



[On the letterhead of the Company]

November 18, 2021

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 BSE – 500495	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400051 NSE – ESCORTS	Delhi Stock Exchange Limited DSE House, 3/1, Asaf Ali Road, New Delhi – 110002 DSE – 00012
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Subject: Intimation of the outcome of the Board Meeting, Press Release, and Investor Presentation

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

In terms of Regulation 30 read with Schedule III of the SEBI Listing Regulations, we hereby inform you that at the meeting of the Board of Directors (“**Board**”) of Escorts Limited (“**Company**”) held today, i.e., November 18, 2021, the Board has approved, *inter alia*, the following:

Preferential Issue of equity shares to Kubota Corporation, Japan

1. Subject to receipt of requisite statutory and regulatory approvals including approval of the shareholders of the Company, the Board has approved the raising of equity capital aggregating to INR 18,72,74,52,000 through preferential issue of 93,63,726 equity shares (“**Proposed Issue**”) of face value INR 10 at INR 2,000 per share (including a premium of INR 1,990 for each equity share), to Kubota Corporation, Japan, a company incorporated under the laws of Japan (“**Investor**”), subject to compliance with applicable pricing regulations and in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and applicable provisions of the Companies Act, 2013 and rules made thereunder (“**Companies Act**”). The information in connection with the Proposed Issue, pursuant to the disclosures as required under Regulation 30 of the SEBI Listing Regulations read with the Securities and Exchange Board of India Circular (CLR/FD/CMD/4/2015) dated September 9, 2015 (“**SEBI Circular**”), is enclosed as **Annexure A**.
2. With regard to the Proposed Issue, the Board accorded approval for the execution of: (i) a share subscription agreement (“**SSA**”) among the Investor, the Company, Escorts Benefit and Welfare Trust (“**EBWT**”), and Specified Promoters (*as defined in the SSA and detailed in Annexure B*), and (ii) a shareholders’ agreement among the Investor, the Company, EBWT and the Specified Promoters (“**SHA**”). Subsequently, they have executed the said SSA and SHA on November 18, 2021, and other ancillary agreements in this regard. The Proposed Issue is subject to customary conditions precedent, including the approval and adoption of the restated and amended articles of association of the Company, increase in the limit on the maximum number of directors on the Board, and receipt of necessary regulatory approvals. The information in connection with the SSA and SHA,

ESCORTS LIMITED

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Email: corpsl@escorts.co.in; Website: www.escortsgroup.com

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CIN: L74899HR1944PLC039088



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pursuant to the disclosures as required under Regulation 30 of the SEBI Listing Regulations read with SEBI Circular is enclosed as Annexure B.

Open offers

Pursuant to the execution of the SSA and SHA (wherein it is proposed that the Investor will acquire control over the Company to become a joint promoter of the Company along with the existing promoters, upon the SHA becoming effective), the obligation to make a mandatory open offer by the Investor to the public shareholders of the Company has been triggered (“**Open Offer**”) in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.

Board of the Company has also taken note that the proposed acquisition of control over the Company by the Investor to become a joint promoter of the Company has triggered an obligation on the Investor to make an open offer to the public shareholders of the listed subsidiary of the Company i.e., Escorts Finance Limited, in terms of Regulation 5 and other applicable regulations of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and subsequent amendments thereto.

Approval of change in the name of the Company

3. Pursuant to Section 13 of the Companies Act (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act and the Companies (Incorporation) Rules, 2014, and subject to the availability of name; subject to approval of the Central Government (power delegated to Registrar of Companies), relevant stock exchanges, if applicable, and any other regulatory authorities and/or persons, including lenders, as may be necessary; and subject to the consent of the shareholders of the Company, the Board accorded its approval to change the name of the Company from “Escorts Limited” to “Escorts Kubota Limited” or any other name containing the trade names “Escorts” and “Kubota” as may be approved by the Central Registration Centre (“**CRC**”), RoC and other regulatory authorities whether under the Companies Act or any other rules, laws, acts, statutes or regulations as may be applicable to the Company, subject to the SHA coming into effect in accordance with its terms.

Amendment of the Articles of Association in connection with the Proposed Issue

4. Pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, and rules made thereunder, subject to the approval of the shareholders of the Company, and subject to the SHA becoming effective, the Board accorded its approval for the amendment and restatement of the existing articles of association of the Company (“**Restated Articles**”), *inter alia*, incorporating the key terms of the SHA in substitution of the existing articles of association, and adoption of such Restated Articles as the new articles of association of the Company. The Restated Articles shall provide the Investor certain specific rights as provided thereunder.

To approve increase in the limit on the maximum numbers of Directors on the Board

5. Pursuant to Section 149 and other applicable provisions, if any, of the Companies Act, and rules made thereunder, subject to the approval of the shareholders of the Company, the Board accorded to increase the limit on the maximum number of directors of the Company on the Board from the

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existing limit of 15 (fifteen) to 18 (eighteen) under the restated and amended articles of association of the Company.

