ESCORTS

January 22, 2021

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 **BSE – 500495**	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400051 **NSE – ESCORTS**	**Delhi Stock Exchange Limited** DSE House, 3/1, Asaf Ali Road, New Delhi – 110002 **DSE - 00012**

Subject: Postal Ballot Notice

Dear Sir/Madam,

Please find enclosed herewith the Postal Ballot Notice dated January 20, 2021 along with the explanatory statement and e-voting instructions ("Postal Ballot Notice") for seeking approval of the Members for passing of the Resolution as set out therein.

In compliance with the provisions of Section 108 and Section 110 and other applicable provisions, if any, of the Companies Act, 2013; Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws and regulations, if any, the Company has offered e-voting facility for transacting all business through KFin Technologies Private Limited through their portal https://evoting.karvy.com to enable the members to cast their votes electronically. The cut-off date to determine the entitlement of voting rights of members opting for e-voting is January 15, 2021.The voting commences on January 23, 2021 (9.00 a.m.) and ends on February 21, 2021 (5.00 p.m.).

Further please note that the copy of the said Postal Ballot Notice has also been uploaded on our website at www.escortsgroup.com under investor information section.

The above is for your kind information and records.

Thanking You,

Yours faithfully,
For **Escorts Limited**

Satyendra Chauhan
Company Secretary
& Compliance Officer

ESCORTS LIMITED
Corporate Secretarial & Law
Registered Office : 15/5, Mathura Road, Faridabad - 121 003, Haryana, India
Phone : +91-129-2250222, Fax : +91-129-2250060
E-mail : corpsl@escorts.co.in, Website : www.escortsgroup.com
Corporate Identification Number - L74899HR1944PLC039088

ESCORTS LIMITED

Email: corpsl@escorts.co.in; Website: www.escortsgroup.com; Phone: +91-129-2250222
Registered Office: 15/5, Mathura Road, Faridabad – 121 003, Haryana
CIN: L74899HR1944PLC039088

Postal Ballot Notice

[Pursuant to Section 108 and Section 110 of the Companies Act, 2013, read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time]

Dear Members,

Notice is hereby given pursuant to the provisions of Section 108 and Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**"), Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("**Rules**") read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs ("**MCA Circulars**"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and other applicable laws and regulations, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, that the resolution appended below are proposed to be passed by the members of Escorts Limited ("**Company**") by way of postal ballot through remote voting by electronic means ("**E-voting**") only. The proposed resolution as set out below, along with the Explanatory Statements pursuant to Section 102 of the Act setting out material facts in relation to the proposed resolution, are being sent to the members for consideration and approval.

In due consideration of the occurrence of worldwide pandemic of COVID-19 the Ministry of Corporate Affairs ("**MCA**") has issued MCA Circulars in relation to "Clarification on passing of ordinary and special resolution by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID - 19". In terms of the MCA Circulars, companies are advised to take all decisions requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot/ e-voting in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue. The MCA has clarified that for companies that are required to provide e-voting facility under the Act, while they are transacting any business(es) only by postal ballot upto June 30, 2021, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis. Further, the Company will send Postal Ballot Notice by e-mail to all its members who have registered their email addresses with the Company or depository/ depository participants and the communication of assent/ dissent of the members will only take place through the remote e-voting system. This Postal Ballot Notice is accordingly being initiated in compliance with the MCA Circulars.

In compliance with the requirements of the MCA Circulars, hard copies of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the members for this Postal Ballot. The Company is providing E-voting facility for the Postal Ballot as an alternate, which would enable the members to cast their votes electronically, instead of casting their votes and dispatching Postal Ballot forms physically.

You are requested to peruse the resolution set out below along with their respective Explanatory Statement and thereafter record your assent or dissent by means of remote e-voting facility provided by the Company.

The Board of Directors of the Company has appointed Mr. Jayant Gupta, Practicing Company Secretary (FCS Membership No. 7288), as the Scrutinizer ("**Scrutinizer**") for conducting the Postal Ballot through e-voting process, in a fair and transparent manner. Mr. Nikhil Nanda, Chairman and Managing Director, Mr. Shailendra Agrawal, Executive Director, Mr. Bharat Madan, Group Chief Financial Officer and Mr. Satyendra Chauhan, Company Secretary & Compliance Officer of the Company have been severally authorized to, inter alia, take all necessary steps and do all the acts, deeds and things etc., as may be necessary or expedient in connection with and relating to the aforesaid capital reduction of the Company.

Members holding equity shares of the Company as on January 15, 2021 ("**Cut-off Date**") have the option of voting by E-voting.

In compliance with Regulation 44 of the Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA Circulars, the Company has extended only the remote e-voting facility to its Members, to enable them to cast their votes electronically instead of submitting the postal ballot form. The instructions for e-voting facility arranged by the Company are mentioned in the Notes below under the section "Voting through Electronic Means" under this Postal Ballot Notice.

Members may note that E-voting shall commence at 9:00 a.m. (IST) on January 23, 2021 and will remain open up to 5:00 p.m. (IST) on February 21, 2021.

For the purpose of E-voting, the Company has engaged the services of KFin Technologies Private Limited ("**KFin**"). Members requiring any clarifications on E-voting may contact Mr. Raj Kumar Kale, Senior Manager from KFin on toll-free number 1800 345 4001 or by email at **einward.ris@kfintech.com**. Also, if any Member needs assistance with regards to using the technology, they can contact KFinTechnologies Private Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, e-mail id - **einward.ris@kfintech.com**, Tel. No.: +91 40 6716 2222; Toll Free No.:1800 345 4001; Fax No. : +91 40 2300 1153 with attention to Mr. Raj Kumar Kale.

