



March 20, 2020

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

In terms of Regulation 30 read with Schedule III of the Listing Regulations, we hereby inform you that at the meeting of the Board of Directors (“**Board**”) of Escorts Limited (“**Company**”) held today, i.e. Friday, March 20, 2020, the Board has approved, *inter alia*, the following:

Preferential Issue

1. Subject to receipt of requisite statutory and regulatory approvals, including approval of the shareholders of the Company, the Board has approved the raising of equity capital aggregating to INR 10,41,90,34,800/- through preferential issue of 1,22,57,688 equity shares (“**Proposed Issue**”) of face value INR 10 at INR 850/- (including a premium of INR 840/-) for each equity share, to Kubota Corporation, Japan, a company incorporated under the laws of Japan (“**Investor**”), subject to compliance with applicable pricing regulations and in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and applicable provisions of the Companies Act, 2013 and rules made thereunder (“**Companies Act**”). Disclosures as required under Regulation 30 of the Listing Regulations read with the Securities and Exchange Board of India Circular (CIR/CFD/CMD/4/2015) dated September 9, 2015 (“**SEBI Circular**”), are enclosed as **Annexure A**.
2. With regard to the Proposed Issue, the Board accorded approval to the execution of a Share Subscription Agreement between the Investor and the Company. The Board has also given its approval for execution of Shareholders Agreement between inter-alia the Investor, the Promoters and the Company. Subsequently, they have executed the said Share Subscription Agreement and Shareholders Agreement on March 20, 2020. The Proposed Issue is subject to customary conditions precedent and receipt of necessary regulatory approvals.

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

3. Pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder, and subject to the approval of the shareholders of the Company and completion of the Proposed Issue, the Board accorded its approval for the substitution of the existing Articles of Association of the Company with a revised Articles of Association (“**Restated Articles**”), and the adoption of these Restated Articles as the new Articles of

ESCORTS LIMITED

Corporate Secretarial & Law

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Corporate Identification Number - L74899HR1944PLC039088

Association of the Company. The Restated Articles shall provide the investor certain specific rights as agreed in connection with the Proposed Issue.

Reduction of share capital

4. Subject to the provisions of Section 66 of the Act, National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and any other applicable provisions of law and subject to completion of the issue, offer and allotment of 1,22,57,688 equity shares of the Company to Kubota Corporation, Japan, the Board has granted an in-principle approval to consider reduction of the issued, subscribed and paid-up equity share capital of the Company by cancelling and extinguishing 1,22,57,688 equity shares of INR 10 each, which are currently held by the Escorts Benefit and Welfare Trust, without payment of any consideration to the aforesaid Trust. This capital reduction shall ensure that the total equity share capital of the Company remains unchanged even after the Proposed Issue.

Approval of Postal Ballot Notice and related matters thereof

5. The Board has approved seeking approval of the shareholders of the Company through a postal ballot notice pursuant to Section 110 of the Act and other applicable provisions of the Act read together with the Companies (Management and Administration) Rules, 2014 for: (a) issue and allotment of 1,22,57,688 equity shares of the Company of face value of INR 10/- each at an issue price of INR 850/- per share to the Investor, subject to compliance with applicable pricing regulations and in accordance with the provisions of Chapter V of the SEBI ICDR Regulations and applicable provisions of the Companies Act; and (b) substitution of the existing Articles of Association of the Company with the Restated Articles, and the adoption of these Restated Articles as the new Articles of Association of the Company.

Acquisition of 40% stake in Kubota Agricultural Machinery India Private Limited

6. The Board has approved the acquisition of 2,00,00,000 equity shares of Kubota Agricultural Machinery India Private Limited ("KAI"), a private company incorporated under the laws of India from Kubota Corporation, Japan ("**Proposed Acquisition**") constituting 40% of the share capital of KAI at INR 45/- per equity share for an aggregate value of INR 90,00,00,000, all for cash. Consequently, the Company has executed a Share Purchase Agreement on March 20, 2020 for the aforesaid acquisition. Disclosures as required under Regulation 30 of the Listing Regulations read with the SEBI Circular, is enclosed as **Annexure B**. The Proposed Acquisition is subject to customary conditions precedent.

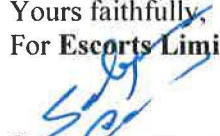
The Board meeting commenced at 11.00 a.m. and concluded at 2.50 p.m.



This is for your information and appropriate dissemination.

Thanking you.

Yours faithfully,
For Escorts Limited



Satyendra Chauhan
Company Secretary & Compliance Officer

Place: **Faridabad**

Date: **March 20, 2020**

ANNEXURE A

Proposed Issue

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

Sr. No.	Particulars	Details
1.	Type of securities proposed to be issued	Equity Shares
2.	Type of issuance	Preferential Allotment
3.	Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately);	1,22,57,688
4.	In case of preferential issue the listed entity shall disclose the following additional details to the stock exchange(s):	
	(i) name(s) of the investor(s);	Kubota Corporation, Japan
	(ii) post allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors;	Issue price: INR 850/- (Indian Rupees Eight Hundred Fifty Only) per Equity Share Number of investor: One
	(iii) in case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument;	N/A
5.	Any cancellation or termination of proposal for issuance of securities including reasons thereof.	N/A



ANNEXURE B

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

Sr. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.;	<p>Kubota Agricultural Machinery India Private Limited ("KAI")</p> <p>The target is engaged in assembling and distribution of agricultural machineries in India including tractors, combine harvesters, rice planters and other related components. It performs the assembly function at plants located in Pune and Chennai.</p> <p>As of March 31, 2019, the balance sheet size of KAI stood at INR 674 Cr. The total issued, subscribed and paid-up share capital of KAI is INR 50 Cr. The total turnover is INR 922 Cr. and Profit After Tax of INR 25.9 Cr. during 2018-19 (all figures on standalone basis).</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";	No
3.	Industry to which the entity being acquired belongs;	Assembling of agricultural machinery
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	Escorts has an existing Joint Venture with Kubota Corporation, Japan in India which is engaged in the business of manufacturing of tractors. With an aim to further strengthen this partnership the Company proposes to acquire a 40% stake in Kubota Agri Machinery India Pvt. Ltd, a Kubota Group Company in India engaged inter-alia in the business of assembling, marketing and distribution of agricultural machineries including tractors, combine harvesters, rice planters and other related components.
5.	Brief details of any governmental or regulatory approvals required for the acquisition;	Necessary regulatory approvals, if any, shall be obtained

6.	Indicative time period for completion of the acquisition;	December 31, 2020
7.	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash
8.	Cost of acquisition or the price at which the shares are acquired;	2,00,00,000 Equity Shares at INR 45/- per equity share for a total consideration of INR 90,00,00,000/-
9.	Percentage of shareholding/ control acquired and/ or number of shares acquired;	40%
10.	Brief background about the entity acquired in terms of products/ line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief).	<p>Brief background: The target company was incorporated for the purpose of assembling and distribution of agricultural machineries in India including tractors, combine harvesters, rice planters and other related components. It performs the assembly function at plant located in Pune and Chennai with respect to certain tractors wherein parts such as tyres, lights and seats are locally procured and assembled with tractors imported from parent company (Kubota Corporation, Japan) and other group companies. It also exports spares parts procured locally to group companies (mainly Thailand) on a cost-plus mark-up basis. Management represented that the mark-up charged is on an arm's length basis.</p> <p>Date of incorporation: December 5, 2008</p> <p>Turnover of last 3 years: FY 2017: INR 448.5 Cr; FY 2018: INR 603.6 Cr.; FY 2019: INR 922 Cr</p> <p>Country of presence: India</p>

