	30-09-2021	30-09-2022	30-09-2021	31-03-2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	₹ in Crores					
Income						
Revenue from operations	1,890.80	2,032.06	1,690.40	3,922.86	3,397.72	7,282.65
Other income	78.05	35.52	48.96	113.57	92.25	173.80
Total income	1,968.85	2,067.58	1,739.36	4,036.43	3,489.97	7,456.45
Expenses						
Cost of materials consumed	1,439.37	1,435.89	1,314.43	2,875.26	2,443.59	4,534.63
Purchases of stock-in-trade	122.59	126.25	142.51	248.84	256.36	510.82
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(193.68)	(99.77)	(347.72)	(293.45)	(431.19)	(66.94)
Employee benefits expense	151.57	139.69	142.72	291.26	282.85	541.90
Finance costs	2.96	3.20	4.10	6.16	7.58	14.97
Depreciation and amortisation expense	36.90	36.82	33.49	73.72	65.44	132.06
Other expenses	221.53	226.39	211.65	447.92	377.37	766.83
Total expenses	1,781.24	1,868.47	1,501.18	3,649.71	3,002.00	6,434.27
Profit before share of net profit of investment accounted for using the equity method and tax	187.61	199.11	238.18	386.72	487.97	1,022.18
Share of loss of investments accounted for using equity method	(4.75)	(7.57)	(3.83)	(12.32)	(14.22)	(29.35)
Profit before taxes	182.86	191.54	234.35	374.40	473.75	992.83
Exceptional items (refer note 2)	(53.05)	-	-	(53.05)	-	-
Profit before tax	129.81	191.54	234.35	321.35	473.75	992.83
Tax expense						
Current tax	43.10	49.18	58.70	92.28	121.68	242.81
Deferred tax charge / (credit) (refer note 6)	(12.09)	1.77	2.18	(10.32)	0.15	14.41
Total tax expense	31.01	50.95	60.88	81.96	121.83	257.22
Net profit for the period	98.80	140.59	173.47	239.39	351.92	735.61
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Net changes in fair values of equity instruments carried at fair value through other comprehensive income	0.19	0.20	0.11	0.39	0.21	0.24
Re-measurements of defined employee benefit plans	(1.40)	2.44	(2.47)	1.04	(3.32)	2.58
Income tax relating to items that will not be reclassified to profit or loss	0.33	(0.64)	0.61	(0.31)	0.81	(0.67)
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	(0.35)	(0.14)	(0.14)	(0.49)	0.02	(0.07)
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total other comprehensive income	(1.23)	1.86	(1.89)	0.63	(2.28)	2.08
Total comprehensive income	97.57	142.45	171.58	240.02	349.64	737.69
Profit attributable to:						
a) Owners of the parent	98.83	140.64	173.17	239.47	351.36	736.47
b) Non-controlling interests	(0.03)	(0.05)	0.30	(0.08)	0.56	(0.86)
Other comprehensive income attributable to:						
a) Owners of the parent	(1.23)	1.86	(1.89)	0.63	(2.28)	2.08
b) Non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to:						
a) Owners of the parent	97.60	142.50	171.28	240.10	349.08	738.55
b) Non-controlling interests	(0.03)	(0.05)	0.30	(0.08)	0.56	(0.86)
Earnings per share of ₹ 10 each :	Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	
a) Basic (₹)	9.14	13.01	17.62	22.14	35.75	74.06
b) Diluted (₹)	9.12	12.99	17.59	22.11	35.69	73.73
Paid up equity share capital, equity share of ₹ 10 each	131.94	131.94	134.83	131.94	134.83	131.94
Other equity						7,467.96



Escorts Kubota Limited (Formerly Escorts Limited)
Statement of assets and liabilities

₹ in Crores

Particulars	Consolidated	
	As at 30-09-2022	As at 31-03-2022
	Unaudited	Audited
ASSETS		
1 Non-current assets		
a) Property, plant and equipment	1,695.55	1,699.99
b) Capital work-in-progress	64.98	56.34
c) Investment property	80.58	82.60
d) Right-of-use assets	30.87	34.65
e) Intangible assets	25.58	23.81
f) Intangible assets under development	35.30	31.46
g) Investments accounted for using equity method	182.00	247.38
h) Financial assets		
(i) Investments	2,503.32	0.96
(ii) Other financial assets	16.98	17.06
i) Income tax assets (net)	9.35	9.39
j) Other non-current assets	92.49	87.87
Total non-current assets	4,737.00	2,291.51
2 Current assets		
a) Inventories	1,365.97	846.56
b) Financial assets		
(i) Investments	1,791.03	4,587.50
(ii) Trade receivables	1,013.73	792.62
(iii) Cash and cash equivalents	101.69	91.51
(iv) Bank balances other than (iii) above	190.79	180.33
(v) Other financial assets	28.71	25.24
c) Other current assets	392.64	283.47
Total current assets	4,884.56	6,807.23
3 Assets held for sale	17.55	9.00
Total assets	9,639.11	9,107.74
EQUITY AND LIABILITIES		
1 Equity		
a) Equity share capital	131.94	131.94
b) Other equity	7,645.36	7,467.96
	7,777.30	7,599.90
Non-controlling interest	(3.83)	(3.75)
Total equity	7,773.47	7,596.15
2 Non-current liabilities		
a) Financial liabilities		
(i) Lease liabilities	37.89	41.35
(ii) Other financial liabilities	25.94	26.72
b) Provisions	40.05	42.27
c) Deferred tax liabilities (net)	27.26	37.27
d) Other non-current liabilities	7.69	8.52
Total non-current liabilities	138.83	156.13
3 Current liabilities		
a) Financial liabilities		
(i) Lease liabilities	10.77	10.60
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	117.70	71.75
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,174.78	822.00
(iii) Other financial liabilities	91.43	94.01
b) Other current liabilities	197.50	236.50
c) Provisions	101.43	97.96
d) Current tax liabilities (net)	33.20	22.64
Total current liabilities	1,726.81	1,355.46
Total equity and liabilities	9,639.11	9,107.74



Escorts Kubota Limited (Formerly Escorts Limited)

Unaudited Consolidated Cash Flow Statement for the six months ended September 30, 2022

₹ in Crores

Particulars	Six months ended	
	30-09-2022	30-09-2021
A Cash flow from operating activities		
Profit before tax	321.35	473.75
Adjustments for:		
Depreciation and amortisation expense	73.72	65.44
Provisions recognised net of provisions written back	9.13	(14.87)
Finance costs (other than finance and bank charges)	4.87	5.91
Interest income	(76.91)	(44.66)
Share of loss of equity accounted investments	12.32	14.22
Gain on disposal of property, plant and equipment (net)	(1.39)	(2.26)
Gain on fair valuation and sale of investments carried at fair value through profit or loss (net)	(25.65)	(57.00)
Exceptional item (related to investing activities)	53.05	-
Share based payment to employees	2.24	5.74
Unrealised foreign exchange (gain)/loss	(3.12)	(1.80)
Operating profit before working capital changes	369.61	444.47
Movement in working capital		
Inventories	(519.40)	(542.26)
Trade receivables	(233.41)	(171.77)
Other financial assets	(3.62)	(4.15)
Other assets	(109.04)	(119.95)
Trade payables	402.20	27.81
Other financial liabilities	5.38	(39.59)
Other liabilities	(44.08)	(1.80)
Cash generated from operating activities post working capital changes	(132.36)	(407.24)
Income tax paid (net)	(83.66)	(104.89)
Net cash generated from operating activities (A)	(216.02)	(512.13)
B Cash flows from investing activities		
Purchase of property, plant and equipment (including capital advances)	(89.94)	(77.58)
Sale of property, plant and equipment	3.98	3.59
Purchase of intangible assets	(10.81)	(3.93)
Purchase of investment property	(0.02)	(7.29)
Proceeds from sale of assets held for sale including advances	-	12.40
Investment in joint ventures	-	(17.15)
Sale of other non current investments	(219.45)	25.78
Purchase of current investment (net)	611.59	(415.29)
Bank deposit (having original maturity of more than 3 months)	0.42	956.22
Margin/bank deposits	(5.21)	(0.25)
Interest received	5.42	71.31
Net cash used in investing activities (B)	295.98	547.81
C Cash flows from financing activities		
Proceeds from shares (including ESOPs) issued during the period	12.72	10.71
Repayment of long term borrowings	-	(1.72)
Repayment of lease liabilities	(3.29)	(2.84)
Repayment of short term borrowings (net)	-	(0.39)
Interest paid	(4.09)	(5.14)
Dividend and tax thereon paid	(75.68)	(73.73)
Net cash flow from financing activities (C)	(70.34)	(73.11)
Decrease in cash and cash equivalents (A+B+C)	9.62	(37.43)
Cash and cash equivalents at the beginning of the period	91.51	105.74
Movement in Cash and cash equivalent classified as asset held for sale	-	0.35
Exchange difference on translation of foreign currency cash and cash equivalents	0.56	(0.05)
Cash and cash equivalents at the end of the period	101.69	68.61



Escorts Kubota Limited (Formerly Escorts Limited)
Segment wise revenue, results and capital employed for the quarter and six months ended September 30, 2022

Sl. No.	Particulars	₹ in Crores					
		Consolidated					
		3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the six months ended		For the year ended
		30-09-2022	30-06-2022	30-09-2021	30-09-2022	30-09-2021	31-03-2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Segment revenue:						
	a) Agri machinery products	1,462.75	1,810.91	1,262.16	3,073.66	2,703.74	5,629.34
	b) Construction equipments	241.89	246.14	249.72	488.03	390.79	986.79
	c) Railway equipments	182.01	173.35	170.16	355.36	289.56	636.21
	d) Unallocated	5.58	3.48	10.85	9.06	16.12	37.79
	Total	1,892.23	2,033.88	1,692.89	3,926.11	3,400.21	7,290.13
	Less: Inter segment revenue	1.43	1.82	2.49	3.25	2.49	7.48
	Net segment revenue	1,890.80	2,032.06	1,690.40	3,922.86	3,397.72	7,282.65
2	Segment results:						
	a) Agri machinery products	122.11	171.38	186.90	293.49	410.22	859.55
	b) Construction equipments	(6.32)	2.44	8.95	(3.88)	5.66	23.87
	c) Railway equipments	26.64	23.49	29.37	50.13	46.77	94.32
	Total	142.43	197.31	225.22	339.74	462.65	977.74
	Less :						
	- Finance costs	2.96	3.20	4.10	6.16	7.58	14.97
	- Exceptional items (refer note 2)	53.05	-	-	53.05	-	-
	- Other unallocable expenditure (Net of unallocable income)	(43.39)	2.57	(13.23)	(40.82)	(18.68)	(30.06)
	Total profit before tax	129.81	191.54	234.35	321.35	473.75	992.83
3	Segment assets						
	a) Agri machinery products	3,755.25	3,299.04	3,488.40	3,755.25	3,488.40	3,025.15
	b) Construction equipments	336.34	332.79	375.76	336.34	375.76	376.49
	c) Railway equipments	535.25	407.44	259.68	535.25	259.68	374.77
	d) Auto ancillary products (discontinued operation)	0.12	0.12	0.68	0.12	0.68	0.55
	e) Unallocated	5,012.15	5,654.81	3,044.63	5,012.15	3,044.63	5,330.78
	Total	9,639.11	9,694.20	7,169.15	9,639.11	7,169.15	9,107.74
4	Segment liabilities						
	a) Agri machinery products	1,285.18	1,385.94	1,299.35	1,285.18	1,299.35	964.30
	b) Construction equipments	224.91	207.58	224.87	224.91	224.87	236.18
	c) Railway equipments	136.81	122.14	94.13	136.81	94.13	92.85
	d) Auto ancillary products (discontinued operation)	5.15	5.15	6.82	5.15	6.82	6.83
	e) Unallocated	213.59	233.03	228.60	213.59	228.60	211.43
	Total	1,865.64	1,953.84	1,853.77	1,865.64	1,853.77	1,511.59

Notes :