After completion of scrutiny of the E-voting, the Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman within the stipulated time for declaration of results. The results of E-voting shall be declared within 48 (forty eight) hours from the end of voting i.e. on Tuesday, February 23, 2021, before 5.00p.m. at the registered office of the Company and communicated to the stock exchange(s), depository(ies), registrar and share transfer agent and shall also be displayed on the Company's website, viz., **www.escortsgroup.com** and the website of E-voting agency, viz., **https://evoting.kfintech.com**.

The Special Resolution mentioned below shall be declared as passed if the number of votes cast in its favor are not less than three times the number of votes cast, if any, against the said Resolution. The Resolution shall be acted upon only if the votes cast by public shareholders in favor of the Resolution is more than the number of votes cast by public shareholders against it.

In accordance with Secretarial Standard on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, if approved with requisite majority, the Resolution shall be deemed to have been passed on the last date specified by the Company for E-Voting i.e. Sunday, February 21, 2021.

SPECIAL BUSINESS:

ITEM NO. 1

Capital Reduction of 1,22,57,688 equity shares of INR 10 each of the Company held by Escorts Benefit and Welfare Trust

To consider and, if thought fit, to pass the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to Sections 66, Section 52 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") and the rules made thereunder including the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("**NCLT Rules**") and any other applicable provisions of law (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), Article 8 of the articles of association of the Company and subject to the confirmation by the Hon'ble National Company Law Tribunal, Chandigarh Bench ("**NCLT**"), and such other approvals, consents, permissions and sanctions as may be required to be obtained from appropriate Governmental authorities, departments, offices, institutions, bodies, agencies and/ or third parties, and subject to the terms and conditions, as may be prescribed while granting such approvals, consents, permissions and sanctions by the NCLT and/ or any other appropriate Governmental authorities, departments, offices, institutions, bodies, agencies and/ or third parties and which may be agreed to by the Board of Directors of the Company ("**Board**") (which term shall be deemed to mean and include one or more committee(s) constituted/ to be constituted by the Board), the approval of the shareholders of the Company ("**Members**") be and is hereby accorded to the Scheme as submitted to the BSE Limited, designated stock exchange, and National Stock Exchange of India Limited for observations ("**Scheme**") and to reduce the issued, subscribed and paid-up equity share capital of the Company from INR 1,34,83,45,660 (Indian Rupees One Hundred Thirty Four Crores Eighty Three Lakhs Forty Five Thousand Six Hundred and Sixty only) (divided into 13,48,34,566 (Thirteen Crore Forty Eight Lakhs Thirty Four Thousand Five Hundred and Sixty Six) equity shares of INR 10 (Indian Rupees Ten only) each) to INR 1,22,57,68,780 (One Hundred Twenty Two Crores Fifty Seven Lakhs Sixty Eight Thousand Seven Hundred Eighty only) (divided into 12,25,76,878 (Twelve Crores Twenty Five Lakhs Seventy Six Thousand Eight Hundred and Seventy Eight) equity shares of INR 10 (Indian Rupees Ten only) each) by cancelling and extinguishing 1,22,57,688 (One Crore Twenty Two Lakhs Fifty Seven Thousand and Six Hundred and Eighty Eight) fully paid up equity shares of INR 10 (Indian Rupees Ten only) each, which are currently held by Escorts Benefit and Welfare Trust ("**EBWT**" or the "**Trust**"), and having a value of investment aggregating to INR 113,21,25,002 (Indian Rupees One Hundred and Thirteen Crores Twenty One Lakhs Twenty Five Thousand and Two), without payment of any consideration to the aforesaid Trust ("**Capital Reduction**") and making corresponding adjustments by way of debit to: (i) the outstanding paid-up equity share capital for INR 12,25,76,880 (Indian Rupees Twelve Crores Twenty Five Lakhs Seventy Six Thousand Eight Hundred and Eighty); and (ii) the securities premium account of the Company for INR 100,95,48,122 (Indian Rupees One Hundred Crore Ninety Five Lakhs Forty Eight Thousand One Hundred and Twenty Two), on the terms and conditions as contained in the Scheme."

"RESOLVED FURTHER THAT upon the confirmation of the Scheme by NCLT and the aforesaid authorities and becoming effective and operative, without any further act or deed by the equity shareholders (including but not limited to sending appropriate instructions to the depository participants), the abovementioned 1,22,57,688 (One Crore Twenty Two Lakhs Fifty Seven Thousand Six Hundred and Eighty Eight) equity shares of the Company held by the Trust shall stand cancelled, extinguished and rendered invalid without any obligations and consequences of whatsoever nature to the Trust and the Company."

"RESOLVED FURTHER THAT subject to confirmation of the Scheme by NCLT and all other approvals from any other appropriate authorities, the Company shall not be required to add the words "And Reduced" to its name subsequent to such reduction of capital of the Company."

