Morgan Stanley India Company Private Limited

Registered Office:
18th Floor, Tower 2,
One World Center,
Plot – 841, Jupiter Textile Mill Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai 400 013, India

tel (91) 22 6118 1000
fax (91) 22 6118 1011

Morgan Stanley

Date: March 3, 2022

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1,
G Block, Bandra Kurla Complex, Bandra E
Mumbai- 400 051

Dear Sir/Madam,

Subject: **Letter of Offer ("LoF") in relation to the open offer to the Public Shareholders of Escorts Limited ("Target Company") by Kubota Corporation ("Open Offer"/ "Offer")**

With respect to the captioned Open Offer, the Public Announcement was made by the Acquirer on November 18, 2021, the Detailed Public Statement was published on November 26, 2021. Further the Draft Letter of Offer dated December 3, 2021 was filed with the Securities and Exchange Board of India on December 3, 2021 and duly intimated to the BSE Limited, National Stock Exchange of India Limited and the Target Company on December 3, 2021.

Pursuant to the provisions of the SEBI Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, we, Morgan Stanley India Company Private Limited, as manager to the captioned Open Offer, are hereby enclosing a copy of the LOF dated March 3, 2022 with respect to the Open Offer.

Capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the LoF.

We request you to kindly the above information on your records.

Should you require any further information / clarifications on the same, please contact the following persons:

Name	Designation	Contact	Email ID
Satyam Singhal	Vice President	+91 22 6118 1009	escorts_openoffer@morganstanley.com
Prakhar Jaju	Associate	+91 22 6118-1045	escorts_openoffer@morganstanley.com

Thanking you,

For and on behalf of **Morgan Stanley India Company Private Limited**

Name: Sachin Wagle

Designation: Managing Director

Morgan Stanley India Company
Private Limited

Registered Office:
18th Floor, Tower 2,
One World Center,
Plot – 841, Jupiter Textile Mill Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai 400 013, India

tel (91) 22 6118 1000
fax (91) 22 6118 1011

Morgan Stanley

Enclosed: Copy of the LOF

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Letter of Offer (*as defined below*) will be sent to you as a Public Shareholder (*as defined below*) of Escorts Limited. If you require any clarification about the action to be taken, you may consult your stockbroker or investment consultant or the Manager (*as defined below*)/Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement (*as defined below*) to the member of stock exchange through whom the said sale was effected.

OPEN OFFER ("OPEN OFFER"/"OFFER")
BY
KUBOTA CORPORATION
A public listed entity incorporated under the laws of Japan
Regd. office: 2-47, Shikitsuhigashi 1-chome, Naniwa-Ku, Osaka 556-8601, Japan.
Company Registration Number: 1200-01-037978
(**Tel**: +81-6-6648-2111; **Fax**: +81-6-6648-3862)
(hereinafter referred to as the "**Acquirer**")

MAKES A CASH OFFER TO ACQUIRE UP TO 37,491,556 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("OFFER SHARES") AT A PRICE OF ₹ 2,000 PER EQUITY SHARE ("OFFER PRICE"), REPRESENTING 28.42% OF THE EXPANDED VOTING SHARE CAPITAL (*AS DEFINED BELOW*) IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO ("SEBI (SAST) REGULATIONS") FROM THE PUBLIC SHAREHOLDERS (*AS DEFINED BELOW*)

OF
ESCORTS LIMITED
Regd. office: 15/5, Mathura Road, Faridabad, Haryana, 121003
Corporate Identification Number: L74899HR1944PLC039088
(**Tel**: 0129 – 2250222; **Fax**: 0129 – 2250009)
Website: Escortsgroup.com
("**Target Company**")

1. This Open Offer is made pursuant to and in compliance with the provisions of Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations.
2. This Open Offer is not a conditional offer in terms of Regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. Other than as set out in Part C (*Statutory and Other Approvals*) of Section VII (*Terms and Conditions of the Open Offer*) of this Letter of Offer, with respect to the following Required Statutory Approvals, which have now been received/are now not required: **(i)** an approval in writing granted by the Competition Commission of India under the Competition Act, 2002 to the Acquirer for consummation of the Transaction (*as defined below*); **(ii)** in relation to the prior approval in writing required from the RBI *(as defined below)* for the change of control of Escorts Finance Limited, the RBI on 27 January 2022 directed: (a) to deposit the entire liability towards depositors of Escorts Finance Limited to the Investor Education and Protection Fund; and (b) submission of a certificate from the statutory auditors of Escorts Finance Limited to the effect of extinguishing the entire depositors liability, and upon compliance with such direction, the RBI had on 4 February 2022 communicated to Escorts Finance Limited that it is no longer registered with the RBI and advised that such an approval is not required for such change of control; and **(iii)** in relation to the prior approval in writing required from SEBI and the relevant stock exchanges for the indirect change in control of Escorts Securities Limited (an unlisted company), pursuant to Escorts Securities Limited ceasing to be a subsidiary of the Target Company on 14 February 2022, such an approval is now not required, as on the date of this Letter of Offer, to the best knowledge of the Acquirer, there are no other statutory or regulatory approvals required by the Acquirer, to acquire the Equity Shares validly tendered by the Public Shareholders pursuant to this Open Offer. However, in case of any other statutory or regulatory approvals being required and/or becoming applicable at a later date before the closing of the Tendering Period (*as defined below*), this Open Offer would be subject to the receipt of such approvals. Please refer to Part C (*Statutory and Other Approvals*) of Section VII (*Terms and Conditions of the Open Offer*) of this Letter of Offer for further details and the current status of such statutory and regulatory approval(s).
5. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
6. The Acquirer shall complete all procedures relating to this Open Offer within 10 (Ten) Working Days (*as defined below*) from the date of closure of the Tendering Period (*as defined below*), including payment of consideration to those Public Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
7. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the number of Offer Shares (*as defined below*), the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only.
8. The Acquirer may withdraw the Open Offer in accordance with the terms and conditions specified in Part C (*Statutory and Other Approvals*) of Section VII (*Terms and Conditions of the Open Offer*) of this Letter of Offer. In the event of a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 Working Days (*as defined below*) of such withdrawal, make a public announcement, in the same Newspapers (*as defined below*) in which the Detailed Public Statement (*as defined below*) was published, in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and such public announcement also will be sent to SEBI (*as defined below*), Stock Exchanges (*as defined below*) and the Target Company at its registered office.
9. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last one (1) Working Day before the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: **(i)** make corresponding increase to the Escrow Amount (*as defined below*); **(ii)** make a public announcement in the same Newspapers in which the DPS was published; and **(iii)** simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. However, the Acquirer shall not acquire any Equity Shares after the third (3rd) Working Day prior to the commencement of the Tendering Period, and until the expiry of the Tendering Period. Such revised Offer Price shall be payable by the Acquirer for all the Equity Shares validly tendered during the Tendering Period of the Open Offer.
10. **There has been no competing offer as of the date of this Letter of Offer**.
11. **If there is a competing offer, the offers under all subsisting bids will open and close on the same date**.

A copy of the Public Announcement (*as defined below*), the Detailed Public Statement (*as defined below*), this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) are also available on the website of SEBI (www.sebi.gov.in).

MANAGER TO THE OPEN OFFER	REGISTRAR TO THE OPEN OFFER
Morgan Stanley **Morgan Stanley India Company Private Limited** **SEBI Registration Number**: INM000011203 **Address**: 18F, Tower 2, One World Center, Plot 841 | Senapati Bapat Marg, Lower Parel, Mumbai, 400013, India **Contact Person:** Mr. Prakhar Jaju **Tel**: 91 22 6118 1000; **Fax**: 91 22 6118 1040 **E-mail:** escorts_openoffer@morganstanley.com **Website**: https://www.morganstanley.com/about-us/global-offices/india	KFINTECH **KFin Technologies Private Limited** **SEBI Registration Number**: : INR000000221 **Address**: Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, 500 032, Telangana, India **Contact person**: M Murali Krishna **Tel**: +91 40 6716 2222; **Toll free no**.: 18003094001; **Fax**: +91 40 2343 1551 **Website**: www.kfintech.com **E-mail**: el.openoffer@kfintech.com

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OPEN OFFER

No.	Name of Activity	Original Schedule of Activities (Day and Date) [#] (As disclosed in the DLoF)	Revised Schedule of Activities (Day and Date)
1.	Issue of Public Announcement	Thursday, 18 November 2021	Thursday, 18 November 2021
2.	Publication of the DPS in newspapers	Friday, 26 November 2021	Friday, 26 November 2021
3.	Last date for filing of the draft Letter of Offer with SEBI	Friday, 3 December 2021	Friday, 3 December 2021
4.	Last date for public announcement for competing offer(s)	Friday, 17 December 2021	Friday, 17 December 2021[@]
5.	Last date for receipt of comments from SEBI on the draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Open Offer)	Friday, 24 December 2021	Wednesday, 23 February 2022 [**]
6.	Identified Date*	Tuesday, 28 December 2021	Friday, 25 February 2022
7.	Last date for dispatch of the Letter of Offer to the shareholders of the Target Company whose names appear on the register of members on the Identified Date	Tuesday, 4 January 2022	Monday, 7 March 2022
8.	Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the shareholders of the Target Company for this Open Offer	Friday, 7 January 2022	Thursday, 10 March 2022
9.	Last date for upward revision of the Offer Price and/or the Offer Size	Friday, 7 January 2022	Thursday, 10 March 2022
10.	Date of publication of Open Offer opening public announcement, in the newspapers in which the DPS has been published	Monday, 10 January 2022	Friday, 11 March 2022
11.	Date of commencement of the Tendering Period	Tuesday, 11 January 2022	Monday, 14 March 2022
12.	Date of closure of the Tendering Period	Monday, 24 January 2022	Monday, 28 March 2022
13.	Last date of communicating the rejection/acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	Tuesday, 8 February 2022	Monday, 11 April 2022
14.	Last date for publication of post Open Offer public announcement in the newspapers in which the DPS has been published	Tuesday, 15 February 2022	Wednesday, 20 April 2022

[@] *There has been no competing offer.*

* *Date falling on the 10th Working Day prior to the commencement of the Tendering Period. The Identified Date is only for the purpose of determining the Equity Shareholders as on such date to whom the Letter of Offer would be sent. All the Public Shareholders (registered or unregistered), are eligible to participate in this Open Offer at any time prior to the closure of the Tendering Period.*

\# *The original schedule of activities were indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and were subject to receipt of relevant approvals from various statutory/regulatory authorities.*

[**] *Actual date of receipt of SEBI comments.*

RISK FACTORS

The risk factors set forth below are limited to this Open Offer, the Underlying Transaction and the Acquirer and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of all the risks involved in the participation by Public Shareholders in this Open Offer, or in association with the Acquirer, but are merely indicative in nature. Public Shareholders are advised to consult their stockbrokers, legal, financial, tax, investment or other consultants and advisors, for understanding and analysing all risks associated with respect to their participation in this Open Offer.

For capitalised terms used herein please refer to the section on Key Definitions set out below.

1. Risks relating to the Open Offer and the Underlying Transaction:

- The Open Offer is an open offer under the SEBI (SAST) Regulations to acquire up to 37,491,556 Equity Shares representing 28.42% of the Expanded Voting Share Capital, from the Public Shareholders. If the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition of a maximum of 37,491,556 Equity Shares, representing 28.42% of the Expanded Voting Share Capital. Accordingly, there is no assurance that all the Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted. The unaccepted Equity Shares will be returned to the Public Shareholders in accordance with the schedule of activities for the Open Offer.

- The consummation of the Underlying Transaction and the Open Offer is subject to the receipt of all the Required Statutory Approvals and satisfaction of certain conditions precedent specified in the Share Subscription Agreement (as set out in paragraph 6(b) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer) (unless waived in accordance with the Share Subscription Agreement). To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the Open Offer except the following Required Statutory Approvals, which have now been received/are now not required: **(a)** an approval in writing granted by the Competition Commission of India under the Competition Act, 2002 to the Acquirer for consummation of the Transaction; **(b)** in relation to the prior approval in writing required from the RBI for the change of control of Escorts Finance Limited, the RBI on 27 January 2022 directed: (i) to deposit the entire liability towards depositors of Escorts Finance Limited to the Investor Education and Protection Fund; and (ii) submission of a certificate from the statutory auditors of Escorts Finance Limited to the effect of extinguishing the entire depositors liability, and upon compliance with such direction, the RBI had on 4 February 2022 communicated to Escorts Finance Limited that it is no longer registered with the RBI and advised that such an approval is not required for such change of control; and **(c)** in relation to the prior approval in writing required from SEBI and the relevant stock exchanges for the indirect change in control of Escorts Securities Limited (an unlisted company), pursuant to Escorts Securities Limited ceasing to be a subsidiary of the Target Company on 14 February 2022, such an approval is now not required. Further, the conditions precedent specified in the Share Subscription Agreement (as set out in paragraph 6(b) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer) have been satisfied. In the event that either: **(a)** there is any litigation leading to a stay/injunction on the Open Offer or that restricts/restrains the Acquirer from performing its obligations hereunder; or **(b)** SEBI instructs the Acquirer not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer or may be withdrawn in terms of Regulation 23 of the SEBI (SAST) Regulations.

It is hereby clarified that the failure to obtain the Preferential Issue Stock Exchanges Approvals will not entitle the Acquirer to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In case any statutory approval or governmental approval that may be required by the Acquirer, is not received in time, in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, grant an extension of time to the Acquirer for making payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest, if any, in accordance with the SEBI (SAST) Regulations. In addition, where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer. To the best of the knowledge of the Acquirer, there are no other statutory or governmental approvals required for the consummation of the Transaction. However, if any other statutory or governmental approval(s) are required or become applicable at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and the Underlying Transaction and the Open Offer would also be subject to such other statutory or other governmental approval(s) and the Acquirer shall make the necessary applications for such other approvals. The applications for Required Statutory Approvals (as currently deemed necessary) have already been filed by the Acquirer and such approvals have been received/are now not required, as set out above.

- The acquisition of Equity Shares under the Open Offer from all Public Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Public Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirer. Further, if the Public Shareholders who are not persons resident in India require or had required any approvals in respect of the transfer of Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such prior approvals are not submitted, the Acquirer reserves its right to reject such Equity Shares tendered in this Open Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.

- Equity Shares, once tendered through the Form of Acceptance-cum-Acknowledgement in the Open Offer, cannot be withdrawn by the Public Shareholders, even if the acceptance of their Equity Shares in this Open Offer and payment of consideration are delayed. The tendered Equity Shares and documents will be held in trust by the Registrar to the Offer until such time as the process of acceptance of tenders and the payment of consideration is complete. The Public Shareholders will not be able to trade in such Equity Shares which have been tendered in the Open Offer. During such period, there may be fluctuations in the market price of the Equity Shares. Neither the Acquirer nor the Manager to the Offer make any assurance with respect to the market price of the Equity Shares, both during the period that the Open Offer is open and upon completion of the Open Offer, and disclaim any responsibility with respect to any decision taken by the Public Shareholders with respect to whether or not to participate in the Open Offer. The Public Shareholders will be solely responsible for their decisions regarding their participation in this Open Offer.

- This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Open Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in, any foreign jurisdictions covered under the "General Disclaimer" clause in Section II (*Disclaimer Clause*) of this Letter of Offer and cannot be accepted by any means or instrumentality from within any such foreign jurisdictions.

- The information contained in this Letter of Offer is as of the date of this Letter of Offer unless expressly stated otherwise. The Acquirer and the Manager are under no obligation to update the information contained herein at any time after the date of this Letter of Offer.

- It may be noted that the Acquirer is not a person resident in India under applicable Indian foreign exchange control regulations. The mechanism for acquisition of Equity Shares of the Target Company through stock exchange in terms of SEBI circular CIR/CFD/POLICYCELL/2015 dated 13 April 2015 and SEBI circular CFD/DCR2/CIR/P/2016/131 dated 9 December 2016 is not available for this Offer due to the restrictions under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and other applicable laws. Accordingly, the Public Shareholders whose Equity Shares have been validly tendered and accepted may be subject to applicable capital gains tax and securities transaction tax will not be applicable to the Equity Shares accepted in this Offer. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Open Offer, and in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.

- The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement, the Detailed Public Statement, this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company. Any person placing reliance on any other source of information will be doing so at his/her/its own risk.

2. Risks involved in associating with the Acquirer

- Neither the Acquirer nor the Manager to the Offer make any assurance with respect to the financial performance of the Target Company or the continuance of past trends in the financial performance or future performance of the Target Company nor do they make any assurance with respect to the market price of the Equity Shares before, during or after the Open Offer. Each of the Acquirer and the Manager to the Offer expressly disclaim any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Public Shareholder on whether to participate or not in this Open Offer.

- Neither the Acquirer nor the Manager or the Registrar to the Offer accepts any responsibility for any loss of documents during transit (including but not limited to Open Offer acceptance forms, copies of delivery instruction slips, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

- The Acquirer makes no assurance with respect to their investment/divestment decisions relating to its proposed shareholding in the Target Company.

- The information pertaining to the Target Company contained in the PA or the DPS or this Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company, or publicly available sources which has not been independently verified by the Acquirer or the Manager. The Acquirer and the Manager do not accept any responsibility with respect to the information/misstatement provided by the Target Company.

- The Acquirer and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of this Open Offer.

CURRENCY OF PRESENTATION

In this Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

In this Letter of Offer, all references to: **(i)** "₹", "Rupees", "Rs." or INR are references to Indian National Rupees(s) (INR); and **(ii)** "JPY" or "¥" are references to Japanese Yen, the official currency of Japan. Unless otherwise stated, the conversion has been done at the rate 100 JPY = INR 65.23 as on 8 November 2021 (***Source****: website of Financial Benchmarks India Private Limited (www.fbil.org.in)*).

In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

TABLE OF CONTENTS

I. KEY DEFINITIONS 8
II. DISCLAIMER CLAUSE 13
III. DETAILS OF THE OPEN OFFER 14
IV. BACKGROUND OF THE ACQUIRER 25
V. BACKGROUND OF THE TARGET COMPANY 32
VI. OFFER PRICE AND FINANCIAL ARRANGEMENTS 39
VII. TERMS AND CONDITIONS OF THE OPEN OFFER 42
VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER 47
IX. COMPLIANCE WITH TAX REQUIREMENTS 51
X. DOCUMENTS FOR INSPECTION 63
XI. DECLARATION BY THE ACQUIRER 64
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT 66

I. KEY DEFINITIONS

Particulars	Details/Definition
Acquirer	Kubota Corporation, a public listed entity listed on Tokyo Stock Exchange, incorporated under the laws of Japan (Company Registration Number: 1200-01-037978) on 22 December 1930.
Acquirer Nominee Director	As has been defined in paragraph 7(iv) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer
AOP	Association of Persons
BOI	Body of Individuals
BSE	BSE Limited
Companies Act	Companies Act, 2013, as amended
Controlled Affiliates	As has been defined in paragraph 7(x) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer
CDSL	Central Depository Services Limited
Depositories	CDSL and NSDL
Detailed Public Statement/DPS	The detailed public statement dated 25 November 2021, published on behalf of the Acquirer on 26 November 2021
Draft Letter of Offer/DLoF	The Draft Letter of Offer dated 3 December 2021 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
DTAA	Double Taxation Avoidance Agreement
EEWT	Escorts Employees Benefit and Welfare Trust
Equity Share(s)	Fully paid-up equity shares of the Target Company with face value of ₹ 10 each
Escrow Account	The account named "Kubota Corporation – Open Offer Escrow Account" opened with the Escrow Agent in accordance with Regulation 17(4) of the SEBI (SAST) Regulations
Escrow Agent	ICICI Bank Limited, a banking corporation incorporated under the laws of India and having its branch office at Capital Market Division, 122, 1st Floor, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai - 400 020
Escrow Agreement	Escrow agreement entered into by the Acquirer with the Escrow Agent and the Manager
Escrow Amount	The amount aggregating to ₹ 8,248,311,200 maintained by the Acquirer with the Escrow Agent in accordance with the Escrow Agreement
Escrow Demat Account	As has been defined in paragraph 3 of Section VIII (*Procedure for Acceptance and Settlement of the Open Offer*) of this Letter of Offer

Particulars	Details/Definition
ESOS 2006	The Target Company's stock option plan viz. Escorts Limited – Employee Stock Option Scheme – 2006, as amended
Existing Share Capital	The total issued and paid-up equity share capital of the Target Company as on the date of this Letter of Offer, i.e., 131,940,604 Equity Shares (which includes (i) 2,649,078 equity shares held by Escorts Employees Benefit and Welfare Trust (as a non-promoter non-public shareholder) that are reserved for providing Equity Shares to employees under the Target Company's stock option plan; and (ii) 9,363,726 Equity Shares allotted by the Target Company on 18 February 2022 to the Acquirer pursuant to the Share Subscription Agreement) As on the date of this Letter of Offer the Existing Share Capital is the same as Expanded Voting Share Capital
Expanded Voting Share Capital	The total equity share capital of the Target Company on a fully diluted basis expected as of the 10th Working Day from the closure of the Tendering Period for the Open Offer As on the date of this Letter of Offer, the Expanded Voting Share Capital is the same as Existing Share Capital
Finance Act	The Finance Act, 2021, as amended
Form of Acceptance-cum-Acknowledgement	Form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer
FIIs	Erstwhile Foreign Institutional Investor(s), as defined under Section 2(1)(f) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIPB	Erstwhile Foreign Investment Promotion Board or the Foreign Investment Facilitation Portal, and which shall include the erstwhile Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and which shall include the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FPIs	Foreign Portfolio Investor(s), as defined under Regulation 2(1)(j) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
Hon'ble NCLT	Hon'ble National Company Law Tribunal
HUF	Hindu Undivided Family
Identified Date	The date falling on the 10th Working Day prior to the commencement of the Tendering Period
Income Tax Act/IT Act	The Income Tax Act, 1961, as amended and modified from time to time
Letter of Offer/LoF	The Letter of Offer dated 3 March 2022, which shall be dispatched to the Public Shareholders of the Target Company
Manager/Manager to the Open Offer/Manager to the Offer	Morgan Stanley India Company Private Limited

