



Escorts Kubota Limited

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Escorts Kubota

- Escorts Ltd is one of India's leading engineering conglomerates engaged in the manufacturing of Agro-machinery, Construction, & material Handling equipment and Railway Equipment.

BUSINESS SEGMENTS

1)AGRI MACHINERY (70% in FY24 vs – 76% in FY23): Products include Tractors,

Engines ,implements , spare parts, and lubes.

2)CONSTRUCTION EQUIPMENT(19% in FY24 vs- 14% in FY23): trades in material handling road compaction and earth moving equipment

3)RAILWAY EQUIPMENT(11% INFY24 vs 10% in FY23):manufactures brake systems, couplers, suspension system, friction & rubber products.

Market Share

As of FY24, the company has an 11.6% share in the domestic tractor market vs 10% in FY23 it has a 5.1% share in the export tractor market.in the construction equipment segment. It has a market share of-39% in the manufacturing of cranes,-8% market share in the manufacturing of compactor and 1% market share in the manufacturing of BHL.

Geographical split and Capex

GEOGRAPHICAL SPLIT

India:92%

Outside india:8%

CAPEX

Company Is Setting up a large plant in Rajasthan to double tractor capacity' build an engine plant and construct an equipment plant the capex plan of INR 300 crores for FY'25 excluding the greenfield project.

Capex

- 'The company has plans to increase its manufacturing capacity to 3 lakh tractors Per annum by FY2028 with capex plans of Rs 350-400 Cr per annum.
- Order book: As of fy24, the company has an order book worth Rs 950 Crores in the Railway Equipment Division

Promoter holdings and products

- New product:

In FY24, the company launched 3 new products under the railways segment including electrical control panels and a damper for Vande Bharat Coach.

Promoter holding:

- On Feb 22, the company allotted 93.6 lakh shares for Rs. 2000 per share to Kubota Corporation for a total consideration of Rs. 1872 crore. Subsequently, Kubota issued an open offer and increased its stake in the company to 44.8% on March 23 and 53.5% on March 24.

Synergies with joint promoter Kubota:

- The company in collaboration with Kubota Japan has created a Mid term Business Plan about strategic direction for growth aspiration in the domestic and export market. The major aim of this plan is to enhance revenue by 2.5 times by 2028. Under the plan, the co, will invest in creating a global R&D center to design and produce products for the three brands of tractors Kubota, Farmtrac and Powertrac.

FOCUS:

The company is actively pursuing the development of the Electric Vehicle market, products, and technology. It is investing and building capabilities in next-generation digital technologies under the Rajan Nanda Innovation Lab.

Escorts Kubota Limited is a leading Indian engineering conglomerate with a strong presence in the agro-machinery, construction and railway equipment sectors. Formerly known as Escorts Limited, the company was renamed after Kubota Corporation acquired a stake. Escorts Kubota manufactures and supplies a wide range of tractors, construction equipment, and railway components.

Key Business Areas

- Here's a more detailed overview:
- Agro-Machinery: This is a major segment, encompassing tractors engines, implements, spare parts, and lubricants.
- Construction Equipment: Includes backhoe loaders, material handling equipment, road compaction, and earthmoving equipment
- Railway Equipment: Focuses on brake system couplers, suspension Systems, and friction & rubber products.

Company History:

- Founded in 1944 as Escorts Agents Limited in Lahore
- Became Escorts Limited in 1960
- Renamed Escorts Kubota Limited in 2022 following Kubota Corporation's

INVESTMENTS

Key Products and Services:

- **Tractors:** Offers a wide range of tractors, including the Farmtrac and Powertrac
Construction Equipment: Backhoe loaders, material handling equipment, etc.
Railway Components: Brake systems, couplers, suspension systems. **Engines:** Engines for agricultural tractors. **Other:** Double-acting hydraulic shock absorbers, center buffer couplers, automobile shock absorbers, etc. **Key Facts:** Headquarters: Faridabad, Haryana, India. Manufacturing Plants: Faridabad, Haryana, India and Poland. Major Stakeholder: Kubota Corporation. Employee Strength: Over 1 million tractors and 16,000 construction and material handling equipment have been manufactured.