- The above consolidated financial results for the quarter and six months ended September 30, 2022 were reviewed by the Audit Committee and approved by the Board of Directors of the Company (or "Parent Company") in their respective meetings held on November 04, 2022.
- Subsequent to the in-principle approval of the Board of Directors of the Parent Company at its meeting held on September 15, 2022, to sell 7,27,65,000 equity shares constituting 49% stake held by the Company in Tadano Escorts India Private Limited (TEIPL), a joint venture (JV) between the Company and Tadano Limited, Japan (Tadano), to Tadano, the equity method accounting for the aforesaid JV stake has been discontinued, effective September 15, 2022. Further, the Board of Directors at its meeting held on November 4, 2022, has approved sale of the said equity shares to Tadano. A Share Purchase Agreement (SPA) to sell the aforesaid equity shares at a fair value of ₹ 0.01 Crores is being executed on November 4, 2022 and the shares will be transferred to Tadano on November 9, 2022 or such other extended date as may be mutually agreed between the Parties. An amount equivalent to ₹ 53.05 Crores, being, the excess of carrying value of the investment over the aforesaid consideration has been provided for in these consolidated results and disclosed as exceptional item and the carrying value net of impairment loss has been classified as non-current assets held for sale. Post the execution of the SPA and other related activities, the Joint Venture with Tadano will come to an end.
- The Board of the Directors of the Company on February 18, 2022 had approved a draft Scheme for Selective Capital Reduction ("Scheme"), under Section 66, Section 52 and other applicable provisions of the Companies Act, 2013, read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("NCLT Rules"). The Scheme provides for selective reduction of the share capital of the Company by cancelling and extinguishing 2,14,42,343 Equity Shares, held by the Escorts Benefit and Welfare Trust. The scheme has been cleared by the stock exchanges vide their no observation letters dated June 29, 2022 and has been approved by the shareholders on August 5, 2022. Subsequently, the Scheme has been filed with the NCLT, Chandigarh, on August 14, 2022 and the approval is awaited.
- The Board of the Directors of the Company on September 15, 2022 had approved a Scheme for Amalgamation ("Scheme"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and rules framed thereunder. The Scheme, inter alia, provides for amalgamation of Escorts Kubota India Private Limited and Kubota Agricultural Machinery India Private Limited (Amalgamating Companies) into and with Escorts Kubota Limited (Amalgamated Company). The Scheme is subject to approvals of requisite majorities of the shareholders, creditors of the Companies and regulatory authorities as may be required, including those of the National Stock Exchange of India Limited, BSE Limited, SEBI and the National Company Law Tribunal, Chandigarh bench. Pending approval of the scheme, no impact thereof has been considered in these financial results.
- The Board of Directors, at its meeting held on November 4, 2022, has approved a Business Transfer agreement for purchase of Rough Terrain (RT) Crane Business and the associated equipment and parts (including spare parts) from TEIPL at a negotiated lumpsum cash consideration of ₹ 16.59 Crores on a slump sale basis. The said agreement is being executed on November 4, 2022 pursuant to which the related assets and liabilities of the RT crane business including certain other assets will be transferred to the Company.
- Deferred tax charge/(credit) for the quarter and six months ended September 30, 2022 includes deferred tax credit of ₹ 18.31 Crores related to exceptional item.
- Previous period figures have been re-grouped/ reclassified wherever necessary, to conform to current period's classification.

Place : Faridabad
Date : 04/11/2022



For Escorts Kubota Limited

Nikhil Nanda
(Chairman and Managing Director)

Walker ChandioK & Co LLP

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of Escorts Kubota Limited (formerly Escorts Limited) pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Escorts Kubota Limited (formerly Escorts Limited)

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Escorts Kubota Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint ventures (refer Annexure 1 for the list of subsidiaries, associate and joint ventures included in the Statement) for the quarter ended 30 September 2022 and the consolidated year to date results for the period 1 April 2022 to 30 September 2022, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.



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4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of three subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 92.72 crores as at 30 September 2022, and total revenues of ₹ 39.15 crores and ₹ 77.91 crores, total net loss after tax of ₹ 0.92 crores and ₹ 1.37 crores, total comprehensive loss of ₹ 1.26 and ₹ 1.86 crores, for the quarter and six months period ended on 30 September 2022, respectively and cash outflows of ₹ 4.47 crores for the period ended 30 September 2022, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 4.31 crores and ₹ 11.19 crores and total comprehensive loss of ₹ 4.39 crores and ₹ 11.26 crores, for the quarter and six months period ended on 30 September 2022, as considered in the Statement, in respect of one associate and three joint ventures, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint ventures is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, of these subsidiaries, associate and joint ventures, one subsidiary is located outside India, whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective country and which have been reviewed by other auditors. The Holding Company's management has converted the financial results of such subsidiary from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the balances and affairs of this subsidiary is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

6. The Statement includes the interim financial results of two subsidiaries which have not been reviewed / audited by their auditors, whose interim financial results reflects total assets of ₹ 0.20 crores as at 30 September 2022, total revenues of 0.02 and ₹ 0.02 crores, net profit after tax of NIL and ₹ 0.02 crores, total comprehensive income of NIL and ₹ 0.02 crores for the quarter and six months period ended 30 September 2022 as considered in the Statement. The Statement also includes the Group's share of net profit/(loss) after tax of ₹ 0.53 and ₹ (0.20) crores and total comprehensive income/(loss) of ₹ 0.52 and ₹ (0.19) for the quarter and year-to-date period ended on 30 September 2022 respectively, in respect of one joint venture, based on their interim financial statements, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management.



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Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, are based solely on such unaudited interim financial statements. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

For Walker ChandioK & Co LLP

Chartered Accountants

Firm Registration No: 001076N / N500013



Ashish Gupta

Partner

Membership No. 504662

UDIN: 22504662BCABS7865



Place: Mumbai

Date: 4 November 2022

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Annexure 1

List of entities included in the Statement

Subsidiaries:

1. Farmtrac Tractors Europe Sp. Z.o.o.
2. Escorts Crop Solutions Limited
3. Escorts Finance Limited
4. Escorts Benefit and Welfare Trust
5. Escorts Benefit Trust

Associate:

1. Escorts Consumer Credit Limited

Joint ventures:

1. Adico Escorts Agri Equipment Private Limited
2. Tadano Escorts India Private Limited (till 15 September 2022)
3. Escorts Kubota India Private Limited
4. Kubota Agricultural Machinery India Private Limited





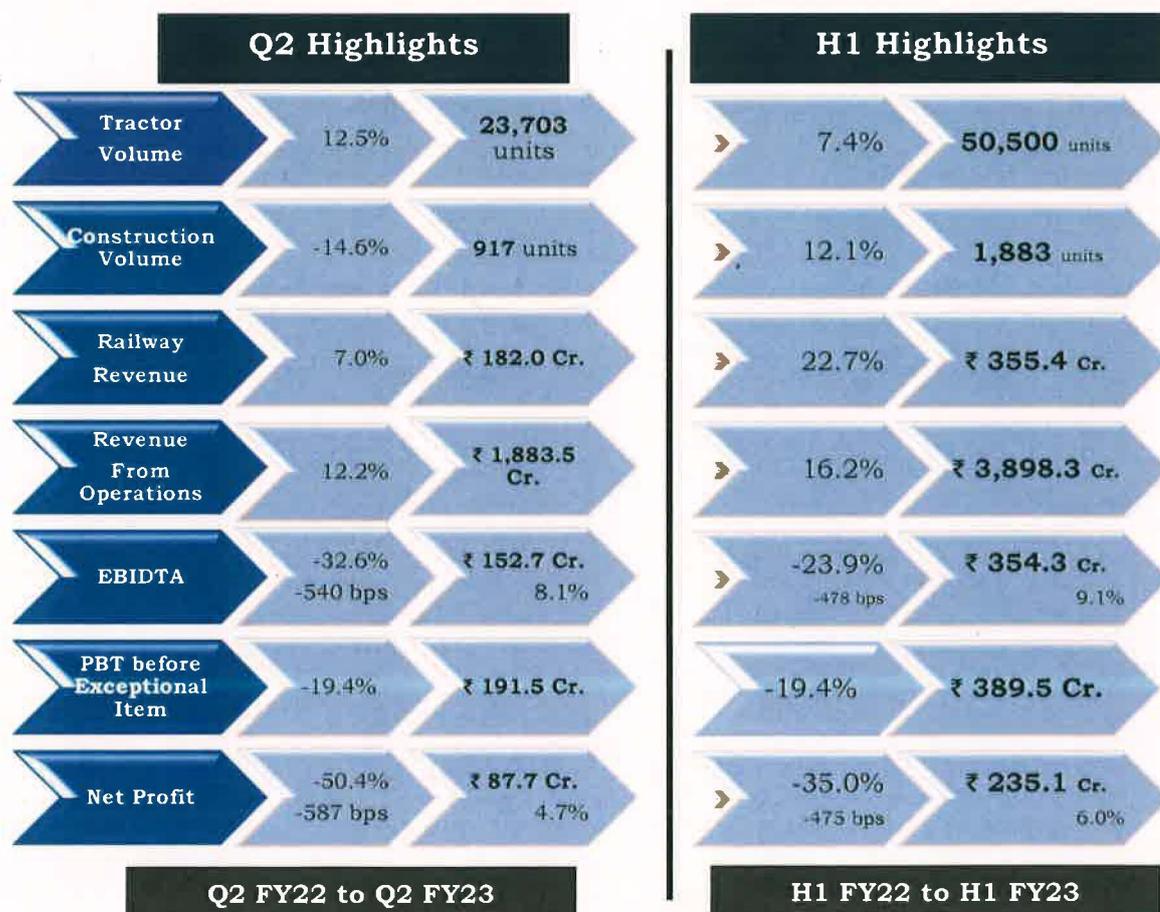
Escorts Kubota Limited

Escorts Kubota Limited Q2 Standalone Net Profit at ₹ 87.7 Crore.

Q2 Standalone Profit before exceptional items & Tax at ₹ 191.5 crore.

- **Tractor volumes up by 12.5% at 23,703 units**
 - Domestic tractor volume up by 12.9% at 21,396 units
 - Export tractor volumes up by 8.7% at 2,307 units, highest ever in any quarter
- **Construction Equipment volumes at 917 units**
- **Standalone EBIDTA at ₹ 152.7 crore**
- **Standalone Net Profit at ₹ 87.7 crore**

New Delhi, November 04, 2022: Escorts Kubota Limited today reported net profit of ₹ 87.7 crore in quarter ended September 30, 2022, as against a profit of ₹ 176.7 crore in corresponding quarter of the previous fiscal, adversely impacted due to unabsorbed inflation, both in commodity and other costs and an exceptional item of ₹ 72.8 crore on account of impairment of investment in the Joint Venture Tadano Escorts India Private Limited.



ESCORTS KUBOTA LIMITED
(Formerly Escorts Limited)

Registered Office: 15/5, Mathura Road, Faridabad 121 003, India
Tel.: +91-129-2250222

E-mail: escortsgroup@escorts.co.in Website: www.escortsgroup.com
Corporate Identification Number L74899HR1944PLC039088



Revenue from operations was at ₹ 1,883.5 crores in quarter ended September 2022 as against ₹ 1,678.8 cores in corresponding quarter of the previous fiscal. EBIDTA for the quarter ended September 30, 2022, came at ₹ 152.7 crore as against ₹ 226.7 crore in corresponding quarter of the previous fiscal.

Revenue from operations was at ₹ 3,898.3 crore in first half ended September 2022 as against ₹ 3,355.8 crore in the corresponding period last fiscal. The standalone profit before tax and before exceptional item of ₹ 72.8 crore is at ₹ 389.5 crore as against of ₹ 483.6 crore in the corresponding period last fiscal.

At consolidated level revenue from operations was at ₹ 3,922.9 crores as against ₹ 3,397.7 cores in first half year ending September 2021. Consolidated net profit recorded at ₹ 239.4 crore in first half ended September 30, 2022, as against a profit of ₹ 351.9 crore in corresponding period last fiscal, adversely impacted due to unabsorbed commodity price inflation coupled with an exceptional item of ₹ 53.1 crore on account of impairment of investment in the Joint Venture Tadano Escorts India Private Limited. EPS reported at ₹ 22.14 as against ₹ 35.75 in corresponding period last fiscal.

Speaking on the results, Chairman and Managing Director Mr. Nikhil Nanda said, “There has been a positive momentum across businesses, and we expect it to continue. Overall macroeconomic factors and farmer sentiments remain positive led by above normal monsoon and onset of an early festive season which will favorably support Agri business. With increasing flow of Government investments for infrastructure development, the demand for construction equipment is likely to be good. Our broad product line in railway business has been garnering good order booking and we expect a strong fiscal ahead. We also hope that various government actions will help in stabilizing inflation to support the economy at large, propelling country’s overall growth and development.”

As per Deputy Managing Director, Mr. Seiji Fukuoka, “With strategic focus and integrated strength of Escorts Kubota Limited, various initiatives will catapult overall business growth and bring in better operational efficiency. India is a growing economy, and we operate in core sectors of growth, thus there is immense opportunity to be leveraged across businesses. There has been a positive trend and we expect it to get stronger with innovative product line ahead.”

SEGMENT WISE PERFORMANCE

Agri Machinery Products

Tractor volumes at 23,703 units in quarter ended September 2022 went up by 12.5% as against 21,073 units in the corresponding period last fiscal. Segment revenue was at ₹ 1,454.9 crore in quarter ended September 2022 as against ₹ 1,257.0 crore in corresponding period last fiscal. This

A handwritten signature in blue ink, consisting of a stylized 'S' followed by a horizontal line and a vertical stroke.

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quarter steep inflation in commodities prices, resulted in lower EBIT margin at 8.4%, as compared to 14.9% in corresponding period last fiscal.

For first half of current fiscal, tractor volumes went up by 7.4% at 50,500 units as compared to 47,008 units in corresponding period last fiscal. Segment revenue also went up by 14.1% at ₹ 3,050.6 crore in half year ended September 2022 as against ₹ 2,673.7 crore in corresponding period last fiscal. EBIT margin for first half of fiscal came at 9.5% as compared to 15.2% in the corresponding period last fiscal.