Approval of Postal Ballot Notice and related matters thereof

6. The Board approval has been accorded to seek approval of the shareholders of the Company through a postal ballot notice pursuant to Section 110 of the Companies Act and other applicable provisions of the Companies Act read together with the Companies (Management and Administration) Rules, 2014 for: (a) issue and allotment of 93,63,726 equity shares of the Company of face value of INR 10/- each at an issue price of INR 2,000 per share to the Investor, subject to compliance with applicable pricing regulations and in accordance with the provisions of Chapter V of the SEBI ICDR Regulations and applicable provisions of the Companies Act; (b) change in name of the Company; (c) substitution of the existing articles of association of the Company with the Restated Articles, and the adoption of these Restated Articles as the new articles of association of the Company; (d) increasing the limit on the maximum number of directors of the Company on the Board from the existing limit of 15 (fifteen) to 18 (eighteen); and (e) entering into related party transactions.

Approval for entering into related party transactions with Kubota Corporation (and/or its relevant subsidiaries and group companies)

7. Pursuant to the applicable provisions of Section 188 and any other applicable provisions of the Companies Act and rules framed thereunder and in terms of the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment thereof for the time being in force), the Company's Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions, subject to the SHA becoming effective, and subject to the consent of the shareholders of the Company and such other statutory approvals as may be necessary, in continuation of omnibus approval of Audit Committee and transactions reviewed / approved by Audit Committee at its meeting held on November 18, 2021, the Board accorded its approval for entering into or continuing to enter into related party transaction(s)/contract(s)/agreement(s), for a period of five (5) years with effect from the date of effectiveness of the SHA, with Kubota Corporation, Japan, and/or relevant subsidiaries and group companies of Kubota Corporation, Japan, subject to an aggregate limit of INR 4,500 crores p.a. (excluding applicable taxes) (the peak limit of INR 4,500 crore is expected to be achieved by the end of fifth year), to be discharged in a manner and on such terms and conditions as may be mutually agreed upon between the Company and Kubota Corporation, Japan and/or relevant subsidiaries and group companies of Kubota Corporation, Japan, as the case may be, provided that such transaction(s)/contract(s)/arrangement(s) shall be carried out at arm's length and in the ordinary course of business.

To constitute a committee of independent directors

8. The Board approval has been accorded to constitute a committee of independent directors of the Company comprising of Mr. Sunil Kant Munjal and Ms. Vibha Paul Rishi, pursuant to the provisions of the Securities and Exchange Board of India (Substantial Acquisition Of Shares And Takeovers) Regulations, 2011, and the Companies Act, 2013, subject to receipt of the detailed public statement by the Company in accordance with the Securities and Exchange Board of India (Substantial Acquisition Of Shares And Takeovers) Regulations, 2011.

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Evaluate and consider the feasibility of the: (i) amalgamation of Kubota Agricultural Machinery India Private Limited, Escorts Kubota India Private Limited and Escorts Finance Limited with the Company; and (ii) selective capital reduction of shares held by Escorts Benefit and Welfare Trust held in the Company

9. The Board has decided to evaluate and consider the feasibility of: (i) the amalgamation of Kubota Agricultural Machinery India Private Limited, Escorts Kubota Private Limited and Escorts Finance Limited with the Company, subject to the approval of their respective boards of directors and shareholders; and (ii) the selective capital reduction of the issued, subscribed and paid-up equity share capital of the Company by cancelling and extinguishing all the residual equity shares which are currently held by the Escorts Benefit and Welfare Trust, without payment of any consideration to the aforesaid trust.

Taking note of discussions for engagement (non-employee) between Mr. Nikhil Nanda and Kubota Corporation, Japan

10. The board took note that Mr. Nikhil Nanda (an existing promoter and the acting Chairman and Managing Director of the Company) is in discussions to be engaged in his individual capacity as a non-employee with the proposed designation of senior managing executive officer and General Manager of Value-Innovative Farm and Industrial Machinery Strategy and Operations of the Acquirer and as a Director of one of the group companies of the Kubota Corporation, Japan i.e., Kubota Holdings Europe B.V., Netherlands in accordance with an agreement to be entered into in this regard. Mr. Nikhil Nanda's non-employee involvement in the foregoing capacity will not interfere with his commitment and role as the Chairman and Managing Director of the Company. It is hereby clarified that no compensation, remuneration or any other kind of consideration is proposed to be payable by Kubota Corporation, Japan to Mr. Nikhil Nanda for the services proposed to be provided under the aforementioned arrangement.

The Board meeting commenced at 9.55 a.m. and concluded at 11.31 a.m.

Also, please find enclosed press release and investor presentation, in this regard.

This is for your information and appropriate dissemination.

