

Escorts chalks out ₹400-cr capex for expansion, JVs

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Escorts plans capital expansion in the ₹400-460 crore range over the next couple of years, in increasing its capacity and also in its joint ventures in the tractor and construction equipment business.

The company has planned ₹90 crore for this fiscal in its JVs with Tadano and Kubota. It has already invested ₹30 crore in Tadano JV and will pump in ₹60 crore in Kubota JV during this quarter.

It may invest another ₹60 crore in Kubota JV during next fiscal. These JV investments are in addition to the earlier outlay, the company management told the Q3 analyst and investor conference call.

Escorts is likely to spend about ₹100 crore in machining to increase capacity.

"We are continuously investing in new technologies,



Nikhil Nanda, Chairman and Managing Director, Escorts

product mix and distribution network for significant domestic growth and global reach. With recent technology collaborations and strategic JVs with global leaders like Kubota, Tadano and others, we aim to manufacture innovative products for emerging economies and offer unique solutions for domestic mechanised farming, smart construction and safe modern railways," Nikhil Nanda, Chairman and Managing Director, said in the Q3 earnings presentation.

Escorts entered into a 40:60

JV with Japan's Kubota Corporation for technology collaboration and joint manufacturing of high-end tractors. The partners are aiming at strong domestic and exports market share through the JV operations.

A new common manufacturing unit with an initial capacity of 50,000 units will be established and the tractors coming out of the unit will be sold by both players respectively through their separate channel network in the domestic market.

Under its 51:49 joint venture with Tadano Group, Japan-based mobile crane manufacturer, Escorts will manufacture rough terrain cranes and truck-mounted cranes.

The higher capacity cranes (20-80 tonne) of JV will target applications in railways, mining, power sector and roads and bridges. The JV will also explore the export potential.