Construction Equipment

Construction equipment sales volume for the quarter ended September 2022 was 917 machines as against 1,074 machines in corresponding period last fiscal. Segment revenues came at ₹ 241.9 crore in quarter ending September 2022 as against ₹ 249.7 crore in corresponding period last fiscal. EBIT margin stood at negative 2.6% as against 3.6% in corresponding period last fiscal.

For first half of current fiscal, construction equipment volumes were up by 12.1% at 1,883 units as compared to 1,680 units in corresponding period last fiscal. Segment revenue came at ₹ 488.0 crore in half year ended September 2022 as against ₹ 390.8 crore in corresponding period last fiscal. EBIT margin for first half of current fiscal was at negative 0.8% as against 1.4% in the corresponding period last fiscal.

Railway Products Division

Revenue for the second quarter came at ₹ 182.0 crore in quarter ending September 2022, our ever-highest quarterly revenue, up by 7.0% as against ₹ 170.2 crore in the corresponding quarter. EBIT margin stood at 14.6% in quarter ended September 2022 as against 17.3% in corresponding period last fiscal.

For first half of current fiscal railways products segment revenue came at ₹ 355.4 crore as against ₹ 289.6 crore in corresponding period last fiscal. EBIT margin for first half of current fiscal stood at 14.1% as compared to 16.2% in the corresponding period last fiscal.

Order book for the division, at end of September 2022, was more than ₹ 900 crore.

The reviewed accounts of the second quarter and First six months ended 30th September 2022 have been approved by the Board of Directors of Escorts Kubota Limited.

For further information, kindly contact:



Bharat Madan

President Finance, Group Chief Financial Officer & Corporate Head

E-mail: bharat.madan@escorts.co.in

ESCORTS KUBOTA LIMITED
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Corporate Identification Number L74899HR1944PLC039088



Escorts Kubota Limited

(Formerly Escorts Limited)

Q2 FY23 | EARNING PRESENTATION

4th November 2022

BSE: 500495 | NSE: ESCORTS



CONTENTS

01

**Company
Overview**

02

**Q2/H1 FY23
Standalone
Highlights**

03

**Credit Rating &
Debt Profile**

04

**Management
Message**

05

**Segment-wise
Performance**

06

**Shareholding
Pattern**

07

**Q2/H1 FY23
Consolidated
Highlights**

08

**Annexure &
Narrations**



Escorts Kubota Limited: Overview

(Formerly Escorts Limited)

Escorts Kubota Limited (EKL) A leading engineering conglomerate with a history of over seven decades, steering India's socio-economic growth through pioneering contribution in critical industrial sectors.

Three Business Divisions:

1. **Agri Machinery** - Tractors, Engine, Spare parts and Lubes
2. **Construction Equipment** - Material handing, Road compaction and Earth Moving Equipment.
3. **Railway Equipment** - Brake System, Couplers, Suspension System, Friction & rubber Products.

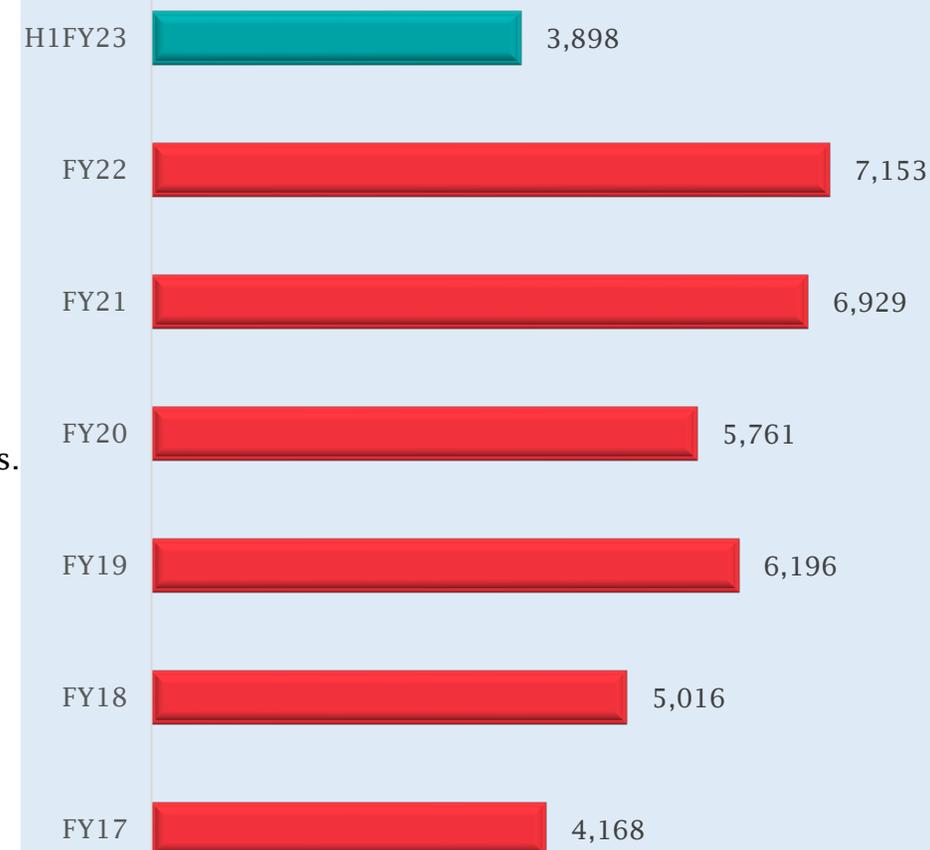
Headquartered In: Faridabad, Haryana, India

Manufacturing Facilities: 6 Plants* located in Faridabad, Haryana, India

Exchange Listing# : Listed on NSE and BSE

Market Capitalization: ~ Rs26,500 Crores (\$ 3.2 billion) as on 3rd November 2022

Standalone Revenue in ₹. Crore.



Q2FY23 YoY Highlights

Particulars	Industry Growth	EKL Growth	Variance
Domestic Tractor Volume	4.8%	12.9%	● 8.1%
Export Tractor Volume	-1.0%	8.7%	● 9.7%
Total Tractor Volume	4.0%	12.5%	● 8.5%
PNC Volume	1.4%	-3.6%	● -5.0%
BHL Volume	6.9%	-45.1%	● -52.0%
Compactor Volume	-37.3%	-40.9%	● -3.7%
Served Construction Equipment Volume*	1.7%	-14.0%	● -15.7%
Railway Segment Revenue		7.0%	

● Positive ● Neutral ● Negative



*Served Construction Equipment include- PNC Cranes, Backhoe loaders and Compactors

% rounded off to nearest single decimal

Q2FY23 YoY - P&L at a Glance

Particulars	Unit	Q2FY23	Q2FY22	Variance
Domestic Tractor Market Share	%	9.7%	9.0%	● 69 bps
Revenue from operations	₹ Cr.	1,883.5	1,678.8	● 12.2%
Material Cost	%	72.4	65.9	● 652 bps
Manpower Cost	%	7.9	8.3	● -41 bps
EBIDTA	₹ Cr.	152.7	226.7	● -32.6%
EBIDTA Margin	%	8.1	13.5	● -540 bps
PBT Before Exceptional Item	₹ Cr.	191.5	237.4	● -19.4%
PAT	₹ Cr.	87.6	176.7	● -50.4%
EPS	₹	6.76	13.39	● -49.5%

● Positive ● Neutral ● Negative



Q2FY23 YoY at a Glance

23,703
Tractors Volumes

 12.5%

917
Construction Equipment's Volume

 -14.6%

₹ 182.0 Crore
Revenue from Railway Equipment

 7.0%

₹ 1,883.5 Crore
Revenue From Operations

 12.2%

₹ 152.7 Crore
EBIDTA

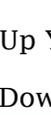
 -32.6%

Adversely impacted due to unabsorbed inflation both in commodity and other costs.

₹ 87.7 Crore
Profit After Tax

 -50.4%

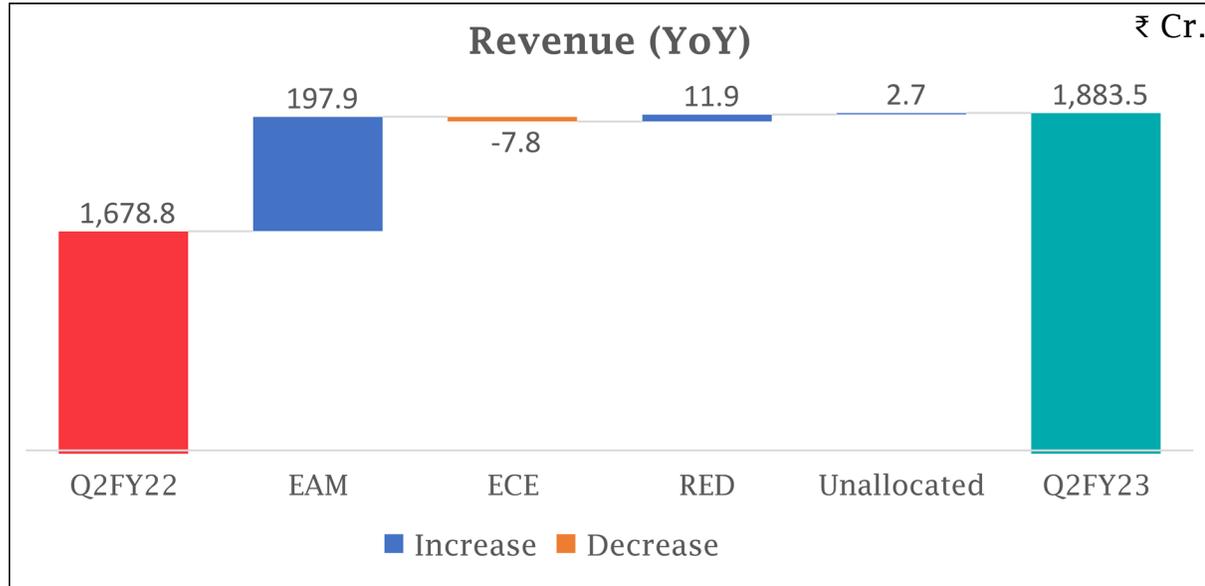
Impacted due to Exception cost provision on account of impairment of investment in the JV Tadano Escorts India Private Limited

 Up Year on Year
 Down Year on Year



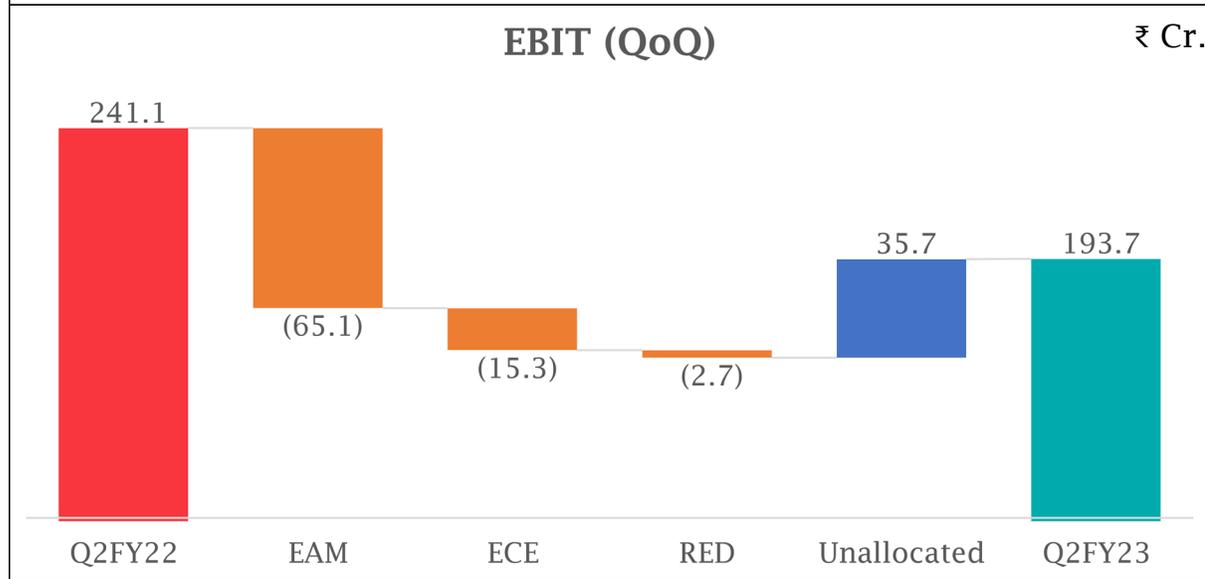
% rounded off to nearest single decimal

Q2 - YoY Revenue up by 12.2%; EBIT down by 19.6%



Revenue Key Highlights

- Tractor Sales up by 12.5% at 23,703 units
- Construction Equipment Sales down by 14.6% at 917 units
- Railway Equipment revenue up by 7.0% at ₹ 182.0 Crore.