Particulars	Details/Definition
Maximum Consideration	₹ 74,983,112,000, being the maximum consideration payable under this Open Offer assuming full acceptance
Mutual Consent	As has been defined in paragraph 7(ix) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer
Newspapers	Financial Express (English), Jansatta (Hindi), Satyajay Times (Hindi), Navshakti (Marathi), being the newspapers wherein the Detailed Public Statement was published on behalf of the Acquirer on 26 November 2021
Specified Promoters Nominee Director	As has been defined in paragraph 7(v) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer
NEFT	National Electronic Fund Transfer
NOC	No-objection certificate
NRIs	Non-resident Indians
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Offer/Open Offer	Open offer being made by the Acquirer to the Public Shareholders of the Target Company to acquire up to 37,491,556 Equity Shares, representing 28.42% of the Expanded Voting Share Capital, at a price of ₹ 2,000 per Equity Share
Offer Period	shall have the same meaning ascribed to it in the SEBI (SAST) Regulations
Offer Price	₹ 2,000 per Equity Share
Offer Shares	Up to 37,491,556 Equity Shares, representing 28.42% of the Expanded Voting Share Capital
Offer Size	Offer Shares constituting up to 28.42% of the Expanded Voting Share Capital The percentage of the Offer Size has increased (while the number of Offer Shares i.e., Equity Shares constituting the Offer Size has remained the same) with effect from 27 December 2021 pursuant to the Scheme of Capital Reduction 2020 (as defined in Paragraph 10 of Section V (*Background of the Target Company*)) of this Letter of Offer.
Scheme of Capital Reduction 2020	As has been defined in paragraph 10 of Section V (*Background of the Target Company*) of this Letter of Offer
Ongoing Scheme of Capital Reduction 2022	As has been defined in paragraph 11 of Section V (*Background of the Target Company*) of this Letter of Offer
OCBs	Overseas Corporate Bodies
Preferential Issue Shareholder Approval	As has been defined in paragraph 6(b)(ix) of Section of Section III(A) (*Background to the Open Offer*) this Letter of Offer

Particulars	Details/Definition
Preferential Issue Stock Exchanges Approval	As has been defined in paragraph 6(b)(x) of Section of Section III(A) (*Background to the Open Offer*) this Letter of Offer
Public Announcement/PA	The public announcement dated 18 November 2021 issued by the Manager on behalf of the Acquirer in connection with the Open Offer
Public Shareholders	All the equity shareholders of the Target Company, including the non-promoter non-public shareholders of the Target Company, but excluding: **(i)** the Acquirer; **(ii)** the existing members of the promoter and promoter group of the Target Company ("**Existing Promoters**"); **(iii)** the parties to the Share Subscription Agreement (as set out in paragraph 2 of Section III(A) (*Background to the Open Offer*) of this Letter of Offer); **(iv)** the parties to the Shareholders Agreement (as set out in paragraph 2 of Section III(A) (*Background to the Open Offer*) of this Letter of Offer); and **(v)** the persons deemed to be acting in concert with the persons set out in (i) - (iv)
PAN	Permanent Account Number
RBI	Reserve Bank of India
Registrar/Registrar to the Open Offer/Registrar to the Offer	KFin Technologies Private Limited
Relevant Period	As has been defined in paragraph 2 of Part A (*Justification of Offer Price*) of Section VI (*Offer Price and Financial Arrangements*) of this Letter of Offer
Required Statutory Approvals	**(i)** an approval in writing granted by the Competition Commission of India under the Competition Act, 2002 to the Acquirer for consummation of the Transaction (as defined below); **(ii)** an approval in writing granted by the Reserve Bank of India in relation to the change of control of Escorts Finance Limited; and **(iii)** an approval in writing granted by the Securities and Exchange Board of India and the relevant stock exchanges for the indirect change in control of Escorts Securities Limited (an unlisted company) (if applicable)
Reserved Matters Committee	As has been defined in paragraph 7(ix) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer
Reserved Matters	As has been defined in paragraph 7(x) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer
RTGS	Real Time Gross Settlement
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended

Particulars	Details/Definition
Shareholders Agreement / SHA	As has been defined in paragraph 2 of Section III(A) (*Background to the Open Offer*) of this Letter of Offer
Share Escrow Account	The share escrow account opened with ICICI Bank Limited pursuant to the Share Escrow Agreement
Share Escrow Agreement	Share Escrow Agreement entered into between the Acquirer, ICICI Bank Limited and Manager to the Offer
Share Subscription Agreement/ SSA	As has been defined in paragraph 2 of Section III(A) (*Background to the Open Offer*) of this Letter of Offer
Stock Exchanges	Collectively, the BSE and the NSE
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
STT	Securities Transaction Tax
Target/Target Company	Escorts Limited
Tendering Period	The 10 Working Days period from 14 March 2022 (Monday) to 28 March 2022 (Monday) (both days inclusive) within which the Public Shareholders may tender their Equity Shares in acceptance of the Open Offer
Transaction	Collectively, the Underlying Transaction and the Open Offer
TRC	Tax Residency Certificate
Underlying Transaction	As has been defined in paragraph 4 of Part A (*Background to the Open Offer*) of Section III (*Details of the Open Offer*) of this Letter of Offer
Working Day(s)	shall have the same meaning ascribed to it in the SEBI (SAST) Regulations

* *All capitalized terms used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations.*

II. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 3 DECEMBER 2021 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER."

GENERAL DISCLAIMER

THIS LETTER OF OFFER TOGETHER WITH THE DETAILED PUBLIC STATEMENT THAT WAS PUBLISHED ON 26 NOVEMBER 2021 AND THE PUBLIC ANNOUNCEMENT DATED 18 NOVEMBER 2021 IN CONNECTION WITH THE OPEN OFFER, HAVE BEEN PREPARED FOR THE PURPOSES OF COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS OF INDIA, INCLUDING THE SEBI ACT AND THE SEBI (SAST) REGULATIONS, AND HAS NOT BEEN REGISTERED OR APPROVED UNDER ANY LAWS OR REGULATIONS OF ANY COUNTRY OUTSIDE OF INDIA. THE DISCLOSURES IN THIS LETTER OF OFFER AND THE OPEN OFFER PARTICULARS INCLUDING BUT NOT LIMITED TO THE OFFER PRICE, OFFER SIZE AND PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER ARE GOVERNED BY SEBI (SAST) REGULATIONS, AND OTHER APPLICABLE LAWS, RULES AND REGULATIONS OF INDIA, THE PROVISIONS OF WHICH MAY BE DIFFERENT FROM THOSE OF ANY JURISDICTION OTHER THAN INDIA. ACCORDINGLY, THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS AND REGULATIONS OF ANY JURISDICTION OUTSIDE OF INDIA. THE INFORMATION CONTAINED IN THIS LETTER OF OFFER IS AS OF THE DATE OF THIS LETTER OF OFFER. THE ACQUIRER, THE MANAGER TO THE OPEN OFFER AND ANY DEEMED PERSONS ACTING IN CONCERT WITH THE ACQUIRER ARE UNDER NO OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN AT ANY TIME AFTER THE DATE OF THIS LETTER OF OFFER.

NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT THIS OPEN OFFER IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. THE LETTER OF OFFER SHALL BE DISPATCHED TO ALL PUBLIC SHAREHOLDERS HOLDING THE EQUITY SHARES WHOSE NAMES APPEAR IN THE RECORDS OF DEPOSITORIES, AT THEIR STATED ADDRESS, AS OF THE IDENTIFIED DATE. HOWEVER, RECEIPT OF THE LETTER OF OFFER BY ANY PUBLIC SHAREHOLDER IN A JURISDICTION IN WHICH IT WOULD BE ILLEGAL TO MAKE THIS OPEN OFFER, OR WHERE MAKING THIS OPEN OFFER WOULD REQUIRE ANY ACTION TO BE TAKEN (INCLUDING, BUT NOT RESTRICTED TO, REGISTRATION OF THE LETTER OF OFFER UNDER ANY LOCAL SECURITIES LAWS OF SUCH JURISDICTION), SHALL NOT BE TREATED BY SUCH PUBLIC SHAREHOLDER AS AN OFFER BEING MADE TO THEM AND SHALL BE CONSTRUED BY THEM AS BEING SENT FOR INFORMATION PURPOSES ONLY.

PERSONS IN POSSESSION OF THE LETTER OF OFFER ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS IN THEIR RESPECTIVE JURISDICTIONS. ANY PUBLIC SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THIS OPEN OFFER SHALL BE DEEMED TO HAVE DECLARED, REPRESENTED, WARRANTED AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THIS OPEN OFFER.

III. DETAILS OF THE OPEN OFFER

A. Background to the Open Offer

1. This Open Offer is a mandatory open offer made in compliance with Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations pursuant to the execution of the Share Subscription Agreement and Shareholders Agreement to acquire and exercise control of and over the Target Company and to become joint promoter along with the Existing Promoters of the Target Company in accordance with the Shareholders Agreement.

2. The Acquirer has entered into a: **(a)** share subscription agreement dated 18 November 2021 with the Target Company as well as certain Existing Promoters (i.e., (i) Nikhil Nanda; (ii) Shweta Nanda; (iii) Navya Naveli Nanda; (iv) Agastya Nanda; (v) AAA Portfolios Private Limited; (vi) Big Apple Clothing Private Limited; (vii) Har Parshad and Company Private Limited; and (viii) Escorts Benefit and Welfare Trust) (the "**Share Subscription Agreement**"), as per the Share Subscription Agreement, the Acquirer shall subscribe to 9,363,726 Equity Shares at ₹ 2,000 per Equity Share by way of preferential allotment, subject to the satisfaction of certain conditions precedent (including, but not limited to, receipt of the Required Statutory Approvals) prescribed thereunder, the Equity Shares proposed to be issued to the Acquirer will constitute 7.10% of the Expanded Voting Share Capital; and **(b)** shareholders agreement dated 18 November 2021 with the Target Company as well as certain Existing Promoters (i.e., (i) Nikhil Nanda; (ii) Shweta Nanda; (iii) Navya Naveli Nanda; (iv) Agastya Nanda; (v) AAA Portfolios Private Limited; (vi) Big Apple Clothing Private Limited; (vii) Har Parshad and Company Private Limited; and (viii) Escorts Benefit and Welfare Trust) (the "**Shareholders Agreement**"), wherein it is proposed that the Acquirer will acquire and exercise control of and over the Target Company and become a joint promoter along with the Existing Promoters of the Target Company, upon the Shareholders Agreement becoming effective after the completion of the Open Offer on the condition that the Acquirer holds at least 16.38% of the Expanded Voting Share Capital in the Target Company as per the terms set out in the Shareholders Agreement.

3. As the intent of the Acquirer is to acquire and exercise control of and over the Target Company pursuant to the Underlying Transaction and to become a joint promoter along with the Existing Promoters of the Target Company, and given that the Acquirer will be acquiring and exercising control of and over the Target Company and become a joint promoter along with the Existing Promoters of the Target Company in accordance with the Shareholders Agreement, this mandatory Open Offer is being made by the Acquirer in compliance with Regulation 4 of the SEBI (SAST) Regulations. Pursuant to the completion of the Transaction (i.e., completion of the Underlying Transaction and upon completion of the Open Offer), the Acquirer, subject to holding at least 16.38% of the Expanded Voting Share Capital in the Target Company, will have control of and over the Target Company and the Acquirer shall become the joint promoter along with the Existing Promoters of the Target Company, including in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. The preferential allotment pursuant to the Share Subscription Agreement, the acquisition and exercise of control of and over the Target Company by the Acquirer and the Acquirer becoming a joint promoter along with the Existing Promoters of the Target Company pursuant to the Shareholders Agreement (as explained in paragraphs 2 and 3 of Section III(A) (*Background to the Open Offer*) of this Letter of Offer) is collectively referred to as the "**Underlying Transaction**". A tabular summary of the Underlying Transaction is set out below:

Type of transaction (direct/indirect)	**Mode of transaction[(1)] (Agreement/Allotment/market purchase)**	**Equity Shares/Voting rights acquired/proposed to be acquired**		**Total consideration for Equity Shares/Voting Rights (VR) acquired (Indian Rupees)**	**Mode of payment (Cash/ securities)**	**Regulation which has triggered**
		Number	**% vis-à-vis total equity/voting capital**			
Direct	**(i)** Agreement – Execution of the Share Subscription Agreement for the preferential allotment of the Equity Shares of the Target Company to the Acquirer subject to receipt of the Required Statutory Approvals and satisfaction of certain other conditions precedent specified in the Share Subscription Agreement. **(ii)** Agreement – Execution of the Shareholders Agreement for the acquisition and exercise of control by the Acquirer of and over the Target Company and to become a joint promoter along with the Existing Promoters of the Target Company.	9,363,726 Equity Shares (under the Share Subscription Agreement)	7.10% of the Expanded Voting Share Capital (under the Share Subscription Agreement).	₹ 18,727,452,000 (under the Share Subscription Agreement)	Cash (under the Share Subscription Agreement)	Regulation 4 of the SEBI (SAST) Regulations.

[(1)] Please refer to paragraphs 2 and 3 of Section III(A) (Background to the Open Offer) of this Letter of Offer for further details in connection with the Underlying Transaction.

5. The Acquirer has subscribed to 9,363,726 Equity Shares at ₹ 2,000 per Equity Share pursuant to the Share Subscription Agreement on 18 February 2022 (in relation to which the Preferential

Issue Shareholder Approval was obtained on 18 December 2021), in compliance with Regulation 22(2A) of the SEBI (SAST) Regulations, which are being held in the Share Escrow Account opened with ICICI Bank Limited pursuant to the Share Escrow Agreement.

6. The salient features of the Share Subscription Agreement are set out below:

(a) the Share Subscription Agreement sets forth the terms and conditions agreed amongst the Acquirer, the Target Company and certain Existing Promoters and their respective rights and obligations.

(b) the consummation of the Underlying Transaction is subject to the fulfilment of the conditions precedent as specified under the Share Subscription Agreement, including the following key conditions precedent:

(i) the Required Statutory Approvals having been obtained or deemed by applicable laws to have been obtained (e.g., as a result of the lapse, expiration or termination of the applicable waiting periods) by the Acquirer and/or the Target Company, as applicable;

(ii) the Target Company having obtained the consent of IDBI Bank Limited and the other members of the consortium for the consummation of the transactions contemplated under the Share Subscription Agreement, and the change of control of the Target Company upon the effectiveness of the Shareholders Agreement;

(iii) the Target Company having obtained the consent of ICICI Bank Limited for the consummation of the transactions contemplated under the Share Subscription Agreement, and the change of control of the Target Company upon the effectiveness of the Shareholders Agreement;

(iv) the Target Company not being in breach of the Company Warranties (as defined in the Share Subscription Agreement), obligations or covenants and no material adverse effect (as defined in the Share Subscription Agreement) having occurred;

(v) no restriction under applicable law being in effect that restricts or otherwise prevents the parties to the Share Subscription Agreement from consummating the transactions contemplated under the Share Subscription Agreement;

(vi) certain identified agreements to be executed between certain identified individuals (including key managerial personnel) to be in form as may be agreed between the Acquirer and the Target Company;

(vii) approval of the shareholders of the Target Company approving *inter-alia*, the restated articles of association of the Target Company, increasing the maximum number of directors on the board of directors of the Target Company to eighteen (18);

(viii) the Target Company to notify (in advance) to IDBI Bank Limited and the other members of the consortium about the proposed adoption of the Restated Articles of Association by the shareholders of the Target Company;

(ix) approval of the shareholders of the Target Company approving the preferential issue contemplated under the Share Subscription Agreement ("**Preferential Issue Shareholder Approval**"); and

(x) Target Company to procure from the stock exchanges listing and trading approvals in relation to the Equity Shares that will be issued and allotted to the Acquirer by way of the preferential issue contemplated under the Share Subscription Agreement ("**Preferential Issue Stock Exchanges Approval**").

(c) The Share Subscription Agreement, *inter-alia*, provides for the following clauses:

(i) customary warranties (backed by indemnity, and subject to customary exclusions) provided by the Target Company to the Acquirer and by the Acquirer to the Target Company;

(ii) the Target Company to conduct its business in the Ordinary Course (as identified in the Share Subscription Agreement);

(iii) confidentiality clause that provides for standard obligations on the Acquirer and the Target Company to maintain confidentiality;

(iv) notice clause that sets out the various prescriptions with respect to the mode of communication between the Acquirer and the Target Company and provides the respective addresses for the purpose of such correspondence; and

(v) governing law and jurisdiction clause that sets out the governing law for the Share Subscription Agreement to be the laws of India as well as sets out the dispute resolution mechanism in the event of any dispute with respect to the Share Subscription Agreement that may arise between the parties to the Share Subscription Agreement.

7. The salient features of the Shareholders Agreement are set out below:

(i) the Shareholders Agreement sets forth the terms and conditions agreed amongst the Acquirer, Target Company and certain Existing Promoters with respect to their rights and obligations, *inter alia*, in relation to acquisition and exercise of control of and over the Target Company by the Acquirer along with certain Existing Promoters;

(ii) the Shareholders Agreement shall become effective after the completion of the Open Offer on the condition that the Acquirer holds at least 16.38% of the Expanded Voting Share Capital in the Target Company as per the terms set out in the Shareholders Agreement;

(iii) upon the Shareholders Agreement becoming effective, **(A)** if the Acquirer holds such number of Equity Shares in the Target Company that constitute less than 40% of the Expanded Voting Share Capital, the size of the board of directors of the Target Company (subject to applicable law) shall comprise of sixteen (16) directors, out of which eight (8) shall be independent directors and eight (8) shall be non-independent directors; and **(B)** if the Acquirer holds such number of Equity Shares in the Target Company that constitutes equal to or more than 40% of the Expanded Voting Share Capital, the size of the board of directors of the Target Company (subject to applicable law) shall comprise of eighteen (18) directors, out of which nine (9) shall be independent directors and nine (9) shall be non-independent directors;

(iv) the Acquirer will have the right to nominate the following number of non-independent directors on the board of directors of the Target Company (individually referred to as "**Acquirer Nominee Director**"): **(A)** if the

Acquirer holds such number of Equity Shares in the Target Company that constitutes less than 40% of the Expanded Voting Share Capital, it will have the right to nominate four (4) out of the eight (8) non-independent directors on the board of directors of the Target Company; and **(B)** if the Acquirer holds such number of Equity Shares in the Target Company that constitutes equal to or more than 40% of the Expanded Voting Share Capital, it will have the right to nominate five (5) out of the nine (9) non-independent directors on the board of directors of the Target Company;

(v) certain Existing Promoters (i.e., **(A)** Nikhil Nanda; **(B)** Shweta Nanda; **(C)** Navya Naveli Nanda; **(D)** Agastya Nanda; **(E)** AAA Portfolios Private Limited; **(F)** Big Apple Clothing Private Limited; and **(G)** Har Parshad and Company Private Limited) will have the right to nominate four (4) non-independent directors on the board of directors of the Target Company (individually referred to as "**Specified Promoters Nominee Director**");

(vi) each of the Acquirer and the certain Existing Promoters will have the right to request the removal of its respective nominee director and will be entitled to nominate another director in place of the nominee director so removed. In case of resignation, retirement, removal, or vacation from office of a nominee director for any reason, the party which nominated such nominee director shall have the right to nominate another director in place of such nominee director;

(vii) subject to the terms set out in the Shareholders Agreement, the quorum for the meeting of the board of directors of the Target Company, *inter-alia*, will require presence of at least one (1) Acquirer Nominee Director and one (1) Specified Promoter Nominee Director. In the event a valid quorum is not present within 1 (one) hour of the scheduled time for any meeting of the board of directors of the Target Company, then such meeting of the board of directors of the Target Company will stand automatically adjourned to the same day in the next week, at the same time and place, or if that day is not a business day, on the next business day, at the same time and place. At such adjourned meeting of the board of directors of the Target Company, if any of the Acquirer's Nominee Director or Specified Promoters' Nominee Director is not present, but there is adequate quorum under applicable law, then all matters, other than the Reserved Matters (*as defined below*), set out in the agenda for the meeting of the board of directors of the Target Company will be considered and voted upon in the adjourned meeting, provided no agenda items which were not specifically set out on the agenda for the meeting of the board of directors of the Target Company, which was adjourned, may be considered. Notwithstanding this, in the event that there is any Reserved Matter included in an agenda of a meeting of the board of directors of the Target Company, such meeting must be convened and its quorum will be considered adequate under applicable law, if and only there is at least one (1) Acquirer's Nominee Director and one (1) Specified Promoters' Nominee Director present at the said meeting and a Mutual Consent (*as defined below*) has been obtained in accordance with the Shareholders Agreement;

(viii) Acquirer and certain Existing Promoters ((i.e., **(A)** Nikhil Nanda; **(B)** Shweta Nanda; **(C)** Navya Naveli Nanda; **(D)** Agastya Nanda; **(E)** AAA Portfolios Private Limited; **(F)** Big Apple Clothing Private Limited; and **(G)** Har Parshad and Company Private Limited)) to jointly appoint the chairman and managing director of the Target Company subject to the terms of the Shareholders Agreement;

(ix) upon the Shareholders Agreement becoming effective, a reserved matter committee comprising of: **(A)** two (2) of Acquirer Nominee Directors; and **(B)** two (2) Specified Promoters Nominee Directors ("**Reserved Matters Committee**") shall be constituted. The quorum for the Reserved Matters Committee will be at least one (1) Acquirer Nominee Director and one (1) Specified Promoters Nominee Director and a decision of the Reserved Matters Committee in relation to a Reserved Matter (*as defined below*) shall be approved by at least one (1) Acquirer Nominee Director and one (1) Specified Promoter Director ("**Mutual Consent**"). The Mutual Consent will be then communicated to the board of directors of the Target Company. In the event of a rejection or disapproval or non-communication by the Reserved Matters Committee of its Mutual Consent in relation to a Reserved Matter, such Reserved Matter will not be included in the meeting agenda item to be placed for approval of the relevant meeting of the board of directors of the Target Company (or any of the committee of the board of directors of the Target Company) or shareholders of the Target Company (as applicable);

(x) A brief overview of the reserved matters ("**Reserved Matters**") prescribed by the Shareholders Agreement is set out below:

(a) any amendments or modifications to the articles of association or memorandum of association of the Target Company or any of its subsidiaries or its affiliates which are under the control of the Target Company ("**Controlled Affiliates**");

(b) any acquisition, change, disposal or transfer of any assets of the Target Company or its Controlled Affiliates having fair value in excess of the threshold provided under the Shareholders Agreement, other than as in the ordinary course of business or as provided in the business plan;

(c) any merger, de-merger, re-organization, dissolution, winding up or liquidation of the Target Company or its Controlled Affiliates (subject to meeting of certain thresholds) or any initiation of or engaging in any new line of business and any material re-organisation of the business of the Target Company;

(d) any action that impacts the capital or voting structure or control of the Target Company or its Controlled Affiliates, including, issuance of or alteration of the terms of any securities or instruments representing ownership or voting interest in the Target Company or buyback, delisting (as applicable) or redemption of any securities of the Target Company or its Controlled Affiliates;

(e) change to the size or composition of the board of directors of the Target Company or its committees or that of the board of directors/committees of its Controlled Affiliates;

(f) amendment to any business plan (which will include, among other things, items of capital expenditures, items of operating expenditures, sources of financing or funds (including, incurring liabilities)) and business strategy, of the Target Company or its Controlled Affiliates;

(g) undertaking any material related party transaction (as per applicable law) with respect to the Target Company or its Controlled Affiliates;

(h) approval (including, any amendment) of brand strategy plan of the Target Company or its Controlled Affiliates;

(i) appointment or removal of key management personnel (as defined in the Shareholders Agreement) of the Target Company (other than for managing director) or any change in the delegation of Authority Matrix (as defined in the Shareholders Agreement) related to key management personnel;

(j) any matters which require a special resolution to be passed by the shareholders of the Target Company or by the shareholders of the Controlled Affiliates; and

(k) entering into any agreement or arrangement in relation to any of the items mentioned in (a) – (j) above.

