



Escorts Limited

CIN: L74899HR1944PLC039088

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

Tel.: 0129 – 2250222

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

Postal Ballot Notice

[Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended]

Dear Members,

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (cumulatively "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws and regulations, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, that the resolutions appended below are proposed to be passed by the members of Escorts Limited ("Company") by way of Postal Ballot and remote voting by electronic means ("E-voting"). The proposed resolutions as set out below, along with the Explanatory Statements pursuant to Section 102 of the Act, are being sent to the members for consideration, along with the Postal Ballot Form.

The Board of Directors of the Company at its meeting held on March 20, 2020 has appointed Mr. Jayant Gupta, Practicing Company Secretary (FCS 7288), as the Scrutinizer ("Scrutinizer") for conducting the Postal Ballot, including E-voting process, in a fair and transparent manner. The Board of Directors of the Company at its meeting held on March 20, 2020 has appointed Mr. Bharat Madan, Group Chief Financial Officer and Mr. Satyendra Chauhan, Company Secretary & Compliance Officer of the Company to be jointly and severally responsible for the entire Postal Ballot process and to take all the steps and to do all the acts, deeds and things etc., as may be necessary or expedient in connection with or in relation to the Postal Ballot process.

Members desiring to exercise their vote by means of Postal Ballot are requested to carefully read the instructions set out in this Postal Ballot Notice and printed in the Postal Ballot Form and return the duly completed and signed Postal Ballot Form giving their assent ("FOR") or dissent ("AGAINST") in the enclosed self-addressed Business Reply Envelope so as to reach the Scrutinizer not later than 5:00 p.m. on April 22, 2020. Postal Ballot Forms received after this time and date will be strictly treated as if the reply from the concerned member has not been received. Postage will be borne and paid by the Company.

The Company is also offering facility of E-voting to its members to enable them to cast their votes through E-voting instead of returning duly filled Postal Ballot Form. Members desiring to opt for E-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes below under the section "Voting through Electronic Means". Members holding equity shares of the Company as on March 13, 2020 ("Cut-off Date") have the option of voting by E-voting or through Postal Ballot Form. Members may note that E-voting shall commence at 9:00 a.m. on March 24, 2020 and will remain open up to 5:00 p.m. on April 22, 2020.

For the purpose of E-voting, the Company has engaged the services of KFin Technologies Private Limited ("KFin"). In case a member votes through E-voting facility as well as sends his/ her vote through submission of Postal Ballot Form, the vote cast through E-voting only shall be considered and the voting through submission of Postal Ballot Form shall not be considered by the Scrutinizer.

After completion of scrutiny of the Postal Ballots (including E-voting), the Scrutinizer will submit his report to the Chairman of the Company ("Chairman") or to any other person authorized by the Chairman within the stipulated time for declaration of results. The results of Postal Ballot (including E-voting) shall be declared within 48 (forty eight) hours from the end of voting and communicated to the stock exchange(s), depository(ies), registrar and share transfer agent and shall also be displayed on the

Company's website, viz., www.escortsgroup.com and the website of E-voting agency, viz., <https://evoting.karvy.com>.

In accordance with Secretarial Standard on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, if approved with requisite majority, the Resolutions shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed Postal Ballot Forms (or) E-voting i.e. Wednesday, April 22, 2020.

Resolution(s) by means of Postal Ballot

1. To issue 1,22,57,688 equity shares of the Company on a preferential allotment basis to Kubota Corporation, Japan and issuance of offer letter

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and such other rules and regulations made thereunder (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") and subject to other applicable rules, regulations and guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI"), Government of India, BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and/ or any other statutory/ regulatory authority ("Applicable Regulatory Authorities"), to the extent applicable, including the Competition Commission of India ("CCI") and subject to such approvals, permissions, consents and sanctions as may be necessary or required from the Applicable Regulatory Authorities in this regard and subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/ or sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the Members be and is hereby accorded to the Board to create, offer, issue and allot 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight only) equity shares of the Company, having face value of INR 10/- (Rupees Ten only) for an issue price of INR 850/- (Rupees Eight Hundred and Fifty only) each to Kubota Corporation ("Investor") for an aggregate consideration of INR 10,41,90,34,800/- (Rupees One Thousand Forty One Crore Ninety Lacs Thirty Four Thousand Eight Hundred only), subject to compliance with applicable pricing regulations and in accordance with Chapter V of the ICDR Regulations, by way of preferential allotment on a private placement basis.

