



February 18, 2022

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 051  <b>BSE – 500495</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400 051  <b>NSE – ESCORTS</b>	<b>Delhi Stock Exchange Limited</b> DSE House, 3/1, Asaf Ali Road, New Delhi -110 002  <b>DSE – 00012</b>
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**Subject: Intimation of the outcome of the Board Meeting under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").**

In terms of Regulation 30 read with Schedule III of the Listing Regulations, we hereby inform you that at the meeting of the board of directors ("**Board**") of Escorts Limited ("**Company**") held today, i.e. February 18, 2022 commenced at 4:43 p.m. and concluded at 5:18 p.m. to consider the items specified in the agenda of the Board Meeting, the Board, *inter alia*, has approved the following:

- 1. Allotment of 93,63,726 (Ninety Three Lakhs Sixty Three Thousand Seven Hundred Twenty Six) equity shares on preferential basis for an aggregate consideration of INR 1872,74,52,000 (Indian Rupees One Thousand Eight Hundred Seventy Two Crores Seventy Four Lakhs and Fifty Two Thousand) to Kubota Corporation**

We refer to our letter dated November 18, 2021, whereby we have informed you of the outcome of the meeting of the Board of the Company in relation to the aforesaid preferential issue of shares to Kubota Corporation ("**Acquirer**"), and our letter dated December 20, 2021, whereby the voting results of the postal ballot passed by the shareholders on December 18, 2021, reflecting the approval of the shareholders by way of a special resolution for the said preferential issue were disclosed. Further, the Company is in receipt of the in-principle approval from BSE Limited *vide* letter dated February 10, 2022, and the in-principle approval from the National Stock Exchange of India Limited *vide* letter dated February 10, 2022, for the issuance of equity shares to the Acquirer.

**ESCORTS LIMITED**

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Registered Office: 15/5, Mathura Road, Faridabad – 121 003, Haryana

**CIN: L74899HR1944PLC039088**



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Pursuant to receipt of the necessary approvals, and receipt of the share application money from the Acquirer, we wish to inform you that the Board of the Company has, at its meeting held today, i.e. February 18, 2022, *inter alia*, allotted 93,63,726 (Ninety Three Lakhs Sixty Three Thousand Seven Hundred Twenty Six) fully paid-up equity shares having a face value of INR 10 (Indian Rupees Ten only) per equity share ("**Subscription Shares**") to the Acquirer at a price of INR 2,000 (Indian Rupees Two Thousand only) (which includes a premium of INR 1,990 (Indian Rupees One Thousand Nine Hundred and Ninety only)) for each Subscription Share, aggregating to INR 1872,74,52,000 (Indian Rupees One Thousand Eight Hundred Seventy Two Crores Seventy Four Lakhs and Fifty Two Thousand), by way of preferential allotment on private placement basis. Pursuant to such allotment of Subscription Shares, the Acquirer holds 16.39% (sixteen point three nine percent) of the share capital of the Company. The Subscription Shares as aforesaid will be credited/ kept in a separate share escrow account in the name of "Kubota Corporation", and the Acquirer will not exercise any voting rights over such Subscription Shares kept in the escrow account until the expiry of the offer period (as defined under Regulation 2(1)(p) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**") in compliance with Regulation 22(2A) of the Takeover Regulations.

Pursuant to the aforementioned allotment of Subscription Shares to the Acquirer, the paid-up equity share capital of the Company stands increased from INR 122,57,68,780 (Indian Rupees One Hundred and Twenty Two Crores Fifty Seven Lakhs Sixty Eight Thousand and Seven Hundred and Eighty) consisting of 12,25,76,878 (Twelve Crores Twenty Five Lakhs Seventy Six Thousand and Eight Hundred and Seventy Eight) equity shares of INR 10 (Indian Rupees Ten only) each to INR 131,94,06,040 (Indian Rupees One Hundred and Thirty One Crores Ninety Four Lakhs Six Thousand and Forty only) consisting of 13,19,40,604 (Thirteen Crores Nineteen Lakhs Forty Thousand and Six Hundred and Four) equity shares of INR 10 (Indian Rupees Ten only) each.