(xi) The Shareholders Agreement, *inter-alia*, provides for the following clauses:

(a) customary warranties provided by each party under the Shareholders Agreement to each other;

(b) confidentiality clause that provides for standard obligations on each party to the Shareholders Agreement to maintain confidentiality;

(c) notice clause that sets out the various prescriptions with respect to the mode of communication amongst the parties to the Shareholders Agreement and provides the respective addresses for such correspondence; and

(d) governing law and jurisdiction clause that sets out the governing law for the Shareholders Agreement to be the laws of India as well as sets out the dispute resolution mechanism in the event of any dispute with respect to the Shareholders Agreement that may arise between the parties to the Shareholders Agreement.

8. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the DPS and the Letter of Offer that will be dispatched to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.

9. In accordance with Regulation 26(7) of the SEBI (SAST) Regulations, the committee of independent directors of the Target Company is required to provide their written reasoned recommendations on the Open Offer to the Public Shareholders and such recommendations are required to be published in the specified form at least two (2) Working Days before the commencement of the Tendering Period.

10. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any regulations made under the SEBI Act. There are no outstanding penalties and there are no directions subsisting or proceedings pending against the Acquirer under SEBI Act and regulations made thereunder or by any other regulator.

B. Details of the proposed Open Offer

1. This Open Offer is a mandatory open offer made in compliance with Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations pursuant to the execution of the Share Subscription Agreement and Shareholders Agreement to acquire and exercise control of and over the Target Company and to become joint promoter along with the Existing Promoters of the Target Company in accordance with the Shareholders Agreement. The PA announcing the Open Offer, under Regulation 4 read with Regulation 13(1) and Regulation 14(1) of the SEBI (SAST) Regulations, was sent to the Stock Exchanges on 18 November 2021. Please refer to Section III(A) (*Background to the Open Offer*) of this Letter of Offer for further information on the Share Subscription Agreement and the Shareholders Agreement.

2. The Public Announcement in connection with the Open Offer was filed on 18 November 2021 with the Stock Exchanges. The Public Announcement was sent to the Target Company and SEBI with a letter dated 18 November 2021.

3. In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the Detailed Public Statement was published in the following Newspapers on 26 November 2021:

Newspaper	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Satyajay Times	Hindi	Faridabad
Navshakti	Marathi	Mumbai

Simultaneously, a copy of the Detailed Public Statement was sent through the Manager to the Offer to: **(a)** SEBI; **(b)** BSE; **(c)** NSE; and **(d)** the Target Company.

4. A copy of the Public Announcement and the Detailed Public Statement is also available on the website of SEBI (www.sebi.gov.in).

5. This Open Offer is being made by the Acquirer to the Public Shareholders to acquire up to 37,491,556 Equity Shares constituting 28.42% of the Expanded Voting Share Capital held by the Public Shareholders, at a price of ₹ 2,000 per Offer Share, aggregating to a total consideration of ₹ 74,983,112,000, subject to the terms and conditions mentioned in the Public Announcement, the DPS and this Letter of Offer. The percentage of the Offer Size has increased (while the number of Offer Shares i.e., Equity Shares constituting the Offer Size has remained the same) with effect from 27 December 2021 pursuant to the Scheme of Capital Reduction 2020 (as defined in paragraph 10 of Section V (*Background of the Target Company*) of this Letter of Offer.

6. As on the date of this LoF, the Expanded Voting Share Capital is 131,940,604 which includes 9,363,726 Equity Shares allotted by the Target Company to the Acquirer pursuant to the Share Subscription Agreement on 18 February 2022, in compliance with Regulation 22(2A) of the SEBI (SAST) Regulations.

7. As on the date of this LoF, there are no: **(i)** partly paid up Equity Shares; or **(ii)** outstanding instruments in the nature of warrants or fully or partly convertible debentures/preference shares/ employee stock options etc., which are convertible into Equity Shares at any later date; or **(iii)** Equity Shares of the Target Company which are forfeited or kept in abeyance; or **(iv)** Equity Shares which are locked-in other than 21,621,414 Equity Shares held by the Acquirer. As mentioned above, there are 2,649,078 equity shares which are held by EEWT (as a non-promoter non-public shareholder) that are reserved for providing Equity Shares to employees under the ESOS 2006.

8. The Equity Shares are listed on the Stock Exchanges.

9. There is no differential pricing for this Open Offer.

10. The Offer Price has been arrived in accordance with Regulation 8(2) of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the total consideration payable by the Acquirer in accordance with the SEBI (SAST) Regulations will be the Maximum Consideration.

11. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the DPS and the Letter of Offer that will be dispatched to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.

12. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Public Shareholders, is more than the Offer Size, then the Equity Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition of a maximum of 37,491,556 Equity Shares, representing 28.42% of the Expanded Voting Share Capital, in consultation with the Manager to the Open Offer.

13. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Open Offer, together with all the rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof and in accordance with the terms and conditions set forth in the Public Announcement, the Detailed Public Statement and as will be set out in the Letter of Offer, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.

14. As on the date of this Letter of Offer, to the best of the knowledge of the Acquirer, other than as set out in Part C (*Statutory and Other Approvals*) of Section VII (*Terms and Conditions of the Open Offer*) of this Letter of Offer, there are no statutory approvals required by the Acquirer for the consummation of the Underlying Transaction and the Open Offer. However, if any other statutory or governmental approval(s) are required or become applicable at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and the Underlying Transaction and the Open Offer would also be subject to such other statutory or other governmental approval(s) and the Acquirer shall make the necessary applications for such other approvals. In the event that the Required Statutory Approvals are not received at latest by 31 August 2022 (or such other later date as the Acquirer and other parties may mutually agree in writing under the Share Subscription Agreement) or refused for any reason, or if the conditions precedent as specified in the Share Subscription Agreement (as set out at paragraph 6(b) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer), which are outside the reasonable control of the Acquirer, are not satisfied, the Acquirer may rescind the Share Subscription Agreement and shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. It is hereby clarified that the failure to obtain

the Preferential Issue Stock Exchanges Approvals will not entitle the Acquirer to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of the Share Subscription Agreement being rescinded and a withdrawal of the Open Offer, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office. To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the Open Offer except the following Required Statutory Approvals, which have now been received/are now not required: **(a)** an approval in writing granted by the Competition Commission of India under the Competition Act, 2002 to the Acquirer for consummation of the Transaction; **(b)** in relation to the prior approval in writing required from the RBI for the change of control of Escorts Finance Limited, the RBI on 27 January 2022 directed: (i) to deposit the entire liability towards depositors of Escorts Finance Limited to the Investor Education and Protection Fund; and (ii) submission of a certificate from the statutory auditors of Escorts Finance Limited to the effect of extinguishing the entire depositors liability, and upon compliance with such direction, the RBI had on 4 February 2022 communicated to Escorts Finance Limited that it is no longer registered with the RBI and advised that such an approval is not required for such change of control; and **(c)** in relation to the prior approval in writing required from SEBI and the relevant stock exchanges for the indirect change in control of Escorts Securities Limited (an unlisted company), pursuant to Escorts Securities Limited ceasing to be a subsidiary of the Target Company on 14 February 2022, such an approval is now not required. Further, the conditions precedent specified in the Share Subscription Agreement (as set out in paragraph 6(b) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer) have been satisfied.

15. All Public Shareholders (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

16. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

17. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

18. Other than 9,363,726 Equity Shares allotted by the Target Company to the Acquirer pursuant to the Share Subscription Agreement on 18 February 2022, the Acquirer has not acquired any Equity Shares of the Target Company between the date of the Public Announcement, i.e., 18 November 2021 and the date of this Letter of Offer.

19. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.

20. As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company is required to maintain at least 25.00% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to the

consummation of the Share Subscription Agreement and the completion of this Open Offer, the public shareholding in the Target Company will not fall below the minimum level required as per Rule 19A of the SCRR.

21. The Manager to the Offer does not hold any Equity Shares of the Target Company. The Manager to the Offer shall not deal, on its own account, in the Equity Shares of the Target Company during the Offer Period.

C. Object of the Open Offer

1. The Open Offer is being made under Regulation 4 of the SEBI (SAST) Regulations since the Acquirer has entered into the Share Subscription Agreement and the Shareholders Agreement pursuant to which the Acquirer intends to acquire and exercise control of and over the Target Company and become a joint promoter along with the Existing Promoters of the Target Company in accordance with the terms of the Shareholder Agreement. Following the completion of the Open Offer and also the Shareholders Agreement coming into effect, the Acquirer intends to support the management of the Target Company in their efforts towards the sustained growth of the Target Company. The Target Company is engaged in the business of manufacturing and trading of tractors, construction, road, and material handling equipment, spares thereof, other equipment and manufacturing of railway equipment. Further, the Acquirer will strive to utilize combined resources of the Acquirer and the Target Company in an effective manner and further strengthen the partnership between the Acquirer and the Target Company. Also, the Acquirer will strive to provide complete range of quality and affordable high-performance to basic tractors, by utilizing the Target Company's knowhow and the Acquirer's accumulated product development knowledge and capabilities to improve quality and productivity in the R&D, procurement and manufacturing functions to global standards, in the fields of distribution and service. Further, the Acquirer will strive to effectively utilize both companies' distribution networks by offering a wide range of products offerings, ranging from high-performance tractors to basic tractors.

2. The Acquirer does not have any intention to alienate (whether by way of sale or lease) or otherwise encumber any material assets of the Target Company or of any of its subsidiaries in the 2 (two) years from completion of the Open Offer, except: **(a)** in the ordinary course of business (including for the disposal of assets and creation of encumbrances in accordance with business requirements); or **(b)** with the prior approval of the shareholders as required under applicable law, including in accordance with the proviso to Regulation 25(2) of the SEBI (SAST) Regulations; or **(c)** in accordance with the prior decision of the board of directors of the Target Company; or **(d)** on account of regulatory approvals or conditions or compliance with any law that is binding on or applicable to the operations of the Target Company or its subsidiaries.

3. On 18 November 2021, the board of directors of the Target Company has decided to evaluate and consider in due course of time the feasibility of: **(a)** the amalgamation of Escorts Finance Limited, Kubota Agricultural Machinery India Private Limited and Escorts Kubota India Private Limited with the Target Company; and **(b)** the selective capital reduction of the issued, subscribed and paid-up equity share capital of the Target Company by cancelling and extinguishing Equity Shares which are currently held by the Escorts Benefit and Welfare Trust, without payment of any consideration to the aforesaid trust. Further, on 18 February 2022, the board of directors of the Target Company have approved the selective capital reduction of the issued, subscribed and paid-up equity share capital of the Target Company by cancelling and extinguishing 21,442,343 Equity Shares which are currently held by the Escorts Benefit and Welfare Trust, without payment of any consideration to the aforesaid trust.

4. The Acquirer has not formulated any proposal as on the date of this Letter of Offer which may have an adverse material impact on the employees of the Target Company and the locations of its places of business.

D. Shareholding and Acquisition Details

1. The current and proposed shareholding of the Acquirer in the Target Company and the details of acquisition are as follows:

Details	Acquirer	
	No.	**%**
Shareholding as on the PA date.	12,257,688 Equity Shares held as a public shareholder of the Target Company	9.29% of the Expanded Voting Share Capital of the Target Company[@].
Shares acquired between the PA date and the date of this Letter of Offer.	9,363,726 Equity Shares	7.10% of the Expanded Voting Share Capital of the Target Company.
Post Offer shareholding as of 10th Working Day after the closure (including the shareholding after completion of the preferential issue contemplated under the Share Subscription Agreement) (assuming no Equity Shares tendered in the Open Offer).	21,621,414 Equity Shares	16.39% of the Expanded Voting Share Capital of the Target Company.
Post Offer shareholding as of 10th Working Day after the closure of the open Offer (including the shareholding after completion of the preferential issue contemplated under the Share Subscription Agreement) (assuming the entire 28.42% is tendered in the Open Offer).	59,112,970 Equity Shares	44.80% of the Expanded Voting Share Capital of the Target Company.

[@]The percentage of the Expanded Voting Share Capital held by the Acquirer in the Target Company as on the date of the Public Announcement has changed (while the number of Equity Shares held by the Acquirer as on the date of the Public Announcement was the same) with effect from 27 December 2021, pursuant to the Scheme of Capital Reduction 2020 becoming effective (as defined in paragraph 10 of Section V (Background of the Target Company) of this Letter of Offer).

2. Other than the Acquirer holding as a public shareholder, 21,621,414 Equity Shares of the Target Company constituting 16.39% of the Expanded Voting Share Capital of the Target Company the Acquirer and its directors do not have any shareholding in the Target Company as on the date of this Letter of Offer.

IV. BACKGROUND OF THE ACQUIRER

1. The Acquirer is a public listed entity listed on the Tokyo Stock Exchange, incorporated under the laws of Japan (Company Registration Number: 1200-01-037978) on 22 December 1930. The name of the Acquirer changed from Kubota Tekko Kabushiki Kaisha to its present name in 1990 (i.e., Kubota Corporation). There has been no change in the name of the Acquirer since then. The contact details of the Acquirer are as follows: telephone number: +81-6-6648-2111 and fax number: +81-6-6648-3862.

2. The Acquirer has its registered office at 2-47, Shikitsuhigashi 1-chome, Naniwa-Ku, Osaka 556-8601, Japan.

3. The Acquirer does not belong to any group.

4. No other person is acting in concert with the Acquirer for the purpose of this Open Offer.

5. The Acquirer is primarily engaged in the business of, *inter-alia*, manufacturing farm equipment, agricultural related products, engines, construction machinery, pipe and infrastructure related products (such as ductile iron pipes, plastic pipes, valves, industrial castings, spiral-welded steel pipes, air-conditioning equipment, and other products) and environmental related products (such as environmental control plants, pumps, valves for private sector, and other products).

6. The securities of the Acquirer are not listed on any stock exchange in India. The common shares of the Acquirer are listed on a stock exchange outside India i.e., Tokyo Stock Exchange.

7. The issued and paid up share capital of the Acquirer is JPY 84,130 million (equivalent to INR 54,878 million, JPY to INR conversion has been assumed at a rate of JPY 100 = INR 65.23 as on 8 November 2021) divided into 1,200,246,846 fully paid-up equity shares as on 31 December 2021.

8. The Acquirer does not have a promoter and there is no person or entity which exercises control over the Acquirer. The details of substantial shareholders of the Acquirer, as on 31 December 2021, is as follows:

Key shareholders	Number of shares (thousand)	Percentage of shareholding
The Master Trust Bank of Japan, Ltd. (Trust account)	190,314	15.86%
Nippon Life Insurance Company	62,542	5.21%

***Source**: Kubota Corporation Website (https://www.kubota.com/ir/sh-info/condition/index.html)*
***Notes**:*
1. There are no other shareholders holding more than 5% in the Acquirer as on 31 December 2021.
2. Shareholding percentage is computed based on the total number of issued shares (excluding treasury shares).

9. The Acquirer, its directors and key employees do not have any relationship with or interest in the Target Company other than the: **(a)** Acquirer holding, as a public shareholder of the Target Company, 21,621,414 Equity Shares constituting 16.39% of the Expanded Voting Share Capital of the Target Company; **(b)** following directors of the Target Company have been nominated by the Acquirer effective from 16 July 2020: (i) Mr. Dai Watanabe; and (ii) Mr. Yuji Tomiyama; **(c)** joint ventures between the Acquirer and the Target Company in the name of, (i) Escorts Kubota India Private Limited to undertake the business of production of Acquirer tractors and Target Company tractors for the Indian and global markets, and (ii) Kubota Agricultural Machinery India Private Limited to undertake the business of assembly, procurement, sales, and servicing, within India, of tractors, combine harvesters and rice transplanters, and other agricultural machineries, construction equipment, and industrial engines manufactured or assembled by the Acquirer (including those manufactured or assembled by the Acquirers' subsidiaries), as well as implements, accessories and spare parts of the foregoing; **(d)** arrangement between the Acquirer and the Target Company with respect to sales collaboration in the tractor market; **(e)** certain arrangement with respect to distribution arrangement for finished products, parts and accessories between the aforementioned joint venture companies and the group companies of the Acquirer; **(f)** technical collaboration between the Acquirer and aforementioned joint venture companies; and **(g)** other day to day arrangement for co-operation on export of tractors and secondment of personnel between/amongst Acquirer, Target Company and the aforementioned joint venture companies; and **(h)** Underlying Transaction, as detailed in Section III(A) (*Background to the Open Offer*) of this Letter of Offer, that has triggered this Open Offer.

10. Other than 9,363,726 Equity Shares allotted by the Target Company to the Acquirer pursuant to the Share Subscription Agreement on 18 February 2022, the Acquirer has not acquired any

Equity Shares of the Target Company between the date of the Public Announcement, i.e., 18 November 2021 and the date of this Letter of Offer.

11. The Acquirer has not been prohibited by the SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

12. Neither the Acquirer nor its directors or key managerial employees (if any) are categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, and are in compliance with Regulation 6A of the SEBI (SAST) Regulations.

13. Neither the Acquirer nor its directors or key managerial employees (if any) are categorized/declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), and are in compliance with Regulation 6B of the SEBI (SAST) Regulations.

14. The details of the board of directors of the Acquirer, as on the date of this Letter of Offer, are as follows:

Name and Designation	Date of Appointment	DIN	Qualifications and Experience
Masatoshi Kimata (Chairman and Representative Director)	22 June 2012	Not applicable	Mr. Masatoshi Kimata did his bachelor of department of engineering from Hokkaido University. Mr. Masatoshi Kimata joined Kubota Corporation in April 1977. Since becoming a Director in June 2005, he has been promoted to several posts and was appointed as Chairman and Representative Director in January 2020.
Yuichi Kitao (President and Representative Director)	20 June 2014	**DIN**: 08372780	Mr. Yuichi Kitao did his bachelor of department of engineering from the University of Tokyo. Mr. Yuichi Kitao joined Kubota Corporation in April 1979. Since becoming an Executive Officer in April 2009, he has been promoted to several posts and was appointed as President and Representative Director in January 2020.
Masato Yoshikawa (Executive Vice President and Representative Director)	24 March 2017	Not applicable	Mr. Masato Yoshikawa did his bachelor of department of commercial science from Keio University. Mr. Masato Yoshikawa joined Kubota Corporation in April 1981. Since becoming an Executive Officer in April 2012, he has been promoted to several posts and (i) was appointed as Director in March 2017, and (ii) was appointed as Executive Vice President and Representative Director in January 2022.
Toshihiko Kurosawa (Director)	22 March 2019	Not applicable	Mr. Toshihiko Kurosawa did his bachelor of department of literature from Keio University. Mr. Toshihiko Kurosawa joined Kubota Corporation in April 1979.

Name and Designation	Date of Appointment	DIN	Qualifications and Experience
			Since becoming an Executive Officer in April 2010, he has been promoted to several posts and was appointed as Director in March 2019.
Dai Watanabe (Director and Senior Managing Executive Officer)	22 March 2019	**DIN**: 08736520	Mr. Dai Watanabe did his bachelor of department of economics from Kyoto University and Master of business administration from Kobe University. Mr. Dai Watanabe joined Kubota Corporation in April 1984. Since becoming an Executive Officer in April 2013, he has been promoted to several posts and was appointed as Director and Senior Managing Executive Officer in March 2019. He is also currently a director in Escorts Limited.
Yuzuru Matsuda (Outside Director (Independent Executive))	20 June 2014	Not applicable	Mr. Yuzuru Matsuda did his Doctor of Agriculture from the University of Tokyo. Mr. Yuzuru Matsuda joined Kyowa Kirin Co. in April 1977. He served as President of Kyowa Kirin Co.. He is also a Director of JSR Corporation and a Director Emeritus of Kato Memorial Bioscience Foundation.
Koichi Ina (Outside Director (Independent Executive))	19 June 2015	Not applicable	Mr. Koichi Ina did his Master of Metal Engineering from Nagoya Institute of Technology. Mr. Koichi Ina joined Toyota Motor Corporation in April 1973. He was appointed as Chief Officer for Manufacturing Group and Production Planning Group of Toyota Motor Corporation in June 2007 and as Chairman of Daihatsu Motor Co., Ltd in June 2013. He is also a Director of Sansha Electric Manufacturing Co., Ltd.
Yutaro Shintaku (Outside Director (Independent Executive))	23 March 2018	Not applicable	Mr. Yutaro Shintaku did his Bachelor of College of Arts and Sciences from the University of Tokyo and Master of Haas School of Business from the University of California Berkeley (MBA). Mr. Yutaro Shintaku worked at Terumo Corporation for 18 years since January 1999 and was appointed as President in June 2010. He is also currently a Director of J-Oil Mills, Inc, Santen Pharmaceutical Co., Ltd, and Kozo Keikaku Engineering Inc, an Executive Trustee of Tonen International Scholarship Foundation and a Special Professor of Hitotsubashi University Business School.
Kumi Arakane (Outside Director (Independent Executive))	19 March 2021	Not applicable	Ms. Kumi Arakane did her Master of Pharmaceutical Sciences from the University of Tokyo and her Doctor of Pharmacy from the University of Tokyo. Ms. Kumi Arakane joined KOSÉ Corporation in April 1981. She served as a Director of KOSÉ

Name and Designation	Date of Appointment	DIN	Qualifications and Experience
			Corporation. She is also a Director of TODA Corporation and KAGOME Co., Ltd

15. The following directors of the Target Company have been nominated by the Acquirer effective from 16 July 2020: **(a)** Mr. Dai Watanabe; and **(b)** Mr. Yuji Tomiyama. Further, Mr. Dai Watanabe is also a director on the board of directors of the Acquirer.