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

"RESOLVED FURTHER THAT the Board be and is hereby authorized, in its absolute discretion, to bring into effect the abovementioned resolution on such other terms and conditions as it may consider appropriate and to accept such other conditions and modifications as may be prescribed by the NCLT and other appropriate bodies / authorities while according their sanction or consent to the Capital Reduction or to suspend, withdraw or revive the proposal for Capital Reduction from time to time as may be specified by any statutory authority or as the Board may suo-moto decide in its absolute discretion."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to a committee of the Board or any such persons as it may deem fit in its absolute discretion, with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the Scheme and settle any questions or difficulties that may arise in regard to the Scheme."

By Order of the Board of Directors
For Escorts Limited

Sd/-
Satyendra Chauhan
Company Secretary & Compliance Officer

Place: Faridabad
Date: January 20, 2021

Notes:

1. The business mentioned above requires the consent of the members of the Company through E-voting.
2. The Explanatory Statement pursuant to Section 102(1) read with Section 110 of the Companies Act, 2013, stating all material facts and the reasons for the proposal, is annexed to this Notice.
3. The Notice is being sent by e-mail to all the members, whose names appear on the Register of members/ List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited as on January 15, 2021 i.e. the Cut-off Date. The Notice is being sent to members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding)/ the Company (in case of physical shareholding). Members whose email addresses are not registered, shall register their email as per the instructions given in the notes below.
4. Members whose names appear on the Register of members/ List of Beneficial Owners as on the Cut-off Date will be considered for the purpose of voting. Voting rights will be reckoned on the paid-up value of shares registered in the name of the members on the Cut-off Date. Only those members whose names are recorded in the Register of members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date will be entitled to cast their votes by e-voting.
5. In compliance with Regulation 44 of the Listing Regulations and with Sections 108 and 110 of the Companies Act, 2013 and the rules made thereunder, and the provisions of the MCA Circulars, the Company has provided the facility to the members to exercise their votes electronically and vote on the resolution through the E-voting facility provided by KFin. The instructions for electronic voting are annexed to this notice.
6. Copy of this Notice will also be available on the Company's website at www.escortsgroup.com and on the website of KFin at https://evoting.kfintech.com and at the relevant sections of the websites of the stock exchanges on which the shares of the Company are listed. Members, who have any other queries, may write to the Company at: corpsl@escorts.co.in
7. The Special Resolution mentioned above shall be declared as passed if the number of votes cast in its favor are not less than three times the number of votes cast, if any, against the said Resolution. The resolution shall be acted upon only if the votes cast by public shareholders in favor of the resolution is more than the number of votes cast by public shareholders against it.
8. Resolution assented to by the requisite majority of the members by means of E-voting shall be deemed to have been duly passed on the last date specified for E-voting (i.e. February 21, 2021).
9. The Scrutinizer's decision on the validity of E-voting will be final and binding.
10. **Voting through Electronic Means:** The procedure and instructions for E-voting are as follows:

    (a) Date and time of commencement of voting through electronic means: January 23, 2021 at 09:00 Hours (IST).

    (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: February 21, 2021 till 17:00 Hours (IST).

    (c) Details of Website: https://evoting.kfintech.com

    (d) Details of persons to be contacted for issues relating to E-voting: Mr. Raj Kumar Kale, Senior Manager, KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel. No.: +91 40 6716 2222; Toll Free No.:1800 345 4001; Fax No. : +91 40 2300 1153; E-mail: einward.ris@kfintech.com

    (e) Details of Scrutinizer: Mr. Jayant Gupta, Company Secretary in Practice (FCS Membership No. 7288; C.P. No. 9738).

    The instructions for E-voting are as under:-

    (A) **In case of members who have registered their email addresses with the Company/ Depository Participant(s):** In case a Member receives an email from KFin:

        i. Launch internet browser by typing the URL: https://evoting.kfintech.com.

        ii. Enter the login credentials (i.e. User ID and password as mentioned in email).

            - In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number.
            - In case of Demat account, User ID will be your DP ID followed by Client ID.
            - However, if you are already registered with KFin for E-voting, you can use your existing User ID and password for casting your vote.

        iii. After entering these details appropriately, click on "LOGIN".

        iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

        v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT of ESCORTS" i.e. 5802.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date i.e. January 15, 2021 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/ demat accounts shall follow the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period i.e. January 23, 2021 to February 21, 2021, members can login any number of times till they have voted on the resolution(s).

xii. Corporate/ Institutional members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email pcs.jga@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "Escorts Limited Event No."

(B) In case of members who have not registered their email address with the Company/ Depository Participant(s):

On account of threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send Postal Ballot Notice in electronic form only and hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the members for this Postal Ballot. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system only. Therefore, those members who have not yet registered their email address are requested to get their email addresses registered not later than 5.00 p.m. (IST) on February 17, 2021 by following the procedure given below:

Members holding shares in physical form

Members holding shares in physical mode, who have not registered/ updated their email addresses with the RTA, are requested to register/ update the same by clicking on https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx or by writing to the RTA with details of folio number and attaching a self-attested copy of PAN card at einward.ris@Kfintech.com.

Members holding shares in electronic mode

Members are required to register their e-mail address with their respective Depositary Participant "DPs"for receiving all communications from the Company electronically.

After due verification, KFIN will forward your login credentials to your registered email address.

After registration of e-mail address members would be required to follow steps 10 (A) (i) to (xii).

11. In case of any query and/ or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFin Website) or contact Mr. Raj Kumar Kale, Senior Manager (Unit: Escorts Limited), KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel. No.: +91 40 6716 2222; Toll Free No.:1800 345 4001; Fax No. : +91 40 2300 1153; E-mail: einward.ris@kfintech.com for any further clarifications.

