



March 20, 2020

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 051 BSE – 500495	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 NSE – ESCORTS	Delhi Stock Exchange Limited DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002 DSE – 00012
--	---	---

p

Dear Sir,

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the “Investor Presentation on outcome of today’s Board Meeting”.

This is for your information and record.

Thanking you,

Yours faithfully,
For **Escorts Limited**

Satyendra Chauhan
Company Secretary &
Compliance Officer

Encl: as above

ESCORTS LIMITED

15/5, Mathura Road, Faridabad - 121 003, India
Tel.: +91-129-2250222 Fax: +91-129-2250023

E-mail: escortsgroup@escorts.co.in Website: www.escortsgroup.com

Corporate Identification Number L74899HR1944PLC039088
Registered Office: 15/5, Mathura Road, Faridabad - 121 003, (Haryana), India



For Earth, For Life
Kubota

Deepening existing relationship through Strategic Investment

Investor Update

=====
20 March 2020
=====

Key Transaction Highlights

Escorts Ltd (Escorts) & Kubota Corporation (Kubota) further deepen their existing relationship through a Strategic Investment by Kubota in Escorts

Primary Infusion through Preferential Allotment

- **Kubota will invest in Escorts** through a Preferential Issue of **12,257,688** equity shares (subject to receipt of necessary approvals) for a 9.1% of the equity stake on a pre capital reduction or **10%** on a post capital reduction basis for a total investment of **Rs 10,41,90,34,800/-**

Preferential Issue Pricing

- This price represents a **Premium of 48.21%** over the last traded price on March 19, 2020

Reduction in Share Capital

- The **Board of Directors** of Escorts has given an in principle approval to consider reduction of share capital base of Escorts with the **same number** of shares that are being allotted to Kubota.
- The capital reduction will be undertaken from the shares currently held by Escorts Benefit and Welfare Trust, post completion of the preferential allotment of shares to Kubota and subject to receipt of necessary regulatory approvals

Investment in KAI by Escorts

- Simultaneously with the Preferential Issue **Escorts to acquire 40% stake in Kubota Agri Machinery India Pvt. Ltd ("KAI")**, the marketing and sales venture of Kubota in India

Existing Manufacturing JV (EKI)

- **The existing 60:40 Joint Venture** between Kubota and Escorts, respectively, namely **Escorts Kubota India Pvt. Ltd ("EKI")**, will continue to operate as planned earlier

Others

- No secondary stake sale **by the Promoters / Promoter Group of Escorts**
- **Operating Control of Escorts continues** to remain with the current Promoters - The Nanda family
- Kubota will have **right to nominate 2 non-executive board members** on the Board of Escorts

Transaction expected to be completed by H1FY21 subject to Regulatory approvals



Escorts-Kubota: Mutually Beneficial Partnership



Key Benefits to Escorts Ltd.

- ✓ Leveraging **R&D strengths** of Kubota to offer cutting-edge products to domestic & export markets
- ✓ Enhancing **production systems excellence**
- ✓ Access to **global supply chain, sales & distribution**
- ✓ Becoming **global sourcing hub** for Kubota
- ✓ Partnership with **Global leader in sub 120 HP Tractors**
- ✓ Serving customers in **new markets & new product lines**



For Earth, For Life Kubota

Key Benefits to Kubota

- ✓ Direct Entry to **High Growth Indian Market**
- ✓ Assured supply of **low-cost value-added agriculture machinery** for global consumption
- ✓ **Value consciousness** and **engineering excellence** of Escorts
- ✓ **Frugal Manufacturing** expertise of Escorts
- ✓ Strong Brand with **technology legacy & diversified portfolio in agriculture equipment solutions**

Escorts-Kubota Partnership - A win-win Collaboration

A win-win Collaboration to achieve Global Aspirations!