RESOLVED FURTHER THAT the approval of the Members be and is hereby accorded to issue to the Investor, a private placement offer letter in Form PAS – 4 {pursuant to Section 42 of the Act and

Rule 14 of the Companies (Prospectus and Allotment of Securities Rules, 2014)}, to subscribe to the aforesaid equity shares by way of preferential allotment on a private placement basis.

RESOLVED FURTHER THAT the equity shares being offered, issued and allotted to the Investor by way of a preferential issue shall *inter alia* be subject to the following:

- i. The equity shares shall be issued and allotted by the Company to the Investor in dematerialized form within a period of 15 (fifteen) days from the date of passing of this resolution provided that where the issue and allotment of the equity shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of 15 (fifteen) days from the last date of such approval;
- ii. The equity shares to be offered, issued and allotted to the Investor shall rank *pari passu* with the existing equity shares of the Company in all respects including the payment of dividend and voting rights, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company;
- iii. The "Relevant Date" for the offer, issue and allotment of the equity shares by way of a preferential issue, as per the ICDR Regulations, for determination of minimum price for the issue of the equity shares shall be March 23, 2020 which is 30 (thirty) days prior to the date on which this resolution is deemed to be passed i.e. the last date specified by the company for receipt of duly completed postal ballot forms or e-voting, being April 22, 2020;
- iv. The equity shares to be offered, issued and allotted shall be subject to lock-in requirements as provided under the applicable provisions of ICDR Regulations;
- v. The equity shares to be offered, issued and allotted to the Investor will be listed on Stock Exchanges, where the existing equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be; and
- vi. The equity shares to be offered, issued and allotted to the Investor are being issued for cash consideration.

RESOLVED FURTHER THAT the monies received by the Company from the Investor for subscription of the equity shares pursuant to this preferential allotment shall be kept by the Company in a separate bank account opened by the Company for this purpose and shall be utilized by the Company in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable to give effect to these resolutions, including, form filings, making application to authorities, regulatory or otherwise and to settle any matter, question, difficulty or doubt that may arise in regard to the issuance and allotment of equity shares of the Company, relating to the issuance of equity shares as it may deem necessary, proper, desirable or expedient without requiring any further approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution and acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any such acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be.

RESOLVED FURTHER THAT for the purpose of giving effect to this offer, issue and allotment of equity shares, the Board be and is hereby authorised on behalf of the Company to seek listing of such equity shares on the Stock Exchanges, subject to the necessary regulatory permissions and approvals, as the case may be.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to delegate all or any of the powers herein conferred, to a committee of the Board or any such persons as it may deem fit in

its absolute discretion, with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the preferential allotment and settle any questions or difficulties that may arise in regard to the preferential allotment."

2. Alteration of the Articles of Association of the Company

"RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and rules, circulars, notifications thereunder (as amended, modified or restated from time to time), the Memorandum of Association and Articles of Association of the Company, the approval of the Board of Directors in their meeting held on March 20, 2020, the Share Subscription Agreement dated March 20, 2020 executed by the Company and Kubota Corporation, Japan ("**SSA**"), and subject to execution of the Shareholders Agreement proposed to be executed, *inter alia*, between Kubota Corporation, Mr. Nikhil Nanda and the Company ("**SHA**") and completion of the issuance of 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight only) equity shares of the Company to Kubota Corporation, Japan in terms of the aforesaid SSA, approval of the Members of the Company be and is hereby accorded to the amendment and restatement of the Articles of Association of the Company by incorporating the key terms of the SHA in substitution for and to the exclusion of the existing Articles of Association with the amended and restated Articles of Association ("**Restated Articles**"), and the adoption of these Restated Articles as the new Articles of Association of the Company.