Yours faithfully,
For Escorts Limited

Satyendra Chauhan
Company Secretary and Compliance Officer



Place: Faridabad
Date: November 18, 2021

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Annexure A

Proposed Issue

Details which a listed entity needs to disclose in the event of issuance of securities as specified in Para A of Part A of Schedule III of the SEBI Listing Regulations read with the SEBI Circular:

S. No.	Particulars	Details												
1.	Type of securities proposed to be issued (viz. equity shares, convertibles etc.).	Equity Shares of INR 10 (Indian Rupees Ten) each.												
2.	Type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc.)	Preferential issue of Equity Shares in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and provisions of chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable laws.												
3.	Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately)	93,63,726 Equity Shares of face value of INR 10 each at a price of INR 2,000 per Equity Share aggregating to INR 18,72,74,52,000.												
4.	Details furnished in case of preferential issue													
i.	Name of the investor	Kubota Corporation, Japan												
ii.	Post allotment of securities: Outcome of subscription, issue price/allotted price (in case of convertibles), number of investors	<p>Details of shareholding of Kubota Corporation in the Company, prior to and after the proposed preferential issue, would be as under:</p> <table border="1"> <thead> <tr> <th colspan="2">Pre-Issue</th> <th colspan="2">Post-Issue</th> </tr> <tr> <th>No. of Shares</th> <th>% held</th> <th>No. of Shares</th> <th>% held</th> </tr> </thead> <tbody> <tr> <td>12,257,688</td> <td>9.09%</td> <td>21,621,414</td> <td>14.99%¹</td> </tr> </tbody> </table> <p>The above shareholding details of Kubota Corporation in the Company, only represents the shareholding before and after the proposed Preferential Issue. Hence, the above shareholding details do not take into consideration the acquisitions proposed to be made by Kubota Corporation pursuant to the Open Offer.</p>	Pre-Issue		Post-Issue		No. of Shares	% held	No. of Shares	% held	12,257,688	9.09%	21,621,414	14.99% ¹
Pre-Issue		Post-Issue												
No. of Shares	% held	No. of Shares	% held											
12,257,688	9.09%	21,621,414	14.99% ¹											

¹ Assuming existing capital reduction scheme filed with NCLT for cancellation and extinguishment of 1,22,57,688 equity shares of Escorts Limited held by Escorts Benefits and Welfare Trust is not effective. Post effectiveness of the existing capital reduction scheme, post issue shareholding shall be 16.39%

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iii.	Issue price	INR 2,000 (including a premium of INR 1,990 per share) per Equity Share. The price at which the Equity Shares are proposed to be issued is not lower than the floor price calculated in accordance with Regulation 164 of the SEBI ICDR Regulations.
iv.	Number of investors	1 (one)
v.	In case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument	Not Applicable
5.	Any cancellation or termination of proposal for issuance of securities including reasons thereof	Not Applicable

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Details which a listed entity needs to disclose in the event of it entering into agreements as specified in Para A of Part A of Schedule III of the SEBI Listing Regulations read with the SEBI Circular:

S. No.	Particulars	Details																		
1.	Name(s) of parties with whom the agreement is entered.	<p>The parties to the share subscription agreement (“SSA”) and shareholders’ agreement (“SHA”) are as follows:</p> <p>(i) Escorts Limited (“Company”); (ii) Kubota Corporation, Japan (“Investor”); (iii) Nikhil Nanda, Shweta Nanda, Navya Naveli Nanda, Agastya Nanda, AAA Portfolios Private Limited, Big Apple Clothing Private Limited, Har Parshad and Company Private Limited (collectively, “Specified Promoters”); and (iv) Escorts Benefit and Welfare Trust (“EBWT”).</p> <p>(collectively hereinafter referred to as “Parties”).</p>																		
2.	Purpose of entering into the agreement.	<p>The SSA has been entered into by the Parties for recording the terms and conditions of issuance of 93,63,726 Equity Shares of face value of INR 10 each at a price of INR 2,000 per Equity Share aggregating to INR 18,72,74,52,000 to the Investor on preferential basis.</p> <p>The SHA has been entered into by the Parties to set out the agreement and relationship amongst them regarding their rights and obligations, <i>inter alia</i>, in relation to the Investor acquiring control over the Company to become a joint promoter of the Company along with the Specified Promoter and other matters in connection therewith including undertaking the specific obligations.</p>																		
3.	Shareholding, if any, in the entity with whom the agreement is executed.	<p>Details of shareholding of the Investor in the Company, prior to and after the proposed preferential issue, would be as under:</p> <table border="1"> <thead> <tr> <th colspan="3">Pre-Issue</th> <th colspan="3">Post-Issue</th> </tr> <tr> <th>No. of Shares</th> <th>% held</th> <th></th> <th>No. of Shares</th> <th>% held</th> <th></th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Pre-Issue			Post-Issue			No. of Shares	% held		No. of Shares	% held							
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		12,257,688	9.09%	21,621,414	14.99% ²
		The above shareholding details of the Investor in the Company, only represents the shareholding before and after the proposed Preferential Issue. Hence, the above shareholding details do not take into consideration the acquisitions proposed to be made by the Proposed Allottee pursuant to the Open Offer.			
4.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	Key terms of the SHA inter-alia are as under: <ul style="list-style-type: none">• The Investor and the Specified Promoters shall have right to appoint 4 non-independent directors each upon effectiveness of SHA. If the Investor's shareholding in the Company is 40% (determined in accordance with the terms of the SHA) or more, the Investor shall have a right to appoint 5 non-independent directors.• Certain Reserved Matters have been identified which shall require approval from both Investor and the Specified Promoters.• Lock-in for shareholding of Investors and Specified Promoters for 5 years from effectiveness of SHA• Right of first offer to both Investor and Specified Promoters			
5.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	The Investor is not related to the Specified Promoters/ group companies in any manner. The Investor is an existing shareholder of the Company and has executed a shareholder agreement with the Specified Promoters dated March 20, 2020. Post completion of the Open Offer and SHA becoming effective, the Investor will become a joint promoter of the Company along with the existing promoters.			
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"?	No.			