16. The financial information of the Acquirer based on its annual audited consolidated financial statements as on and for the financial years ended on 31 December 2018, 31 December 2019 and 31 December 2020 and audited consolidated financials for the nine months period ended 30 September 2021, is as follows:

(In Million, except per share data)

Profit & Loss Statement								
Particulars	**December 2018**		**December 2019**		**December 2020**		**Nine month period from 1 January 2021 to 30 September 2021**	
	JPY	**INR** (1)	**JPY**	**INR** (1)	**JPY**	**INR** (1)	**JPY**	**INR** (1)
Revenue	1,850,316	1,206,961	1,920,042	1,252,443	1,853,234	1,208,865	1,641,640	1,070,842
Other income	5,040	3,288	3,648	2,380	6,950.00	4,533	7,129	4,650
Total income (2)	1,855,356	1,210,249	1,923,690	1,254,823	1,860,184	1,213,398	1,648,769	1,075,492
Total expenditure (3)	1,666,042	1,086,759	1,722,036	1,123,284	1,684,900	1,099,060	1,437,266	937,529
Finance income	9,816	6,403	8,866	5,783	12,294	8,019	3,279	2,139
Finance cost	1,900	1,239	1,498	977	1,679	1,095	994	648
Profit before income tax	197,230	128,653	209,022	136,345	185,899	121,262	213,788	139,454
Income tax expenses	49,119	32,040	53,002	34,573	47,027	30,676	55,373	36,120
Profit after tax before share of profit / (loss) in associates and non-controlling interest	148,111	96,613	156,020	101,772	138,872	90,586	158,415	103,334
Share of profits of investments accounted for using the equity method	2,034	1,327	3,071	2,003	2,528	1,649	2,502	1,632
Profit for the year	150,145	97,940	159,091	103,775	141,400	92,235	160,917	104,966
Profit attributable to owners of the parents	138,595	90,406	149,061	97,232	128,524	83,836	146,628	95,645

Balance Sheet Statement								
Particulars	**December 2018**		**December 2019**		**December 2020**		**As on 30 September 2021**	
	JPY	**INR** [(1)]	**JPY**	**INR** [(1)]	**JPY**	**INR** [(1)]	**JPY**	**INR** [(1)]
Sources of Funds								
Share capital [(4)]	84,130	54,878	84,130	54,878	84,130	54,878	84,130	54,878
Reserves and Surplus [(5)]	1,255,720	819,106	1,358,707	886,285	1,391,909	907,942	1,547,483	1,009,423
Net worth [(6)](excluding non-controlling interest)	1,339,850	873,984	1,442,837	941,163	1,476,039	962,820	1,631,613	1,064,301
Non-controlling interests	86,583	56,478	94,377	61,562	98,146	64,021	102,943	67,150
Current Bonds and Borrowings	349,060	227,692	386,538	252,139	366,038	238,767	398,763	260,113
Non Current Bonds and Borrowings	490,205	319,761	516,443	336,876	508,398	331,628	578,157	377,132
Other liabilities [(7)]	629,957	410,921	699,123	456,038	740,696	483,156	780,606	509,189
Total	**2,895,655**	**1,888,836**	**3,139,318**	**2,047,777**	**3,189,317**	**2,080,391**	**3,492,082**	**2,277,885**
Uses of funds								
Property, plant and equipment	330,034	215,281	405,349	264,409	424,672	277,014	459,122	299,485
Goodwill and intangible assets	49,948	32,581	60,986	39,781	72,539	47,317	82,735	53,986
Investments [(8)]	30,611	19,968	33,729	22,001	36,124	23,564	38,216	24,928
Other assets [(9)]	2,485,062	1,621,006	2,639,254	1,721,585	2,655,982	1,732,497	2,912,009	1,899,503
Total	**2,895,655**	**1,888,836**	**3,139,318**	**2,047,777**	**3,189,317**	**2,080,391**	**3,492,082**	**2,277,885**

Other Financial Data								
Particulars	**December 2018**		**December 2019**		**December 2020**		**Nine month period ended from 01 January 2021 to 30 September 2021**	
	JPY	**INR** [(1)]	**JPY**	**INR** [(1)]	**JPY**	**INR** [(1)]	**JPY**	**INR** [(1)]
Dividends paid	40,697	26,547	43,065	28,091	43,853	28,605	48,333	31,528
Basic Earnings per share [(10)]	112.44	73.34	121.59	79.31	105.85	69.05	121.38	79.18
Diluted Earnings per share [(10,11)]	112.44	73.34	-	-	-	-	-	-

Source: *Certificate dated 30 November 2021 issued by R.D. Sarfare & Co., Chartered Accountants, (Rajesh Dilip Sarfare, Proprietor, Membership No. 140399). Since the financial numbers of the Acquirer are presented in Japanese Yen (JPY), the financial information has been converted to Indian National Rupees (INR) for the purpose of convenience.*

*JPY to INR conversion has been assumed at a rate of JPY 100 = INR 65.23 as on 8 November 2021.(**Source**: website of Financial Benchmarks India Private Limited (www.fbil.org.in))*

Notes:

(1) All INR numbers have been rounded off to the nearest million except per share data.

(2) Total income is summation of revenue and other income.

(3) Total expenditure consists of: (i) Cost of sales; (ii) Selling, general, and administrative expenses; and (iii) Other expenses.

(4) Refers to share capital attributable to owners of the parent.

(5) Reserves and surplus consists of following components of equity attributable to owners of the parents: (i) Share premium; (ii) Retained earnings; (iii) Other components of equity; and (iv) Treasury shares.

(6) Net worth (excluding non-controlling interest) refers to total equity attributable to owners of the parent and is calculated as share capital plus reserves and surplus.

(7) Other liabilities include: (i) Trade payables; (ii) Current other financial liabilities; (iii) Income taxes payable; (iv) Provisions; (v) Other current liabilities; (vi) Noncurrent other financial liabilities; (vii) Retirement benefit liabilities (viii) Deferred tax liabilities; and (ix) Other noncurrent liabilities.

(8) Investments refers to investments accounted for using the equity method.

(9) Other assets consists of: (i) Cash and cash equivalents; (ii) Trade receivables; (iii) Current finance receivables; (iv) Current other financial assets; (v) Inventories; (vi) Income tax receivables; (vii) Other current assets; (ix) Noncurrent finance receivables; (x) Noncurrent other financial assets; (xi) Deferred tax assets; and (x) Other noncurrent assets.

(10) Attributable to owners of the parent.

(11) Not stated for the years ended 31 December 2019, 31 December 2020 and nine months period ended 30 September 2021 as the Acquirer did not have potentially dilutive common shares that were outstanding during that period.

17. Contingent liabilities of Acquirer as on 30 September 2021:

(a) Since May 2007, the Acquirer has been subject to 49 asbestos-related lawsuits in Japan, which were filed against the Acquirer or defendant parties consisting of the Japanese government and asbestos-related companies, including the Acquirer. By May 2021, with regard to the four lawsuits consolidating 14 cases, the Supreme Court of Japan has concluded proceedings and ruled that the government and a part of asbestos using companies were liable for compensation. On the other hand, all claims against the Acquirer were rejected.

Other 35 cases are still ongoing, and the total claims for compensation of all lawsuits aggregate to ¥20,842 million, which relate to 554 construction workers who suffered from asbestos-related diseases. 10 among 35 lawsuits were compiled into four cases and the first instance ordered the Acquirer to pay compensation damages of ¥2 million under judgement for one case, and other cases were decided in favor of the Acquirer. All four cases were appealed to the appellate court. Two appellate courts ruled in favor of the Acquirer, but the plaintiffs of these two cases appealed to the supreme courts.

However, the Acquirer believes that it is currently unable to predict the ultimate outcome of lawsuits. The Acquirer does not have any cost-sharing arrangements with other potentially responsible parties, including the government, for these 49 lawsuits.

(b) The Law for the Relief of Patients Suffering from Asbestos-Related Diseases (the "**New Asbestos Law**") was established by the Japanese government in March 2006. The purpose of this law is to provide prompt relief to persons who sustain asbestos-related diseases but are not relieved by compensation for accidents under workmen's compensation insurance. Contributions under this law are made by the Japanese government, local authorities and business entities. Contributions by business entities commenced from the year ended 31 March 2008, and these include special contributions by business entities which operated a business closely to asbestos.

The Acquirer accrues asbestos-related expenses when the Acquirer receives claims on voluntary consolation payment, relief payment, compensation for current and former employees, and the special contribution in accordance with the New Asbestos Law. The accrued balances for asbestos-related expenses are JPY 132 million (INR 86

million) and JPY 222 million (INR 145 million) at 30 September 2021, and 31 December 2020, respectively. The asbestos-related expenses recognized for the nine months ended 30 September 2021 and 2020, were JPY 453 million (INR 295 million) and JPY 473 million (INR 309 million), respectively.

Note**: JPY to INR conversion has been assumed at a rate of JPY 100 = INR 65.23 as on 8 November 2021.* (Source**: website of Financial Benchmarks India Private Limited (www.fbil.org.in)*)

18. The market price per share of the common shares of the Acquirer on the Tokyo Stock Exchange is as follows:

Date	**Market price per ordinary share of the Acquirer***	
	JPY	**INR**
Date of PA (18 November 2021)	2,339.5	1,526.1
Date of publication of DPS (26 November 2021)	2,451.5	1,599.1
One working day prior to the date of DLoF (2 December 2021)	2,426.0	1,582.5
One working day prior to the date of the LoF (2 March 2022)	1,973.0	1,287.0

***Note**: JPY to INR conversion has been assumed at a rate of JPY 100 = INR 65.23 as on 8 November 2021.(**Source**: website of Financial Benchmarks India Private Limited (www.fbil.org.in)*
**Closing price*

19. The Acquirer is in compliance with all corporate governance rules and regulations to which it is subject to under the laws of Japan. The compliance officer of the Acquirer is Kazuhiro Kimura, Senior Managing Executive Officer, GM of Corporate Compliance and Risk Management Headquarters , Tel:+81-6-6648-2111, E-mail: kbt_s.a035@kubota.com.

V. BACKGROUND OF THE TARGET COMPANY

1. Escorts Limited is a public listed company, incorporated under the (Indian) Companies Act, 1913, having corporate identification number L74899HR1944PLC039088. The Target Company was incorporated on 17 October 1944 as Escorts (Agents) Limited, and its name was subsequently changed to Escorts (Agents) Private Limited in 1956. Thereafter, pursuant to the conversion of the Target Company from a private company to a public company, its name was changed to its present name i.e., Escorts Limited on 18 January 1960. There has been no change in the name of the Target Company in the last 3 years. Post the Shareholders Agreement becoming effective, as soon as reasonably practicable, the name of the Target Company will be changed to "Escorts Kubota Ltd" or such other name containing the trade names: "Escorts" and "Kubota", as may be mutually agreed between the Acquirer, certain Existing Promoters (i.e., (a) Nikhil Nanda; (b) Shweta Nanda; (c) Navya Naveli Nanda; (d) Agastya Nanda; (e) AAA Portfolios Private Limited; (f) Big Apple Clothing Private Limited; and (g) Har Parshad and Company Private Limited) and the Target Company, subject to applicable law.

2. The Target Company has its registered office at 15/5, Mathura Road, Faridabad, Haryana, 121003.

3. The Equity Shares of the Target Company are listed on the BSE (Scrip Code: 500495) and the NSE (Symbol: ESCORTS). The ISIN of the Target Company is INE042A01014. The Equity Shares of the Target Company were listed on the DSE. However, DSE has been de-recognized and allowed to exit as a stock exchange by SEBI by way of SEBIs Order No. WTM/SR/SEBI /MRD-DSA/04/01/2017 dated 23 January 2017. For avoidance of doubt, the securities of Target

Company are not listed on DSE owing to DSE having been de-recognized by SEBI. The trading of the Equity Shares of the Target Company is not currently suspended on the Stock Exchanges. Based on the information from the Stock Exchanges, the closing market price of the Equity Shares of the Target Company as of the date of the PA i.e. 18 November 2021 are as follows:

Stock Exchange	Closing Market Price (INR)
BSE	1,802.90
NSE	1,802.85

4. There has been no instance of non-listing of any Equity Shares of the Target Company in any stock exchange in the financial year in which the Public Announcement has been made and for a period of 8 financial years preceding the financial year in which the Public Announcement has been made.

5. The Target Company is engaged in the business of manufacturing and trading of tractors, construction, road, and material handling equipment, spares thereof, other equipment and manufacturing of railway equipment.

6. The Equity Shares of the Target Company are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

7. The total issued, subscribed and fully paid-up share capital of the Target Company is ₹ 1,319,406,040 divided into 131,940,604 fully paid-up equity shares of face value of ₹ 10 each.

8. As on date of this LoF, equity shares aggregating to 2,649,078 equity shares are held by EEWT, as a non-promoter non-public shareholder, that are reserved for providing Equity Shares to employees under ESOS 2006.

9. The capital structure of the Target Company as on the date of this Letter of Offer is:

Equity Shares of Target Company	No. of Equity Shares/voting rights	% of Equity Shares/voting rights
Fully paid up Equity Shares	131,940,604	100%
Partly paid up Equity Shares	NIL	NIL
Total paid up Equity Shares	131,940,604	100%
Total voting rights in Target Company	**129,291,526**	**97.99%[#]**

[#] Equity Shares aggregating to 2,649,078 held by EEWT as set out in paragraph 8 of this Section V (Background of the Target Company) of this LOF, are reserved for providing Equity Shares to employees under the ESOS 2006. There are no voting rights exercisable in relation to such Equity Shares by EEWT and any voting rights with respect to such Equity Shares can only be exercised post transfer of such Equity Shares to the employees of the Target Company under ESOS 2006.

10. The board of directors of the Target Company on 15 July 2020, had approved the cancellation and extinguishment of 12,257,688 Equity Shares of the Target Company held by Escorts Benefit and Welfare Trust ("**Capital Reduction**"). The shareholders of the Target Company on 21 February 2021 approved the Capital Reduction. Subsequently, a scheme for reduction of share capital was filed before the Hon'ble National Company Law Tribunal, Chandigarh Bench ("**NCLT**") on 13 March 2021. The scheme for reduction of share capital between the Target Company and its shareholders under Section 66 of the Companies Act read with Section 52 of the Companies Act and other applicable provisions of the Companies Act read with National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 for the reduction of share capital of the Target Company i.e., cancellation and extinguishment of 12,257,688 Equity Shares (constituting 9.29% of the Expanded Voting Share Capital of the Target Company) has been approved by the Hon'ble National Company Law Tribunal,

Chandigarh bench by way of its order dated 23 December 2021 ("**NCLT Order**") and has become effective on 27 December 2021 pursuant to filing of the Scheme of Capital Reduction in Form INC 28 with the Registrar of Companies in accordance with the terms of the scheme of Capital Reduction and the NCLT Order. The Registrar of Companies has also approved Form INC 28 ("**Scheme of Capital Reduction 2020**"). Accordingly, upon Scheme of Capital Reduction 2020 becoming effective on 27 December 2021, 12,257,688 Equity Shares held by Escorts Benefit and Welfare Trust were cancelled and extinguished and post cancellation and extinguishment of such shares, Escorts Benefit and Welfare Trust holds 21,442,343 Equity Shares of the Target Company. Subsequently, as mentioned above, 9,363,726 Equity Shares have been allotted by the Target Company to the Acquirer pursuant to the Share Subscription Agreement on 18 February 2022, in compliance with Regulation 22(2A) of the SEBI (SAST) Regulations.

11. On 18 November 2021, the board of directors of the Target Company decided to evaluate and consider in due course of time the feasibility of: **(a)** the amalgamation of Escorts Finance Limited, Kubota Agricultural Machinery India Private Limited and Escorts Kubota India Private Limited with the Target Company; and **(b)** the selective capital reduction of the issued, subscribed and paid-up equity share capital of the Target Company by cancelling and extinguishing Equity Shares which are currently held by the Escorts Benefit and Welfare Trust, without payment of any consideration to the aforesaid trust. In this context, on 18 February 2022, the board of directors of the Target Company have approved the selective capital reduction of the issued, subscribed and paid-up equity share capital of the Target Company by cancelling and extinguishing 21,442,343 Equity Shares which are currently held by the Escorts Benefit and Welfare Trust, without payment of any consideration to the aforesaid trust. ("**Ongoing Scheme of Capital Reduction 2022**").

12. On 18 November 2021, the board of directors of the Target Company took note that Mr. Nikhil Nanda (one of the Existing Promoters and the acting Chairman and Managing Director of the Target 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 Acquirer 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 is not intended to interfere with his commitment and role as the Chairman and Managing Director of the Target Company. It is hereby clarified that no compensation, remuneration or any other kind of consideration is proposed to be payable by the Acquirer to Mr. Nikhil Nanda for the services proposed to be provided under the aforementioned arrangement. In this context, on 18 February 2022, the board of directors of the Target Company took note that Mr. Nikhil Nanda has entered into an Executive Service Agreement with the Acquirer in his individual capacity as a non-employee with the designation of: (a) senior managing executive officer of the Acquirer; (b) General Manager of Value Innovative Farm and Industrial Machinery Strategy and Operations of the Acquirer, and (c) Director of one of the group companies of the Acquirer 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 Target Company. It is hereby clarified that no compensation, remuneration or any other kind of consideration is payable to him by the Acquirer for the services to be provided under the aforementioned agreement.

13. As on the date of this Letter of Offer, the Expanded Voting Share Capital is 131,940,604 which includes 9,363,726 Equity Shares allotted by the Target Company to the Acquirer pursuant to the Share Subscription Agreement on 18 February 2022, in compliance with Regulation 22(2A) of the SEBI (SAST) Regulations.

14. There are no: **(a)** partly paid up Equity Shares; or **(b)** outstanding instruments in the nature of warrants or fully or partly convertible debentures/preference shares/employee stock options etc., which are convertible into Equity Shares at any later date; or **(c)** Equity Shares of the Target Company which are forfeited or kept in abeyance; or **(d)** Equity Shares which are locked-in other than 21,621,414 Equity Shares held by the Acquirer; or **(e)** there are no depository receipts of the Equity Shares issued in foreign countries by the Target Company. As mentioned above, there are 2,649,078 equity shares which are held by Escorts Employees Benefit and Welfare Trust (as a non-promoter non-public shareholder) that are reserved for providing Equity Shares to employees under the Target Company's stock option plan.

15. As on the date of this Letter of Offer, the composition of the board of directors of the Target Company is as follows:

Name of Director	Director Identification Number (DIN)	Designation	Date of appointment in current term
Sunil Kant Munjal	00003902	Independent Director	7 May 2019
Tanya Arvind Dubash	00026028	Independent Director	29 January 2020
Nitasha Nanda	00032660	Whole-time Director	16 January 2015
Nikhil Nanda	00043432	Chairman and Managing Director	17 October 2005
Sutanu Behuria	00051668	Independent Director	16 January 2015
Hardeep Singh	00088096	Non-Independent Non-Executive Director	28 November 2011
Hayagreeva Ravikumar Puranam	00280010	Independent Director	29 July 2014
Harish Narender Salve	01399172	Independent Director	16 July 2020
Shailendra Agrawal	03108241	Executive Director	22 March 2019
Vibha Paul Rishi	05180796	Independent Director	29 July 2014
Dai Watanabe	08736520	Nominee Director	16 July 2020
Yuji Tomiyama	08779472	Nominee Director	16 July 2020

16. The following directors of the Target Company have been nominated by the Acquirer effective from 16 July 2020: **(a)** Mr. Dai Watanabe; and **(b)** Mr. Yuji Tomiyama. Further, Mr. Dai Watanabe is also a director on the board of directors of the Acquirer.

17. During the last 3 years, other than the below, the Target Company has not undertaken any activities with respect to a scheme of amalgamation, restructuring, merger/demerger and spin off other than the Scheme of Capital Reduction 2020 and Ongoing Scheme of Capital Reduction 2022 (as explained respectively in paragraphs 10 and 11 of this Section V (*Background to the Target Company*) of this Letter of Offer. As per the Annual Report of the Target Company for the Financial Year 2018 – 2019, the Target Company had entered into an investment and shareholders agreement dated 27 August 2018 ("**Agreement**") with Tadano Limited, Japan ("**Tadano**") for manufacturing of rough terrain ("**RT**") cranes in India. Under the said Agreement, joint venture company with the name "Tadano Escorts India Private Limited" ("**TEI**") was incorporated wherein the equity capital was contributed by the JV partners in the ratio of 51:49 by Tadano and the Target Company respectively. Under the business transfer agreement dated 7 December 2018 executed between the Target Company and TEI, the Target

Company had sold its existing RT crane business on a slump sale basis for a sum of ₹ 25,00,00,000 plus inventory as mutually agreed between the parties.

18. The Target Company is in compliance with the applicable provisions of the listing agreement as well as the SEBI (LODR) Regulations. No punitive measures have been taken by the Stock Exchanges against it in the financial year in which the Public Announcement has been made for this Open Offer and for a period of 8 financial years preceding the financial year in which the Public Announcement has been made for this Open Offer.