- ✓ Integrate **product technology, production systems excellence, sales & distribution strengths** alongside **component sourcing** and **advanced supply chain**
- ✓ Create **differentiated product lines** through cutting edge technology, efficiency & superior customer service
- ✓ **Explore new avenues of growth** in construction equipment & agriculture implements leveraging on market leadership across categories (including earth moving equipment & smart agriculture implements)
- ✓ Create one of the **largest Indo-Japan agriculture association** aligned to Indian Government's "make-in-India" vision
- ✓ Aims at **global leadership** in farm mechanization solutions

Escorts & Kubota together, with their thought leadership in respective geographies to emerge as a Global leader in farm mechanization sector

Value Enhancing Partnership across Key Stakeholders

Emerging Shareholding Pattern of Escorts Ltd. - No Change in Share Capital base

Category	Shareholding %			Comments
	As of Date	Post Preferential Issue	Post Treasury Cancellation	
Promoter Group + Trust*	40.25	36.59	30.25	Cancellation Subjected to regulatory approvals
Kubota Corp (Public)	0	9.09	10.00	Preferential Issue
DIIs/FIIs/ Public Others	57.24	52.04	57.24	<u>No Change</u>
Non Promoter Non Public	2.51	2.28	2.51	<u>No Change</u>
Total	100.00	100.00	100.00	<u>No Change</u>

No secondary stake sale by the Promoters / Promoter Group

A win-win proposition for Key Stakeholders

Dealer Partner

- Positive Impact
- Would be beneficial to them due to expanded product portfolio

Human Resource

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

Shareholders

- Strong Strategic Partnership
- Sizeable capital infusion into the Company for future growth opportunities

Positive Partnership across stakeholders

* Escorts Benefit and Welfare Trust, currently holds 27.49% of Equity after cancellation same will hold 17.49% of Equity

Acquisition of 40% stake by Escorts Ltd. in KAI



Acquire 40% stake

**KUBOTA AGRICULTURAL
MACHINERY INDIA PVT. LTD
(KAI)**

Key Highlights

- Escorts Ltd. to acquire 40% stake in KAI from Kubota for a consideration of Rs. 900 million in an all cash deal
- KAI is the marketing and sales venture of Kubota in India
- With this collaboration, Escorts will be a dedicated partner of Kubota for Indian markets