EBIT Key Highlights

- Negatively Impacted by operating leverage and volume drop in construction equipment.
- Adversely impacted due to unabsorbed inflation both in commodity and other costs.



Q2FY23 P&L QoQ at a Glance

Particulars	Unit	Q2FY23	Q1FY23	Variance
Domestic Tractor Market Share	%	9.7%	9.3%	● 39 bps
Revenue from operations	₹ Cr.	1,883.5	2,014.9	● -6.5%
Material Cost	%	72.4	72.2	● 21 bps
Manpower Cost	%	7.9	6.8	● 111 bps
EBIDTA	₹ Cr.	152.7	201.6	● -24.3%
EBIDTA Margin	%	8.1	10.0	● -190 bps
PBT Before Exceptional Item	₹ Cr.	191.5	198.1	● -3.3%
PAT	₹ Cr.	87.6	147.5	● -40.6%
EPS	₹	6.76	11.38	● -40.6%

● Positive ● Neutral ● Negative



Q2FY23 QoQ at a Glance

23,703
Tractors Volumes

 -11.5%

917
Construction Equipment's Volume

 -5.1%

₹ 182.0 Crore
Revenue from Railway Equipment

 5.0%

₹ 1,883.5 Crore
Revenue From Operations

 -6.5%

₹ 152.7 Crore
EBIDTA

 -24.3%

Adversely impacted due to unabsorbed inflation both in commodity and other costs.

₹ 87.7 Crore
Profit After Tax

 -40.6%

Impacted due to Exception cost provision on account of impairment of investment in the JV Tadano Escorts India Private Limited.

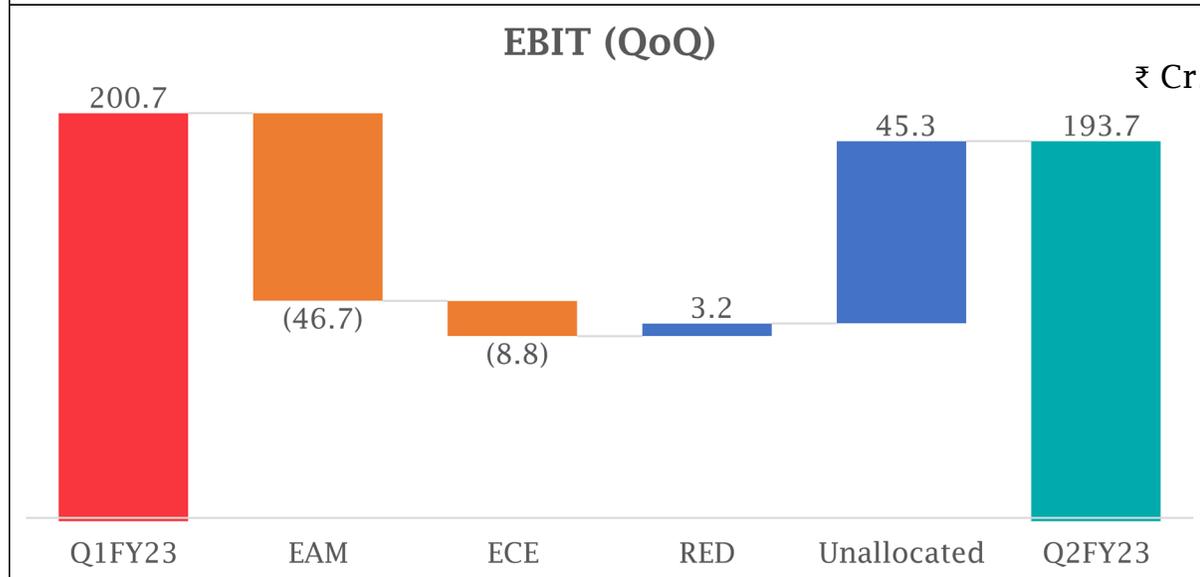
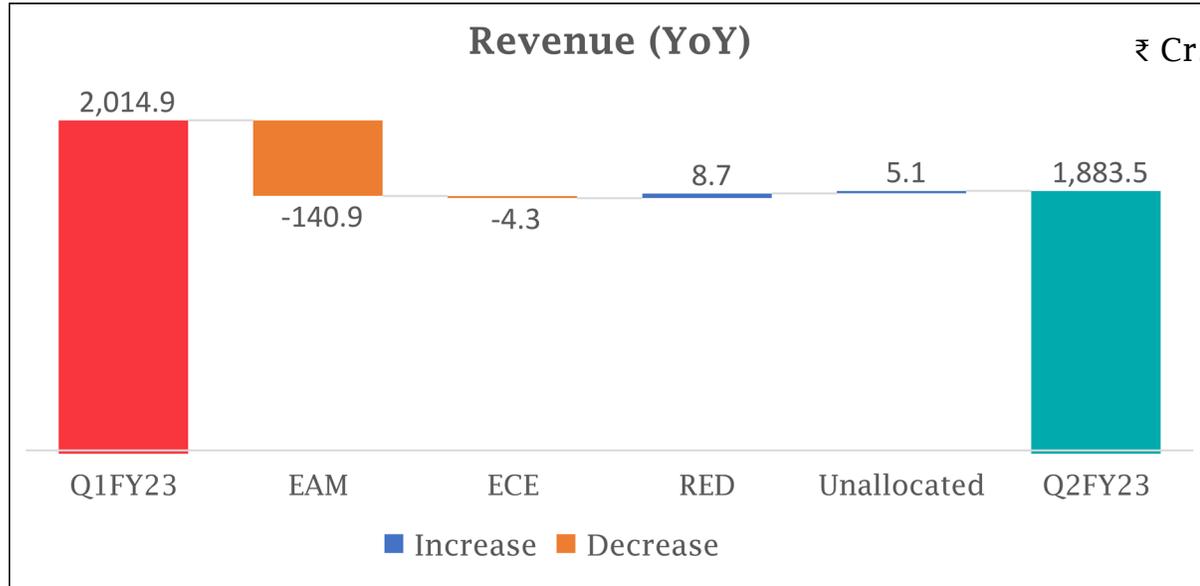
 Up Quarter on Quarter
 Down Quarter on Quarter

Standalone Financials



% rounded off to nearest single decimal

Q2 - QoQ Revenue down by 6.5%; EBIT down by 3.5%



Revenue Key Highlights

- Tractor Sales down by 11.5% at 23,703 units
- Construction Equipment Sales down by 5.1% at 917 units
- Railway Equipment revenue up by 5.0% at ₹ 182.0 Crore.

EBIT Key Highlights

- Negatively Impacted by operating leverage and volume drop in both tractor and construction equipment.
- Adversely impacted due to unabsorbed inflation both in commodity and other cost.



Q2FY23 at a Glance

₹ 6.76

Earning Per Share

9.6%

Return on Capital Employed
(Annualized)

4.4%

Return on Equity
(Annualized)

~90%

Capacity Utilization

Agri Machinery

~35%

Capacity Utilization

Construction Equipment

More than **₹ 900 Crore**
Of Order Book

Railway Equipment Division
(as of 30th September 2022)



H1FY23 YoY at a Glance

Particulars	Unit	H1FY23	H1FY22	Variance
Domestic Tractor Market Share	%	9.4%	9.9%	● -41 bps
Revenue from operations	₹ Cr.	3,898.3	3,355.8	● 16.2%
Material Cost	%	72.3	67.0	● 533 bps
Manpower Cost	%	7.3	8.2	● -92 bps
EBIDTA	₹ Cr.	354.3	465.4	● -23.9%
EBIDTA Margin	%	9.1	13.9	● -478 bps
PBT Before Exceptional Item	₹ Cr.	389.5	483.6	● -19.4%
PAT	₹ Cr.	235.1	361.9	● -35.0%
EPS	₹	18.14	27.42	● -33.8%

● Positive ● Neutral ● Negative



H1FY23 QoQ at a Glance

50,500
Tractors Volumes

 7.4%

1,883
Construction Equipment's

 12.1%

₹ 355.4 Crore
Revenue from Railway Equipment

 22.7%

₹ 3,898.3 Crore
Revenue From Operations

 16.2%

₹ 354.3 Crore
EBIDTA

 -23.9%

Adversely impacted due to unabsorbed inflation both in commodity and other costs, coupled with **adverse product mix impact** due to industry shift towards lower horsepower segment.

₹ 235.1 Crore
Profit After Tax

 -35.0%

Impacted due to Exception cost provision on account of impairment of investment in the JV Tadano Escorts India Private Limited

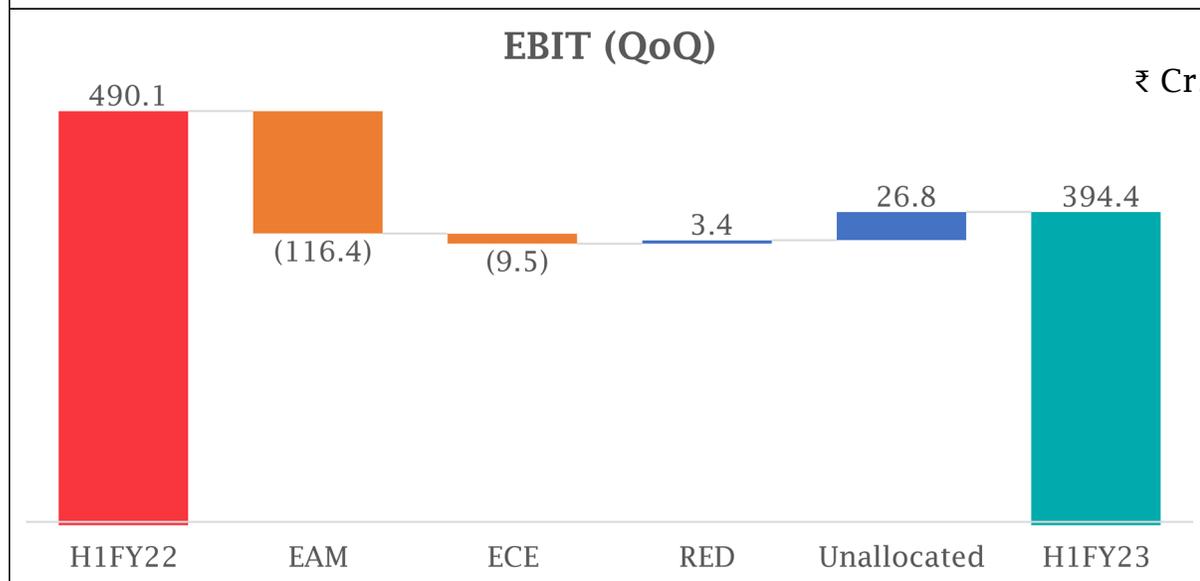
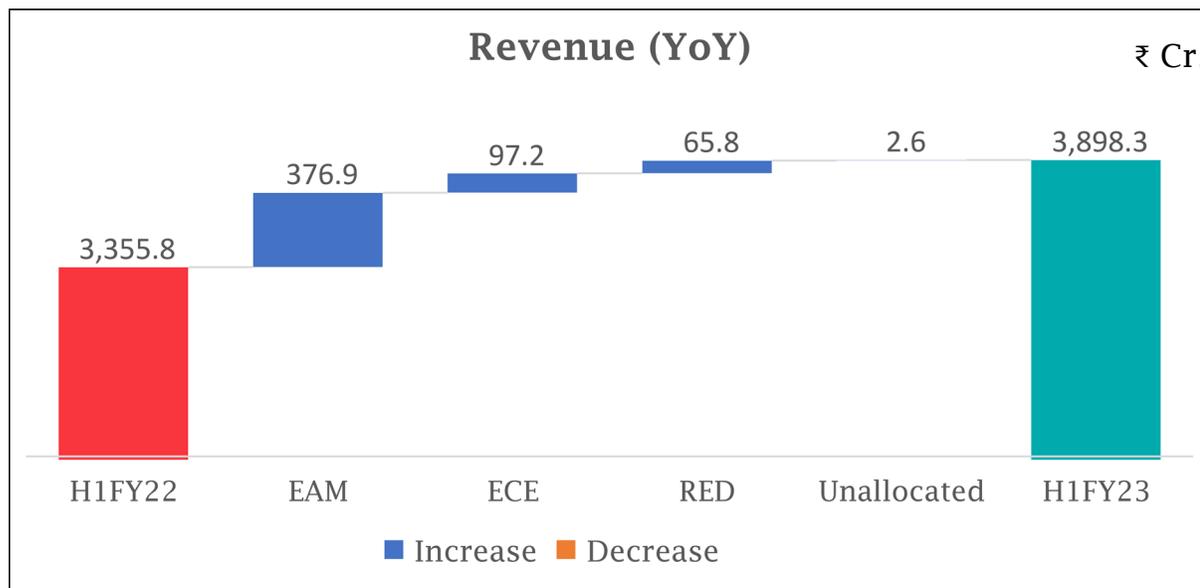


% rounded off to nearest single decimal

 Up Quarter on Quarter
 Down Quarter on Quarter

Standalone Financials

H1 - Revenue up by 16.2%; EBIT down by 19.5%



Revenue Key Highlights

- Tractor Sales up by 7.4% at 50,500 units
- Construction Equipment Sales up by 12.1% at 1,883 units
- Railway Equipment revenue up by 22.7% at ₹ 355.4 Crore.

