

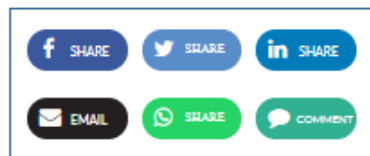
Japan's Kubota Corp to acquire 10% stake in Escorts

Rajesh Kurup | Mumbai | Updated on March 20, 2020 | Published on March 20, 2020



The collaboration aims at leveraging R&D strengths of Kubota - Getty Images/istock.com

Japanese tractor and machinery manufacturer Kubota Corporation has entered into an agreement to acquire 10 per cent stake, on a post capital reduction basis, in engineering conglomerate Escorts Ltd. While the companies did not disclose



the deal size, market sources estimated the transaction to be about ₹1,042 crore. JM Financial was the financial and transaction advisor to Escorts Ltd.

Following the completion of the deal, Escorts and Kubota will partner to become a leading player in the Indian market and a hub of product development, manufacturing and sourcing for global markets, the companies said in a statement. "At Escorts, we believe in strategic global partnership with an objective to address global farm mechanisation needs," Nikhil Nanda, Chairman and Managing Director at Escorts said.

"This collaboration aims at leveraging R&D strengths of Kubota to offer cutting-edge products for domestic and export markets, serving customers in new markets and new product lines. With our manufacturing expertise and strong domestic distribution combined with collaboration with Kubota, we aim to reach our objective of becoming the market leader in farm mechanization, and address the food security challenge," he added.