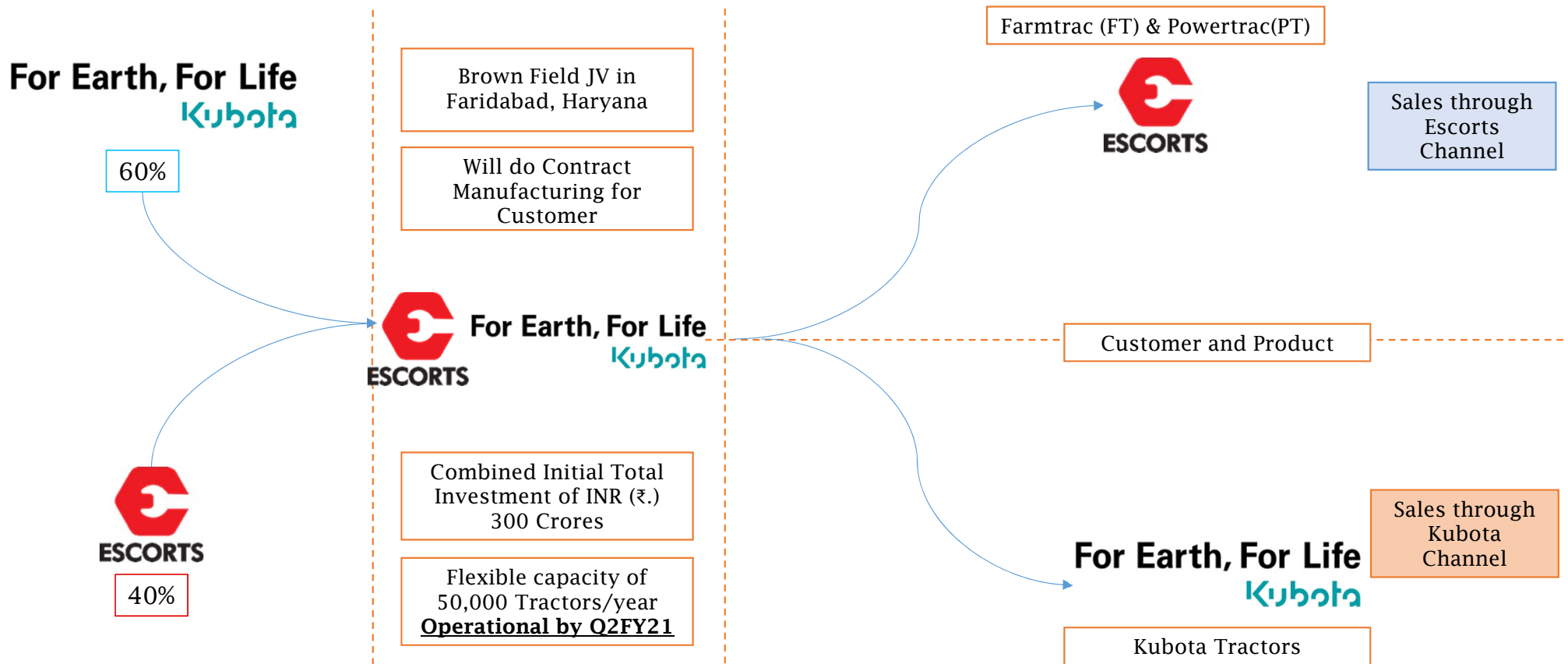
Emerging Shareholding Pattern of KAI

Shareholder	As of date	After Escorts Acquisition
	Share-holding %	Share-holding %
Kubota	60.00	60.0
Current shareholder partner	40.00	
Escorts Ltd		40.0
Total	100.00	100.00