19. The Target Company is neither categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI nor a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018). Also, the Existing Promoters (i.e., the existing promoter and promoter group of the Target Company) is neither categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI nor a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018). Further, there are no directions subsisting or proceedings pending against the Target Company under the SEBI Act and regulations made thereunder or by any other regulator, except the following: **(a)** Suo Moto Case No. 03 of 2012 – The Competition Commission of India ("**CCI**") found the Target Company to have engaged in price fixing and bid rigging in a tender for supply of feed valves in contravention of section 3(1) of the Competition Act, 2002. The CCI directed the Target Company to cease and desist from the anti-competitive conduct and imposed a penalty of Rs. 54.70 crore. The Target Company filed an appeal against the CCI order before Competition Appellate Tribunal ("**COMPAT**") (Appeal No. 13 of 2014), in which the COMPAT allowed the appeal and set aside the penalty imposed by the CCI. The CCI has filed an appeal (Civil Appeal no. 5993 of 2016) against the order of the COMPAT in Appeal No. 13 of 2014, before the Supreme Court. The matter is currently pending at the Supreme Court; **(b)** The Target Company received a letter from the Directorate of Enforcement ("**ED**") dated 22 June 2021, bearing reference no. F. No. T-3/CDZO-11/11/2020/2166 in respect to certain inward and outward foreign remittances made by the Target Company. The Target Company duly responded to the said letter, and have not received any follow-up from the ED; **(c)** The Special Director of Enforcement vide its adjudication order No. SDE (SKP) III/292/2003 dated 8 December 2003, imposed a penalty of ₹ 1,00,00,000 on the Target Company on account of violation of Section 19(1)(d) and 29(1)(b) read with section 49 of FERA, by Hughes Escorts Communication Limited, a joint venture company of the Target Company, for providing operational services of VSAT equipment instead of undertaking manufacturing activities. The Appellate Tribunal for Foreign Exchange upheld the penalty imposed which has been appealed by the Target Company before the Hon'ble High Court of Delhi – reference no. CRL.A.801/2007; and **(d)** The Special Director of Enforcement vide its adjudication order No. SDE (SKP) III/291/2003 dated 8 December 2003, imposed a penalty of ₹ 5,00,000 on the Target Company on account of violation of Section 19(1)(a), 19(1)(d) and 29(1)(b) read with section 49 of FERA, by Hughes Escorts Communication Limited, a joint venture company of the Target Company, for making outward remittance of foreign exchange equivalent to ₹ 19,12,499 to its non-residents shareholders out of the earnings arising out of the services provided by Hughes Escorts Communication Limited. The Appellate Tribunal for Foreign Exchange upheld the penalty imposed which has been appealed by the Target Company before the Hon'ble High Court of Delhi – reference no. CRL.A.799/2007. Also, there are no outstanding penalties, except the ones which are stated in sub-paragraphs (c) and (d) above.

20. The key financial information of the Target Company based on its annual audited consolidated financial statements as on and for the financial years ended on 31 March 2019, 31 March 2020, 31 March 2021 and limited review consolidated financials for the six months period ended 30 September 2021 and 9 months period ended 31 December, 2021, is as follows:

(*In Million, except per share data*)

Profit and loss statement					
Particulars	**For the period/financial year**				
	2019 (1)	**2020 (1)**	**2021 (2)**	**Six month period from 1 April 2021 to 30 September 2021 (3)**	**Nine month period from 1 April 2021 to 31 December 2021 (4)**
Income from operations	62,620	58,101	70,144	33,756	53,599
Other Income	924	976	1,604	1,143	1,550
Total Income	63,544	59,077	71,748	34,900	55,150
Total Expenditure (5)	55,375	51,477	58,877	29,290	46,487
Profit Before Depreciation, Interest and Tax	8,169	7,600	12,871	5,610	8,662
Depreciation and amortisation	872	1,072	1,183	654	985
Finance costs	195	172	133	76	114
Profit Before Tax(6)	7,138	6,252	11,548	4,738	7,354
Tax expense	2,371	1,535	2,832	1,218	1,897
Profit After Tax(7)	4,779	4,717	8,716	3,519	5,456
Profit After Tax attributable to owners(7)	4,789	4,723	8,715	3,514	5,456

Balance Sheet Statement				
Particulars	**For the period/financial year**			
	2019 (1)	**2020 (1)**	**2021 (2)**	**As on 30 September 2021 (3)**
Sources of funds				
Paid up share capital	1,226	1,226	1,348	1,348
Reserves and Surplus (excluding revaluation reserves) (8)	25,565	29,999	48,904	51,806
Net worth	26,791	31,225	50,252	53,154
Secured loans (9)	2,810	200	25	-
Unsecured loans	-	-	-	-
Total	**29,601**	**31,425**	**50,278**	**53,154**
Uses of funds				
Net fixed assets (10)	17,041	17,707	17,483	17,648
Investments (11)	4,908	7,974	19,380	23,878
Net current assets (12)	7,111	4,879	12,422	10,641
Net non current assets (13)	541	865	992	987
Total	**29,601**	**31,425**	**50,278**	**53,154**

Other financial data	2019 [1]	2020 [1]	2021 [2]	Six month period from 31 March 2021 to 30 September 2021 [3]	Nine month period from 1 April 2021 to 31 December 2021 [4]
Dividend per share (in INR)	2.5 [15]	2.5 [16]	7.5 [17]		
Earnings per share - *Basic* (in INR)	55.82	55.04	92.15	35.75	55.48
Earnings per share – *Diluted* (in INR)	55.82	55.04	91.98	35.69	55.35
Return on Net Worth (%) [14]	18%	15%	17%	7%	

Notes:

(1) ***Source****: Consolidated audited financial statements published in the Annual Report of the Target Company for the financial year ended 31 March 2020 (Link: https://www.escortsgroup.com/images/annualreport/Escorts-AR-2019-2020.pdf)*

(2) ***Source****: Consolidated audited financial statements as filed with BSE dated 14 May 2021 (Link: https://www.bseindia.com/xml-data/corpfiling/AttachHis/cb806a3b-ae93-487c-800e-a3b9af688a88.pdf)*

(3) ***Source****: Consolidated unaudited financial statements as filed with BSE dated 29 October 2021 (Link: https://www.bseindia.com/xml-data/corpfiling/AttachHis/4bc908d5-0376-4502-a225-8a968e6a9cca.pdf)*

(4) ***Source****: Consolidated unaudited financial statements as published by the Target Company on 8 February 2022 (Link:https://www.escortsgroup.com/templates/escortsgroup_home/annual-report/2021-2022/Q3/Q3FY22-results.pdf). The aforementioned financial statements only disclose the income statement and does not set out the balance sheet information.*

(5) Total expenditure includes: (i) Cost of materials consumed; (ii) Purchases of stock-in-trade; (iii) Changes in inventories of finished goods, stock-in -trade and work-in-progress; (iv) Employee benefits expense; and (v) Other expenses.

(6) Profit before tax includes: (i) Profit Before Depreciation, Interest and Tax; (ii) Share of loss of equity accounted investments; (iii) Exceptional items; (iv) Interest; and (v) Depreciation.

(7) Excludes other comprehensive income. In FY 2019, it includes profit after tax from discontinued operations as well.

(8) Reserves and Surplus (excluding revaluation reserves) includes: (i) Other Equity; and (ii) Non-controlling interests.

(9) Secured loans include: (i) Long term borrowings; (ii) Current maturities of long-term borrowings; and (iii) Current borrowings.

(10) Net fixed assets include: (i) Property, plant and equipment; (ii) Capital work-in-progress; (iii) Intangible assets; and (iv) Intangible assets under development.

(11) Investments include: (i) Non-current Investments accounted for using equity method; (ii) Non-current Investments (other than investment accounted using equity method); and (iii) Current Investments.

(12) Net current assets is current assets less current liabilities. Current assets is the summation of: (i) Inventories; (ii) Trade receivables; (iii) Cash and cash equivalents; (iv) Bank balances other than (iii); (v) Loans; (vi) Other financial assets; and (vii) Other current assets. Current liabilities is the summation of: (i) Trade payables; (ii) Lease liabilities; (iii) Other financial liabilities (excluding current maturities of long-term borrowings); (iv) Other current liabilities; (v) Provisions; (vi) Current tax liabilities.

(13) Net non-current assets is non-current assets less non-current liabilities. Non-current assets is the summation (i) Right of use assets (ii) Investment property (iii) Loans (iv) Other financial assets (v) Income tax assets (net) (vi) Other non-current assets (vii) Deferred tax assets (net) and (viii) Assets held for sale. Non-current liabilities is the summation of (i) Non-current lease liabilities (ii) Other financial liabilities (iii) Provisions (iv) Deferred tax liabilities (net) (v) Other non-current liabilities and (vi) Liabilities directly associated with assets classified as held for sale.

(14) Refers to Profit after tax as a % of Net worth.

(15) Source: Outcome of AGM dated 27 July, 2019 (https://www.bseindia.com/xml-data/corpfiling/AttachHis/8bae0719-38f4-4cc3-bc86-dcb27fca448d.pdf) and Voting results as filed on BSE for 27 July, 2019 (https://www.bseindia.com/stock-share-price/meetings/voting-results/500495/)

(16) Source: Chairman's Speech and Presentation at the 74th Annual General Meeting dated 24 August, 2020 (https://www.bseindia.com/xml-data/corpfiling/AttachHis/c78d9284-8130-40e4-8491-ca847bc33149.pdf nd Voting results as filed on BSE dated 24 September, 2020 (https://www.bseindia.com/xml-data/corpfiling/AttachHis/65320550-3330-4598-9076-ff2d08e4e660.pdf)

(17) Source: Shareholder's meeting dated 27 July, 2021 (https://www.bseindia.com/xml-data/corpfiling/AttachHis/928d31be-2339-4822-83ba-14b889ca7bd7.pdf) and Voting results as filed on BSE dated 29 July, 2021 (https://www.bseindia.com/xml-data/corpfiling/AttachHis/939f3621-d727-48d2-894c-d9b63d0bdeda.pdf)

21. The shareholding pattern of the Target Company before (as on 31 December 2021, unless stated otherwise) and after the Open Offer is as follows:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares/voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations		Shares/voting rights to be acquired in the Open Offer (assuming full acceptances)		Shareholding/voting rights after the acquisition and the Open Offer (assuming full acceptances)	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No	%[(1)]	No	%[(2)]	No	%[(2)]	No	%[(2)]
(1) Promoter Group								
(a) Parties to the agreement, if any Parties [(3)]	36,875,859	30.08%	-	-	-	-	36,875,859	27.95%
(b) Promoters other than (a) above	199,879	0.16%	-	-	-	-	199,879	0.15%
Total 1(a+b)	37,075,738	30.25%	-	-	-	-	37,075,738	28.10%
(2) Acquirer								
(a) Kubota Corporation	12,257,688	10.00%	9,363,726	7.10%	37,491,556	28.42%	59,112,970	44.80%
(b) ~~PAC~~	-	-	-	-	-	-	-	-
(3) Parties to agreement other than (1)(a) & (2)	-	-	-	-	-	-	-	-
(4) Public (other than parties to the agreement, Acquirer ~~& PAC~~)								
(a) FIs/MFs/FPIs/FIIs/Banks, SFIs, Insurance Companies/AIFs	35,172,744	28.69%	-	-	(37,491,556)	(28.42%)	33,102,818[(4)]	25.09%[(4)]
(b) Others	35,421,630 [(4)]	28.90%[(4)]	-	-				
Total (4) (a+b)	70,594,374	57.59%	-	-	(37,491,556)	(28.42%)	33,102,818 [(4)]	25.09%[(4)]
(5) **Non Promoter Non Public**								
(a) Escorts Employee Benefit and Welfare Trust[(5)]	2,649,078 [(5)]	2.16%[(5)]					2,649,078 [(5)]	2.01%[(5)]
Grand total (1+2+3+4+5)	122,576,878	100.00%	-	-	-	-	131,940,604	100.00%

Notes:

1. *Computed as a % of Existing Share Capital excluding 9,363,726 Equity Shares allotted by the Target Company on 18 February 2022 to the Acquirer pursuant to the Share Subscription Agreement.*
2. *Computed as a % of Expanded Voting Share Capital.*
3. *Includes: (a) Nikhil Nanda; (b) Shweta Nanda; (c) Navya Naveli Nanda; (d) Agastya Nanda; (e) AAA Portfolios Private Limited; (f) Big Apple Clothing Private Limited; (g) Har Parshad and Company Private Limited; and (h) Escorts Benefit and Welfare Trust.*
4. *Equity Shares held by Others in Public are as on date of this LoF.*
5. *Equity Shares held by EEWT (as on date of this LoF) as set out in paragraph 8 of Section V (Background of the Target Company) of this LOF, that are reserved for providing Equity Shares to employees under the ESOS 2006.*

VI. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A. Justification of Offer Price

1. The Equity Shares of the Target Company are listed on BSE and NSE. The Equity Shares of the Target Company were listed on the DSE. However, DSE has been de-recognized and

allowed to exit as a stock exchange by SEBI by way of SEBIs Order No. WTM/SR/SEBI /MRD-DSA/04/01/2017 dated 23 January 2017.

2. The trading turnover in the Equity Shares of the Target Company based on the trading volumes during the twelve calendar months prior to the calendar month in which the PA is made, i.e., 1 November 2020 to 31 October 2021 ("**Relevant Period**") on BSE and NSE is as under:

Stock Exchanges	Total No. of Equity Shares of the Target Company traded during the Relevant Period (A)	Total No. of Equity Shares of the Target Company during the Relevant Period (B)	Traded turnover percentage (A/B)
BSE	22,561,776	134,834,566	16.73%
NSE	378,440,547	134,834,566	280.67%

***Source**: Certificate dated 18 November 2021 issued by M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399).*

3. Based on the above, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares of the Target Company are frequently traded.

4. The Offer Price of ₹ 2,000 per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of:

A	Highest negotiated price per Equity Share of the Target Company for acquisition under the agreement attracting the obligation to make a public announcement of an open offer (i.e., the above-mentioned Share Subscription Agreement read with the Shareholders Agreement)	₹ 2,000.00 per Equity Share
B	Volume-weighted average price paid or payable for acquisitions, whether by the Acquirer or by the person acting in concert with the Acquirer (the "**PAC**"), during the fifty-two weeks immediately preceding the date of the public announcement i.e., 18 November 2021	Not Applicable[1]
C	Highest price paid or payable for any acquisition, whether by the Acquirer or by the PAC, during the twenty-six weeks immediately preceding the date of the public announcement i.e., 18 November 2021	Not Applicable[2]
D	Volume-weighted average market price of such Equity Shares for a period of sixty trading days immediately preceding the date of the public announcement i.e., 18 November 2021 as traded on the stock exchange where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period, provided such Equity Shares are frequently traded	₹1,465.86 per Equity Share
E	Where the Equity Shares are not frequently traded, the price determined by the Acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of Equity Shares of the Target Company	Not Applicable[3]
F	Per equity share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, if applicable	Not Applicable[4]

Source: *Certificate dated 18 November 2021 issued by M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399).*

Notes:

1. *The Acquirer has not acquired any shares in the Target Company in the past fifty-two weeks immediately preceding the date of the public announcement i.e., 18 November 2021. There is no person acting in concert with the Acquirer for the purposes of this Open Offer;*
2. *The Acquirer has not acquired any shares in the Target Company in the past twenty-six weeks immediately preceding the date of the public announcement i.e. 18 November 2021;*
3. *The Equity Shares of the Target Company are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations;*
4. *The acquisition is not an indirect acquisition under Regulation 5 of the SEBI (SAST) Regulations.*

5. In view of the parameters considered and presented in the table in paragraph 4 above, the minimum offer price per Equity Share, under Regulation 8(2) of the SEBI (SAST) Regulations, is the highest of item numbers A to F above, i.e., is ₹ 2,000 per Equity Share, and the same has been certified by M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399), by way of certificate dated 18 November 2021.

6. There have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.

7. As on the date of this Letter of Offer, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirer shall comply with Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations and other applicable provisions of the SEBI (SAST) Regulations.

8. In terms of Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, the Offer Price or the Offer Size may be revised at any time prior to the commencement of the last 1 Working Day before the commencement of the Tendering Period. In the event of such revision: **(a)** the Acquirer shall make corresponding increases to the Escrow Amount; **(b)** make a public announcement in the same newspapers in which the Detailed Public Statement has been published; and **(c)** simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

9. In the event of acquisition of the Equity Shares by the Acquirer, during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price per Equity Share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: **(a)** make corresponding increases to the Escrow Amount; **(b)** make a public announcement in the same newspapers in which the DPS has been published; and **(c)** simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. However, the Acquirer shall not acquire any Equity Shares after the 3rd Working Day prior to the commencement of the Tendering Period of this Open Offer and until the expiry of the Tendering Period of this Open Offer.

10. If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the closure of the Tendering Period at a price higher than the Offer Price per Equity Share, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose shares have been accepted in the Open Offer within 60 days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another offer under the SEBI (SAST) Regulations, as amended from time to time or Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended from time to time or open market purchases made in the ordinary course on the Stock Exchanges, not being a negotiated acquisition of the Equity Shares in any form.

B. Financial Arrangements

1. The total consideration for the Offer Size at the Offer Price, assuming full acceptance of the Offer, is the Maximum Consideration i.e., INR ₹ 74,983,112,000.

2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an escrow account under the name and title of "KUBOTA Corporation – Open Offer Escrow Account" (the "**Escrow Account**") with ICICI Bank Limited, a banking corporation incorporated under the laws of India and having its branch office at Capital Market Division,

122, 1st Floor, Mistry Bhavan, Dinshaw Vachha Marg, Backbay Reclamation, Churchgate, Mumbai - 400020, India (the "**Escrow Agent**") pursuant to an escrow agreement entered into by the Acquirer with the Escrow Agent and the Manager (the "**Escrow Agreement**") and has made a cash deposit in such Escrow Account of an amount of ₹ 8,248,311,200 **("Escrow Amount")**, being the amount as specified under Regulation 17(1) of the SEBI (SAST) Regulations (i.e., 25.00% of the first ₹ 5,000 million of the Maximum Consideration and 10.00% of the remainder of the Maximum Consideration). In terms of the Escrow Agreement, the Manager has been authorized by the Acquirer to operate the Escrow Account in accordance with the SEBI (SAST) Regulations. The cash deposit has been confirmed by the Escrow Agent by way of a confirmation letter dated 20 November 2021.

3. The Acquirer has confirmed by way of letter dated 18 November 2021 that it has sufficient and adequate financial resources to fulfil the obligations under the Open Offer and has put in place firm financial arrangements for financial resources required for the implementation of the Open Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The Acquirer has earmarked a sum of JPY 139,840,620,183 (equivalent to approximately INR 91,218,036,545 based on the exchange rate of 100 JPY = INR 65.23 as of 8 November 2021 according to Financial Benchmarks India Private Limited (www.fbil.org.in)), which is equal to or greater than the Maximum Consideration, for the purposes of fulfilling the Acquirer's payment obligations under the Open Offer in accordance with the SEBI (SAST) Regulations.

4. After considering the aforementioned, M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399), by way of certificate dated 18 November 2021, has certified that the Acquirer has adequate financial resources for fulfilling its obligations under the Open Offer.

5. Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfil the obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

6. In case of any upward revision in the Offer Price or the Offer Size, corresponding increase to the Escrow Amount as mentioned above in this Part shall be made by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VII. TERMS AND CONDITIONS OF THE OPEN OFFER

A. Operational Terms and Conditions

1. The Open Offer is being made by the Acquirer to all the Public Shareholders, to acquire up to 37,491,556 Equity Shares, representing 28.42% of the Expanded Voting Share Capital of the Target Company, subject to the terms and conditions mentioned in the Public Announcement, Detailed Public Statement, this Letter of Offer.

2. The Identified Date for this Open Offer as per the schedule of key activities is 25 February 2022 (Friday). In terms of the schedule of key activities, the Tendering Period for the Open Offer will commence on 14 March 2022 (Monday) and close on 28 March 2022 (Monday) (both days inclusive).

3. The Open Offer is not conditional and is not subject to any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.

4. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

5. The Public Shareholders may tender their Equity Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirer has up to 10 Working Days from the closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.

6. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Offer Shares. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Offer Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Offer, together with all the economic, voting and beneficial rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.

7. The acquisition of Equity Shares under the Open Offer from all Public Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Public Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirer. Further, if the Public Shareholders who are not persons resident in India require or had required any approvals in respect of the transfer of Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such prior approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.

8. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

9. The Target Company does not have any Equity Shares which are currently locked-in other than 21,621,414 Equity Shares held by the Acquirer.

10. The instructions, authorisations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of the terms and conditions of this Open Offer. The Public Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement. Alternatively, the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is also expected to be available at SEBI's website, www.sebi.gov.in, and the Public Shareholders can also apply by downloading such forms from the website.

11. Public Shareholders to whom the Open Offer is being made are free to tender their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified.

12. The marketable lot for the Equity Shares of the Target Company for the purpose of this Open Offer shall be 1.

13. There has been no revision in the Offer Price or Offer Size as on the date of this Letter of Offer. The Acquirer reserves the right to revise the Offer Price and/or the number of Offer Shares upwards at any time prior to the commencement of 1 (one) Working Day prior to the commencement of the Tendering Period, in accordance with the SEBI (SAST) Regulations. In the event of such revision, in terms of Regulation 18(5) of the SEBI (SAST) Regulations, the Acquirer shall: (i) make a corresponding increase to the Escrow Amount; (ii) make a public

announcement in the same Newspapers in which the Detailed Public Statement was published; and (iii) simultaneously notify Stock Exchanges, SEBI and the Target Company at its registered office. In case of any revision of the Offer Price, the Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Open Offer and accepted under the Open Offer in accordance with the terms of the Letter of Offer.

14. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected.