RESOLVED FURTHER THAT the Restated Articles shall become effective only upon the Company having completed the issuance and allotment of 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight only) equity shares of the Company to Kubota Corporation in terms of the aforesaid SSA.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things and execute all documents and take all steps and give such directions as may be required, necessary, expedient or desirable in connection with or incidental for giving effect to the above resolution, including but not limited to completing the necessary formalities relating to filing of necessary statutory forms and any other relevant documents in relation to alteration of the Articles of Association of the Company, providing certified true copies of the Articles of Association of the Company and undertaking all matters incidental and ancillary thereto as may be required to be complied with by the Company."

**By Order of the Board of Directors
For Escorts Limited**

Sd/-

**Satyendra Chauhan
Company Secretary &
Compliance Officer**

**Place: Faridabad
Date: March 20, 2020**

Notes:

1. The businesses mentioned above require the consent of the members of the Company through Postal Ballot (including E-voting).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, stating all material facts and the reasons for the proposal, is annexed to this Postal Ballot Notice.
3. The Postal Ballot Notice, along with the Postal ballot Form, is being sent to the members whose names appear on the Register of members/ List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited as on March 13, 2020. The Postal Ballot Notice, along with the Postal Ballot Form, is being sent to members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding)/ the Company (in case of physical shareholding). For members whose email addresses are not registered, physical copies of the Postal Ballot Notice, along with the Postal Ballot Form, are being sent by permitted mode along with a self-addressed Business Reply Envelope.

4. Members whose names appear on the Register of members/ List of Beneficial Owners as on March 13, 2020 will be considered for the purpose of voting.
5. Resolutions assented to by the requisite majority of the members by means of Postal Ballot including E-voting shall be deemed to have been duly passed on the last date specified for receipt of duly completed Postal Ballot Form or E-voting (i.e. April 22, 2020).
6. Members can opt for only one mode of voting, i.e., either through physical mode by submitting the Postal Ballot Form or through E-voting. In case members cast their votes through both the aforementioned modes, voting done by E-voting shall prevail and votes cast through physical Postal Ballot Form(s) will be treated as invalid.
7. Members desirous of obtaining a printed Postal Ballot Form or a duplicate form can send an email to corpsl@escorts.co.in. The Company shall forward the same along with self-addressed Business Reply Envelope to the members.
8. The Postal Ballot Form should be completed and signed by the Member (as per the specimen signature registered with the Depository Participant/ Company). In case of joint holding, this Form should be completed and signed by the first named member and in his/ her absence by the next named member.
9. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.
10. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the rules made thereunder, the Company has provided the facility to the members to exercise their votes electronically and vote on the resolutions through the E-voting facility provided by KFin. The instructions for electronic voting are annexed to this notice.

11. Voting through electronic means

- I. In compliance with provisions of Sections 108 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and the Listing Regulations, the Company is pleased to offer E-voting facility to all its members to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of KFin as the Authorised Agency to provide E-voting facilities.
- II. Members are requested to note that the businesses may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a Member to vote using the E-voting facility. A Member may avail of the facility at his/ her/ its discretion.
- III. The procedure and instructions for E-voting are as follows:
 - (a) Date and time of commencement of voting through electronic means: March 24, 2020 at 09:00 Hours (IST).
 - (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: April 22, 2020 till 17:00 Hours (IST).
 - (c) Details of Website: <https://evoting.karvy.com>
 - (d) Details of persons to be contacted for issues relating to E-voting: Mr. Vijay Ravuri, KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel. No.: +91 40 6716 2222; Toll Free No.: 1800 345 4001; Fax No. : +91 40 2300 1153; E-mail: einward.ris@kfinotech.com
 - (e) Details of Scrutinizer: Mr. Jayant Gupta, Company Secretary in Practice (FCS 7288; C.P. No. 9738).
- IV. The instructions for E-voting are as under:-
 - (A) In case a Member receives an email from KFin {for members whose email IDs are registered with the Company/ Depository Participant(s)}:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and password as mentioned in email). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for E-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 (eight) characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT of ESCORTS".
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. March 13, 2020 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/ demat accounts shall follow the voting process separately for each folio/ demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period i.e. March 24, 2020 to April 22, 2020, members can login any number of times till they have voted on the resolution(s).
 - xii. Corporate/ Institutional members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email pcs.jga@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Escorts Limited Event No."
 - (B) In case of members receiving physical copy of Postal Ballot Notice and Form (for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy):

