

# Escorts plans overseas foray, global tieups

**EXPANDING FOOTPRINT** Company wants to focus on tapping European market for higher profits and growth

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**MUMBAI:** Nikhil Nanda, the new managing director of Escorts, plans to go global, expand production capacity, cut costs and partner with international players to drive future growth.

Nikhil, son of Escorts chairman Rajan Nanda, had served as joint managing director before being appointed managing director in September. According to him, the efforts the company had made two-three years ago are bearing fruit as profits and stock price have doubled in a year.

Nanda said the company would focus on heavy — 50 horsepower and above — tractors in the domestic market and enter into European market for higher profits and growth. Escorts has a subsidiary company in Poland and 100 dealers across Europe.

Escorts, which has a turnover of ₹4,000 crore, accounts for around 14% in the domestic tractor market and is the third largest player. In its Faridabad manufacturing facility, Escorts will outsource some of the operations and upgrade production capacity from the current 85,000 to 120,000 units a year.

## FORGING A FOREIGN CONNECTION

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- Escorts accounts for around 14% in the domestic tractor market and is the third largest player
- The company has 1,050 staff in its offices and more than 3,000 on the factory floor
- Escorts also plans to add more products in its railway sector business, especially in the metro rail segment
- As part of cost reduction, the company is bringing down its workforce through automation in factories and digitisation in other functions, such as finance and administration
- Escorts is looking for international in farm equipment and construction equipment businesses

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“We have already reduced 150 white collar jobs and will reduce 250 more,” said Nanda. “There will be a large reduction in blue collar jobs as well. There will be retirements and we won’t make replacements for them.”

The company currently has 1,050 staff in its offices and more than 3,000 on the fac-

tory floor.

Also, Escorts is looking for international tieups in farm equipment and construction equipment businesses.

“We want to be a complete farm solutions provider and we are finalising our plans in this area. We will soon enter into a tieup with an international company to enter into earth-mover segment,” Nanda added.

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