15. The Underlying Transaction (which triggered the Offer) is a Foreign Direct Investment under the terms of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019. Under Rule 6(a) read with paragraph 1(b)(i) of Schedule 1 of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, a person resident outside India is permitted to purchase the equity shares of a listed Indian company on the stock exchange if such person has already acquired control of such Indian listed company in accordance with the SEBI (SAST) Regulations. Accordingly, the Acquirer (being a person resident outside India) is not permitted to purchase the Equity shares on the stock exchange under the mechanism for acquisition of equity shares specified in SEBI circular CIR/CFD/POLICYCELL/2015 dated 13 April 2015 ("**SEBI Circular**") and SEBI circular CFD/DCR2/CIR/P/2016/131 dated 9 December 2016. Further, as provided in the SEBI Circular, the Acquirer shall be following the "tender offer method" for acquisition of the Offer Shares. Accordingly, securities transaction tax will not be applicable to the Equity Shares accepted in this Offer and the Public Shareholders whose Equity Shares have been validly tendered and accepted may be subject to applicable capital gains tax. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.

16. All the Equity Shares validly tendered under this Open Offer to the extent of the Offer Size will be acquired by the Acquirer in accordance with the terms and conditions set forth in the PA, DPS, this Letter of Offer.

17. The Acquirer or the Manager to the Offer or the Registrar to the Offer shall not be responsible in any manner for any loss of documents during transit (including but not limited to Open Offer acceptance forms, copies of delivery instruction slips, etc.) and the Public Shareholders are advised to adequately safeguard their interests in this regard.

B. Eligibility for accepting the Open Offer

1. The Letter of Offer (along with the Form of Acceptance-cum-Acknowledgement) shall be sent to all Public Shareholders holding the Equity Shares, whether in dematerialized form or physical form, whose names appear in the records of Depositories at the close of business hours on the Identified Date. Accidental omission to dispatch the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Open Offer in any way.

2. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly,

Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.

3. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period, are eligible to participate in this Open Offer.

4. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10th Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.

5. The acceptance of this Offer by the Public Shareholders must be absolute and unqualified and is entirely at the discretion of the Public Shareholder(s). Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected. The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of any documents during transit and the Public Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

6. All Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

7. For any assistance please contact the Manager to the Offer or the Registrar to the Offer.

C. Statutory and Other Approvals

1. The consummation of the Underlying Transaction and the Open Offer is subject to the receipt of the Required Statutory Approvals and satisfaction of other conditions precedent specified in the Share Subscription Agreement (unless waived in accordance with the Share Subscription Agreement). To the best of the knowledge of the Acquirer, there are no other statutory or governmental approvals required for the consummation of the Transaction. However, if any other statutory or governmental approval(s) are required or become applicable at a later date before closure of the Tendering Period, the Underlying Transaction and the Open Offer would also be subject to such other statutory or other governmental approval(s) and the Acquirer shall make the necessary applications for such other approvals. The applications for Required Statutory Approvals (as currently deemed necessary) have already been filed by the Acquirer and Target Company, as applicable, and such approvals have now been received/are now not required, (as set out below in paragraph 4 of this Section VII(C) (*Statutory and Other Approvals*) of this Letter of Offer).

2. In the event that the Required Statutory Approvals are not received at latest by 31 August 2022 (or such other later date as the Acquirer and other parties may mutually agree in writing under the Share Subscription Agreement) or refused for any reason, or if the conditions precedent as specified in the Share Subscription Agreement (as set out at paragraph 6(b) of Section III(A) (*Background to the Open Offer*) of this Letter of Offer), which are outside the reasonable control of the Acquirer, are not satisfied, the Acquirer may rescind the Share Subscription Agreement and shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. It is hereby clarified that the failure to obtain the Preferential Issue Stock Exchanges Approvals will not entitle the Acquirer to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of the Share Subscription Agreement being rescinded and a withdrawal of the Open Offer, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

3. In case of delay in receipt of any Required Statutory Approvals, or any other statutory approval that may be required by the Acquirer, SEBI may, if satisfied, grant extension of time to the Acquirer for making payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.

4. To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the Share Subscription Agreement/Open Offer except the following Required Statutory Approvals, which have now been received/are now not required, as set forth below:

   (a) approval from the Competition Commission of India under the Competition Act, 2002, was received on 3 February 2022;

   (b) in relation to the prior approval in writing required from the Reserve Bank of India for the change of control of Escorts Finance Limited, the RBI had on 27 January 2022, directed: (i) to deposit the entire liability towards depositors of Escorts Finance Limited to the Investor Education and Protection Fund; and (ii) submission of a certificate from the statutory auditors of Escorts Finance Limited to the effect of extinguishing the entire depositors liability, and upon compliance with such direction, the RBI on 4 February 2022 communicated to Escorts Finance Limited that it is no longer registered with the RBI and advised that such an approval is not required for such change of control; and

   (c) in relation to the prior approval in writing required from SEBI and the relevant stock exchanges for the indirect change in control of Escorts Securities Limited (an unlisted company), pursuant to Escorts Securities Limited ceasing to be a subsidiary of the Target Company on 14 February 2022, such an approval is now not required.

5. All Public Shareholders (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained

for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

6. The Acquirer shall complete all procedures relating to payment of consideration under this Open Offer within 10 Working Days from the date of closure of the Tendering Period of the Open Offer to those Public Shareholders whose Equity Shares are accepted in the Open Offer.

VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

1. A tender of Equity Shares pursuant to any of the procedures described in the Letter of Offer will constitute a binding agreement between the Acquirer and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.

2. The Open Offer is made to the Public Shareholders as defined in this Letter of Offer. While the Letter of Offer shall be dispatched to the Public Shareholders of the Target Company whose name appears in the records of the Depositories as of the Identified Date, all Public Shareholders holding Equity Shares whether in dematerialized form or physical form are eligible to participate in the Offer at any time during the Tendering Period.

3. For the purpose of the Offer, the Registrar to the Offer has opened a special escrow depository account in the name and style of "KFIN TECHNOLOGIES ESCORTS OPEN OFFER ESCROW DEMAT ACCOUNT" ("**Escrow Demat Account**") with ICICI Bank Limited. The depository participant identification number is IN301348 and the client identification number is 20200624.

4. Equity Shares should not be submitted/tendered to the Manager to the Offer, the Acquirer or the Target Company.

5. Applicants may send/deliver the Form of Acceptance-cum-Acknowledgment duly signed along with all the relevant documents (envelope should be super-scribed "Escorts Limited - Open Offer") by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address, Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, 500 032, Telangana, India, Telephone number: +91 40 6716 2222; Toll free number: 18003094001; Fax number: +91 40 2343 1551; E-mail: el.openoffer@kfintech.com; and Contact Person: M Murali Krishna).

6. Public Shareholders who have acquired the Equity Shares but whose names do not appear in the records of the Depositories on the Identified Date, unregistered shareholders or those who have not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details set out below and in the Letter of Offer. In the alternate, such holders of the Equity Shares may apply in the Form of Acceptance-cum-Acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (http://www.sebi.gov.in) or from the Registrar to the Offer i.e., KFin Technologies Private Limited. The application is to be sent to the Registrar to the Offer, so as to reach the Registrar to the Offer during business hours on or before 5 p.m. on the date of closure of the Tendering Period of this Offer, together with:

   (a) the DP name, DP ID, account number together with a photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares to Escrow Demat Account, as per the details given below:

Name of the Depository Participant	ICICI Bank Limited
DP ID	IN301348

Client ID	20200624
Account Name	KFIN TECHNOLOGIES ESCORTS OPEN OFFER ESCROW DEMAT ACCOUNT
Depository	NSDL
Mode of Instruction	Off Market

Note: *Public Shareholders having their beneficiary account with Central Depository Services Limited must use the inter-depository delivery instruction slip for the purpose of crediting their equity shares of the Target Company in favour of the Escrow Demat Account.*

(b) **Public Shareholders have to ensure that their Equity Shares are credited in the above mentioned Escrow Demat Account, before the closure of the Tendering Period, i.e., 28 March 2022 (Monday).**

(c) **Public Shareholders holding shares in demat form are not required to submit the Form of Acceptance-cum-Acknowledgment to the Registrar, unless required by their respective Selling Broker.**

(d) **Pursuant to SEBI circular dated 27 August 2020 bearing reference number SEBI/HO/MIRSD/DOP/CIR/P/2020/158), with effect from 1 November 2020, SEBI has made it mandatory for all shareholders holding shares in dematerialized form to authenticate their off-market transaction requests through the one-time password ("OTP") authentication method, pursuant to the submission of their delivery instruction slip with the DP. All Public Shareholders shall generate and submit the OTP (based on the link provided by the Depository to the Public Shareholder by way of e mail/SMS) to authenticate the off-market transaction(s). Public Shareholders are requested to authenticate their transaction as soon as they receive the intimation from the Depository to avoid failure of delivery instruction. Kindly note, no transaction will be processed by the Depositories unless the same is authenticated by the Public Shareholder through the above said OTP method.**

7. The procedure for tendering to be followed by Public Shareholders holding Equity Shares in the physical form is as detailed below:

(a) Public Shareholders who are holding physical Equity Shares and intend to participate in the Open Offer will be required to submit to the registered office of the Registrar, Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein along with the complete set of documents for verification procedures to be carried out including: (i) original share certificate(s); (ii) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Target Company; (iii) self-attested copy of the shareholder's PAN Card; and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable.

(b) In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the relevant Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar Card; (ii) Voter Identity Card; or (iii) Passport.

(c) Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Open Offer shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard.

(d) Applicants may deliver their documents by speed/registered post with due acknowledgement or by courier only, at their own risk and cost, to the Registrar to the Offer to the address specified in paragraph 3 of this Section VIII (*Procedure for Acceptance and Settlement of the Open Offer*) of this Letter of Offer, on or before the last date of the Tendering Period.

8. Documents to be delivered by all Public Shareholders holding equity shares in the Dematerialised Form:

(a) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Equity Shares, as per the records of the DP.

(b) Photocopy of the Delivery Instruction in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the DP, in favour of the Escrow Demat Account.

Please note the following:

(i) For each delivery instruction, the Beneficial Owner should submit a separate Form of Acceptance-cum-Acknowledgment.

(ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Equity Shares have not been credited to the above Escrow Demat Account or for Equity Shares that are credited in the above Escrow Demat Account but the corresponding Form of Acceptance-cum-Acknowledgment has not been received as on the date of closure of the Offer.

9. Non-resident Public Shareholders should, in addition to the above, enclose copy(ies) of any permission(s) received from the RBI or any other regulatory authority to acquire Equity Shares held by them in the Target Company. Erstwhile OCBs are requested to seek a specific approval of the RBI for tendering their Equity Shares in the Offer and a copy of such approval must be provided along with other requisite documents in the event that any Public Shareholder who is an erstwhile OCB tenders its Equity Shares in the Open Offer. In case the above approvals from the RBI are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered.

10. Public Shareholders who have sent the Equity Shares held by them for dematerialisation need to ensure that the process of dematerialisation is completed in time for the credit in the Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.

11. Equity Shares that are subject to any charge, lien or any other form of encumbrance are liable to be rejected in the Offer.

12. Applications in respect of Equity Shares that are the subject matter of litigation wherein the Public Shareholders of the Target Company may be prohibited from transferring such Equity Shares during the pendency of the said litigation are liable to be rejected if the directions/orders regarding such Equity Shares are not received together with the Equity Shares tendered under

the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

13. The Public Shareholders should also provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

    (a) Duly attested death certificate and succession certificate/probate/letter of administration (in case of single Public Shareholder) if the original Public Shareholder has expired;

    (b) Duly attested power of attorney if any person apart from the Public Shareholder has signed the acceptance form and/or transfer deed(s);

    (c) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance;

    (d) In case of companies, the necessary corporate authorisation (including certified copy of board and/or general meeting resolution(s)); and

    (e) Any other relevant documents.

14. In the event the number of Equity Shares validly tendered in the Open Offer by the Public Shareholders are more than the Equity Shares to be acquired under the Open Offer, the acquisition of Equity Shares from each Public Shareholder will be on a proportionate basis in such a way that the acquisition from any Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The minimum marketable lot for the Equity Shares is one Equity Share.

15. Subject to the receipt of such approvals as mentioned in Paragraph C of Section VII (*Terms and Conditions of the Open Offer*) and paragraph 6(b) of Section III (A) (*Background to the Open Offer*), the Acquirer intends to complete all formalities, including the payment of consideration within a period of ten (10) Working Days from the closure of the Tendering Period and for the purpose open a special account as provided under Regulation 21(1) of the SEBI (SAST) Regulations, provided that where the Acquirer is unable to make the payment to the Public Shareholders who have accepted the Offer before the said period of ten (10) Working Days due to non-receipt of such approvals, SEBI may, if satisfied that non-receipt of such approvals was not due to any wilful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals (where applicable), grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Public Shareholders for delay beyond such ten (10) Working Days period, as may be specified by SEBI from time to time.

16. The unaccepted documents in relation to transfer of Equity Shares, if any, would be returned by registered post or by ordinary post or courier at the Public Shareholders' sole risk. Unaccepted Equity Shares held in dematerialised form will be credited back to the Beneficial Owners' depository account with the respective depository participant as per details received from their depository participant. It will be the responsibility of the Public Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Public Shareholders holding Equity Shares in dematerialised form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. Public Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.

17. The Registrar to the Offer will hold in trust the Form of Acceptance-cum-Acknowledgment, Equity Shares, and/or other documents on behalf of the Public Shareholders of the Target Company who have accepted the Offer, until the warrants/cheques/drafts or payment mode through electronic mode for the consideration are dispatched and unaccepted share certificate/Equity Shares, if any, are dispatched/returned/credited to the relevant Public Shareholders.

18. Payment to those Public Shareholders whose tendered Equity Shares are found valid and in order and are approved by the Acquirer, will be done by obtaining the bank account details from the beneficiary position download to be provided by the Depositories and the payment shall be processed with the said bank particulars, and not any details provided in the Form of Acceptance-cum-Acknowledgment. The decision regarding: **(a)** the acquisition (in part or full), of the Equity Shares tendered pursuant to the Offer, or **(b)** rejection of the Equity Shares tendered pursuant to the Offer along with any corresponding payment for the acquired Equity Shares will be dispatched to the Public Shareholders by registered post or by ordinary post or courier as the case may be, at the Public Shareholder's sole risk. Equity Shares held in dematerialised form to the extent not acquired will be credited back to the respective beneficiary account with their respective Depository Participants as per the details furnished by the Beneficial Owners in the Form of Acceptance-cum-Acknowledgment.

19. For Public Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through DC/NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered post or by ordinary post or courier at the Public Shareholder's sole risk.

20. All cheques/demand drafts/pay orders will be drawn in the name of the first holder, in case of joint holder(s).

21. In case of rejection of Equity Shares tendered for any reason, the documents, if any, will be returned by registered post or ordinary post or courier at the Public Shareholder's sole risk as per the details provided in the Form of Acceptance-cum-Acknowledgement. Equity Shares held in dematerialised form, to the extent not accepted, will be returned to the Beneficial Owner to the credit of the Beneficial Owner's DP account with the respective DP as per the details furnished by the Beneficial Owner(s) in the Form of Acceptance-cum-Acknowledgement.

22. A copy of the Letter of Offer (including Form of Acceptance-cum-Acknowledgment) is expected to be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.

IX. COMPLIANCE WITH TAX REQUIREMENTS

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 (AS AMENDED BY FINANCE ACT, 2021, INCLUDING DIRECT TAX AMENDMENTS PROPOSED UNDER THE FINANCE BILL, 2022) AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE

PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSISOR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE PUBLIC SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, PUBLIC SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF INCOME-TAX IMPLICATIONS, RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER OFF THE RECOGNISED STOCK EXCHANGE, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

THE SUMMARY ON TAX CONSIDERATIONS IN THIS SECTION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAXADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES. THE LAW STATED BELOW IS AS PER THE INCOME-TAX ACT, 1961.

1. **General:**

(a) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

(b) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his/her worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961 (the "**IT Act**") as amended from time to time. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which accrues or arises or is deemed to accrue or arise in India) as also income received by such person in India. In case of shares of a company, the source of income from shares will depend on the "situs" of such shares. As per judicial precedents, the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

(c) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.

(d) Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("**DTAA**") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with

the relevant provisions of the Multilateral Instrument **("MLI")** as ratified by India with the respective country of which the said shareholder is a tax resident and (b) non-applicability of General Anti-Avoidance Rule ("**GAAR**") and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

(e) The IT Act also provides for different income-tax regimes/rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.

(f) The Public Shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income-tax authorities, reporting their income for the relevant year.

(g) The summary of income-tax implications on tendering of listed equity shares is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

2. **Classification of Shareholders:** Public Shareholders can be classified under the following categories:

(a) Resident Shareholders being:

(i) Individuals, Hindu Undivided Family **(**"**HUF**"**)**, Association of Persons ("**AOP**")and Body of Individuals ("**BOI**")

(ii) Others

· Company

· Other Than Company

(b) Non-Resident Shareholders being:

(i) Non-Resident Indians (NRIs)

(ii) Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)

(iii) Others:

· Company

· Other Than Company

3. **Classification of Income**: Shares can be classified under the following two categories:

(a) Shares held as investment (Income from transfer of such shares taxable under the head "**Capital Gains**")

(b) Shares held as stock-in-trade (Income from transfer of such shares taxable under the head "**Profits and Gains from Business or Profession**")

4. **Taxability of Capital Gains in the hands of shareholders**

(a) Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for income-tax purposes, unless specifically exempted, depending

upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade).

(b) As per the current provisions of the IT Act, where the shares are held as investments (i.e.capital assets), income arising from the transfer of such shares is taxable under the head "Capital Gains". Further, Section 2(14) of the IT Act has provided for deemed characterization of securities held by FPIs as capital assets, whether or not such assets have been held as a capital asset; and therefore, the gains arising in the hands of FPIs will be taxable in India as capital gains.

(c) Capital Gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act.

(d) Period of holding: Depending on the period for which the shares are held, the gains would be taxable as "short-term capital gain/ STCG" or "long-term capital gain/ LTCG":

(i) In respect of equity shares held for a period less than or equal to 12 (Twelve) months prior to the date of transfer, the same should be treated as a "short-term capital asset", and accordingly the gains arising therefrom should be taxable as "STCG".

(ii) Similarly, where equity shares are held for a period more than 12 (Twelve) months prior to the date of transfer, the same should be treated as a "long-term capital asset", and accordingly the gains arising therefrom should be taxable as "LTCG".

(e) The Finance Act, 2018, vide Section 112A, has imposed an income tax on LTCG at the rate of 10% (plus applicable surcharge and health and education cess) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 12 (Twelve) months and have been subject to STT upon both acquisition and sale exceeding Rs. 1,00,000 (Rupees One lakh only) (without any indexation and foreign exchange fluctuation benefits).

(f) As per section 111A of the IT Act, STCG arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (plus applicable surcharge and health and education cess) (except under specific categories).

However, since STT will not be applicable to the Equity Shares transferred in this Offer,the provisions of Section 112A and Section 111A of the IT Act shall not be applicable.

(g) LTCG arising from tendering of Equity Shares in the Offer shall be subject to tax as follows:

(i) LTCG will be chargeable to tax at the rate of up to 20% (plus applicable surcharge and health and education cess) in the case of a non-resident Public Shareholder (other than a FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of section 112 of the IT Act.

(ii) In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) in accordance with provisions of section 115AD of the IT Act (without benefit of indexation and foreign exchange fluctuation).

(iii) For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) under Section 115E of the IT Act on meeting certain conditions. While computing the LTCG, the benefit of indexation of cost may not be available.

(iv) For a resident Public Shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and health and education cess) without indexation.

(h) Further, any gain realized on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are transferred under the Offer, will be subject to short term capital gains tax and shall be taxable at the rates prescribed in First Schedule to the Finance Act (i.e. applicable marginal tax rates applicable to different categories of persons) (plus applicable surcharge and health and education cess).

(i) Taxability of capital gain arising to a non-resident in India from the transfer of equity shares shall be determined basis the provisions of the IT Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act, as discussed in para 1(d) above.

(j) As per Section 70 of the IT Act, short-term capital loss computed for a given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set-off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.

(k) Long-term capital loss computed for a given year is allowed to be set-off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

Investment Funds

(l) Under Section 10 (23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head, "Profits and gains of business or profession" would be exempt from income tax but would be taxable in the hands of their investors. For this purpose, an "Investment Fund" means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

Mutual Funds

(m) Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorized by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

5. **Taxability of business income in hands of shareholders (Shares held as Stock-in-Trade):**

If the shares are held as stock-in-trade by any of the eligible Public Shareholders of the Target Company, then the gains will be characterized as business income and taxable under the head "Profits and Gains from Business or Profession".

(a) **Resident Shareholders:**

(i) Profits of:

(A) Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.

(B) Domestic companies having turnover or gross receipts not exceeding Rs.400 crore in the prescribed financial year, will be taxable @ 25%.

(C) Domestic companies which have opted for concessional tax regime under Section 115BAA and 115BAB of the IT Act will be taxable at 22%, upon meeting certain conditions.

(D) For persons other than stated in (A), (B) and (C) above, profits will be taxable @ 30%.

(ii) No benefit of indexation by virtue of period of holding will be available in any case.

(b) **Non Resident Shareholders**

(i) Non-resident Public Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant country of residence of the shareholder but subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act, as discussed in para 1(d) above.

(ii) Where DTAA provisions are not applicable:

· For non-resident individuals, HUF, AOP and BOI, profits (as determined in accordance with the provisions of the IT Act) will be taxable at slab rates.

· For foreign companies, profits (as determined in accordance with the provisions of the IT Act) will be taxed in India @ 40%.

· For other non-resident Public Shareholders, such as foreign firms, profits (as determined in accordance with the provisions of the IT Act) will be taxed in India @ 30%.

In addition to the above, applicable Surcharge, Health and Education Cess are leviable for Resident and Non-Resident Public Shareholders.

6. **Other matters**

(a) Minimum alternate tax ("**MAT**") implications as per Section 115JB of the IT Act will get triggered in the hands of a resident corporate shareholder (other than resident company which has opted for concessional tax regime under Section 115BAA or

Section 115BAB of the IT Act). Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA. In case where the said conditions are not satisfied, MAT will be applicable to the foreign company. In case of non-corporate shareholders, applicability of the provisions of Alternative Minimum Tax as per Section 115JC of the IT Act will also need to be analysed depending on the facts of each case.

(b) Submission of PAN and other details

- All Public Shareholders are required to submit their PAN along with self-attested copy of the PAN card for income-tax purposes.

