



Escorts enters into JV with Kubota (Japan) for manufacturing high-end tractors

A new manufacturing facility will be set up under the JV with an initial capacity of 50,000 tractors.



India's leading agriculture equipment maker [Escorts Ltd](#) (Escorts) has entered into JV with Kubota Corporation, Japan, for developing high-end tractors for the domestic and export markets.

As per Escort's press release to exchanges, the new JV will be formed with an initial investment of Rs300cr. Kubota will own 60% in the JV while Escorts will own the remaining 40%. The plant will have an initial manufacturing capacity of 50,000 tractors and will come up in FY21.

These tractors will be sold by both players, respectively, through their separate channel network in the domestic market. The JV will leverage Kubota's technology, quality, and global leadership in the sub-120 HP segment along with Escort's cost-efficiency and frugal manufacturing.

As a part of the collaboration, Kubota will export Escorts' tractors through its global distribution network in specific markets as mutually agreed.

Kubota Corporation is Japan's largest tractor manufacturer with net sales of Rs1,11,000 lakh cr in CY2017. Its products include tractors and agricultural equipment, engines, construction equipment, vending machines, pipe, valves, cast metal, pumps and equipment for water purification, sewage treatment, and air conditioning.

Escorts Ltd share price is currently at Rs606.35, down Rs19.8, or 3.16%, from its previous close of Rs626.15 on the BSE. The scrip opened at Rs615 and has touched a high and low of Rs615 and Rs602.50, respectively. So far, 10,53,788 (NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs7,675.35cr.