12. The remote E-voting period commences on Saturday, January 23, 2021 (9:00 am IST) and ends on Sunday, February 21, 2021 (5:00 pm IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the Cut-off Date i.e. January 15, 2021, may cast their vote by remote E-voting only. The remote E-voting module shall be disabled by KFin for voting thereafter from their E-voting module.

13. A person, whose name is recorded in the Register of members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-off Date only shall be entitled to avail the facility of remote E-voting.

14. The voting rights of members shall be in proportion to their shareholding in the Paid-up Equity Share Capital of the Company as on the Cut-off Date i.e. January 15, 2021. A person who is not a member as on the Cut-off Date is requested to treat this Notice for information purposes only.

15. Mr. Jayant Gupta, Practising Company Secretary has been appointed as Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.

16. The Scrutinizer shall within a period not exceeding two (2) days from the conclusion of the E-voting period make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or to any other person authorized by the Chairman of the Company.

17. The result of the Postal Ballot will be announced on or before February 23, 2021 at the Registered Office of the Company. The result of the Postal Ballot and Report of Scrutinizer will also be displayed at Company's website www.escortsgroup.com and on KFin's website https://evoting.kfintech.com and shall also be communicated to the stock exchanges where the shares of the Company are listed.

18. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and the Listing Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating throughout India (in English language) and one Hindi daily newspaper circulating in Faridabad (in vernacular language, i.e. Hindi).

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with the relevant rules made thereunder

The following explanatory statement sets out the material facts relating to the special business mentioned at the Item No. 1 of the accompanying Notice dated January 20, 2021.

Item No. 1:

1. Background:

The proposed reduction of the equity share capital of Company is being undertaken in accordance with the provisions of Section 66 read with Section 52 of the Companies Act, 2013 ("**Act**") and the rules made thereunder and specifically the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("**NCLT Rules**"), which permit a company to undertake a reduction of its share capital in any manner and pursuant to Article 8 of Articles of Association of the Company, read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time ("**SEBI Circular**"), and subject to confirmation by the National Company Law Tribunal, Chandigarh Bench ("**NCLT**").

Pursuant to the orders dated August 9, 2012 and September 5, 2012 issued by the High Court of Punjab and Haryana ("**High Court**"), the High Court had approved the scheme of arrangement and amalgamation of Escorts Construction Equipment Limited, Escotrac Finance and Investment Private Limited, Escorts Finance Investments and Leasing Private Limited with the Company ("**2012 Scheme**").

Upon effectiveness of the 2012 Scheme, inter alia, 3,73,00,031 (three crore seventy three lakh and thirty one) equity shares of the Company were issued/ vested with Escorts Benefit and Welfare Trust ("**EBWT**" or the "**Trust**") for the sole benefit of the Company and its successors in interest.

The Company had entered into a Share Subscription Agreement dated March 20, 2020, as amended by the Amendment Agreement dated July 15, 2020, with Kubota Corporation, a company duly organised and existing under the laws of Japan and having its principal office at 2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka 556-8601, Japan ("**Investor**") and certain specified promoters of the Company (as confirming parties), whereby the Investor had agreed to subscribe to 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares of face value INR 10 (Indian Rupees Ten) ("**Subscription Shares**") at INR 850 (Indian Rupees Eight Hundred and Fifty) per share amounting to 9.09% of the post-issue share capital of the Company, subject to compliance with the provisions of the Act.

The preferential issue and allotment was approved by the Board of Directors of the Company keeping in view the future outlook of the Company, its growth targets and prospects, additional funding requirement for the purpose of further expansion of its agri machinery business.

With the aim of attracting a globally reputed player such as the Investor in the Company to meet its business objectives and at the same time to ensure that there is no dilution in shareholding of the existing shareholders (including public shareholders) of the Company in the long run, the Company had agreed, subject to compliance with applicable laws, receipt of necessary regulatory approvals and allotment of the Subscription Shares to the Investor, to selectively reduce 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares of face value INR 10 (Indian Rupees Ten) per equity share held by EBWT, without payment of any consideration to EBWT ("**Capital Reduction**").

The Board of Directors of the Company in its meeting held on March 20, 2020, inter alia, provided an in-principle approval to consider reducing the share capital of the Company by such number of equity shares which is equal to the number of Subscription Shares, by cancelling and extinguishing 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares held by EBWT, without payment of any consideration to EBWT.

The preferential allotment of equity shares to the Investor was completed on July 16, 2020 after having received the approval of the equity shareholders of the Company on April 22, 2020 with requisite majority and the approval of Competition Commission of India on July 10, 2020. The Audit Committee and the Board of Directors of the Company in their respective meetings held on July 15, 2020 had approved the draft scheme for Capital Reduction ("**Scheme**") in relation to cancellation of 1,22,57,688 (one crore twenty two lakh fifty seven thousand six hundred and eighty eight) equity shares of INR 10 (Indian Rupees Ten) each of the Company held by EBWT and having a value of investment aggregating to INR 113,21,25,002 (Indian Rupees One Hundred and Thirteen Crores Twenty One Lakhs Twenty Five Thousand and Two), without payment of any consideration to EBWT and making corresponding adjustments by way of debit to: (i) the outstanding paid-up equity share capital for INR 12,25,76,880 (Indian Rupees Twelve Crores Twenty Five Lakhs Seventy Six Thousand Eight Hundred and Eighty); and (ii) the securities premium account of the Company for INR 100,95,48,122 (Indian Rupees One Hundred Crore Ninety Five Lakhs Forty Eight Thousand One Hundred and Twenty Two), on the terms and conditions as contained in the Scheme.The Trust has also confirmed the proposed cancellation and extinguishment of 1,22,57,688 (one crore twenty two lakh fifty seven thousand six hundred eighty eight) equity shares of the Company held by it, by way of a selective reduction of capital of the Company in accordance with applicable laws for NIL consideration. The Company had filed necessary applications before BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") seeking their no-objection to the Scheme.