² Assuming existing capital reduction scheme filed with NCLT for cancellation and extinguishment of 1,22,57,688 equity shares of Escorts Limited held by Escorts Benefits and Welfare Trust is not effective. Post effectiveness of the existing capital reduction scheme, post issue shareholding shall be 16.39%

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7.	In case of issuance of shares to the parties, details of issue price, class of shares issued.	93,63,726 Equity Shares of face value of INR 10 each at a price of INR 2,000 per Equity Share aggregating to INR 18,72,74,52,000 to the Investor on preferential basis.
8.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	<p>The following directors of the Company have been nominated by the Investor effective from 16 July 2020: (a) Mr. Dai Watanabe; and (b) Mr. Yuji Tomiyama, pursuant to the share subscription agreement dated March 20, 2020 entered into between the Investor, Company and Specified Promoters.</p> <p>Also please refer detail against point number 4 above.</p>

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Press Release

Escorts Limited & Kubota Corporation reinforce their long-standing partnership. Kubota increases its stake in Escorts Limited

New Delhi, November 18, 2021: Escorts Limited ("Escorts") and Kubota Corporation ("Kubota"), a global leader (Market Cap of ~US\$ 24 Bn) in tractor and machinery, have decided to strengthen their partnership in pursuit of their vision of global leadership in Agri Machinery. As part of this, Kubota Corporation shall increase its equity stake in Escorts by subscribing to new equity shares proposed to be issued by Escorts and shall become a joint promoter along with existing promoter of Escorts. This transaction shall pave the way for Escorts and Kubota to seamlessly integrate their respective strengths to become a formidable global force in the farm equipment sector.

This partnership with Kubota will enable Escorts to have access to global best practices and state of the art research & development facilities which will complement Escort's proven strengths in engineering and execution - to deliver high quality, cost-efficient solutions, in India and across the world.

Key Transaction Highlights

- Escorts will issue 9,363,726 equity shares through a preferential issue to Kubota at an issue price of INR 2,000 per equity share aggregating INR 1,872.74 crore, subject to shareholders' and necessary regulatory approvals
- Post Preferential allotment, Kubota's investment in Escorts will be 14.99%¹
- Kubota will also make an Open Offer to the public shareholders of Escorts to acquire upto 26% of the share capital in accordance with SEBI Regulations
- Current promoter group (Nanda Family) are not selling any shares of the Company
- With a goal of making Escorts the exclusive vehicle of business in India and simplifying the corporate structure, Escorts and Kubota have decided to take necessary steps to evaluate and consider the feasibility of merger of Kubota's Subsidiaries in India where Escorts is also a partner [i.e., Kubota Agricultural Machinery India Pvt. Ltd (KAI) & Escorts Kubota India Private Limited (EKI)] into Escorts, subject to necessary approvals.

¹ Assuming existing capital reduction scheme filed with NCLT for cancellation and extinguishment of 1,22,57,688 equity shares of Escorts Limited held by Escorts Benefits and Welfare Trust is not made effective prior to the date of preferential allotment, else this shall be 16.39%

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- *The Board of Directors of Escorts has agreed to evaluate and consider the feasibility of cancelation of all the residual equity stake of Escorts held by the Escorts Benefit and Welfare Trust (besides the pending capital reduction) without payment of any consideration and the merger of Escorts Finance Limited into Escorts, subject to necessary approvals.*
- *To reflect the spirit of joint partnership, upon completion of this transaction, the name of the company shall be changed to 'Escorts Kubota Limited' subject to regulatory approvals.*
- *Kubota intends to have Mr. Nikhil Nanda engaged in his individual capacity as a non-employee with the proposed designation of senior managing executive officer and General Manager of Value-Innovative Farm and Industrial Machinery Strategy and Operations of Kubota, besides a proposal to induct him as a director on the Board of Kubota's European business holding company, Kubota Holdings Europe B.V., Netherlands. Mr. Nikhil Nanda's non-employee involvement in the foregoing capacity will not interfere with his role as the CMD of Escorts. There will be no remuneration payable to him for these services.*