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Initial Password is provided in the Postal Ballot Form.
 - iii. Please follow all steps from Sl. No. 11. IV. (A) (iii) to (xii) above to cast your vote by electronic means.
- V. In case of any query and/ or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (KFin Website) or contact Mr. Vijay Ravuri, (Unit: Escorts Limited), KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel. No.: +91 40 6716 2222; Toll Free No.:1800 345 4001; Fax No.: +91 40 2300 1153; E-mail: einward.ris@kfintech.com for any further clarifications.
 - VI. The Remote E-voting period commences on Tuesday, March 24, 2020 (9:00 am IST) and ends on Wednesday, April 22, 2020 (5:00 pm IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. March 13, 2020, may cast their vote by Remote E-voting. The Remote E-voting Module shall be disabled by KFin for voting thereafter from their E-voting module.
 - VII. A person, whose name is recorded in the Register of members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-off date only shall be entitled to avail the facility of Remote E-voting as well as voting through Postal Ballot Form.
 - VIII. The voting rights of members shall be in proportion to their shareholding in the Paid-up Equity Share Capital of the Company as on the cut-off date i.e. March 13, 2020. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
 - IX. Mr. Jayant Gupta, Practising Company Secretary has been appointed as Scrutinizer to scrutinize the voting and Remote E-voting process in a fair and transparent manner.
 - X. The Scrutinizer shall within a period not exceeding two (2) days from the last date of receipt of Postal Ballot Forms/ conclusion of the E-voting period make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or to any other person authorized by the Chairman of the Company.
 - XI. The result of the Postal Ballot will be announced on or before close of business hours on Friday, April 24, 2020 at the Registered Office of the Company. The result of the Postal Ballot and Report of Scrutinizer will also be displayed at Company's website www.escortsgroup.com and on KFin's website <https://evoting.karvy.com> and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
 - XII. Members voting through Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with the relevant rules made thereunder and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

The following explanatory statement sets out the material facts relating to the special business mentioned at the Item Nos. 1 and 2 of the accompanying Notice dated March 20, 2020.

Item No. 1:

In view of the future outlook of the Company, its growth targets and prospects, the Company requires additional funding for the purpose of further expansion of its Agri Machinery Business i.e. *the business of manufacturing, assembly, sales, marketing, financing, servicing, research and development of: (a) tractors; (b) construction equipment (i.e., backhoe loaders and other items to be mutually agreed between the Promoters and*

the Investor); (c) implements; (d) transmission for tractors, construction equipment (i.e., backhoe loaders and other items to be mutually agreed between the Promoters and the Investor) and implements; and (e) spare parts of the items referred in (a), (b), (c) and (d). The Company has an existing joint venture with Kubota Corporation, Japan ("**Investor**"), i.e. Escorts Kubota India Private Limited which is *inter alia* into the business of manufacturing of tractors. Kubota Corporation, Japan is engaged in, *inter alia*, the business of manufacturing agricultural machinery. An investment by Kubota Corporation, Japan into the Company will help the Company garner additional resources for investment into the Agri Machinery Business and help the Company in leveraging the capabilities of Kubota Corporation, Japan, globally.

In view of the above, the Board of Directors ("**Board**") has approved the offer, issue and allotment of 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight only) equity shares of the Company ("**Subscription Shares**") at a price of INR 850/- (Rupees Eight Hundred and Fifty only) per equity share, which includes a premium of INR 840/- (Rupees Eight Hundred and Forty only) per equity share for an aggregate consideration of INR 10,41,90,34,800/- (Rupees One Thousand Forty one Crore Ninety Lacs Thirty Four Thousand Eight Hundred only), by way of preferential allotment to the Investor pursuant to its resolution dated March 20, 2020 ("**Preferential Allotment**").

