

FROM FACING A POTENTIAL COLLAPSE TO BECOMING ONE OF THE BEST PERFORMING AUTOMOTIVE FIRMS IN THE COUNTRY, **NIKHIL NANDA** HAS SCRIPTED A REMARKABLE TURNAROUND STORY AT ESCORTS

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PHOTOGRAPH BY VIVAN MEHRA

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From being a company weighed down by debt, to becoming a net zero debt firm, to now sitting on cash, it has been a satisfying journey. Our next step is 15 per cent EBITDA margin, but it doesn't end there. We want to be the benchmark in EBITDA in this industry"

TIGER

the summer of 2003, Nikhil Nanda, Chairman and Managing Director of Escorts Group, found himself perspiring in the CEO's cabin of the company's factory in Faridabad on outskirts of the national capital. Despite the heat, the reason for the power cut sent a chill down his spine — the power department had stopped electricity supply as the company had not paid its bills. For a manufacturing company, it represented a point of no return, the proverbial last nail in the coffin.

"Those were really dark days. I still shudder a bit when I recount them," says Nanda, who was executive director of the company then. He was elevated as joint managing director in 2007 and then managing director in 2013 in the company founded by his grandfather more than seven decades ago.

There were many reasons for the crisis at Escorts, the largest tractor maker in the country in the 1980s. One was the huge debt it had piled up after a wave of ill-advised diversification into unrelated and capital intensive businesses like telecom and healthcare. Then, as the economy liberalised, foreign players began to go solo in the core automotive business, intensifying competition. Escorts found itself on the backfoot. By the turn of the century, jittery bankers lost faith and suggested an honourable exit for the promoters, the Nanda family.

Nikhil Nanda had barely cut his teeth in the business back then and the task ahead was uphill. The group was still in black but heavily indebted. To pare down the debt, it exited a number of non-core businesses — selling its motorcycle JV that used to make Rajdoot cruisers to partner Yamaha in 2001, auto components JV with Mahle group and construction equipment JV with JCB of the UK. But that was not enough. Even by