Strategic Rationale

- *Creating one of the largest Indo-Japan agriculture collaboration to attain global leadership in Farm Equipment Sector*
- *Escorts to be the **exclusive vehicle** for manufacture and sale of certain products in India and for **sourcing** from India (existing and products to be jointly developed in future)*
- *Escorts will also house a major R&D and Innovation Centre to offer cutting-edge products and new alternative technologies*
- *Seamlessly integrating Kubota's global reach and world class business processes and Escorts' proven capabilities in frugal engineering and manufacturing*
- *This partnership is committed to enhance customer prosperity and accelerating mechanization with the most cost-competitive technologies in India and across the globe*

Explaining the strategic intent, Nikhil Nanda, CMD, Escorts Limited, said "We are delighted to embark on a journey of global leadership in agri-machinery in partnership with Kubota Corporation. I am pleased to announce the enhancement of Kubota's current holding in the company. This will enable both companies to enhance the value they have created by leveraging each other's strengths – be it in technology, market access, manufacturing processes or engineering excellence. With this Escorts is positioned to become an institution that will serve Indian and global farmers for decades and centuries. While Escorts is known for its stronger India presence with proven strengths in frugal engineering and manufacturing, Kubota brings world-class processes and global reach and expertise. The construct of the new collaboration shall be based on excellence and innovation to cater to the needs of customers globally, addressing food security and environmental challenges by providing

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smart agriculture and infrastructure solutions. The transaction will catapult Escorts to a different level of expertise, size and growth. I am proud that Escorts has taken the leap into the future with this partnership.”

Yuichi Kitao, President and Representative Director, Kubota, Japan, said, "The journey between Kubota Corporation & Escorts Limited, which began in 2016, has reached a major milestone today with signing of a historic agreement. I would like to express my gratitude to everyone at Kubota & Escorts for their efforts. Both Kubota Corporation & Escorts Limited have a legacy of more than 130 and 75 years respectively. The combined entity and the larger collaboration will provide advanced farm mechanisation solutions to address global food security & enhanced farm productivity. We are extremely proud and excited to unite for the future as a One Company "

The transaction is subject to customary regulatory and other approvals and closing conditions

JM Financial acted as the financial advisor, Transaction Square acted as the transaction advisor and DMD Advocates acted as the legal advisor to Escorts Limited.

About Escorts:

Escorts (Market Cap: ~US\$3 Bn) is among India's leading engineering conglomerates, operating in the high growth sectors of Agri Machinery, Material Handling, Construction Equipment and Railway Equipment. The Group has earned the trust of over 5 million customers by way of product and process innovations over seven decades. Escorts endeavours to transform lives in rural and urban India by leading the revolution in agricultural mechanization, modernization of railway technology and transformation of Indian construction.

About Kubota:

Kubota Corp. (Market Cap: ~US\$ 24 Bn) is a global manufacturing company, specializing in agriculture, water, and living environment products, with a worldwide network spread over 100 countries. Kubota's research and development values thorough hands-on approach. As an agricultural and water expert, we challenge and attain the future of food, water, and the environment, realizing our customer's needs. Through proactive management, user-friendly products, and stable support, Kubota has been a leader in global agriculture and water-related industries.

For further information, please contact

Bharat Madan

Group CFO and Corporate Head
Escorts Ltd.

Email ID: bharat.madan@escorts.co.in

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For Earth, For Life
Kubota

Investor Update

==== 18 November 2021 =====

Key Transaction Highlights 1/3

Escorts Ltd (Escorts) & Kubota Corporation (Kubota) further deepen their existing relationship

1 Preferential Allotment

- **Kubota will make an additional investment of ₹ 1,872.74 crore in Escorts** through a Preferential Issue of **93,63,726** equity shares (subject to receipt of necessary approvals) for a 6.49% of the equity stake on expanded capital (pre cancellation of shares)
- This price of ₹ **2,000** per share is at a premium of **29.5%** over the floor price (as per SEBI regulations) of ₹ 1,544.16 per share
- Kubota's stake in Escorts will increase to **14.99%*** (on expanded capital and pre cancellation of shares)

2 Joint Promoter

- Pursuant to the transaction, Kubota will become **Joint Promoter along with existing Promoters of Escorts**

3 Open Offer

- Kubota to make a Mandatory Open Offer (MTO) to the public shareholders of Escorts to acquire upto 26% of the share capital
- Open Offer to be at same price as preferential issuance, i.e. a price of ₹ 2,000 per share
- Kubota's stake in Escorts to increase to **44.80%** (post 1st Capital reduction and assuming full tendering in Open Offer)

4 Merger of JV's (KAI and EKI)

- With a goal of making Escorts as the exclusive vehicle of business in India, Escorts and Kubota have decided to take necessary steps to evaluate and consider the feasibility of merger of **Kubota Agricultural Machinery India Pvt. Ltd (KAI) & Escorts Kubota India Private Limited (EKI)**, subject to necessary approvals

Preferential allotment and Open Offer likely to be completed by March 2022

Key Transaction Highlights 2/3

Change of name

- Name of Company is proposed to be changed to '**Escorts Kubota Limited**' subjected to necessary approvals

Leadership

- **Mr. Nikhil Nanda shall continue be the Chairman and Managing Director** and lead the next phase of growth of Escorts, with the current set of Key Managerial Persons (KMPs)
- Kubota intends to have Mr. Nikhil Nanda engaged in his individual capacity as a non-employee with the proposed designation of senior managing executive officer and General Manager of Value-Innovative Farm and Industrial Machinery Strategy and Operations of Kubota, besides a proposal to induct him as a director on the Board of Kubota's European business holding company, Kubota Holdings Europe B.V., Netherlands. Mr. Nikhil Nanda's non-employee involvement in the foregoing capacity will not interfere with his role as the CMD of Escorts. There will be no remuneration payable to him for these services.

