

ESSAYS AND REMINISCENCES: A Festschrift in Honour of Nani A. Palkhivala

edited by Arvind P Datar.
LexisNexis.
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collection of wonderful essays is certainly a wonderful tribute.

Arvind P. Datar, himself an eminent jurist and a designated senior lawyer, has accomplished a wonderful task by editing this memorable book. At the outset, the list of contributors is impressive. Not only does it encompass authors from a diverse range of professions, it also covers a huge spectrum of ages. The list of contributors includes legal luminaries like KK Venugopal, Fali S. Nariman, Zia Mody, Justice Easwar, Gautam Bhatia and Iqbal Chagla. It also includes eminent activists like Dr Chandrachud, Dr Swaminathan and Dr Dipankar Gupta. These are, of course, just a few to name.

With such a wide array of contributors, the book is bound to be an interesting read. What is particularly useful is that



The book is a tribute to Nani Palkhivala, who was instrumental in churning the system and putting our legal systems and democracy to the test. TRIBUNE FILE PHOTO

the book is divided into topics. The first part contains essays on Constitutional law, taxation, technology and economics and governance. The second part has

Phoenix that rose again... & again

VIJAY C ROY

THERE is a saying, the first generation builds and grows a business, the second generation enjoys it and the third generation destroys it. However, there are several exceptions to this in India, the ₹6,000 crore engineering group Escorts Ltd is among them. Once Rajan Nanda realised that the very existence of the group he had helped build was under threat, he accepted the need for course correction and for his son, Nikhil, to be empowered to lead that process.

This unpacks another layer of the Escorts story — that of generation change within family businesses and the tensions that this gives rise to. Unlike several other family-owned businesses, where there have been succession battles within a generation, the line of succession has been clear in Escorts. When HP Nanda retired, the businesses were divided amicably between Rajan and his brother, Anil. Rajan's son Nikhil Nanda, on his part, faced no sibling claims for authority. His competition, ironically, came from his father.

This book tracks the journey of Escorts group. Founded in 1944 in Lahore as a trading firm, Escorts Agents survived many setbacks successfully.

The story of Escorts actually has many layers. At one level, it is about building businesses in the face of adverse conditions. The first major hurdle that Escorts faced was the Partition. The divide saw founder Hari Prasad Nanda having to move to Delhi in much reduced pecuniary circumstances but with his fortitude and resilience intact. Slowly and painstakingly he re-built the business. In 1960, Escorts set up its manufacturing base in Faridabad on the outskirts of Delhi. Over the years the company was associated with leading global players such as Ford, JCB and Yamaha. In the 1980s, the Rajdoot bikes it produced became a rage.



Rajan Nanda



Nikhil Nanda

At another level, Escorts is also a story of survival battles. In the same decade it also witnessed a hostile takeover bid by Lord Swraj Paul. No crisis, though, could be compared with the downturn that followed the economic liberalisation of 1991, with the group exiting several of its business. At one point, the financial crisis was so deep that power supply to its office was cut off for non-payment of bills.

The chapters dealing with the crisis period and the resurrection show how different the management styles of the father and son were and how this had an adverse impact on Escorts. The turnaround of Escorts saw Nikhil Nanda coming into his own as a manager. Assisted by a hand-picked team, he went around addressing all the main points.

The last crisis saw it get whittled down from an engineering group with a diversified portfolio to just three products — tractors (which accounts for 80 per cent of business), construction equipment and railway equipment. But each time it has, like the proverbial phoenix, risen again. This book tells the story of the third res-

urrection, when Nikhil Nanda, the third generation scion of this fabled business family, pulled Escorts back from the brink of financial ruin.

When Nikhil took over as the chairman, he was left with mounds of debt, four struggling businesses, and the trust he lost with banks. So much so that bankers refused to pay attention to his presentation.

In these times of despair, Nikhil reminded himself that his family has always risen from the ashes. His maternal grandfather H P Nanda had brought back the business to life twice after Partition, and another hostile takeover by NRI Swraj Paul.

From then to now, Escorts has seen a remarkable turnaround, led by Rajan Nanda and his son Nikhil. Back from the Brink is the story of how Escorts was turned around — an eye-opening account of management, with crucial lessons for practitioners, professionals and students looking to understand how a quintessentially Indian company is run — and revived.



BACK FROM THE BRINK: TURNING ESCORTS AROUND

by Seetha and Sharad Gupta.
Harper Business.
Pages 221.
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