In this regard, the Company has executed a share subscription agreement with the Investor dated March 20, 2020 ("**SSA**"), which *inter alia* contains the terms and conditions of the issue and allotment of the Subscription Shares. Further, the Company, Investor and certain promoters represented by Mr. Nikhil Nanda ("**Specified Promoters**") propose to execute a shareholders agreement ("**SHA**") which will *inter alia* provide for certain limited investment protection rights for the Investor such as board seats and affirmative vote matters, some of which will be for a limited time period or will fall away if the equity shareholding of the Investor in the Company falls below certain defined thresholds. Additionally, the Investor and Specified Promoters, will also be bound by certain share transfer restrictions and non-compete obligations. The relevant provisions of the SHA have been incorporated into the Restated Articles.

The special resolution as mentioned under Item No. 1 proposes to authorize the Board to issue and allot 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight only) equity shares of the Company at a price of INR 850/- (Rupees Eight Hundred and Fifty only) per equity share which includes a premium of INR 840/- (Rupees Eight Hundred and Forty only) per equity share, aggregating to an amount of INR 10,41,90,34,800/- (Rupees One Thousand Forty one Crore Ninety Lacs Thirty Four Thousand Eight Hundred only) in accordance with the pricing guidelines and in such manner and on such terms of conditions as prescribed under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**") and in compliance with Sections 23, 42, 62(1) (c) and other applicable provisions of the Companies Act, 2013 ("**Act**") and relevant rules made thereunder, including, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014.

1. Particulars of the offer including date of passing of Board resolution, kind of securities offered, maximum number of securities to be issued and the price at which securities are being offered:

The Board, in its meeting held on March 20, 2020 had, subject to the approval of the Members of the Company and such other approvals, as may be required, approved the Preferential Allotment, involving the issue and allotment of 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight only) equity shares of the Company at a price of INR 850/- (Rupees Eight Hundred and Fifty only) per equity share which includes a premium of INR 840/- (Rupees Eight Hundred and Forty only) per equity share, aggregating to an amount of INR 10,41,90,34,800/- (Rupees One Thousand Forty one Crore Ninety Lacs Thirty Four Thousand Eight Hundred only) on a preferential basis to the Investor, provided that the issue price is not less than the minimum price as on the 'Relevant Date' determined in accordance with the provisions of Chapter V of the ICDR Regulations.

2. Objects of the Preferential Allotment:

The proceeds of the Preferential Allotment are proposed to be used by the Company for its Agri Machinery Business i.e. the business

of manufacturing, assembly, sales, marketing, financing, servicing, research and development of: (a) tractors; (b) construction equipment (i.e., backhoe loaders and other items to be mutually agreed between the Promoters and the Investor); (c) implements; (d) transmission for tractors, construction equipment (i.e., backhoe loaders and other items to be mutually agreed between the Promoters and the Investor) and implements; and (e) spare parts of the items referred in (a), (b), (c) and (d).

3. Relevant Date:

In terms of the provisions of Chapter V of the ICDR Regulations, relevant date for determining the floor price for the Preferential Allotment of the equity shares would be March 23, 2020.

4. Basis on which the floor price has been arrived at and justification for the price (including premium, if any):

The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited and are frequently traded in accordance with ICDR Regulations. For the purpose of computation of the minimum price per equity share, the National Stock Exchange of India Limited is the stock exchange that has higher trading volume for the said period and accordingly has been considered ("Relevant Stock Exchange"). In terms of the applicable provisions of Regulation 164(1) of the ICDR Regulations, the price at which the equity shares shall be allotted shall not be less than higher of the following:

- Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the Relevant Stock Exchange, during the 26 (twenty-six) weeks preceding the Relevant Date; or
- Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the Relevant Stock Exchange, during the 2 (two) weeks preceding the Relevant Date.

The floor price for the Preferential Allotment (i.e., the preferential issue of Equity Shares proposed to be issued and allotted to the

Investor), shall be determined in accordance with Regulation 164 of ICDR Regulations.

Pursuant to the Preferential Allotment, the equity shares will be subscribed by the Investor at INR 850/- (Rupees Eight Hundred and Fifty only) per equity share, provided that the same shall not be lower than the floor price.

5. Amount which the Company intends to raise by way of such securities:

Up to a maximum of INR 10,41,90,34,800/- (Rupees One Thousand Forty one Crore Ninety Lacs Thirty Four Thousand Eight Hundred only).