Existing promoter remains fully invested

- Existing Promoter / Promoter Group of Escorts is not selling any shares & **continues to remain fully invested in the Company**

Existing Promoters and Leadership team continue to remain fully invested and committed with Escorts to lead its next phase of growth

Key Transaction Highlights 3/3

2nd Reduction in Share Capital

- The Board of Directors of Escorts has agreed to evaluate and consider the feasibility of cancellation of all the residual equity stake of Escorts held by the Escorts Benefit and Welfare Trust [besides the pending capital reduction (1st Reduction in Share Capital)] without payment of any consideration, subject to necessary approvals

Escorts Finance

- Change in control of Escorts shall lead to indirect change in control of Escorts Finance Limited. Kubota to make an **Open Offer** to the public shareholders of Escorts Finance Ltd to acquire upto 26% of the share capital
- The Board of Directors of Escorts has agreed to evaluate and consider the feasibility of merger of Escorts Finance Limited with the Company, subject to necessary approvals

Other Existing JVs

- All other **Joint ventures** (other than with Kubota) will continue to operate as planned earlier

Escorts-Kubota: a Stronger Partnership



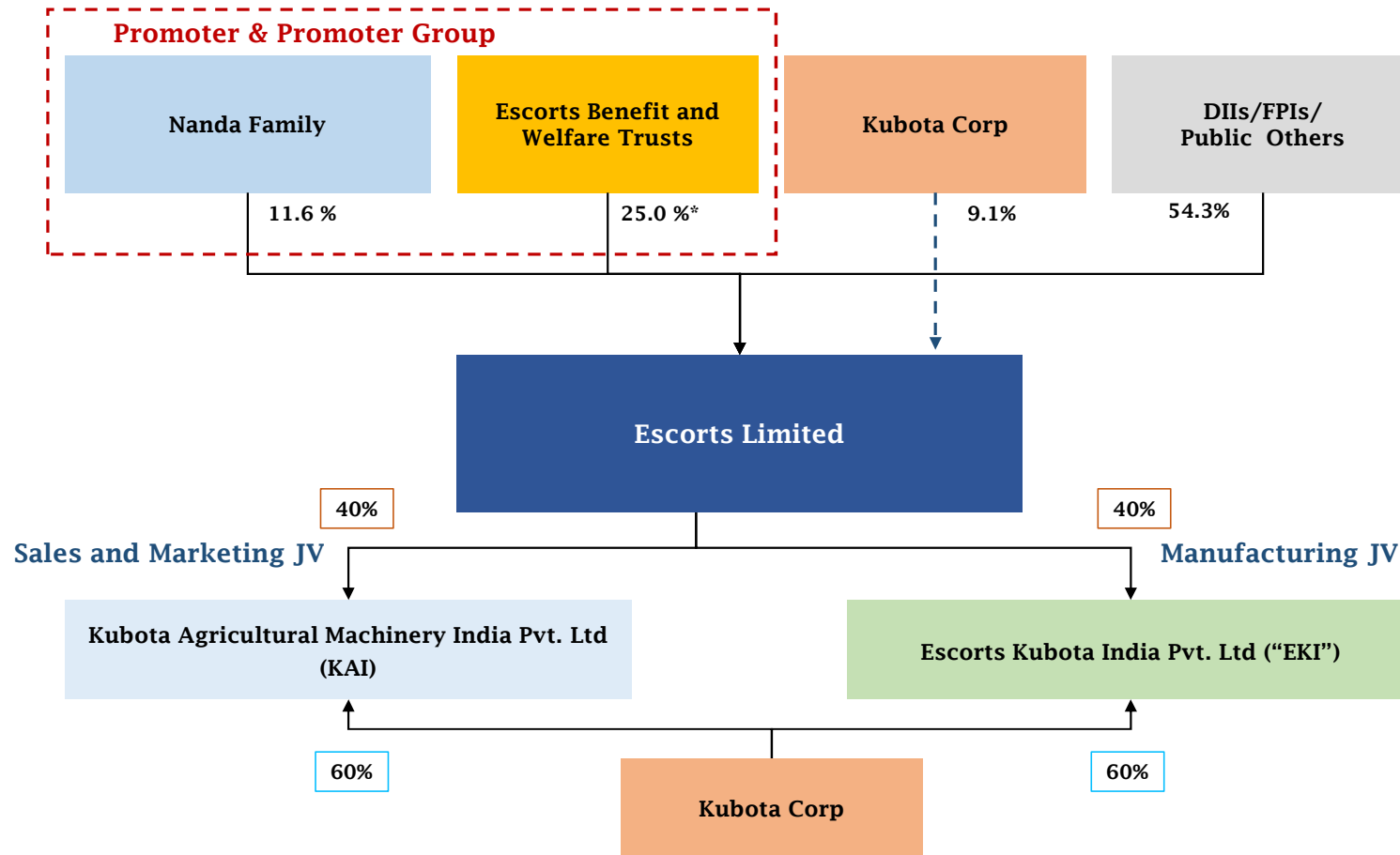
- ✓ Escorts to be the **exclusive vehicle** for manufacture and sale of certain products in India and for **sourcing** from India
- ✓ **Enhanced R&D capabilities** to offer cutting-edge products
- ✓ Addition of a **complementary & attractive product portfolio**
- ✓ Access to **global supply chain & network**
- ✓ **Primary Infusion** to accelerate growth & expansion initiatives