EBIT Key Highlights

- Adversely impacted due to unabsorbed inflation both in commodity and other costs, coupled with **adverse product mix impact** due to industry shift towards lower horsepower segment.



H1FY23 at a Glance

₹ 18.14

Earning Per Share

9.9%

Return on Capital Employed
(Annualized)

5.9%

Return on Equity
(Annualized)

~90%

Capacity Utilization

Agri Machinery

~38%

Capacity Utilization

Construction Equipment

More than **₹ 900 Crore**
Of Order Book

Railway Equipment Division
(as of 30th September 2022)

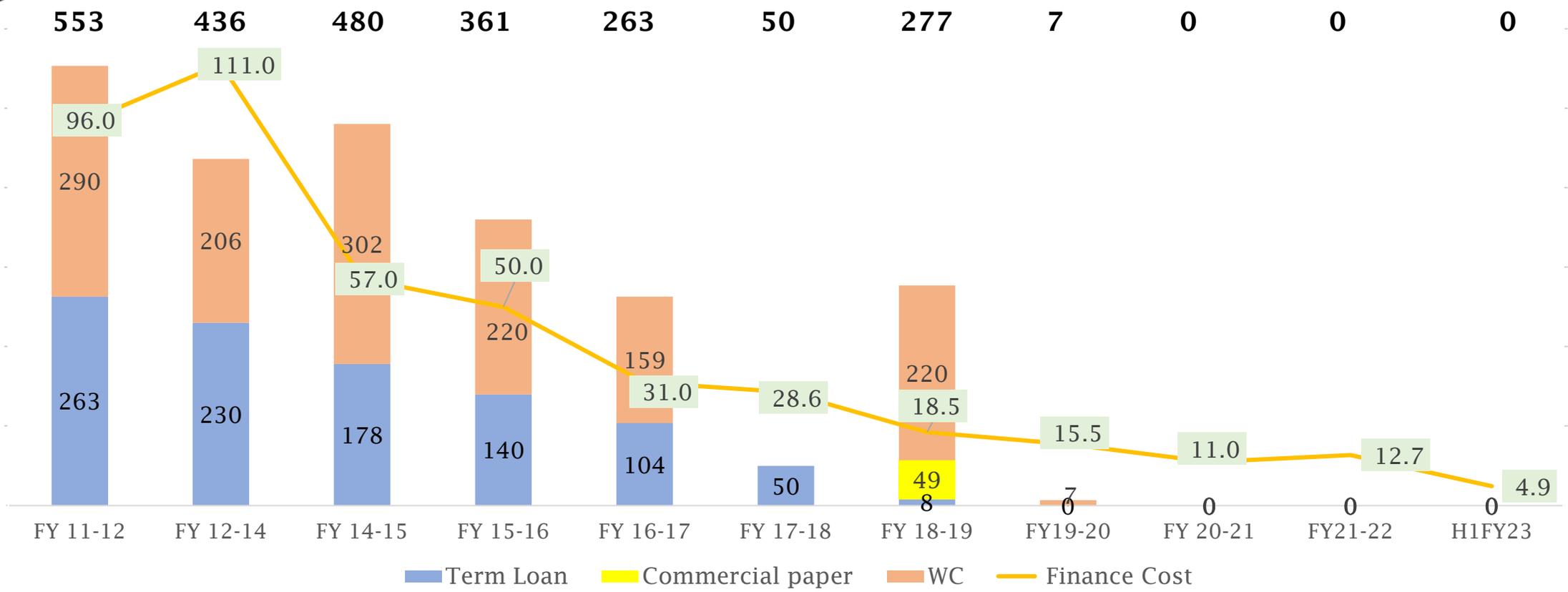


Credit Rating & Debt Profile

Long Term Credit Rating

LBBB- LBBB LBBB+ A- A A+ AA- AA- AA AA AA+

(₹ Crs.)



Please note:-

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



rounded off to nearest single decimal



“There has been a positive momentum across businesses, and we expect it to continue. Overall macroeconomic factors and farmer sentiments remain positive led by above normal monsoon and onset of an early festive season which will favorably support Agri business. With increasing flow of Government investments for infrastructure development, the demand for construction equipment is likely to be good. Our broad product line in railway business has been garnering good order booking and we expect a strong fiscal ahead. We also hope that various government actions will help in stabilizing inflation to support the economy at large, propelling country’s overall growth and development.”

Nikhil Nanda Chairman and Managing Director

“With strategic focus and integrated strength of Escorts Kubota Limited, various initiatives will catapult overall business growth and bring in better operational efficiency. India is a growing economy, and we operate in core sectors of growth, thus there is immense opportunity to be leveraged across businesses. There has been a positive trend and we expect it to get stronger with innovative product line ahead.”



Mr. Seiji Fukuoka, Deputy Managing Director



Segment-wise Performance

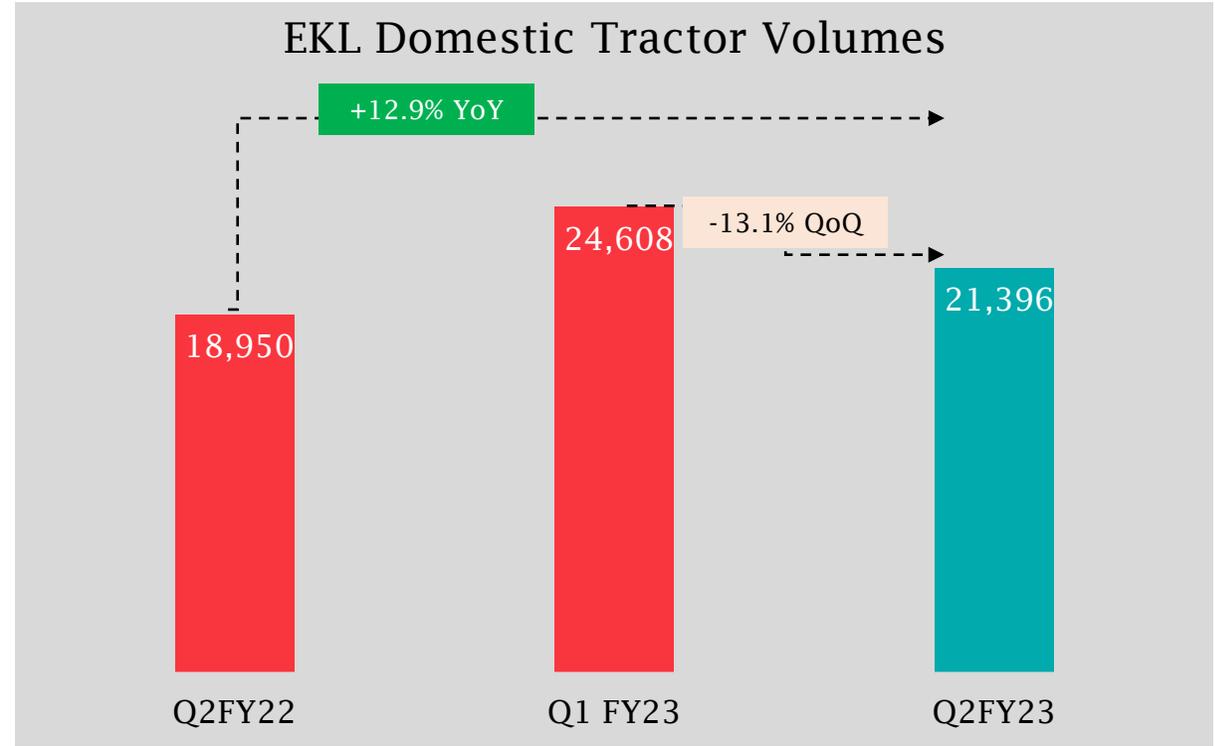
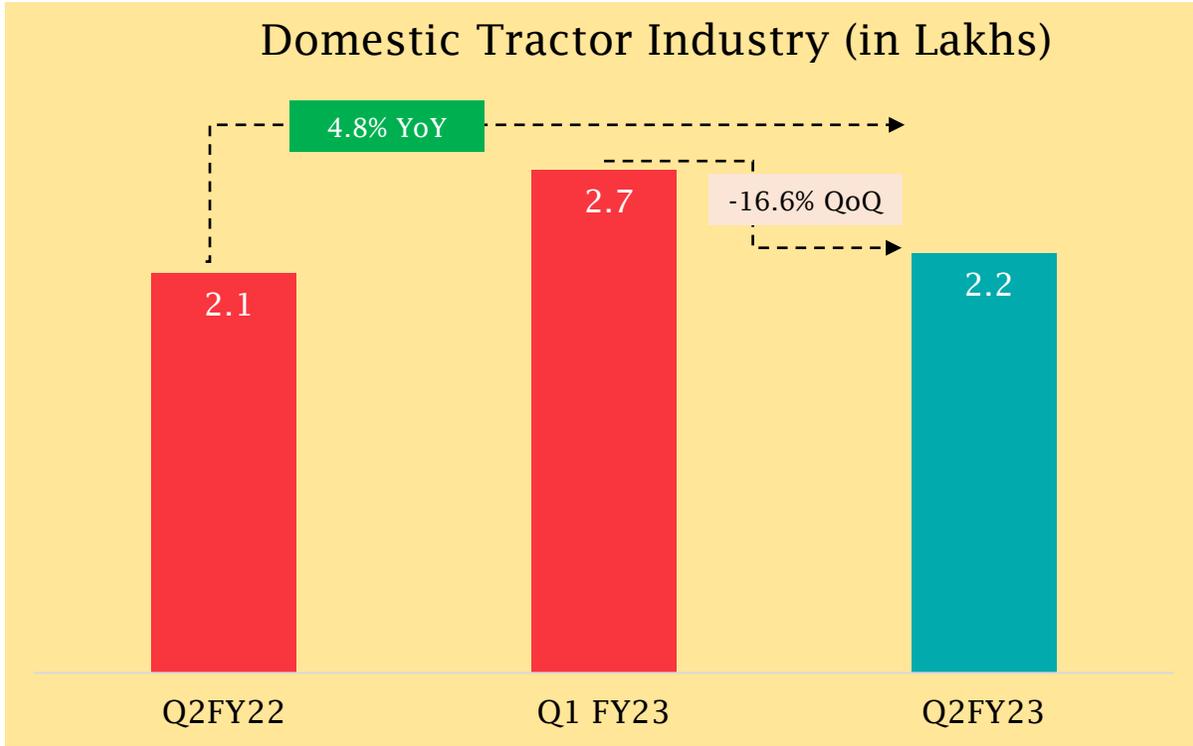