- In absence of PAN for non-resident Public Shareholders, as per Notification No. 53/2016, F.No.370 142/16/2016-TPL, they shall furnish self-attested copy of documents containing the following details **("PAN Substitute Information")**:

  (i) Name, email id, contact number;

  (ii) Address in the country of residence;

  (iii) Tax Residency Certificate ("**TRC**") from the government of the country of residence, if the law of such country provides for issuance of such certificate; and

  (iv) Tax identification number in the country of residence, and in case no such number is available, then a unique number on the basis of which such non-resident is identified by the government of the country of which he claims to be a resident.

7. **Tax Deduction at Source ("TDS")**

On payment of consideration

(a) *In case of Resident Shareholders*

With effect from 1 July 2021, Finance Act 2021 creates an obligation on the buyer of goods to withhold tax under Section 194Q at the rate of 0.1% (plus applicable surcharge and cess) when buying goods from an Indian resident. The withholding obligation only exists where the consideration for goods exceeds Rs. 50,00,000 and the buyer had a business turnover of more than Rs. 10,00,00,000 in the immediately preceding year. The term "goods" has not been defined and may cover shares.

As per Circular No 13 of 2021 dated June 30, 2021 issued by the CBDT, the provisions of Section 194Q is not applicable to non-resident whose purchase of goods from Indian resident is not effectively connected with the permanent establishment in India. Therefore, in the absence of any permanent establishment in India, the Acquirer being Non-resident in India is not required to withhold tax under Section 194Q on consideration payable to resident Public Shareholders.

As such, the Acquirer is not required to deduct tax on the consideration payable to resident Public Shareholders for purchase of shares pursuant to the said Offer.

The resident Public Shareholders undertake to file their tax returns in India after inter alia considering gains arising pursuant to this Offer. The resident Public Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid etc.

(b) *In case of Non-resident Shareholders*

(i) In case of FIIs / FPIs:

- Section 196D of the IT Act provides for specific exemption from withholding tax in case of Capital Gains arising in hands of FIIs / FPIs. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs. The Acquirer would not deduct tax at source on the payments to FIIs/FPIs, subject to the following conditions:
  - FIIs/FPIs furnishing the copy of the registration certificate issued by SEBI (including for subaccount of FII/FPI, if any);
  - FIIs/FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations and will be liable to pay tax on their income as per the provisions of the IT Act.
- If the above conditions are not satisfied, FIIs/FPIs may submit a valid and effective certificate for deduction of tax at a nil/lower rate issued by the income tax authorities under the IT Act ("**TDC**"), along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer shall deduct tax in accordance with such TDC. In case a valid TDC is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable, on the gross consideration towards acquisition of shares,..

(ii) In case of other non-resident Public Shareholders (other than FIIs/FPIs covered under para 7(b)(i) above) holding Equity Shares of the Target Company:

- Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act read with the provisions of the relevant DTAA, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident Public Shareholders provide a specific mandate in this regard.
- While tendering shares under the Offer, all non-resident Public Shareholders including NRIs/foreign shareholders shall be required to submit a valid TDC issued by the income tax authorities under the IT Act along with the Form of Acceptance-cum- Acknowledgement,

indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such TDC only if it has been submitted along with the Form of Acceptance cum-Acknowledgement and the same is valid and effective as of the date on which tax is required to be deducted at source.

- In case TDC is not submitted requiring lower withholding of tax by non-resident shareholders including NRIs/foreign shareholders or is otherwise not valid and effective as of the date on which tax is required to be deducted at source, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e., 40% in case of foreign company, 30% in case of all other category of persons, plus applicable surcharge and health and education cess), on the gross consideration towards acquisition of shares, payable to such shareholder under the Offer.

- The non-resident Public Shareholders (including FIIs/ FPIs) undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the non-resident Public Shareholders pursuant to this Offer. The non-resident Public Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid, documents, etc.

On payment of interest for delay in payment of consideration

In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, to withhold tax, the same shall be basis the documents submitted along with the Form of Acceptance-cum-Acknowledgement or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorisation of the interest, whether as capital gains or as other income).

Tax shall be deducted at source on gross amount of interest for delay in payment of the consideration at the applicable tax rate in accordance with the provisions of the IT Act depending on category of the Public Shareholder. The shareholders shall be required to submit a valid TDC at a NIL/lower rate issued by the income tax authorities under the IT Act along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before payment of such interest. In the event the Acquirer is held liable for the tax liability of the Public Shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

Other withholding related provisions

- If PAN is not furnished by a resident Public Shareholder or in case of non-resident Public Shareholders not having a PAN, the PAN Substitute Information is not furnished, the Acquirer will arrange to deduct tax at least at the rate of 20% as per Section 206AA of the IT Act or at such rate as applicable and provided above for

each category of the Public Shareholders, whichever is higher.

- With effect from 1 July 2021, in terms of Section 206AB of the IT Act, where a person (i) has not filed Indian income-tax return for two consecutive financial years (the Finance Bill 2022, proposes to reduce the requirement of two financial years to one financial year with effect from 1 April 2022) preceding the relevant financial year in which tax is required to be deducted; (ii) has an aggregate of tax deducted at source/tax collected at source of Rs. 50 thousand or more in each of these two financial years and (iii) the time limit for filing India income-tax return under Section 139(1) of the IT Act has expired, then the deductor is required to withhold taxes at higher of the following rates (a) at twice the rate specified in the relevant provision of the IT Act; (b) at twice the rates in force; or (c) at the rate of 5%. It is clarified that the provisions of Section 206AB of the IT Act are not applicable where the payee is a non-resident, which does not have a permanent establishment in India.

- Further, it is also clarified that where the provisions of both Section 206AA and Section 206AB of the IT Act are applicable, then taxes shall be deducted at higher of the two ratesprovided in Section 206AA and Section 206AB of the IT Act.

In addition to the tax deducted at source as per para 7 above, Surcharge, Health and Education Cess as applicable will be levied, as applicable.

8. **Tax Collected at Source ("TCS")**

- Section 206C(1H) of the IT Act also creates an obligation on the seller of 'goods' (which expression may also include shares) to collect TCS at the rate of 0.1% (plus applicable surcharge and cess) on the sale consideration exceeding Rs. 50,00,000 (Rupees Fifty Lakhs), subject to cumulative satisfaction of the following conditions:

  - The transaction is not subject to TDS (as discussed above under para 7(a)); and

  - Total turnover of the shareholder/seller during the immediately preceding financial year exceeds Rs. 10,00,00,000 (Rupees Ten Crores); and

  - Sale consideration exceeds Rs. 50,00,000 (Rupees Fifty Lakhs)

- Accordingly, in appropriate cases, where the aforesaid conditions are satisfied, the TCS obligation may arise in the hands of Public Shareholders, and they may be required to collect TCS at the rate of 0.1% (plus applicable surcharge and cess) on the consideration received from Acquirer exceeding Rs. 50,00,000, in addition to such consideration.

- The Public Shareholders who are obligated to collect such TCS undertake to indemnify the Acquirer for any losses that may arise to the Acquirer by virtue of any default by such Public Shareholder in relation to collection of TCS or deposit of the same with the government within the prescribed timelines or otherwise impeding ability of Acquirer to claim refund/credit of TCS, so collected by the Public Shareholder. The Public Shareholders also undertake to provide to the Acquirer, on demand, the relevant details, as may be required to assess or verify the TCS obligation of the Public Shareholder and such certificates, challans, evidence etc., as prescribed, to evidence the timely deposit of TCS to the Indian Government and to enable the Acquirer to claim credit/refund of such TCS.

9. **Other points for consideration**

- Public Shareholders who wish to tender their Equity Shares must submit the information/documents, as applicable, all at once along with the Form of Acceptance-cum- Acknowledgement and those that may be additionally requested for by the Acquirer. The documents submitted by the shareholders along with the Form of Acceptance-cum- Acknowledgement will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer, may not be accepted.

- The Acquirer will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the Public Shareholder for deducting a lower amount of tax at source. In case of ambiguity, incomplete or conflicting information, the Acquirer will arrange to deduct tax at the applicable rate under the IT Act on the gross amount.

- Based on the documents and information submitted by the shareholder, the final decisionto deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer.

- Taxes once deducted will not be refunded by the Acquirer under any circumstances.

- The Acquirer shall deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income tax demand (includinginterest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholders, such shareholders will be responsible to pay such income tax demand (including interest, penalty, etc.) and providethe Acquirer with all information/documents that may be necessary and co-operate in anyproceedings before any income tax/appellate authority. The Shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the Public Shareholders pursuant to this Offer.

- The tax deducted by the Acquirer while making the payment to a shareholder under this Offer may not be the final liability of such shareholders and shall in no way discharge the obligation of the shareholders to appropriately disclose the amount received by it, pursuant to this Offer, before the income tax authorities. The rate at which tax is required to be deducted is based on the tax laws prevailing as on the date of this Letter of offer. If there is any change in the tax laws with regards to withholding tax rates as on the date of deduction of tax, the tax will be deducted at the rates applicable at the time of deduction of tax.

- All shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of taxdeduction at source may not necessarily be the treatment also for filing the return of income.

- The Acquirer and the Manager to the Open Offer do not accept any responsibility for theaccuracy or otherwise of the tax provisions set forth herein above.

10. **Rate of Surcharge and Cess**

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

(a) ***Surcharge***

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.

- In case of domestic companies which have opted for concessional tax regime either under Section 115BAA or Section 115BAB: Surcharge @ 10% is leviable.

- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore and @ 2% where the total income exceeds Rs.1 crore but less than Rs. 10 crore.

- In case of individuals, HUF, AOP, BOI:

  - Surcharge @10% is leviable where the total income exceeds Rs. 50 lakh but less than Rs. 1 crore;

  - Surcharge @15% is leviable where the total income exceeds Rs. 1 crorebut does exceed Rs. 2 crore;

  - Surcharge @ 25% is leviable where the total income exceeds Rs. 2 crore but does exceed Rs. 5 crore;

  - Surcharge @ 37% is leviable where the total income exceeds Rs. 5 crore;

  - Please note that the Finance Bill, 2022 proposes that in case of STCG/LTCG chargeable under section 111A, 112 and 112A of the IT Act, the rate of surcharge on such income shall not exceed 15% with effect from FY2022-23 and onwards.

  - In addition, the Finance Bill, 2022 also proposes that in case of AOPs (which comprises only of companies as members) the surcharge imposed shall not exceed 15% with effect from FY2022-23 and onwards.

- In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds Rs. 1 crore.

(b) ***Cess***

- Health and Education Cess @ 4% is currently leviable in all cases.

11. **Tax Deducted Certificate**

The Acquirer will issue a certificate in the prescribed form to the Public Shareholders (resident and non-resident) who have been paid the consideration and interest for delay in payment of consideration, if any, after deduction of tax on the same, certifying the amount of tax deducted

and other prescribed particulars in accordance with the provisions of the IT Act read with the Income-tax Rules, 1962 made thereunder.

12. **Tax Collected Certificate**

The Public Shareholders collecting TCS, will issue a certificate in the prescribed form to the Acquirer, certifying the amount of tax collected and other prescribed particulars in accordance with the provisions of the IT Act read with the Income-tax Rules, 1962 made thereunder.

The tax rate and other provisions may undergo changes.

THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES.

X. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders electronically on all Working Days during the Tendering Period, upon making a prior request to the Manager. The Public Shareholders interested in electronically inspecting the documents, can send an email, from their registered email address, to the Manager on escorts_openoffer@morganstanley.com with the subject line "Documents for Inspection – Escorts Limited". Upon receipt and processing of the received request, access to electronic inspection of the documents shall be provided to the respective shareholder. They will also be available for inspection to the Public Shareholders at the registered office of the Manager to the Offer at Morgan Stanley India Company Private Limited, 18F, Tower 2, One World Center, Plot 841 | Senapati Bapat Marg, Lower Parel, Mumbai, 400013, India, between 10:30 AM and 5:00 PM on any Working Day (except Saturdays, Sundays and public holidays) during the period from the date of commencement of the Tendering Period until the date of closure of the Tendering Period.

1. Copies of the Articles of Incorporation and Certified Registration Record of the Acquirer and Memorandum and Articles of Association and certificate of incorporation of the Target Company;

2. Copy of the Share Subscription Agreement executed amongst the Acquirer, Target Company and certain of the Existing Promoters (i.e., (a) Nikhil Nanda; (b) Shweta Nanda; (c) Navya Naveli Nanda; (d) Agastya Nanda; (e) AAA Portfolios Private Limited; (f) Big Apple Clothing Private Limited; (g) Har Parshad and Company Private Limited; and (h) Escorts Benefit and Welfare Trust);

3. Copy of the Shareholders Agreement executed amongst the Acquirer, Target Company and certain of the Existing Promoters (i.e., (a) Nikhil Nanda; (b) Shweta Nanda; (c) Navya Naveli Nanda; (d) Agastya Nanda; (e) AAA Portfolios Private Limited; (f) Big Apple Clothing Private Limited; (g) Har Parshad and Company Private Limited; and (h) Escorts Benefit and Welfare Trust);

4. Copy of the annual audited consolidated financial statements pertaining to the Acquirer as on and for the financial years ended on 31 December 2018, 31 December 2019 and 31 December 2020 and audited consolidated financials for the nine months period ended 30 September 2021;

5. Copy of the annual reports of the Target Company for the financial years ending 31 March 2019, 31 March 2020 and 31 March 2021 and limited review consolidated financials for the six months period ended 30 September 2021 and the nine months ended 31 December 2021 (as publicly available);

6. Copy of the certificate dated 18 November 2021 from R.D. Sarfare & Co., Chartered Accountants (Rajesh Dilip Sarfare, Proprietor, Membership No. 140399) certifying the adequacy of financial resources of the Acquirer to fulfil its Open Offer obligations;

7. Copy of the certificate dated 18 November, 2021 from R.D. Sarfare & Co., Chartered Accountants (Rajesh Dilip Sarfare, Proprietor, Membership No. 140399) certifying the Offer Price computation;

8. Copy of the Escrow Agreement between the Acquirer, ICICI Bank Limited and the Manager to the Open Offer;

9. Copy of the Registrar Agreement between the Acquirer, the RTA and the Manager to the Open Offer for *inter-alia* opening of Escrow Demat Account for the purpose of the Open Offer;

10. Copy of the share escrow agreement pursuant to which the Escrow Demat Account was opened, entered into by and among the Acquirer, ICICI Bank Limited, Registrar and the Manager to the Open Offer;

11. Copy of the Share Escrow Agreement entered into by and among the Acquirer, ICICI Bank Limited and Manager to the Offer;

12. Copy of the letter received from the Escrow Agent, confirming receipt of a cash amount of INR 8,248,311,200 in the escrow account on 20 November 2021;

13. Copy of the Public Announcement dated 18 November 2021 submitted to the Stock Exchanges on 18 November 2021;

14. Copy of the DPS dated 25 November 2021 published by the Manager to the Offer in the Newspapers on behalf of the Acquirer on 26 November 2021;

15. Copy of the recommendation made by the committee of the independent directors of the Target Company; and

16. Copy of the letter number SEBI/HO/CFD/DCR-1/P/OW/2022/07923/1 from SEBI dated 23 February 2022 containing its observations on the DLoF.

XI. DECLARATION BY THE ACQUIRER

1. The Acquirer and its directors accept full responsibility for the information contained in this Letter of Offer (other than such information as has been obtained from public sources or provided by or relating to and confirmed by the Target Company), and undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations in respect of this Open Offer.

2. The information pertaining to the Target Company contained in the Public Announcement or the Detailed Public Statement or this Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company, as the case may be, or publicly available sources which has not been independently verified by the Acquirer or the Manager. The Acquirer and the Manager

do not accept any responsibility with respect to such information relating to the Target Company.

3. The information contained in this Letter of Offer is as on the date of this Letter of Offer, unless expressly stated otherwise

4. The persons signing this Letter of Offer, are duly and legally authorized by the Acquirer to sign this Letter of Offer.

Issued by the Manager to the Open Offer

For and on behalf of the Acquirer

Signed for and on behalf of Kubota Corporation (Acquirer)

Sd/-

Name: Seiji Fukuoka
Title: General Manager, Tractor Business Planning & Control Department

Place: 2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka 556-8601 Japan
Date: 3 March 2022

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

INSTRUCTIONS

Capitalized terms used and not defined in these instructions will have the same meaning as provided in the Letter of Offer dated 3 March 2022.

1. PLEASE NOTE THAT NO EQUITY SHARES/FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE TARGET COMPANY OR TO THE MANAGER TO THE OPEN OFFER.

2. The Form of Acceptance-cum-Acknowledgement should be legible and should be filled-up in English only.

3. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.

4. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.

5. The Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Offer shall approach the Registrar to the Offer and submit the following set of documents for verification procedure as mentioned below:

   (a) original share certificate(s);

   (b) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Target Company;

   (c) self-attested copy of the shareholder's PAN Card;

   (d) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable; and

   (e) if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar Card; (ii) Voter Identity Card; or (iii) Passport.

6. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.

7. The Public Shareholders are advised to ensure that their Equity Shares are credited in favour of the Escrow Demat Account, before the closure of the Tendering Period, i.e., 28 March 2022 (Monday). The Form of Acceptance-cum-Acknowledgement of such dematerialized Equity Shares not credited in favour of the Escrow Demat Account, before the closure of the Tendering Period will be rejected.

8. Public Shareholders should enclose the following:

   · Form of Acceptance-cum-Acknowledgement (in the form attached herewith) duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the Depository Participant ("**DP**").

   · Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.

   · Photocopy of the inter-depository delivery instruction slip if the beneficiary holders have an account with CDSL.

   · A copy of the PAN card, power of attorney, corporate authorization (including board resolution/specimen signature) and self-attested TDC (a valid certificate for lower/nil deduction of tax) from income tax authorities, as applicable.

   Please note the following:

   · For each delivery instruction, the beneficial owners should submit separate Form of Acceptance-cum-Acknowledgement.

   · The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Equity Shares have not been credited to the Escrow Demat Account or for Equity Shares that are credited in the Escrow Demat Account but the corresponding Form of Acceptance-cum-Acknowledgment has not been received as on the date of closure of the Offer.

   In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Escrow Demat Account, the Acquirer may (at its sole discretion) deem the Offer to have been accepted by the Public Shareholder in case of a resident Public Shareholder.

9. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement as the order in which they hold Equity Shares in Escorts Limited, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.

10. If the Offer Shares tendered are rejected for any reason, the Offer Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.

11. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the LoF in Section VIII (*Procedure for Acceptance and Settlement of the Open Offer*).

12. The LoF along with Form of Acceptance-cum-Acknowledgement is being dispatched to all the Public Shareholders as on the Identified Date. In case of non-receipt of the LoF, such shareholders may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer.

13. All the Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate/probate/letter of administration (in case of single Public Shareholder) in case the original Public Shareholder is dead.

- Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form of Acceptance-cum-Acknowledgement.

14. All the Public Shareholders are advised to refer to Section IX (*Compliance with Tax Requirements*) in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration to be received by them.

15. The Form of Acceptance-cum-Acknowledgement should be sent only to, the Registrar to the Offer and not to the Manager to the Offer, the Acquirer or the Target Company.

16. Public Shareholders having their beneficiary account in CDSL have to use "inter depository delivery instruction slip" for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account with NSDL.

17. All Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI, if applicable) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

    NRI Public Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a repatriable basis (in which case the consideration can be remitted abroad) should (i) provide relevant proof of such holding on a repatriable basis viz. RBI approval (if applicable) or proof that such Equity Shares were purchased from funds from a Non-Resident External ("**NRE**") bank account or by way of foreign inward remittance; and (ii) furnish details of the type of the relevant bank account, i.e. NRE bank account, to which the consideration should be credited.

    NRI Public Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a non-repatriable basis should provide details of their Non-Resident (Ordinary) ("**NRO**") bank account, based on which the cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that details of a NRO bank account are not

furnished, the Equity Shares tendered by such NRI Public Shareholders would be rejected. Alternatively, if such a NRI Public Shareholder wishes to receive the consideration in a NRE bank account, such NRI Public Shareholder should provide a specific RBI approval permitting consideration to be credited to such bank account, based on which the cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that such a specific RBI approval and the details of such designated bank account are not furnished, the Equity Shares tendered by such NRI Public Shareholders would be liable for rejection.

18. Non-Resident Public Shareholders should enclose a certificate for deduction of tax at a lower/ nil rate from the income tax authorities under the Income Tax Act, 1961 indicating the tax to be deducted if any by the Acquirer before remittance of consideration. Otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category and status of the Public Shareholder (as registered with the depositories/Target Company) on full consideration payable by the Acquirer/PACs.

19. Erstwhile FIIs, and FPIs are requested to enclose their respective valid registration certificates with SEBI. In case of a company, a stamp of the company should be affixed on the Form of Acceptance-cum-Acknowledgement. A company/erstwhile FII/FPI/erstwhile OCB should furnish necessary authorization documents along with specimen signatures of authorised signatories.

20. All documents/remittances sent by or to Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard. Equity Shares to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.

21. Neither the Acquirer, the Manager to the Offer, the Registrar to the Offer nor Escorts Limited will be liable for any delay/loss in transit resulting in delayed receipt/non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit the Equity Shares to the Escrow Demat Account or for any other reason.

22. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the registered office of KFin Technologies Private Limited as mentioned below.

23. The Form of Acceptance-cum-Acknowledgement along with enclosures should be sent only to the Registrar to the Offer either by Registered Post or Courier or hand delivery so as to reach the Registrar of the Offer on or before the date of closure of the Tendering Period at its registered office on all Working Days (excluding Saturdays, Sundays and Public holidays) during the business hours. For hand delivery, the timings will be all Working Days anytime between Monday to Friday 10:00 AM to 1:00 PM and 2:00 PM to 5:00 PM, except public holidays.

24. All the Public Shareholders should provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.

25. In case the Acquirer is of the view that the information/documents provided by the Public Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable rate on the entire consideration paid to the Public Shareholders.

26. Payment of Consideration: Public Shareholders must note that on the basis of name of the Public Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Offer will obtain from the Depositories, the Public Shareholder's details including address, bank account and branch details. These bank account details will be used to make payment to the Public Shareholders. Hence Public Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Public Shareholders sole risk and neither the Acquirer, the Manager to the Offer, Registrar to the Offer nor the Escrow Agent shall be liable to compensate the Public Shareholders for any loss caused to the Public Shareholders due to any such delay or liable to pay any interest for such delay.