- ✓ Increased exposure to a Large & **Growing Indian Market**
- ✓ Strong Brand with **legacy & diversified portfolio**
- ✓ Ability to leverage **Pan-India dealer network**
- ✓ Assured supply of **low-cost value-added agriculture machinery**
- ✓ **Value consciousness** and **engineering** excellence of Escorts
- ✓ **Frugal Manufacturing** expertise of Escorts

“Escorts Kubota Limited” to be one of the largest Indo-Japan agriculture collaboration, establishing unparalleled commercial reach

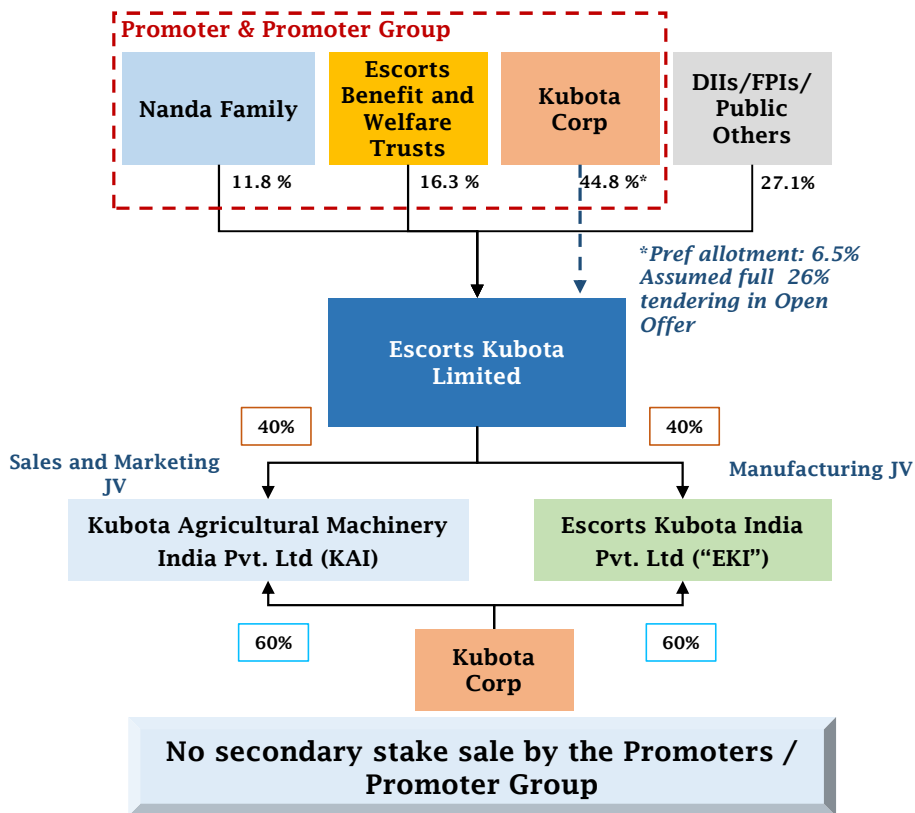
Current Structure



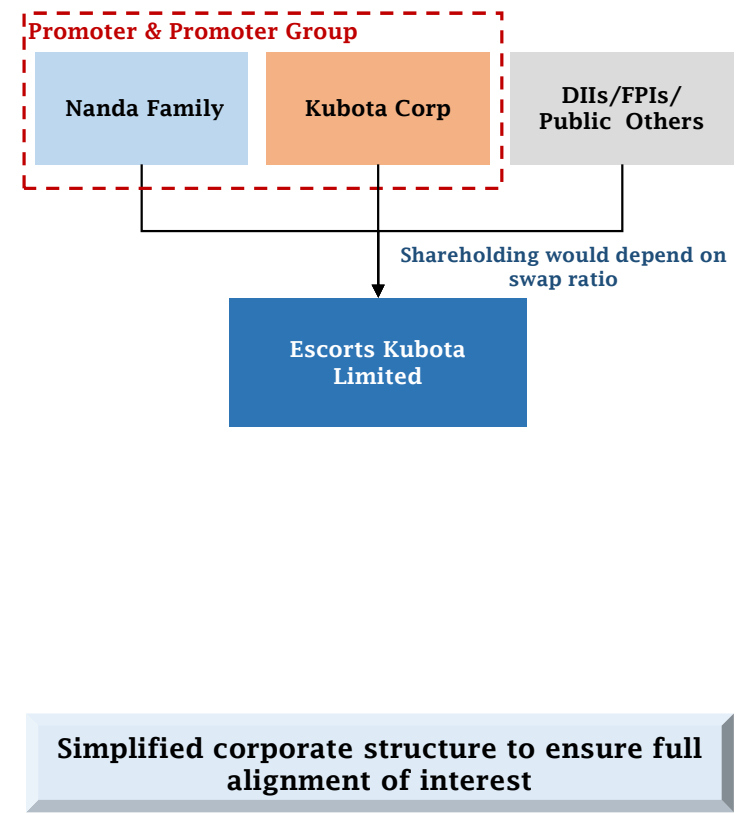
*9.1% of the Shares held by Escorts Benefit and Welfare Trust, are under the ongoing scheme of capital reduction.

Resulting Structure

Post Preferential Allotment; Open Offer & 1st share reduction



Post Scheme of Arrangement (merger of JVs & 2nd share reduction)



Value Enhancing Partnership across Key Stakeholders

Benefits to accrue to all stakeholders

Dealer Partner

- **Wider product portfolio:** backed by global technology and mechanization solutions.
- **High product quality:** on the back of robust manufacturing and design processes.
- Global best practices on delivering **delightful customer experience**.
- **Cost-competitiveness** arising from our global scale of operations.

Human Resource

- Immense learning from **standardization of process**, experience and exposure across various geographies

Shareholders

- Strong Strategic Partnership to open **opportunities at a global level**.
- Sizeable **capital infusion** into the Company to pave way for the next phase of growth and **expansion**.

Speaking on the Transaction



Nikhil Nanda
Chairman and Managing
Director, Escorts Ltd.

"We are delighted to embark on a journey of global leadership in agri-machinery in partnership with Kubota Corporation. I am pleased to announce the enhancement of Kubota's current holding in the company. This will enable both companies to enhance the value they have created by leveraging each other's strengths - be it in technology, market access, manufacturing processes or engineering excellence. With this Escorts is positioned to become an institution that will serve Indian and global farmers for decades and centuries. While Escorts is known for its stronger India presence with proven strengths in frugal engineering and manufacturing, Kubota brings world-class processes and global reach and expertise. The construct of the new collaboration shall be based on excellence and innovation to cater to the needs of customers globally, addressing food security and environmental challenges by providing smart agriculture and infrastructure solutions. The transaction will catapult Escorts to a different level of expertise, size and growth. I am proud that Escorts has taken the leap into the future with this partnership."