## 2. **Approved the scheme of Capital Reduction of the Company**

Subject to the shareholders' agreement dated November 18, 2021, entered into by the Company with Kubota Corporation ("**SHA**") becoming effective, the Board of the Company in its meeting held on November 18, 2021 had decided to consider and evaluate the feasibility of selective capital reduction of the issued, subscribed and paid-up equity share capital of the Company by cancelling and extinguishing 2,14,42,343 (Two Crores Fourteen Lakhs Forty Two Thousand Three Hundred and Forty Three) equity shares of INR 10 (Indian

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Rupees Ten only) each, which are currently held by the Escorts Benefit and Welfare Trust ("EBWT"), without payment of any consideration to EBWT ("**Capital Reduction**").

In furtherance to the above, the Board, in its meeting held today i.e. February 18, 2022, after considering the recommendations of the Audit Committee and Committee of Independent Directors, discussed and granted approval to the Capital Reduction and approved the draft scheme for Capital Reduction ("**Scheme**"), under Section 66, Section 52 and other applicable provisions of the Companies Act, 2013, read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("**NCLT Rules**"). The Scheme is subject to the approval of the shareholders of the Company by way of the requisite majority, National Company Law Tribunal ("**NCLT**") and all other applicable regulatory approvals.

Pursuant to the aforementioned Capital Reduction coming into effect, i.e., upon approval of the Scheme by the shareholders by way of the requisite majority, NCLT and all receipt of other applicable regulatory authorities, the paid-up equity share capital of the Company will stand reduced from INR 131,94,06,040 (Indian Rupees One Hundred Thirty One Crores Ninety Four Lakhs Six Thousand and Forty) comprising of 13,19,40,604 (Thirteen Crores Nineteen Lakhs Forty Thousand Six Hundred Four) equity shares of INR 10 (Indian Rupees Ten only) each to INR 110,49,82,610 (Indian Rupees One Hundred and Ten Crores Forty Nine Lakhs Eighty Two Thousand Six Hundred and Ten) divided into 11,04,98,261 (Eleven Crores Four Lakhs Ninety Eight Thousand Two Hundred and Sixty One) equity shares of INR 10 (Indian Rupees Ten only) each. The relevant documents for obtaining approval under Regulation 37 of the Listing Regulations, will be submitted to the stock exchanges and other concerned authorities in due course in accordance with the applicable law.

Disclosures in respect of the Capital Reduction as required under Regulation 30 of the Listing Regulations read with Para A. I of the Securities and Exchange Board of India Circular (CIR/CFD/CMD/4/2015) dated September 09, 2015, as amended from time to time ("**SEBI Circular**"), are enclosed as **Annexure A**.

### **3. Taking note of the execution of Executive Services Agreement between Mr. Nikhil Nanda (as a non-employee) and Kubota Corporation**

In furtherance to our intimation dated November 18, 2021, the Board took note that Mr. Nikhil Nanda has entered into an Executive Service Agreement with Kubota Corporation in his individual capacity as a non-employee with the designation of: (i) senior managing executive officer of Kubota Corporation, (ii) General Manager of Value-Innovative Farm and Industrial Machinery Strategy and Operations of Kubota Corporation, and (iii) Director of one of the group companies of Kubota Corporation,

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i.e., Kubota Holdings Europe B.V., Netherlands, in accordance with an the terms and conditions as set out under the said agreement.

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 payable to him by Kubota Corporation for the services to be provided under the aforementioned agreement.

This is for your information and appropriate dissemination.

Thanking You,

Yours faithfully,

**For Escorts Limited**



**Satyendra Chauhan**  
**Company Secretary & Compliance Officer**

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Details which a listed entity needs to disclose in the event of scheme of capital reduction as specified in Para A of Part A of Schedule III of the Listing Regulations read with the SEBI Circular.

S. No	Particulars	Details
1.	Details and reason for restructuring	<p>The restructuring involves the selective cancellation and reduction of 2,14,42,343 (Two Crores Fourteen Lakhs Forty Two Thousand Three Hundred and Forty Three) fully paid-up equity shares held by EBWT for NIL consideration.</p> <p>Pursuant to the aforementioned Capital Reduction coming into effect, i.e., upon approval of the Scheme by the shareholders by way of requisite majority, NCLT and all other applicable regulatory authorities, the paid-up equity share capital of the Company will stand reduced from INR 131,94,06,040 (Indian Rupees One Hundred Thirty One Crores Ninety Four Lakhs Six Thousand and Forty) comprising of 13,19,40,604 (Thirteen Crores Nineteen Lakhs Forty Thousand Six Hundred Four) equity shares of INR 10 (Indian Rupees Ten) each to INR 110,49,82,610 (Indian Rupees One Hundred and Ten Crores and Forty Nine Lakhs Eighty Two Thousand Six Hundred and Ten) divided into 11,04,98,261 (Eleven Crore Four Lakhs Ninety Eight Thousand Two Hundred and Sixty One) equity shares of INR 10 (Indian Rupees Ten) each.</p> <p>Amongst others, the objectives of EBWT, which holds equity shares of the Company, were: (i) to hold the trust funds exclusively for the benefit of the beneficiary (i.e., the Company) and sell the shares in accordance with the provisions of the trust deed dated February 14, 2012 read with amended trust deed dated March 20, 2020 and amended trust deed dated May 13, 2020 (“<b>EBWT Trust Deed</b>”) and the applicable provisions of the Act; (ii) forthwith remit the proceeds to the Company; and (iii) undertake such other incidental and ancillary activities in a manner as provided for under the EBWT</p>