The proposed reduction of equity share capital of the Company will not have any adverse effect on the creditors of the Company or the Company's ability to fulfil its commitments or meet its obligations in the ordinary course of business as there is no pay-out resulting from the proposed Capital Reduction.

The Capital Reduction in the manner proposed would be beneficial to all the shareholders of the Company as the same shall ensure that the total equity share capital of the Company remains unchanged even after the preferential allotment to the Investor.

2. Capital Structure and Shareholding Pattern of the Company:

(a) Capital Structure – Pre and Post reduction of capital

Particulars	**As on date of approval of the Scheme**		**After the approval of the Scheme and post proposed preferential allotment of shares to the Investor but before approval of the Capital Reduction in terms of this Scheme**		**Post Capital reduction in terms of this Scheme**	
	Number of Equity shares	Amount (INR)	Number of Equity shares	Amount (INR)	Number of Equity shares	Amount (INR)
Authorized equity share capital	40,10,00,000	4,01,00,00,000	40,10,00,000	4,01,00,00,000	40,10,00,000	4,01,00,00,000
Paid-up equity share capital	12,25,76,878	1,22,57,68,780	13,48,34,566	1,34,83,45,660	12,25,76,878	1,22,57,68,780

(b) Shareholding Pattern – Pre and Post reduction of capital

Particulars	**Pre-Reduction**		**Post-Reduction**	
	No. of shares	**% of holding**	**No. of shares**	**% of holding**
Promoter and Promoter Group	4,93,33,680	36.59%	3,70,75,992	30.25%
Public	8,25,60,068	61.23	8,25,60,068	67.35
Non Promoter Non Public	29,40,818	2.18	29,40,818	2.40
Total	13,48,34,566	100%	12,25,76,878	100%

3. Effective Date:

Effective Date means the date on which the certified copy of the order passed by the NCLT sanctioning the Scheme and minute of reduction is filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana.

4. Auditors' Certificate:

Walker Chandiok & Co. LLP, Chartered Accountants, Statutory Auditor of the Company, has issued a certificate stating that the capital reduction is being done in accordance with the generally accepted accounting principles in India and Listing Regulations and circular issued thereunder.

5. Others:

Notwithstanding the reduction as mentioned above, the Company will be praying before the NCLT that the Company be exempted to add "And Reduced" as a suffix to its name and the Company shall continue in its existing name since no payout is being made to any existing members and the Company will be able to discharge its liability in the due course of business.

The Special Resolution, if approved by the members of the Company with requisite majority, will be subject to the confirmation by NCLT as per Section 66(3) of the Companies Act, 2013 read with the NCLT Rules.

In terms of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

A copy of the Scheme setting out in detail the terms and conditions of the proposed Scheme which has been duly approved by the Audit Committee and the Board of Directors of the Company at its meetings held on July 15, 2020, is enclosed as **Annexure 1** to this Notice. A copy of the Scheme along with the documents submitted to the BSE and NSE, have been uploaded on the website of the Company at https://www.escortsgroup.com/investors/overview.html.

BSE (designated stock exchange) and NSE have issued Observation Letters dated January 5, 2021 each to the above proposed reduction of share capital. Copies of the aforesaid Observation Letters are enclosed as **Annexure 2** and **Annexure 3** to this notice.

As per the terms of the Observation Letters, BSE and NSE has given its 'no adverse objection' to the Scheme with limited reference to those matters having a bearing on listing/ de-listing/ continuous listing requirements with the provisions of Listing Agreement, so as to enable the Company to file the scheme with the Hon'ble NCLT.

Pursuant to the SEBI Circular, the Company has filed the following Complaints Report with BSE on November 4, 2020 and NSE on November 5, 2020, which are also available on the website of the Company at https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/Complaint-Reports.pdf.

Further, the "fairness opinion" obtained from Galactico Corporate Services Limited, a SEBI Registered Category I Merchant Banker on the valuation of shares done by N S Kumar & Co., Chartered Accountants, for the Scheme is enclosed as **Annexure 4**. The valuation report on shares referred above is also available on Company's website at: https://www.escortsgroup.com/templates/escortsgroup_home/images/pdf/Valuation-Report.pdf.

6. General Information and disclosures:

Article 8 of the Articles of Association of the Company provides for reduction of capital of the Company by way of a special resolution in accordance with the provisions of the Act.

The Capital Reduction will not cause any prejudice to the creditors of the Company. The creditors of the Company are in no way affected by the proposed Capital Reduction, as there is no payout to the members of the Company nor a reduction in the amount payable to any of the creditors. Further, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.