The tax deducted under this Open Offer is not the final liability of the Public Shareholders or in no way discharges the obligation of Public Shareholders to disclose the consideration received pursuant to this Open Offer in their respective tax returns.

All Public Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.

Applicants, may send their documents only by Registered Post/Courier, at their own risk, to the registered office of the Registrar so as to reach the Registrar to the Offer on or before the last date of acceptance, i.e., 28 March 2022 (Monday).

PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT/EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE TENDERING PERIOD OF THE OPEN OFFER, I.E., 28 MARCH 2022 (MONDAY) SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Public Shareholders holding shares in physical form have to send this form with enclosures to KFin Technologies Private Limited at its registered office)

Public Shareholders holding shares in demat form are not required to submit the Form of Acceptance-cum-Acknowledgment to the Registrar, unless required by their respective Selling Broker.

TENDERING PERIOD FOR THE OFFER	
OPENS ON	14 March 2022 (Monday)
CLOSES ON	28 March 2022 (Monday)

From

Name:
Address:

Floor/Door:
Black No:
Area/Locality:
Town/City/District:
State:
Country:
Zip/Pin Code:

Principal Place of Business:

Tel No. (including ISD Code): **Fax No.:** **Email:**

To, The Acquirer C/o KFin Technologies Private Limited **Unit**: Escorts Limited – Open Offer **Contact person**: M Murali Krishna **Tel**: +91 40 6716 2222 **Toll free no**.: 18003094001 **Fax**: +91 40 2343 1551 **Email**: el.openoffer@kfintech.com	**Status of the Public Shareholder (Please tick whichever is applicable)**			
	□ Individual	□ Company	□ FII / FPI – Corporate	□ FII / FPI - Others
	□ QFI	□ FVCI	□ Partnership / Proprietorship firm / LLP	□ Private Equity Fund
	□ Pension / Provident Fund	□ Sovereign Wealth Fund	□ Foreign Trust	□ Financial Institution
	□ NRIs / PIOs – repatriable	□ NRIs / PIOs - non-repatriable	□ Insurance Company	□ OCB
	□ Domestic Trust	□ Banks	□ Association of person / Body of individual	□ Any others, please specify:_____

Dear Sir/Madam,

Sub:

OPEN OFFER FOR ACQUISITION OF UP TO 37,491,556 EQUITY SHARES OF ESCORTS LIMITED TO THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY BY KUBOTA CORPORATION ("ACQUIRER")

I/We refer to the Letter of Offer dated 3 March 2022 ("**Letter of Offer**") for acquiring the Equity Shares held by me/us in Escorts Limited. Capitalised terms not defined here shall have the meanings ascribed to them under the Letter of Offer.

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

I/We, are holding the Equity Shares in dematerialized form, and accept the Offer and enclose a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by my/our DP in respect of my/our Equity Shares as detailed below:

DP Name	**DP ID**	**Client ID**	**Name of Beneficiary**	**No. of Equity Shares**

I/We have executed an off-market transaction for crediting the Equity Shares to the Escrow Demat Account with "ICICI Bank Limited" as the DP in NSDL styled **KFIN TECHNOLOGIES ESCORTS OPEN OFFER ESCROW DEMAT ACCOUNT** whose particulars are:

DP Name: ICICI Bank Limited	**DP ID:** IN301348	**Client ID:** 20200624

Public Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account with CDSL.

FOR EQUITY SHARES HELD IN PHYSICAL FORM:

I/We, holding physical shares, accept this Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below along with enclosures as mentioned herein:

Sr. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		No. of Equity Shares
			From	To	
1					
2					
3					
(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)				TOTAL	

Enclosures (whichever is applicable)

☐ Duly attested power of attorney, if any person apart from the Public Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)

☐ Original Equity Share certificate(s)

☐ Valid Equity Share transfer deed(s)

☐ Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorized signatories

☐ Duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder), in case the original Shareholder has expired

☐ Self-attested copy of PAN card of all the transferor(s)

☐ Other relevant documents (please specify)

FOR ALL PUBLIC SHAREHOLDERS:

I/We confirm that the Equity Shares which are being tendered herewith by me/us under this Offer, are free from any pledges, liens, charges, equitable interests, non-disposal undertakings or any other form of encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

I/We confirm that the sale and transfer of the Equity shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to.

My/Our execution of this Form of Acceptance-cum-Acknowledgement shall constitute my/our warranty that the Equity Shares comprised in this application are owned by me/us and are sold and transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I/we will hold the Acquirer harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these Equity Shares.

I/We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Offer Shares in this Open Offer and that I/we am/are legally entitled to tender the Offer Shares in this Open Offer.

I/We also note and understand that the obligation on the Acquirer to accept the Equity Shares tendered by me/us and pay the purchase consideration arises only after verification of the certification, documents and signatures submitted along with this Form of Acceptance-cum-Acknowledgment by the Public Shareholders, and subject to the adherence of the aforementioned Instructions.

I/We declare that regulatory approvals, if applicable, for holding the Offer Shares and/or for tendering the Offer Shares in this Open Offer are enclosed herewith.

I/We confirm that I/We are not persons acting in concert with the Acquirer.

I/We give my/our consent to the Acquirer to file any statutory documents, if any, on my/our behalf in relation to accepting the Offer Shares in this Open Offer.

I/We confirm that I/we are in compliance with the terms of the Open Offer set out in the PA, the DPS, and the LoF.

I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.

I/We are/am not debarred from dealing in shares or securities.

I/We confirm that there are no tax or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961, including but not limited to Section 281 of the Income Tax Act, 1961. I/We confirm that no notice has been issued by the Income-tax authorities impacting the rights to transfer the shares.

I/We confirm that in case the Acquirer is of the view that the information/documents provided by the Public Shareholder is ambiguous or inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable maximum marginal rate on the entire consideration paid to the Public Shareholders.

I/We confirm that in case the Acquirer is of the view that the information/documents provided by the Public Shareholder is ambiguous or inaccurate or incomplete or insufficient, for the purpose of evaluation by the Acquirer as to whether I am/We are under an obligation to collect TCS or not, the Acquirer shall not be liable to pay TCS to me/us in addition to the consideration.

I/We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising on the Acquirer, as a result of income tax (including any consequent interest and penalty) arising from tendering of the Offer Shares, or in the event the Acquirer is unable to claim credit/refund of the TCS collected by me/us pursuant to this Offer, which is attributed to any default by me/us in relation to such TCS, including failure to deposit TCS or to file/furnish the requisite documents, certificates, returns etc., to enable Acquirer to claim refund/claim of such TCS, I/we will indemnify the Acquirer for such income tax demand (including interest, penalty, costs etc.) or the amount of TCS, and provide the Acquirer with all information/documents, including in respect of the taxability/non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid etc., that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

I/We authorize the Acquirer or the Registrar to the Offer to send by Registered Post/ Ordinary Post/Courier or through electronic mode, as may be applicable, at my/our risk, the crossed account payee cheque, demand draft/pay order, or electronic transfer of funds in full and final settlement due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned above.

I/we confirm that the sale and transfer of the relevant Equity Shares will be complete on the date of the remittance of the purchase consideration by the Acquirer to me/us in any of the modes as set out above. Any delay in the receipt of the purchase consideration by me/us will not make the sale and transfer of the Equity Shares void or voidable.

I/We note and understand that the Equity Shares would lie in the Escrow Demat Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer. I/We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer to return to me/us, Equity Shares in respect of which the offer is not found valid / not accepted without specifying the reasons thereof.

PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT/EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSURE OF THE TENDERING PERIOD FOR THE OPEN OFFER, i.e., 28 MARCH 2022 (MONDAY), SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

So as to avoid fraudulent encashment in transit, Public Shareholder(s) who wish to receive payment of consideration through ECS should provide details of bank account along with a cancelled copy of the cheque of the first/sole Public Shareholder and the consideration amount will be remitted accordingly through electronic credit/cheque or demand draft.

Name of the Bank _____ Branch_____ City _____
MICR Code (9 Digits) _____ IFSC _____
Account Number (CBS Account): _____ Account Type (CA/SB/NRE/NRO/others) (please specify): _____
Non Resident Public Shareholders are requested to state their NRO/NRE Bank Account Number as applicable based on the status of their account in which they hold Equity Shares, failing which the Acquirer has a right to reject their application.

For Equity Shares that are tendered in electronic form, the bank account details as contained from the beneficiary position provided by the depository will be considered for the purpose of payment of Offer consideration through electronic means and the draft / warrant/cheque, if required, may be issued with the bank particulars mentioned herein above.

For all Public Shareholders

I/We, confirm that our residential status for the purposes of tax as per Section 6 of the Income Tax Act, 1961 is:

☐ Resident ☐ Non-resident, if yes please state country of tax residency: _____

I/We, confirm that our status is (please check applicable box or boxes):

☐ Individual	☐ Domestic Company	☐ Foreign Company	☐ FII / FPI Corporate	☐ FII / FPI – Others	☐ QFI	☐ FVCI
☐ Partnership / Proprietorship firm / LLP	☐ Pension / Provident Fund		☐ Foreign Trust	☐ NRIs / PIOs – repatriable	☐ NRIs / PIOs - non-repatriable	☐ Insurance Company
☐ OCB	☐ Domestic Trust		☐ Banks	☐ Association of person / Body of individual	☐ Any other - please specify _____	

I/We, have enclosed the following documents:

☐ Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR/IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required.

☐ Self-attested copy of PAN card.

☐ Tax Deduction Certificate obtained from income tax authorities for deduction of tax at lower or nil rate, wherever applicable.

☐ Duly attested power of attorney if any person apart from the Public Shareholder has signed the application form and/or share transfer form(s).

☐ Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories.

☐ Death Certificate/Succession Certificate if the original Public Shareholder is deceased.

Additional confirmations and enclosures for Resident Public Shareholders

I/We, have enclosed the following documents:

☐ Self-declaration form in Form 15G/Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any).

☐ Self-attested copy of PAN card.

☐ Self-attested declaration in respect of residential status, status of Public Shareholders under the Income-tax Act, 1961 (e.g. individual, firm, company, trust, or any other - please specify).

☐ Tax Deduction Certificate as obtained from income tax authorities for deduction of tax at lower or nil rate (applicable only for interest payment, if any).

☐ For Mutual funds/Banks/Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, 1961, copy of relevant registration or notification (applicable only for interest payment, if any).

☐ If a Category I or Category II Alternative Investment Fund intends to claim exemption from TDS under Section 197A(1F) of the Income Tax Act, 1961, then such fund to provide (i) a copy of SEBI registration certificate issued to such fund and (ii) a self-declaration certifying that the income earned by such fund is not in the nature of business income.

☐ Self-declaration that (a) income tax returns have been duly filed in India for the two preceding financial years alongwith copies of acknowledgements issued by the Indian tax authorities (as may be suitably redacted) evidencing the filing of such tax returns or; (b) that the aggregate tax deducted at source and tax collected at source is less than Rs. 50,000 in each of the two preceding financial years, as evidenced by a copy of Form 26AS annexed, (applicable only for interest payment, if any).

☐ Where TCS is applicable – (a) such documents or information which may be required by the Acquirer to verify or assess the TCS obligation of the Resident Public Shareholder(s) (b). self-declaration that TCS collected will be deposited by the Resident Public Shareholder with the Indian Government within the timelines prescribed under the Income-tax Act, 1961 and the Income-tax Rules, 1962; (c). self-declaration that tax challan, in the prescribed form, evidencing payment of TCS collected from the Acquirer to the Indian Government will be furnished to the Acquirer (d). self-declaration that TCS return will be filed by the Resident Public Shareholder in the manner, form and within timelines prescribed under the Income-tax Act, 1961 and the Income-tax Rules, 1962; (e). self-declaration that TCS certificate will be delivered to the Acquirer in the form, manner and within timelines prescribed under the Income-tax Act, 1961 and the Income-tax Rules, 1962.

*(Note: All resident Public Shareholders are advised to refer to the Section **IX (Compliance with Tax Requirements)** of the Letter of Offer regarding important disclosures on taxation of the consideration to be received by them)*

Additional confirmations and enclosures for FII/FPI Public Shareholders

I/We, confirm that the Equity Shares of the Target Company are held by me/us on (select whichever is applicable):

☐ Investment/Capital Account and income arising from sale of shares is in the nature of capital gain.

☐ Trade Account and the income arising from sale of shares is in the nature of business income.

☐ Any other (please specify) _____.

(Note: For determination of the nature and period of holding, kindly enclose a proof for date of purchase such as demat account statement or brokers note. In case the Equity Shares are held on trade account, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, 1961 specifying the rate at which tax shall be deducted. In the absence of such a certificate tax will be deducted at the maximum marginal rate, applicable to the category to which such FII/FPI belongs, on the entire consideration payable.)

Declaration for treaty benefits (please ☐ the box if applicable):

☐ I/We confirm that I/we am/are tax resident/s of _____ and satisfy all conditions (including the relevant provisions of the Multilateral Instrument (MLI) as ratified by India) to claim benefits under DTAA entered into by India and the country of which I am/we are tax resident/s. I/ We further confirm that I/We am/are not a tax resident of India as per Section 6 of the Income-tax Act, 1961.

(Note: If this box is not ticked, tax will be deducted without considering treaty benefits at the maximum marginal rate applicable to the category to which such FII / FPI belongs)

In order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residency certificate (in case where the tax residency certificate is in a language other than English, English translated version thereof) stating that you are a tax resident of your country of residence/incorporation and a declaration that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence, along with Form 10F as prescribed in terms of Section 90(5) of the Income Tax Act,1961. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted failing which tax will be deducted at the maximum marginal rate.

I/We, have enclosed self-attested copies of the following documents:

☐ SEBI Registration Certificate for FIIs/FPI ☐ Self-attested copy of PAN card

☐ RBI approval for acquiring Equity Shares of Escorts Limited tendered herein, if applicable

☐ Proof for date of purchase evidencing period of holding of Equity shares e.g. demat account statement or brokers note

☐ Self-declaration for no permanent establishment in India or no business connection in India

☐ Tax residency certificate from Government of the Country or Specified Territory of which you are tax resident (in case where the tax residency certificate is in a language other than English, English translated version thereof),

covering the entire financial year in which Equity Shares are being tendered or at least the period from 1 April 2021 till date of tendering such shares

☐ Tax Deduction Certificate from income tax authorities, for deduction of tax at a lower rate / NIL rate on income from sale of shares and interest income, if any, wherever applicable

☐ Form 10F as prescribed in terms of Section 90(5) of the Income Tax Act, 1961

☐ Other documents and information as mentioned in the Section **IX (*Compliance with Tax Requirements*)** of the Letter of Offer

☐ FII/FPI Certificate (self-attested declaration certifying the nature of income arising from the sale of Equity Shares, whether capital gains or business income)

☐ Self-declaration that (a) income tax returns have been duly filed in India for the two preceding financial years along with copies of acknowledgements issued by the Indian tax authorities (as may be suitably redacted) evidencing the filing of such tax returns or; (b) that the aggregate tax deducted at source and tax collected at source is less than INR 50,000 in each of the two preceding financial years, as evidenced by a copy of Form 26AS annexed, (applicable only if FII/FPI has a permanent establishment in India)

☐ Where TCS is applicable – (a) such documents or information which may be required by the Acquirer to verify or assess the TCS obligation of the FII/FPI Public Shareholders (b). self-declaration that TCS collected will be deposited by the FII/FPI Public Shareholders with the Indian Government within the timelines prescribed under the Income-tax Act, 1961 and the Income-tax Rules, 1962; (c). self-declaration that tax challan, in the prescribed form, evidencing payment of TCS collected from the Acquirer to the Indian Government will be furnished to the Acquirer (d). self-declaration that TCS return will be filed by the FII/FPI Public Shareholders in the manner, form and within timelines prescribed under the Income-tax Act, 1961 and the Income-tax Rules, 1962; (e). self-declaration that TCS certificate will be delivered to the Acquirer in the form, manner and within timelines prescribed under the Income-tax Act, 1961 and the Income-tax Rules, 1962;

Additional confirmations and enclosures for other Non-resident Public Shareholders (except FIIs / FPI)

I/We, confirm that the Equity Shares tendered by me / us are held on (select whichever is applicable):

☐ Repatriable basis ☐ Non-repatriable basis

I/We, confirm that the tax deduction on account of Equity Shares of Target Company held by me/us is to be deducted on:

☐ Long-term capital gains (Equity Shares are held by me/us for more than 12 (twelve) months)

☐ Short-term capital gains (Equity Shares are held by me/us for 12 (twelve) months or less)

☐ Trade Account ☐ Any other (please specify) _____

(Note: For determination of the nature and period of holding, kindly enclose a proof for date of purchase such as demat account statement or brokers note. In case the Equity Shares are held on trade account, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, 1961 specifying the rate at which tax shall be deducted. In the absence of such a certificate tax will be deducted at the applicable tax rate, applicable to the category to which such non-resident shareholders other than FII/FPI belongs, on the entire consideration payable)

Declaration for treaty benefits (please ☐ if applicable):

☐ I/We confirm that I/we is/are tax resident/s of _____ and satisfy all conditions (including the relevant provisions of the MLI as ratified by India) to claim benefits under DTAA entered into by India and the country of which I am/we are tax resident/s. I/We further confirm that I/We am/are not a tax resident of India as per Section 6 of the Income Tax Act, 1961.

(*Note*: If this box is not ticked, tax will be deducted without considering treaty benefits at the maximum marginal rate applicable to the category to which such Public Shareholder belongs.)

In order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residency certificate (in case where the tax residence certificate is in a language other than English, English translated version thereof) stating that you are a tax resident of your country of residence/incorporation and a declaration that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence, along with Form 10F

as prescribed in terms of Section 90(5) of the Income Tax Act, 1961. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted failing which tax will be deducted at the applicable tax rate.

I/We, have enclosed the following documents (select whichever is applicable):

☐ Self-declaration for no permanent establishment in India or no business connection in India.

☐ Self-declaration certifying that the place of effective management as defined under section 6 of the Income Tax Act, 1961 is outside India.

☐ Self-attested copy of PAN card.

☐ Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (in case where the tax residence certificate is in a language other than English, English translated version thereof), covering the entire financial year in which Equity Shares are being tendered or atleast the period from 1 April 2021 till date of tendering such shares.

☐ Self-attested declaration certifying the nature of income arising from the sale of Equity Shares, whether capital gains or business incomes.

☐ Self-declaration that (a) income tax returns have been duly filed in India for the two preceding financial years along with copies of acknowledgements issued by the Indian tax authorities (as may be suitably redacted) evidencing the filing of such tax returns or; (b) that the aggregate tax deducted at source and tax collected at source is less than INR 50,000 in each of the two preceding financial years, as evidenced by a copy of Form 26AS annexed, (applicable only if non-resident has a permanent establishment in India).

☐ Tax Deduction Certificate from income tax authorities, for deduction of tax at a lower rate/NIL rate on income from sale of shares and interest income, if any, wherever applicable.

☐ Where TCS is applicable – (a) such documents or information which may be required by the Acquirer to verify or assess the TCS obligation of the Non-resident Public Shareholders (except FIIs/FPI) (b). self-declaration that TCS collected will be deposited by the Non-resident Public Shareholders (except FIIs/FPI) with the Indian Government within the timelines prescribed under the Income-tax Act, 1961 and the Income-tax Rules, 1962; (c). self-declaration that tax challan, in the prescribed form, evidencing payment of TCS collected from the Acquirer to the Indian Government will be furnished to the Acquirer (d). self-declaration that TCS return will be filed by the Non-resident Public Shareholders (except FIIs/FPI) in the manner, form and within timelines prescribed under the Income-tax Act, 1961 and the Income-tax Rules, 1962; (e). self-declaration that TCS certificate will be delivered to the Acquirer in the form, manner and within timelines prescribed under the Income-tax Act, 1961 and the Income-tax Rules, 1962.

☐ Copy of RBI/FIPB approval, if any, for acquiring Equity Shares of Target Company hereby tendered in the Offer and RBI approval evidencing the nature of shareholding, i.e., repatriable or non-repatriable basis, if applicable.

☐ Proof for date of purchase evidencing period of holding of Equity shares e.g. demat account statement or brokers note.

☐ Form 10F as prescribed in terms of Section 90(5) of the Income Tax Act, 1961 (also refer the Section IX (*Compliance with Tax Requirements*) of the Letter of Offer).

☐ Other documents and information as mentioned in the Section IX (*Compliance with Tax Requirements*) of the Letter of Offer.

☐ Copy of RBI approval for OCBs tendering their Equity Shares in the Offer. Also mention the source of funds for initial acquisition of Equity Shares and the nature of the holding of Equity Shares (repatriable/non-repatriable basis).

☐ Copy of RBI approval (For NRI Public Shareholders tendering their Equity Shares in the Offer held on a non-repatriable basis) if any, permitting consideration to be credited to a NRE bank account

Yours faithfully,

Signed and Delivered,

	Full name(s) of the holder	PAN	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed and necessary Board resolutions should be attached.

Place: _____ Date: _____

This page has been intentionally left blank

----------**Tear along this line** ----------

Acknowledgement Slip (To be filled in by the Public Shareholder) **Escorts Limited Open Offer**

Sr. No. _____

Received from Mr. / Ms. / M/s._____

__

Address

_____

Demat shares: DP ID _____; Client ID_____

Physical Shares: Number of Shares: _____; Share certificate(s) _____transfer deed(s)

under Folio Number(s): _____

Form of Acceptance-cum-Acknowledgement along with (Please put tick mark in the box whichever is applicable):

☐ Demat shares: Copy of delivery instruction for shares enclosed; and copy of inter-depository delivery slip (for beneficiary holders maintaining an account with CDSL.

Date of Receipt _____ Signature of Official _____

----------**Tear along this line** ----------

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

Unit: Escorts Limited – Open Offer
Contact Person: M Murali Krishna
Tel: +91 40 6716 2222; **Toll free number**: 18003094001; **Fax**: +91 40 2343 1551
Website: www.kfintech.com
Email: el.openoffer@kfintech.com