

# 'Escorts should be a blue-chip again'

## Newly-Appointed MD Of Firm, Nikhil Nanda, Speaks Of Challenges & Plans

Nandini Sen Gupta | TNN

**Chennai:** After running his Rs 3,200 crore engineering major as joint MD for six years, Escorts scion Nikhil Nanda has just been appointed MD of the company that he says is on the cusp of change. In a chat with TOI, he outlines his company's focus areas through to 2015 and why vision 20:20 is critical to the survival and growth of his business. Excerpts:

**You have been the hands-on guy in-charge at Escorts for over six years now. As MD, will you forge a strategic shift in the company's future plans?**

Every man and woman at Escorts is crystal clear about the Escorts 20:20 vision. We are clear about what we will do and even more clear about what we will not do. Our focus is to build value for the company and sha-

reholders and over the next seven years, we will work towards that. Our target is to become India's No. 1 player in the premium tractor segment — comprising high horsepower or above 15 hp tractors — by 2015. And we would want to be the most profitable tractor company in India and have a strong presence in global markets. This November, we are showcasing our international series of tractors to 80 dealers from the EU. It is part of our global ambition which will be supported by our Polish subsidiary Farmtrac Tractors Europe.

So my job essentially is to ensure continuity so that our core values remain intact. Escorts was once a blue chip company and we want to get that status back through hard work, strategic thinking and improved value proposition.

**Although Escorts is primarily**



**ONE-ON-ONE**

**Nikhil Nanda**  
MD, ESCORTS GROUP

**a farm equipment company you have built three more business verticals — construction equipment, railways and auto components. Will there be more diversification of interest?**

Escorts is an engineering company and that's our core competence. Right now our agri portfolio and the infrastructure or construction equip-

ment segments are the largest business segments. We are looking to drive the agri business strategically through new platforms, new generation tractors and a crop solution vertical. There is a portfolio of 7-8 companies with whom we are in talks to provide a bouquet of products for mechanised crop solutions built around a specific crop. We've already tied up with Ferrari and discussions are on with them about local assembly. We will have clarity on that in the next few weeks.

**What about the construction equipment sector?**

We are already market leaders in the material handling segment and we are now focusing on earth moving segment.

**What about unlocking value by listing the subsidiaries?**

In comparison to the agri and construction equipment

business, railways and auto component businesses are much smaller. In these segments we want to create a niche and focus on specialisation. We have added a number of companies as partners and a number of products in the railways business. On the auto side, our focus earlier was on the lower segment of the pyramid through motorcycles and in products where I felt the contribution was not very high. Now we're looking at products with higher contribution and those that can be exported to Europe and elsewhere. In terms of a directional point of view, we are open to subsidiarising these smaller businesses — either bring in partners or allow investors to come in so they can add value and wealth. But our two core businesses — farm equipment and construction equipment — will always remain with Escorts.