All documents referred to in the accompanying Special Resolution and Explanatory Statement annexed thereto are made available on the Company's website at: https://www.escortsgroup.com/investors/overview.html and would also be available for inspection to the members at the Registered Office of the Company between 10:00 a.m. (IST) and 1:00 p.m. (IST) on any working day, except Saturdays, Sundays and public holidays, till the last date for e-voting by the members.

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

None of the Directors (except Dr. Sutanu Behuria, who is also a trustee of the Trust), manager, key managerial personnel (except Mr. Satyendra Chauhan, the Company Secretary and Compliance Officer of the Company, who is also a trustee of the Trust) of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, except as shareholders in general in the said resolution. The abovementioned Director and key managerial person are only the trustees of the Trust and the beneficiary of the Trust is the Company and its successors in interest.

By Order of the Board of Directors
For Escorts Limited

Sd/-
Satyendra Chauhan
Company Secretary & Compliance Officer

Place: Faridabad
Date: January 20, 2021

THIS PAGE INTENTIONALLY LEFT BLANK

ANNEXURE-1

SCHEME FOR REDUCTION OF SHARE CAPITAL

BETWEEN

ESCORTS LIMITED

AND

ITS SHAREHOLDERS

UNDER SECTION 66 READ WITH SECTION 52 AND OTHER APPLICABLE SECTIONS OF THE COMPANIES ACT, 2013 AND NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016

INTRODUCTION

A. PREAMBLE

This scheme of selective reduction of share capital ("**Scheme**") is presented under the provisions of Section 66 read with Section 52 and other relevant provisions of the Companies Act, 2013 ("**Act**") read with National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("**Rules**") for the reduction of equity share capital of Escorts Limited ("**Company**") as specified in this Scheme.

B. RATIONALE OF SCHEME

The background and reasons/ rationale, commercial justification of the proposed Scheme are as follows:

(a) The proposed reduction of the equity share capital of Company is being undertaken in accordance with the provisions of Section 66 read with Section 52 of the Act and the rules made thereunder and specifically the Rules, which permit a company to undertake a reduction of its share capital in any manner, read with the Listing Regulations (*as defined hereinafter*) and the SEBI Circular (*as defined hereinafter*).

(b) Pursuant to the orders dated August 9, 2012 and September 5, 2012 issued by the High Court of Punjab and Haryana ("**High Court**"), the High Court had approved the scheme of arrangement and amalgamation of Escorts Construction Equipment Limited, Escotrac Finance and Investment Private Limited, Escorts Finance Investments and Leasing Private Limited with the Company ("**2012 Scheme**").

(c) Upon effectiveness of the 2012 Scheme, inter alia, 3,73,00,031 (three crore seventy three lakh and thirty one) equity shares of the Company were issued/ vested with EBWT (as defined hereinafter) for the sole benefit of the Company and its successors in interest. As on the date of the approval of this Scheme by the Board of Directors of the Company, EBWT holds 3,37,00,031 (three crore thirty seven lakh and thirty one) equity shares of the Company amounting to 27.49% (Twenty Seven Point Forty Nine percent) of the total issued and paid up share capital of the Company ("**Trust Shares**").

(d) The Company has entered into a Share Subscription Agreement dated March 20, 2020 with Kubota Corporation, a company duly organised and existing under the laws of Japan and having its principal office at 2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka 556-8601, Japan ("**Investor**") and certain specified promoters of the Company (as confirming parties), whereby the Investor has agreed to subscribe to 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares of face value INR 10 (Indian Rupees Ten) ("**Subscription Shares**") at INR 850 (Indian Rupees Eight Hundred and Fifty) per share amounting to 9.09% of the post-issue share capital of the Company, subject to compliance with the provisions of the Act.

(e) The proposed preferential issue and allotment was approved by the Board of Directors of the Company keeping in view the future outlook of the Company, its growth targets and prospects, additional funding requirement for the purpose of further expansion of its agrimachinery business.

(f) With the aim of attracting a globally reputed player such as the Investor in the Company to meet its business objectives and at the same time to ensure that there is no dilution in shareholding of the existing shareholders (including public shareholders) of the Company in the long run, the Company has agreed, subject to compliance with applicable laws, receipt of necessary regulatory approvals and allotment of the Subscription Shares to the Investor, to selectively reduce 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares of face value INR 10 (Indian Rupees Ten) per equity share held by EBWT, without payment of any consideration to the EBWT ("**Capital Reduction**").

(g) The Board of Directors of the Company in its meeting held on March 20, 2020, inter alia, provided an in-principle approval to consider reducing the share capital of the Company by such number of equity shares which is equal to the number of Subscription Shares, by cancelling and extinguishing 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares held by EBWT, without payment of any consideration to the EBWT.

(h) The preferential allotment of equity shares to the Investor has already been approved by the equity shareholders of the Company on April 22, 2020 with requisite majority and the approval of Competition Commission of India has been received by Investor on July 10, 2020. In terms of the understanding agreed to between the Investor and the Company, the Board of Directors of the Company in its meeting held on July 15, 2020 has now approved the cancellation of 1,22,57,688 (one crore twenty two lakh fifty seven thousand six hundred and eighty eight) equity shares of INR 10 (Indian Rupees Ten) each of the Company held by EBWT without payment of any consideration to EBWT, subject to the allotment of the equity shares to the Investor.

(i) The proposed reduction of equity share capital of the Company would not have any adverse effect on the creditors of the Company or the Company's ability to fulfil its commitments or meet its obligations in the ordinary course of business as there is no payout resulting from the proposed capital reduction.