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		<p>Trust Deed. Over a period of time, EBWT, acting through its trustees and in accordance with the EBWT Trust Deed, has sold certain shares and later consented to a previous capital reduction, which was implemented by the Company.</p> <p>Taking cognizance of the above and in furtherance to infusion of additional funds by the Acquirer in the Company, the Board in its considered opinion believes that the purpose for which the equity shares of the Company were held by EBWT has been duly served. In light of this, the Board in its meeting held on February 18, 2022, has now approved the cancellation of 2,14,42,343 (Two Crore Fourteen Lakhs Forty Two Thousand Three Hundred and Forty Three) equity shares of INR 10 (Indian Rupees Ten) each of the Company held by EBWT, without payment of any consideration to EBWT.</p> <p>The proposed reduction of the equity share capital of the Company would not have any adverse effect on the creditors of the Company or the Company's ability to fulfil its commitments or meet its obligations in the ordinary course of business as there is no payout resulting from the proposed capital reduction. Further, the proposed capital reduction shall result in an increase in proportionate shareholding of other shareholders of the Company, including public shareholders.</p>
2.	Quantitative and/ or qualitative effect of restructuring	There will be no cash outgo by the Company. The proposed reduction of capital shall not have any adverse effect on the interests of the shareholders or creditors of the Company.
3.	Details of Benefit, if any, to the promoter/promoter group/ group companies from	None

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4.	Brief details of Change in shareholding pattern (if any) of all entities	<ul style="list-style-type: none"><li>Shareholding of the Company pre preferential allotment to Acquirer:<table border="1"><thead><tr><th>Category</th><th>No. of shares</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>Promoter</td><td>37075738</td><td>30.25%</td></tr><tr><td>Public</td><td>82822990</td><td>67.57%</td></tr><tr><td>Others</td><td>2678150</td><td>2.18%</td></tr><tr><td><b>Total</b></td><td><b>122576878</b></td><td>100%</td></tr></tbody></table></li><li>Shareholding of the Company post preferential allotment to Acquirer*:<table border="1"><thead><tr><th>Category</th><th>No. of shares</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>Promoter</td><td>58697152</td><td>44.49%</td></tr><tr><td>Public</td><td>70565302</td><td>53.48%</td></tr><tr><td>Others</td><td>2678150</td><td>2.03%</td></tr><tr><td><b>Total</b></td><td><b>131940604</b></td><td>100%</td></tr></tbody></table></li><li>Shareholding of the Company post proposed capital reduction*:<table border="1"><thead><tr><th>Category</th><th>No. of shares</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>Promoter</td><td>37254809</td><td>33.72%</td></tr><tr><td>Public</td><td>70565302</td><td>63.86%</td></tr><tr><td>Others</td><td>2678150</td><td>2.42%</td></tr><tr><td><b>Total</b></td><td><b>110498261</b></td><td>100%</td></tr></tbody></table></li></ul> <p>*Post allotment of equity shares on a preferential allotment, and upon the SHA becoming effective, Kubota Corporation would be classified as Promoter of Escorts Limited</p>	Category	No. of shares	Percentage (%)	Promoter	37075738	30.25%	Public	82822990	67.57%	Others	2678150	2.18%	<b>Total</b>	<b>122576878</b>	100%	Category	No. of shares	Percentage (%)	Promoter	58697152	44.49%	Public	70565302	53.48%	Others	2678150	2.03%	<b>Total</b>	<b>131940604</b>	100%	Category	No. of shares	Percentage (%)	Promoter	37254809	33.72%	Public	70565302	63.86%	Others	2678150	2.42%	<b>Total</b>	<b>110498261</b>	100%
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