6. The class or classes of persons to whom the allotment is proposed to be made:

The allotment is proposed to be made to Kubota Corporation, a foreign body corporate incorporated in Japan.

7. Intent of the promoters, directors or key managerial personnel of the Company to subscribe to the Preferential Allotment:

None of the directors, key managerial personnel or promoters of the Company intend to subscribe to the proposed Preferential Allotment.

8. Time frame within which the Preferential Allotment shall be completed:

The proposed Preferential Allotment requires the approval of the Competition Commission of India. As required under the ICDR Regulations, the equity shares shall be allotted by the Company within a period of 15 (fifteen) days from the date of passing of this Resolution provided that where the proposed Preferential Allotment is pending on account of pendency of any approval for such allotment by the Competition Commission of India, any other regulatory authority or the Central Government, the allotment shall be completed within a period of 15 (fifteen) days from the date of receipt of last of such approvals.

9. Shareholding pattern of the Company before and after the Preferential Allotment:

Sr. No.	Particulars		Pre-Preferential Allotment shareholding (as on March 13, 2020)		Post-Preferential Allotment shareholding (after allotment of equity shares)	
			Nos.	%	Nos.	%
	Category					
A	Promoters' Holding					
	1	Indian				
		a. Individuals/Hindu undivided Family	1440013	1.17	1440013	1.07
		b. Bodies Corporate	14193382	11.58	14193382	10.53
		c. Others: Trust	33700031	27.49	33700031	24.99
	2	Foreign	0	0.00	0	0.00
		Total Promoters' Holding	49333426	40.25	49333426	36.59
B	Public Holding					
	1	Institutions				
		a. Mutual Funds	12143154	9.91	12143154	9.01
		b. Foreign Portfolio Investors	23778650	19.40	23778650	17.64
		c. Financial Institutions/Banks	89965	0.07	89965	0.07
		d. Insurance Companies	25300	0.02	25300	0.02
	2	Central Government/State Government(s)/President of India	0	0.00	0	0.00
	3	Non-Institutions				
		a. Individuals	27742675	22.63	27742675	20.58
		b. NBFCs Registered with RBI	36764	0.03	36764	0.03
		c. Bodies Corporate	3036556	2.48	15294244*	11.34
		d. Others	3315876	2.71	3315876	2.46
		Total Public Holding	70168940	57.24	82426628	61.13
C	Non Promoter Non Public					
	1	Shares held by Employees Trust	3074512	2.51	3074512	2.28
		Total Non Promoter Non Public Holding	3074512	2.51	3074512	2.28
		Grand Total (A+B+C)	122576878	100.00	134834566	100.00

* includes proposed allottee.

10. Identity of proposed allottees (including natural persons who are the ultimate beneficial owners of equity shares proposed to be allotted and/ or who ultimately control), the percentage (%) of post preferential issue capital that may be held by them and change in control, if any consequent to the Preferential Allotment:

Name and Address of proposed allottee	Category	Pre Issue Holding		No. of Equity Shares to be allotted	Post Issue Holding		Name of the natural persons, who are the ultimate beneficial owners
		No. of Equity Shares	% of Holding		No. of Equity Shares	% of Holding	
Kubota Corporation Address: 2-47, Shikitsuhigashi 1-chome, Naniwa-Ku, Osaka 556- 8601, Japan	Public	0	0.00	1,22,57,688	1,22,57,688	9.09	Kubota Corporation is a public listed entity in Japan. There is no identified natural persons, who is the ultimate beneficial owner.]

There shall be no change in management or control of the Company pursuant to the aforesaid issue of equity shares. However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Allotment.

11. Lock-in period:

The equity shares proposed to be allotted on preferential basis to the Investor shall be locked-in for a period of 1 (one) year from the date of receipt of trading approval (granted for the listing and trading) of the equity shares proposed to be issued pursuant to the Preferential Allotment, in accordance with requirements of ICDR Regulations.

The pre-preferential issue lock-in requirements specified under the ICDR Regulations will not be applicable to the Preferential Allotment since the Investor does not hold any shares in the Company as at the date of this notice and explanatory statement.