(j) The reduction of capital in the manner proposed would be beneficial to all the shareholders of the Company as the same shall ensure that the total equity share capital of the Company remains unchanged even after the preferential allotment to the Investor.

C. PARTS OF THE SCHEME

This Scheme is divided into the following Parts:
Part A deals with the definitions and details of the Company;
Part B deals with the selective reduction of share capital of the Company; and
Part C deals with the general terms and conditions applicable to the Scheme.

PART A

1. DEFINITIONS

For the purposes of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings mentioned herein below:

(a) "**Act**" means the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder, including without limitation the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, each as amended from time to time;

(b) "**Board**" or "**Board of Directors**" means the board of directors of the Company including any duly constituted committee(s) thereof;

(c) "**Capital Reduction**"means the selective reduction of 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares of face value INR 10 (Indian Rupees Ten) each of the Company held by EBWT, without payment of any consideration to the EBWT;

(d) "**Company**" means Escorts Limited, a company incorporated under the Companies Act, 1913 having its registered office at 15/5, Mathura Road, Faridabad, Haryana, 121003;

(e) "**EBWT**" means Escorts Benefit and Welfare Trust settled on February 14, 2012 by the Company;

(f) "**Effective Date**" means the date on which the certified copy of the order passed by the NCLT sanctioning the Scheme and minute of reduction is filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana;

(g) "**Ind AS**" means the Indian Accounting Standards prescribed under Section 133 of the Act;

(h) "**Investor**"means Kubota Corporation, a company duly organised and existing under the laws of Japan and having its principal office at 2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka 556-8601, Japan;

(i) "**Listing Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(j) "**RoC**" means the Registrar of Companies, National Capital Territory of Delhi and Haryana;

(k) "**Rules**" means National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, as amended from time to time;

(l) "**SEBI Circular**" means the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time;

(m) "**Scheme**" means this scheme of arrangement between the Company and its shareholders, pursuant to the provisions of Section 66 read with Section 52 and other applicable provisions of the Act, and rules made thereunder;

(n) "**SEBI**"mean the Securities and Exchange Board of India;

(o) "**Stock Exchanges**" means the stock exchanges where the equity shares of the Company are listed and are admitted to trading, viz, BSE Limited, the National Stock Exchange of India Limited and the Delhi Stock Exchange Limited; and

(p) "**Tribunal**" or "**NCLT**" means the National Company Law Tribunal, Chandigarh bench.

All terms and words not defined in the Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Exchange Board of India Act, 1992, Listing Regulations and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

2. DETAILS OF THE COMPANY

2.1 Incorporation of the Company

(a) The Company was incorporated on October 17, 1944 in Delhi under the provisions of the Companies Act, 1913, under the name 'Escorts (Agents) Limited'. Pursuant to effectiveness of Section 24 of the Companies Act, 1956, the word 'Private' was added before the word 'Limited' in the name of the Company and the name of the Company was changed to 'Escorts (Agents) Private Limited'. Further, consequent to the fresh Certificate of Incorporation dated January 18, 1960, issued upon change of name by the Registrar of Companies, Delhi and Haryana, the name of the Company was changed from 'Escorts (Agents) Private Limited' to 'Escorts Limited'.

(b) The registered office of the Company was changed from the state of Delhi to the state of Haryana, pursuant to the order of the Company Law Board, New Delhi dated April 04, 2009, and upon issuance of Certificate of Registration of Company Law Board Order for Change of State dated May 15, 2009. The registered office of the Company is currently situated at 15/5, Mathura Road, Faridabad - 121003, Haryana, India, within the jurisdiction of this Hon'ble Tribunal.

(c) The corporate identity number of the Company is L74899HR1944PLC039088.

(d) The shares of the Company are listed on 3 (three) stock exchanges - the BSE Limited, the National Stock Exchange of India Limited and the Delhi Stock Exchange Limited.

(e) The Company is inter alia engaged in the business of manufacturing and sale of various agricultural tractors, construction equipment, railway products, implements and spares thereof.

2.2 Objects of the Company

The Memorandum of Association of the Company sets out inter alia the following objects:

(a) To carry on the business manufacturing, developing, designing, improving, hiring, repairing, buying, selling, dealing in importing and exporting ferrous and non-ferrous castings of all kinds and in particular chilled and malleable castings, special alloy castings, steel castings, gun metal, copper, brass, aluminium castings and foundry work of all kinds and forgings of all types of ferrous and non-ferrous metals and in any weight for any industry whatsoever.

(b) To carry on or promote any business, commercial, financial or otherwise under sound principles or to act as distributors, agents or managing agents on commission and on/ or allowances as may be deemed fit.

(c) To export, import, produce, manufacture, buy, sell, barter, exchange, pledge, make advances upon or otherwise deal in goods, produce articles and merchandise of all kinds and power such as electrical, steam gas or otherwise and, land, farms, buildings, mines, quarries and other properties tangible, intangible whatsoever.

(d) To establish, acquire and carry on factories, mills, works, workshops or stores in India or outside and to purchase, lease or otherwise acquire, carry on, develop and improve any business.