Agri Machinery



Powering The Dreams Of Farmer

Q2 Agri Machinery Domestic Performance



Industry in Strong Regions grew by 12.5% Y-o-Y

Industry in Rest Region down by 1.8% Y-o-Y

EKL-Tractor In Strong Region grew by 16.7% Y-o-Y

ELK - Tractor In Rest Region grew by 5.9% Y-o-Y

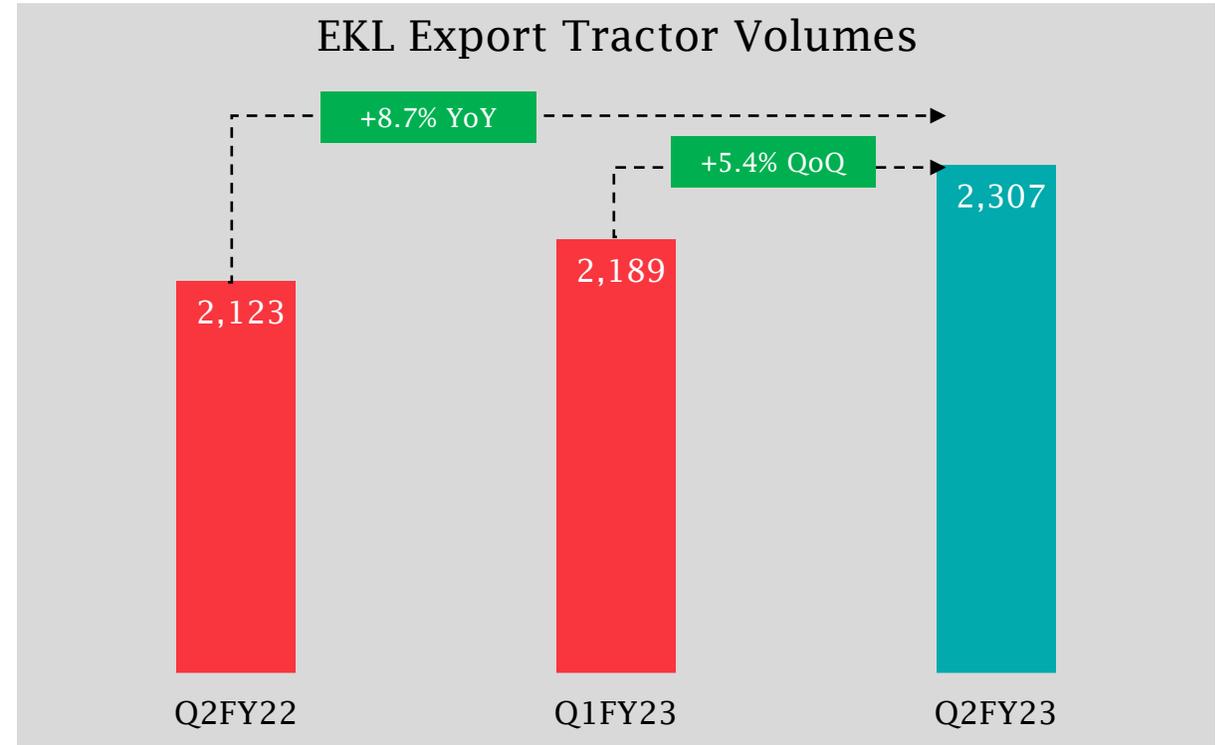
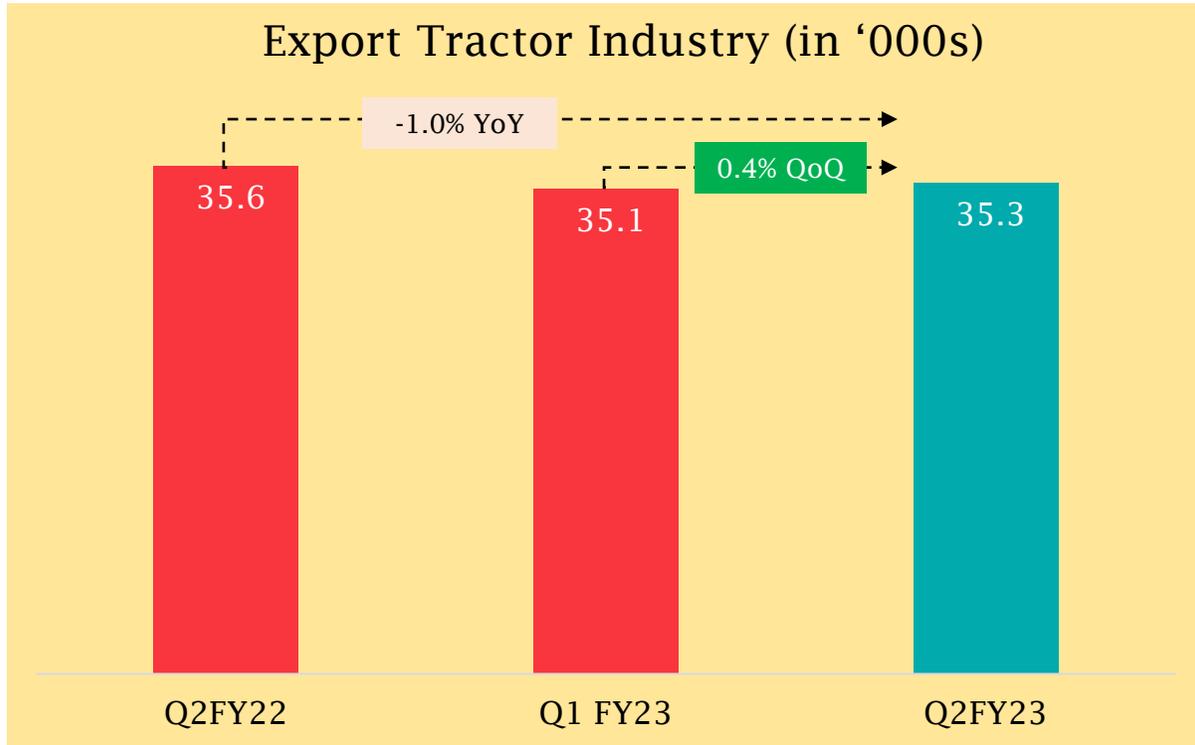
Growth

De-Growth



rounded off to nearest single decimal

Q2 Agri Machinery Export Performance



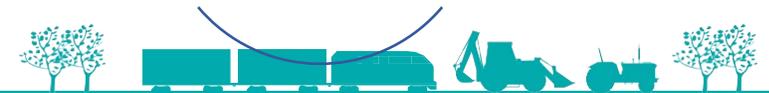
Highest Ever Quarterly Export Sales

Export through Kubota channel 20%+ of total Export volume

6.5% Share of Market in Q2FY23, up by 58 bps Y-o-Y

Growth

De-Growth



rounded off to nearest single decimal

Agri Machinery Performance at Glance in Q2FY23

₹ 1,454.9 Crore
Segmental Revenue

 15.7% (Y-o-Y)  -8.8% (Q-o-Q)

8.4%
EBIT margin

 -650 bps (Y-o-Y)  -219 bps (Q-o-Q)

~90%

Capacity Utilization

42:58

Farmtrac : Powertrac Sales Ratio*

43:57 (In Q2FY22) 40:60 (In Q1FY23)

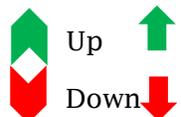
38:62

Less than 40 HP : Greater than 40 HP Sales Ratio*

38:62 (In Q2FY22) 40:60 (In Q1FY23)

22.2%

Return on Capital Employed
(Annualized)

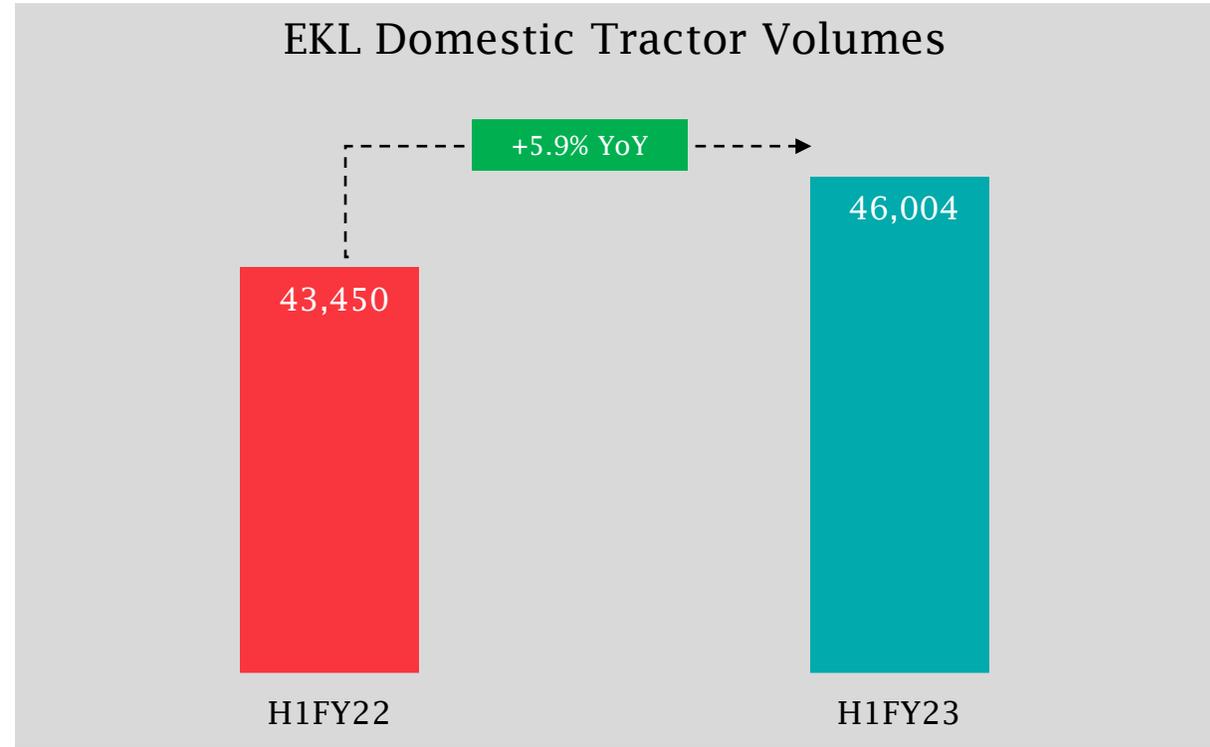
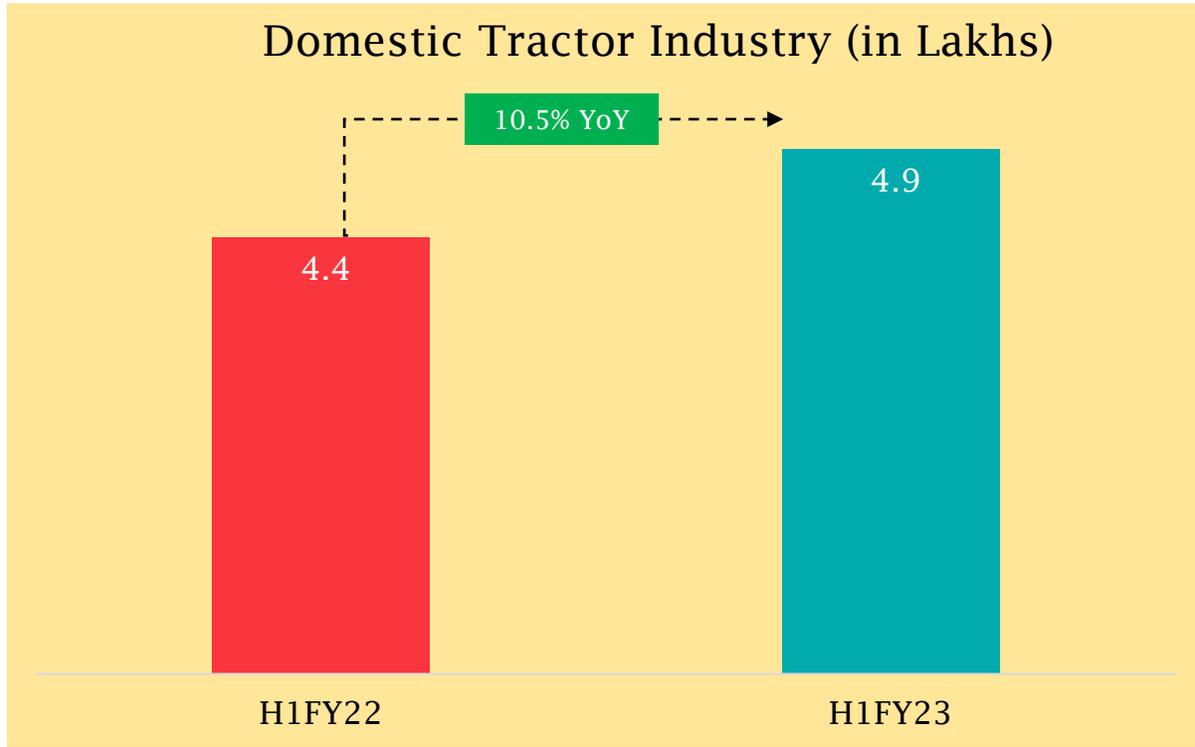