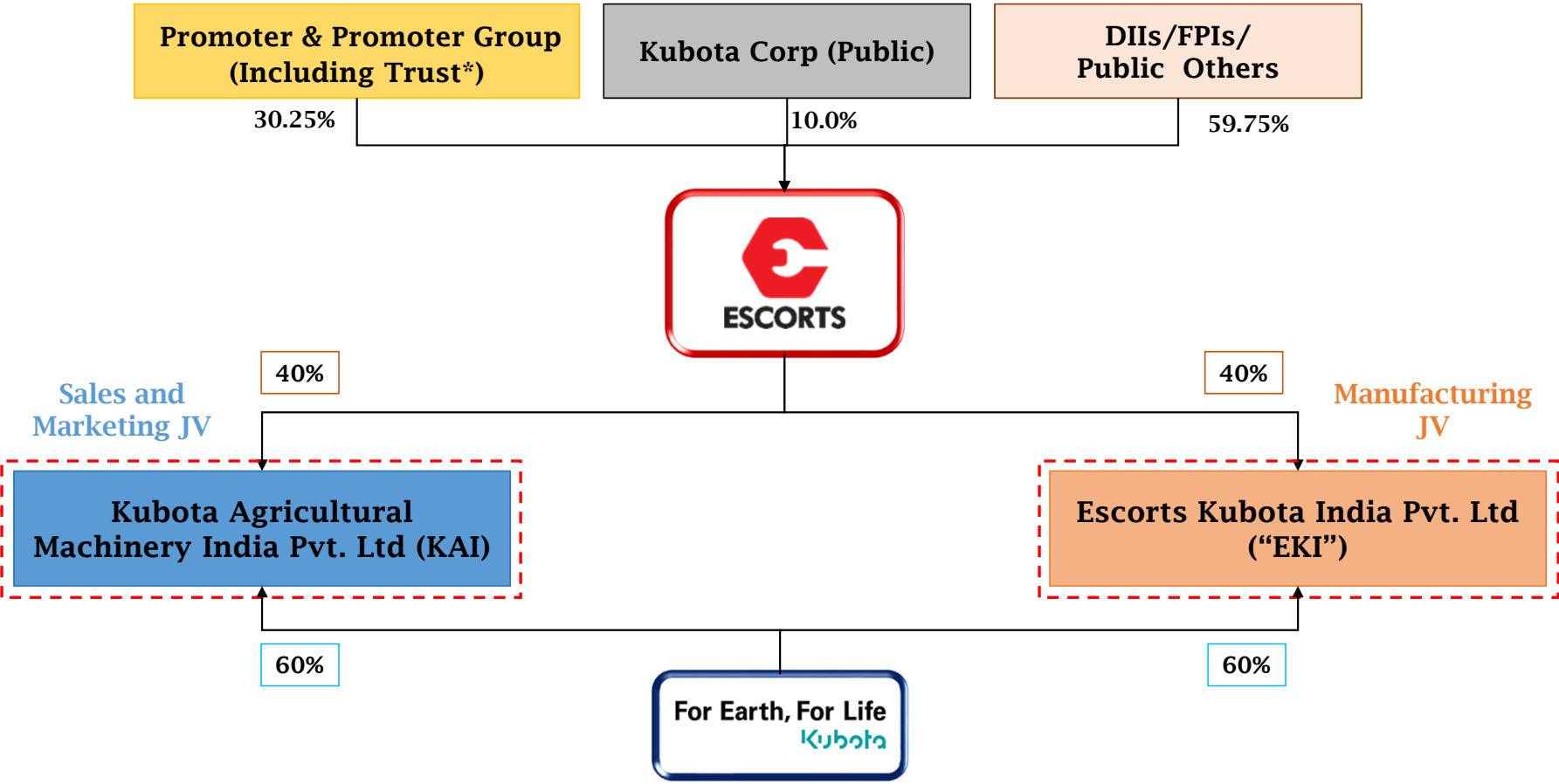
Emerging Board Structure of KAI

Chairman by rotation from Kubota/Escorts
3 Director Nominated by Kubota
2 Director Nominated by Escorts

Manufacturing JV with Kubota - EKI to Continue as Planned



Resulting Relevant Structure



* Escorts Benefit and Welfare Trust

Speaking on occasion



Nikhil Nanda, Chairman and Managing Director, Escorts Ltd., said, “At Escorts, we believe in strategic global partnership with an objective to address global farm mechanization needs. We are pleased to partner with Kubota to offer farmers with innovative solutions and thereby maximize productivity for a mutual profitable growth in domestic and export geographies. This collaboration aims at leveraging R&D strengths of Kubota to offer cutting-edge products for domestic and export markets, serving customers in new markets and new product lines. With our manufacturing expertise and strong domestic distribution combined with collaboration with Kubota, we aim to reach our objective of becoming the market leader in farm mechanization, and address the food security challenge.”

Yuichi Kitao, President and Representative Director, Kubota, Japan, said, “We are excited to make strategic investment in Escorts. It is a validation of our mutual commitment to offer best in class technology products for global markets and thereby enhance customer experience. Escorts has a strong technology legacy and diversified portfolio in agriculture equipment solutions market and Kubota has proven global technology capabilities. Through this collaboration, we believe that we will cater to India and other growing economies which require high-end technology and new age tractors to address growing demands of highly mechanized farming. Kubota and Escorts, together, with their leadership in respective geographies will consolidate strengths and technology innovation excellence to emerge as a global leader.”



About the Companies

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:- ¥1,920 billion (CY 2019)
- For more details visit @ www.kubota.com

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** :- Rs. 62.62 billion (FY 2019 - consolidated)
- For more details visit @ www.escortsgroup.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.

Contact Details

Escorts Ltd.

(CIN: L74899HR1944PLC039088)

Corporate Centre

15/5 Mathura Road

Faridabad - 121003

Phone: +91 129 2250222

www.escortsgroup.com

investorrelation@escorts.co.in

Bharat Madan

(Group Chief Financial Officer)

+91 129 2564837

bharat.madan@escorts.co.in

Prateek Singhal

(Financial Analyst & Investor Relations)

+91 129 2564921

prateek.singhal@escorts.co.in