

Escorts forms JV with Kubota for high-end tractors

New Delhi: Engineering and farm equipment maker Escorts has formed a joint venture (JV) with Japan's Kubota Corporation to produce high-end technology tractors for domestic as well as export geographies, a joint statement issued by the two companies on Monday said.

The JV will leverage Kubota's technology and engineering prowess of Escorts to cater to an expanding market for higher efficiency, value-oriented utility tractors for a global leadership position, the statement said.

"With an initial investment of Rs 300 crore, the 60:40 manufacturing joint venture between Kubota and Escorts, respectively, will enable both partners to optimise their current and future capabilities in the segment globally," it added.

The JV will aim to take a leading position in domestic and export markets in medium to long-term, the companies said.

"Our global JV with Kubota is aimed at a technology-led collaborative growth in domestic and export markets," Escorts chairman and managing director Nikhil Nanda said.

Escorts has a strong technology legacy and diversified portfolio in agriculture equipment solutions market and Kubota has a proven global technology, Kubota Corporation president and representative director Masatoshi Kimata said.

"Together we will cater to India and other growing economies which require high-end technology and new age tractors for growing demands of highly mechanised farming," he added.

Kubota group specialises in agriculture, water, and living environment products and has a presence in over 100 countries. Escorts shares were trading 2.72% down at Rs 609.15 on the BSE. —PTI