* Domestic



rounded off to nearest single decimal

H1 Agri Machinery Domestic Performance



Industry in Strong Regions grew by 17.7% Y-o-Y

Industry in Rest Region grew by 4.0% Y-o-Y

EKL-Tractor In Strong Region grew by 9.4% Y-o-Y

ELK - Tractor In Rest Region down by 1.1% Y-o-Y

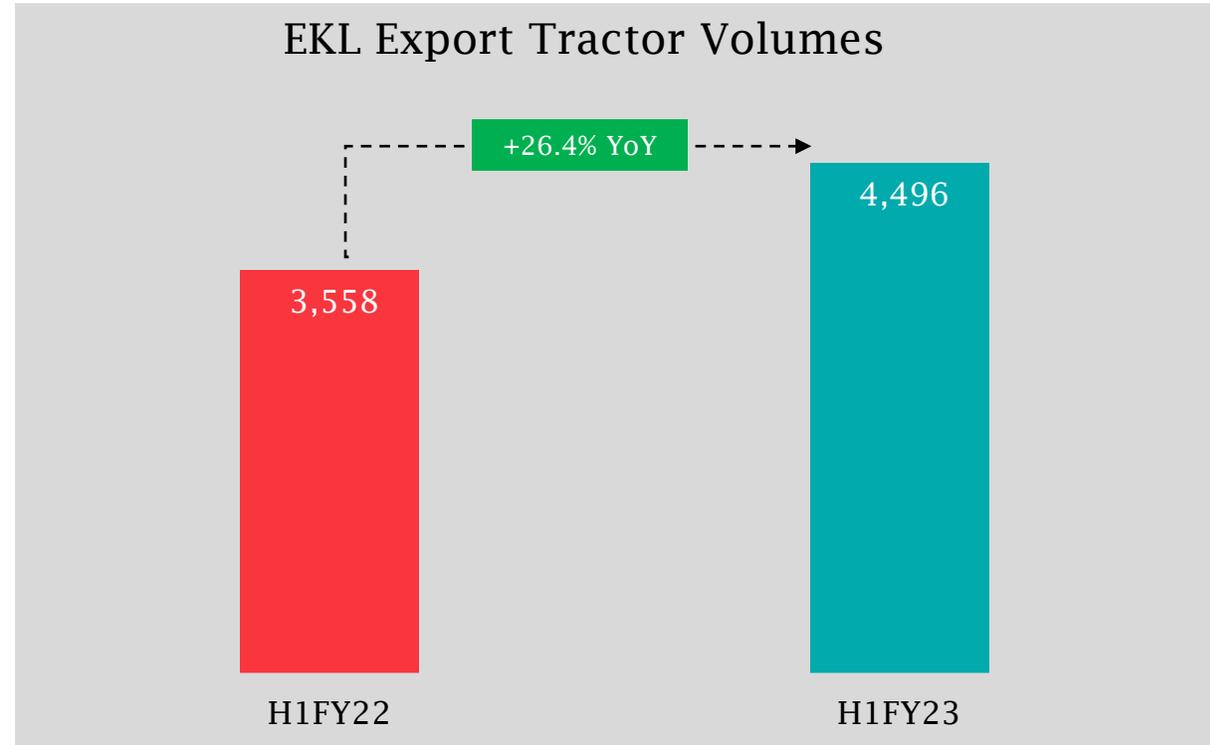
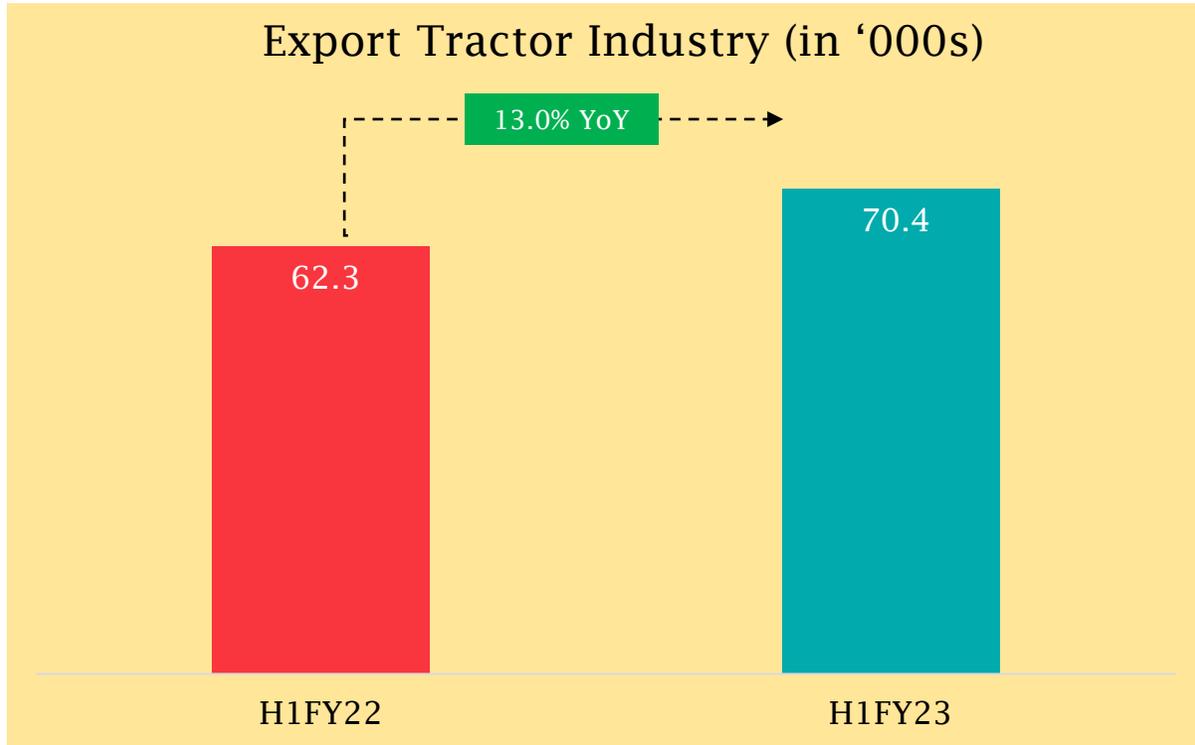
Growth

De-Growth



rounded off to nearest single decimal

H1 Agri Machinery Export Performance



Highest Ever H1 Export Sales

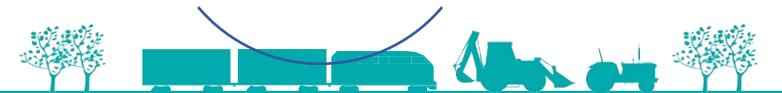
Export through Kubota channel 20%+ of total Export volume

6.4% Share of Market in H1FY23, up by 67 bps Y-o-Y

Growth

De-Growth

4-11-2022



rounded off to nearest single decimal

Agri Machinery Performance at Glance in H1FY23

₹ 3,050.6 Crore
Segmental Revenue

 **14.1%**
(Y-o-Y)

9.5%
EBIT margin

 **-570 bps**
(Y-o-Y)

~90%

Capacity Utilization

41:59

Farmtrac : Powertrac Sales Ratio*

42:58
(In H1FY22)

39:61

Less than 40 HP : Greater than 40 HP
Sales Ratio*

39:61
(In H1FY22)

27.0%

Return on Capital Employed
(Annualized)



* Domestic

4-11-2022



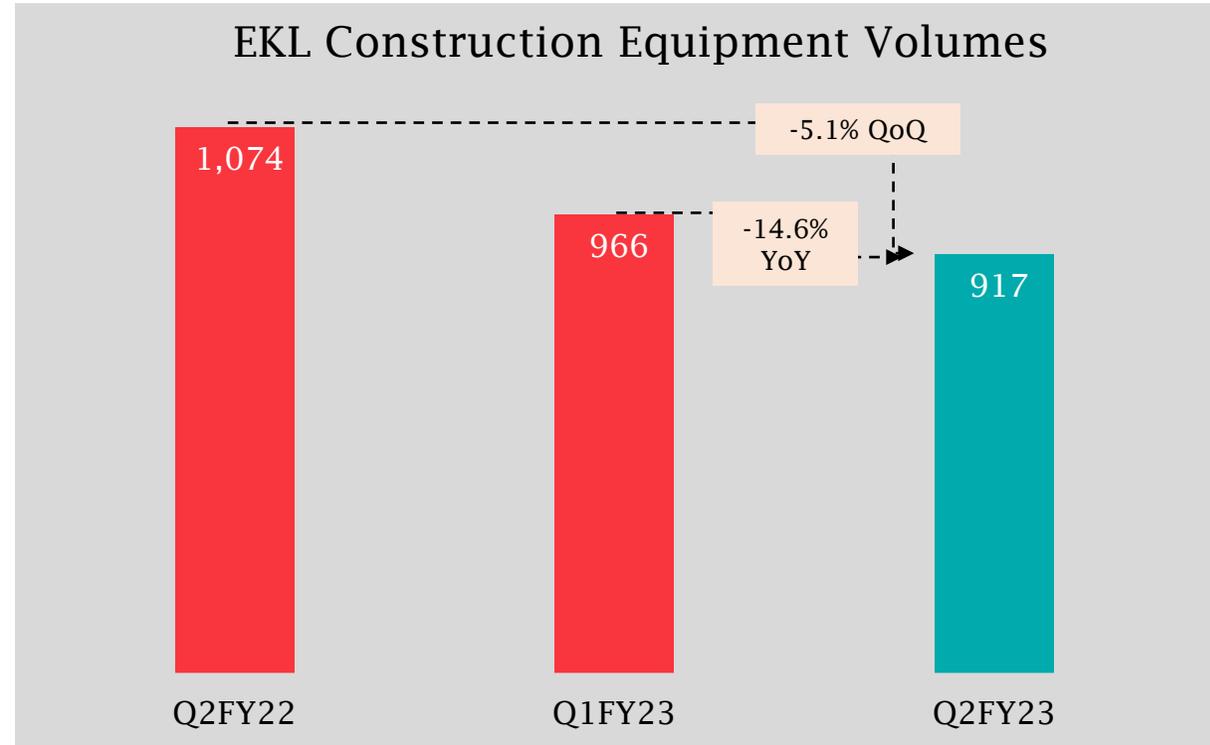
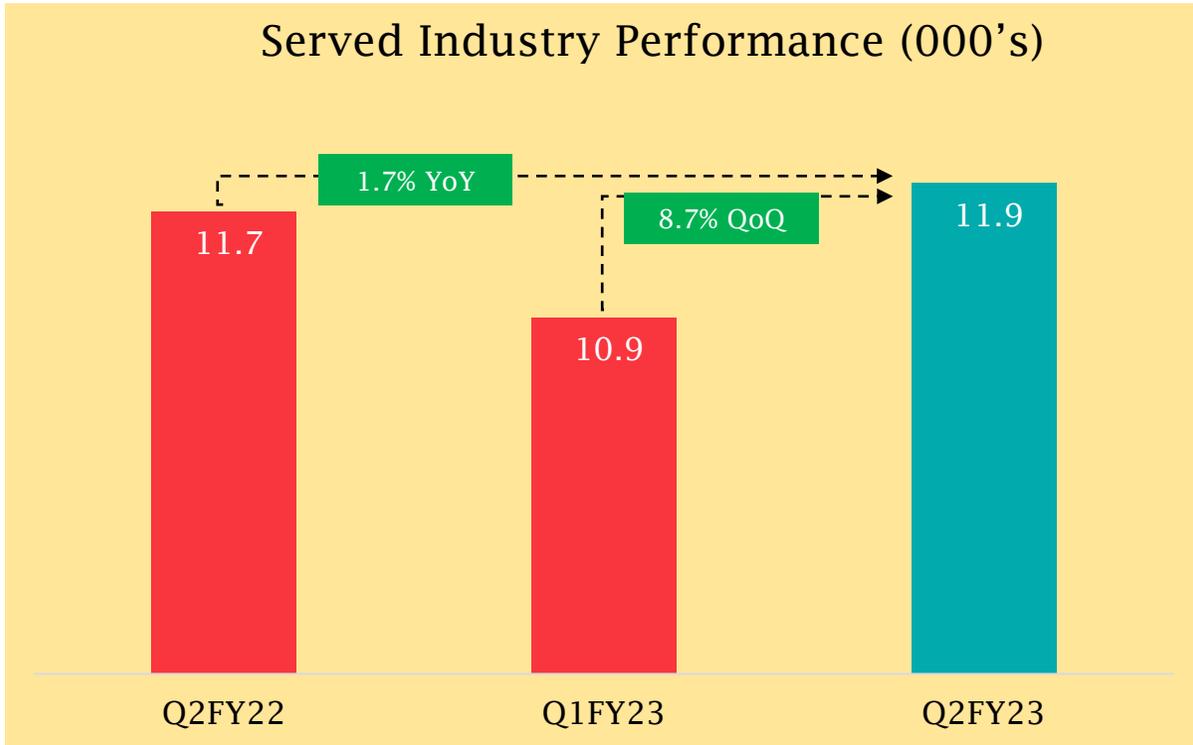
rounded off to nearest single decimal

Construction Equipment

**Building a
Better Tomorrow**

Preferred Partner In Nation Building

Q2 - Construction Equipment Performance



BHL Industry up by 7.0% Y-o-Y

PnC Industry up by 1.4% Y-o-Y

Compactors Industry down by 37% Y-o-Y

Growth

De-Growth



rounded off to nearest single decimal

Construction Equipment Performance at Glance in Q2FY23

₹ 241.9 Crore
Segmental Revenue

 -3.1% (Y-o-Y)
  -1.7% (Q-o-Q)

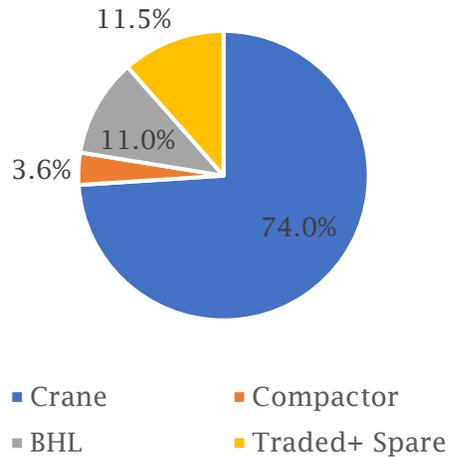
-2.6%
EBIT margin

 -620 bps (Y-o-Y)
  -360 bps (Q-o-Q)