Yuichi Kitao
President and Representative
Director, Kubota, Japan

"The journey between Kubota Corporation & Escorts Limited, which began in 2016, has reached a major milestone today with signing of a historic agreement. I would like to express my gratitude to everyone at Kubota & Escorts for their efforts. Both Kubota Corporation & Escorts Limited have a legacy of more than 130 and 75 years respectively. The combined entity and the larger collaboration will provide advanced farm mechanization solutions to address global food security & enhanced farm productivity. We are extremely proud and excited to unite for the future as a One Company."

About the Companies

About Escorts Limited

- Established in **1944**
- Escorts Limited is among India's leading engineering conglomerates, operating in the high-growth sectors of Agri Machinery, Material Handling, Construction Equipment and Railway Equipment
- The Group has earned the trust of over 5 million customers by way of product and process innovations over seven decades of its existence.
- Escorts endeavors to transform lives in rural and urban India by leading the revolution in agricultural mechanization, modernization of railway technology and transformation of Indian construction.
- **Net Sales** :- ₹ 70.14 billion (FY 2021 - consolidated)
- For more details visit @ www.escortsgroup.com

About Kubota Corporation

- Established in **1890**
- **Kubota** Corporation (株式会社クボタ Kabushiki-kaisha **Kubota**) is a global manufacturing company, specialising in agriculture, water and living environment products with a worldwide network in over 100 countries.
- Kubota's research and development values thorough hands-on approach. As an agricultural and water expert, Kubota endeavors to attain the future of food, water, and the environment, realizing our customer's needs. Through proactive management, user-friendly products, and stable support, Kubota has been a leader in the global agriculture and water-related industries.
- 2/3rd revenue outside Japan markets
- Technology & Volume leadership <120 HP tractors
- Revenue:- ¥1,853.2 billion (CY 2020)
- For more details visit @ www.kubota.com

Safe Harbor

Certain statements in this document include forward-looking comments and information concerning the company's plans and projections for the future, including estimates and assumptions with respect to economic, political, technological, weather, market acceptance and other factors that impact our businesses and customers. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Escorts Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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