12. Undertakings:

- None of the Company, its Directors or Promoters have been declared as willful defaulter as defined under the ICDR Regulations. None of its Directors or Promoters are fugitive economic offenders as defined under the ICDR Regulations.
- As the equity shares of the Company have been listed on the Stock Exchanges for a period of more than 26 (twenty six) weeks prior to the Relevant Date, the Company is not required to re-compute the price per equity share to be issued and therefore, the Company is not required to submit the undertaking specified under Regulation 163(1)(g) and Regulation 163(1)(h) of the ICDR Regulations and the provisions of Regulation 164(3) of ICDR Regulations governing re-computation of the price of shares, shall not be applicable.

13. Auditors' Certificate:

The Certificate being issued by Walker Chandio & Co. LLP, Chartered Accountants, Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements contained in the ICDR Regulations, will be kept open for inspection at the Registered Office of the Company between 10:00 a.m. and 1:00 p.m. on all working days between Monday to Friday of every week, up to the last date specified by the company for receipt of duly completed postal ballot forms or e-voting.

14. Valuation for consideration other than cash, if any and the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

The proposed Preferential Allotment is for consideration in cash.

15. Listing:

The Company will make an application to the Stock Exchanges for listing of the equity shares to be allotted to the Investor. Such equity shares, once allotted, shall rank *pari passu* with the then existing equity shares of the Company in all respects, including dividend and voting rights.

16. Other Disclosures:

- Report of registered valuer is not required under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed Preferential Allotment.
- Prior to the Preferential Allotment, as proposed, the Company has not made any preferential issuance of equity shares or other securities or warrants convertible into or exchangeable for the equity shares to any person or entity, during the year commencing on April 1, 2019.
- The Investor has not sold or transferred any equity shares during the 6 (six) months preceding the Relevant Date.
- No contribution is being made by the Promoters or the directors of the Company either as a part of the preferential issue or separately in furtherance of the objects specified herein.

All material terms of the preferential issue are covered in points 1 to 16 above.

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the ICDR Regulations, approval of the Members for the Preferential Allotment is being sought by way of a special resolution as set out at the said item of the Notice. Issue of the equity shares pursuant to the Preferential Allotment shall be within the authorized share capital of the Company.

The Board of Directors believe that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Special Resolution as set out in the said Item in the accompanying notice for approval by the Members.

None of the Directors, manager, key managerial personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, except as shareholders in general in the said resolution.

Item No. 2

As per the terms of the SHA, the Company is required to amend and restate its Articles of Association ("**AoA**") to incorporate the key terms of the SHA. The Restated Articles shall become effective only upon the Company having completed the issuance of 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight only) equity shares of the Company to Kubota Corporation, Japan in terms of the SSA.

It is proposed to make preferential allotment of 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight only) equity shares of the Company to Kubota Corporation, Japan ("Investor") amounting to 9.09% of the paid up equity share capital of the Company, post allotment.

The summary of key changes to the AOA of the Company includes the following:

- Investor will have the right to appoint upto 2 non-executive directors subject to the specified shareholding threshold;

- Investor will have veto right on identified matters subject to the specified shareholding threshold;
- Any future acquisition of the Company shares by the Investor or its affiliates shall be with the prior written approval of the specified promoters, subject to certain conditions;

The draft of the proposed new articles of association has been uploaded on the Company's website for perusal by the members. Further, a copy of the proposed set of new articles of association and the existing set of AoA of the Company would be available for inspection for the Members at the registered office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 10.00 a.m. to 1.00 p.m. till April 22, 2020.

The consent of the Members is required under the provisions of Section 14 of the Act and hence, the Board of Directors propose Item No. 2 to be passed as a special resolution.

The Board of Directors believe that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Special Resolution as set out in the said Item in the accompanying notice for approval by the members.

None of the Directors, manager, key managerial personnel or their respective relatives are in any way concerned or interested in the said resolution save and except to the extent of their shareholding (if applicable) in the Company.

**By Order of the Board of Directors
For Escorts Limited**

**Place: Faridabad
Date: March 20, 2020**

**Sd/-
Satyendra Chauhan
Company Secretary &
Compliance Officer**