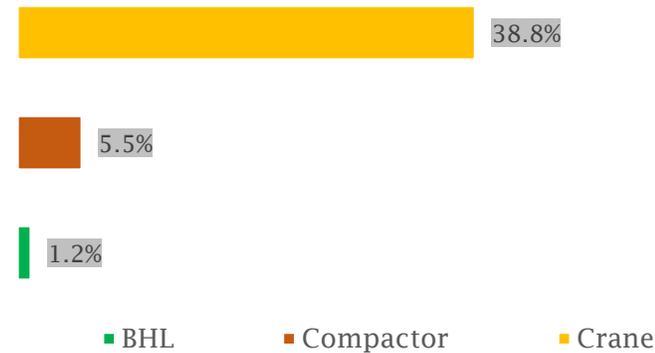
~35%

Capacity Utilization

Revenue Break up

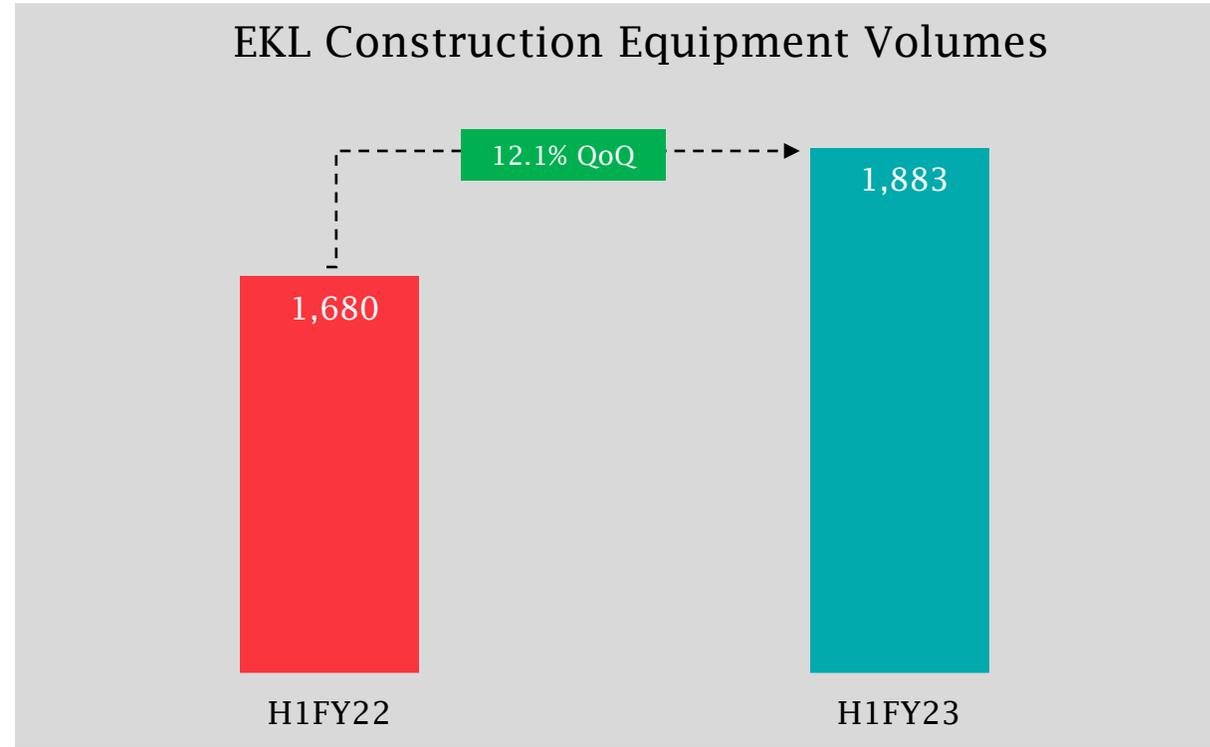
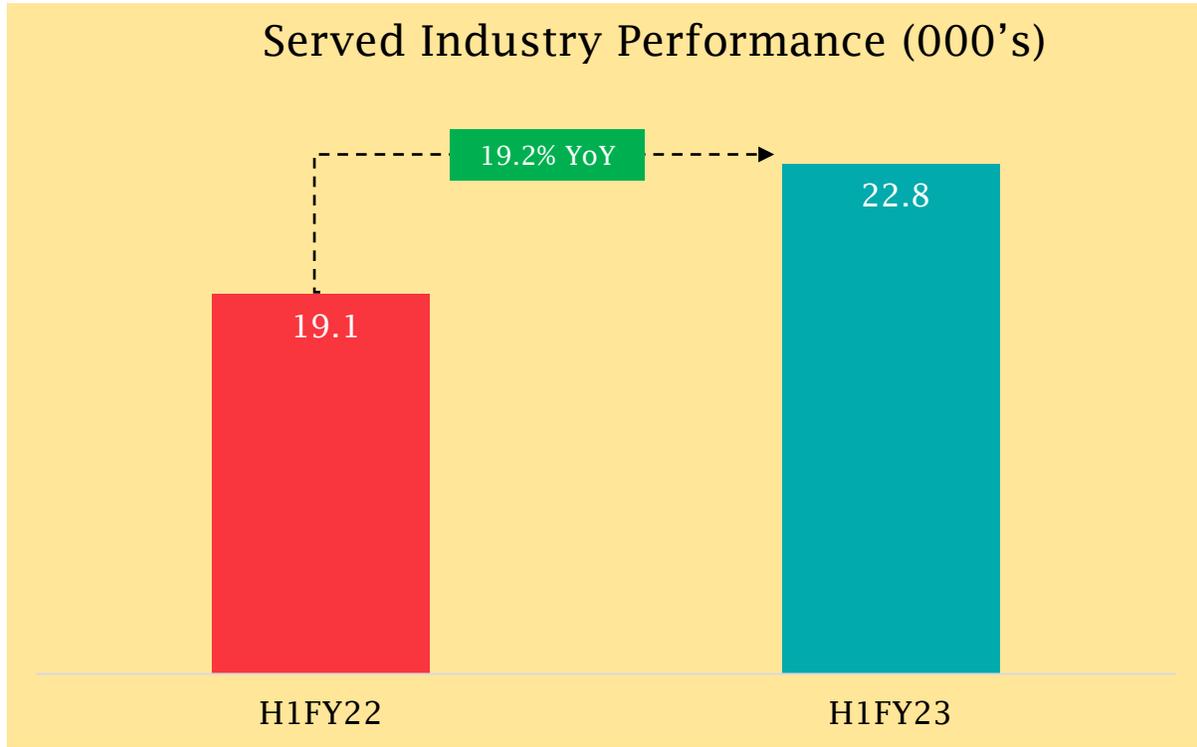


Product wise Market Share



rounded off to nearest single decimal

H1 - Construction Equipment Performance



BHL Industry up by 25% Y-o-Y

PnC Industry up by 17% Y-o-Y

Compactors Industry down by 22% Y-o-Y

Growth

De-Growth



rounded off to nearest single decimal

Construction Equipment Performance at Glance in H1FY23

₹ 488.0 Crore
Segmental Revenue

 **24.9%**
(Y-o-Y)

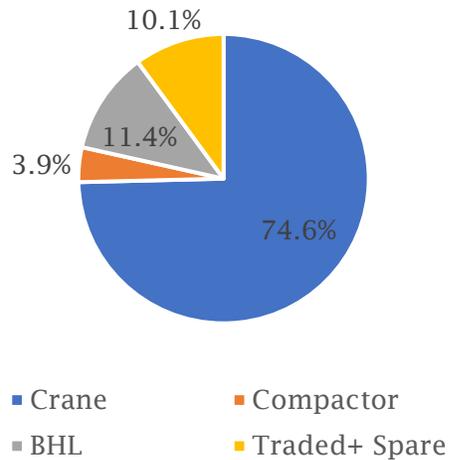
-0.8%
EBIT margin

 **-224 bps**
(Y-o-Y)

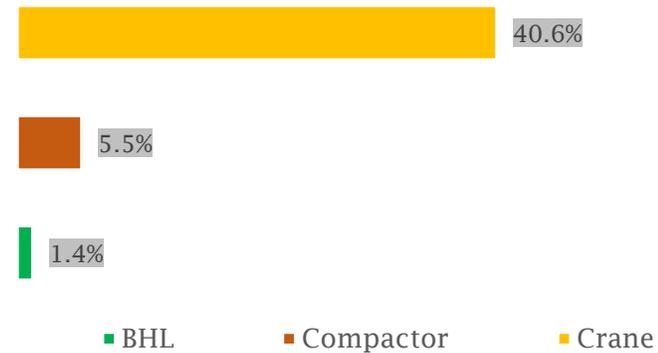
~38%

Capacity Utilization

Revenue Break up



Product wise Market Share



rounded off to nearest single decimal



Railway Equipment Division



Mobility Solutions
Of the future

ENSURING SAFETY AND COMFORT IN RAIL TRANSPORT

Railway Equipment Division Performance - Q2FY23

₹ 182.0 Crore
Segmental Revenue

 **7.0%**
(Y-o-Y)

 **5.0%**
(Q-o-Q)

14.6%
EBIT margin

 **-262 bps**
(Y-o-Y)

 **109 bps**
(Q-o-Q)

More than **₹ 900 Crore**
Of Order Book

(as of 30th September 2022)

62:38

NPD : conventional Sales Ratio

64:36
(In Q2FY22)

67:33
(In Q1FY23)

31.2%

Return on Capital Employed
(Annualized)



rounded off to nearest single decimal

Railway Equipment Division Performance - H1FY23

₹ 355.4 Crore
Segmental Revenue

 22.7%
(Y-o-Y)

14.1%
EBIT margin

 -205 bps
(Y-o-Y)

More than **₹ 900 Crore**
Of Order Book

(as of 30th September 2022)

65:35
NPD : conventional Sales Ratio

64:36
(In H1FY22)

31.1%

Return on Capital Employed
(Annualized)



rounded off to nearest single decimal

Shareholding Pattern

Shareholding Trend					
Category	Sept'2021	Dec'2021	Mar'2022 [^]	June'2022	Sept'2022
Promoters	36.6	30.3	28.1	72.9	72.9
Kubota Corporation	9.1	10.0	16.4	*	*
Escrow Account (open offer)			39.4		
Institutions#	29.1	28.7	4.0	11.3	12.4
Public	23.2	28.8	10.3	14.0	13.0
Non Promoter Non Public	2.1	2.2	1.8	1.8	1.7
Total	100.0	100.0	100.0	100.0	100.0

* Kubota corporation has become a Joint promoter from 11 April 2022.

FPI/Financial Institutions/ Banks/Insurance Companies/QIB/AIF



rounded off to nearest single decimal

Consolidated Q2FY23 at a Glance

Particulars	Unit	Q2FY23	Q2FY22	YoY (Change)	Q1FY23	QoQ (Change)
Revenue from operations	₹ Cr.	1,890.8	1,690.4	● 11.9%	2,032.1	● -7.0%
Material Cost	%	72.4%	65.6%	● 675 bps	72.0%	● 40 bps
Manpower Cost	%	8.0%	8.4%	● -43 bps	6.9%	● 114 bps
EBIDTA	₹ Cr.	149.4	226.8	● -34.1%	203.6	● -26.6%
EBIDTA Margin	%	7.9%	13.4%	● -552 bps	10.0%	● -212 bps
PBT Before Exceptional Item	₹ Cr.	182.9	234.4	● -22.0%	191.5	● -4.5%
PAT	₹ Cr.	98.8	173.5	● -43.0%	140.6	● -29.7%
EPS	₹	9.14	17.62	● -48.2%	13.01	● -29.8%

● Positive ● Neutral ● Negative



rounded off to nearest single decimal

Consolidated H1FY23 at a Glance

Particulars	Unit	H1FY23	H1FY22	YoY (Change)
Revenue from operations	₹ Cr.	3,922.9	3,397.7	● 15.5%
Material Cost	%	72.2%	66.8%	● 538 bps
Manpower Cost	%	7.4%	8.3%	● -90 bps
EBIDTA	₹ Cr.	353.0	468.7	● -24.7%
EBIDTA Margin	%	9.0%	13.8%	● -480 bps
PBT Before Exceptional Item	₹ Cr.	374.4	473.8	● -21.0%
PAT	₹ Cr.	239.4	351.9	● -32.0%
EPS	₹	22.14	35.75	● -38.1%

● Positive ● Neutral ● Negative



rounded off to nearest single decimal

Narrations

- **EKL** - Escorts Kubota Limited
- **FY** - Fiscal Year represents the 12 months period from 1st April to 31st March.
- **Q2FY22** - Represents the 3 months period from 1st July 2021 to 30th Sept 2021.
- **Q1FY23** - Represents the 3 months period from 1st April 2022 to 30th June 2022.
- **Q2FY23** - Represents the 3 months period from 1st July 2022 to 30th Sept 2022.
- **H1FY22** - Represents the 6 months period from 1st April 2021 to 30th Sept 2021.
- **H1FY23** - Represents the 6 months period from 1st April 2022 to 30th Sept 2022.
- **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
- **NSE** - National Stock Exchange of India
- **BSE** - Bombay Stock Exchange
- **DSE** - Delhi Stock Exchange
- **EBIDTA** - Earnings Before Interest, Depreciation & Taxes
- **EBIT** - Earnings Before Interest & Taxes
- **PBT** - Profit Before Tax
- **PAT** - Profit After Tax
- **ROE** - Return on Equity, Calculated as PAT divided by Average capital employed.
- **ROCE** - Return on Capital Employed, calculated as EBIT divided by Average capital Employed for the quarter.



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 Kubota 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.

All numbers are rounded off to nearest decimal

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**THANK
YOU** |