(e) To manufacture, export, buy, sell, repair, and/ or service or otherwise deal in pistons, piston rings, piston pins, cylinder sleeves, circlips, connecting rods, gaskets and other automotive parts, shock absorbers both railway and automotive types, railway brakes, railway couplers, railway track equipment of various types, railway buffers and buffer springs, brake blocks of all types, diesel, petrol, multifuel internal combustion engines, all types of motorcycles, scooters, scooterettes and autocycles, trucks, motor vehicles, tractors, trailers of all types, internal transport equipment of all types, agricultural implements and farm equipment of all kinds, earth moving and construction equipment, steel structurals, cranes, pumps of all types, x-ray apparatus, and electro-medical equipment including x-ray tubes, fluorescent and intensifying screens, tubular heating elements, electrical appliances and other allied equipment, equipment of power generation, diesel, steam, gas and hydel, engineering equipment electrical or mechanical of all kinds, gear and transmission equipment for transport or other vehicles and razor blades and all things used in or in connection with the above mentioned things and all machinery, implements, spare parts, appliances, apparatuses, lubricants and all other things capable of being used therewith or in manufacture, maintenance and working thereof.

2.3 Capital Reduction and the Articles of Association of the Company

Article 8 of the Articles of Association of the Company authorizes the Company by special resolution to reduce its share capital in any manner. Article 8 of the Articles of Association of the Company for the sake of ready reference, is set out hereunder:

"The Company may (subject to the provisions of Section 52, 55, 66 and any other provisions of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Fund or other premium account in any manner for the time being authorised by law."

2.4 Share Capital

The share capital structure of the Company, as on March 31, 2020 is as under:

Share Capital	**Amount (INR)**
Authorized Share Capital	
401,000,000 equity shares of INR 10 each	4,010,000,000
888,000,000 unclassified shares of INR 10 each	8,880,000,000
Total	**12,890,000,000**
Issued, Subscribed and Paid-up Share Capital	
122,576,878 equity shares of INR 10 each	1,225,768,780
Total	**1,225,768,780**

Subsequent to March 31, 2020, the Company proposes to issue 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares of INR 10 (Indian Rupees Ten) each by way of preferential allotment to the Investor. Post issuance of 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares of INR 10 (Indian Rupees Ten) each, issued, subscribed and paid-up share capital of the Company shall be INR 1,34,83,45,660 (Indian Rupees One Hundred and Thirty Four Crores, Eighty Three Lakhs, Forty Five Thousand Six Hundred and Sixty Six) comprising of 13,48,34,566 (thirteen crores forty eight lakhs thirty four thousand five hundred and sixty six) equity shares of INR 10 (Indian Rupees Ten) each.

2.5 Financials

The key aspects with respect to the financial performance of the Company for the financial year ended March 31, 2020 are as summarized below:

Particulars	**Financial Year ended March 31, 2020 (Amount in INR Crores)**
Total Current Assets	2838.90
Total Current Liability	1718.26
Profit/ (Loss)	485.54

3. PROMOTERS AND DIRECTORS

3.1. The names of the promoters of the Company as on July 15, 2020 along with their addresses are set forth below:

S. No.	Name	Promoter/Director	Address
1.	Nikhil Nanda	Promoter	Nanda House, 12 Jor Bagh NDMC, South Delhi, New Delhi 110003
2.	Nitasha Nanda	Promoter Group	2, Friends Colony (West), South Delhi, New Delhi 110065
3.	Shweta Nanda	Promoter Group	Nanda House, 12 Jor Bagh NDMC, South Delhi, New Delhi-110003
4.	Navya Naveli Nanda	Promoter Group	Nanda House, 12 Jor Bagh NDMC, South Delhi, New Delhi-110003
5.	Agastya Nanda	Promoter Group	Nanda House, 12 Jor Bagh NDMC, South Delhi, New Delhi-110003
6.	Hardeep Singh	Promoter Group	608A, The Aralias, DLF Golf Links, DLF Golf Course, DLF City, Phase 5, Gurgaon 122009
7.	AAA Portfolios Private Limited	Promoter Group	15/5, Mathura Road, Faridabad, Haryana, 121003 India
8.	Big Apple Clothing Private Limited	Promoter Group	15/5, Mathura Road, Faridabad, Haryana, 121003
9.	Escorts Finance Limited	Promoter Group	SCO- 64-65, Third floor, Sector- 17-A, Chandigarh-160017
10.	Har Parshad And Co Pvt Ltd	Promoter Group	202, Ist Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020
11.	Sietz Technologies India Private Limited	Promoter Group	202, Ist Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020
12.	Niky Tasha Communications Pvt. Ltd.	Promoter Group	202, Ist Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020
13.	Niky Tasha Energies (P) Ltd.	Promoter Group	202 Ist Floor Okhla Industrial Estate Phase-III, New Delhi 110020
14.	Charak Ayurvedic Treatments Pvt. Ltd	Promoter Group	202, Ist Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020
15.	Escorts Benefit and Welfare Trust (Dr. Sutanu Behuria, Trustee)	Promoter Group	15/5, Mathura Road, Faridabad – 121003, Haryana
16.	Girish Behari Mathur	Promoter Group	D-23, First Floor, Sarita Vihar, New Delhi - 110044
17.	Rachna Mathur	Promoter Group	D-23, First Floor, Sarita Vihar, New Delhi – 110044

3.2. The names of the directors of the Company as on the date of approval of the Scheme along with their addresses are set forth below:

S. No.	Name	Promoter/Director	Address
1.	Nikhil Nanda	Chairman and Managing Director	Nanda House, 12 Jor Bagh NDMC, South Delhi, New Delhi-110003
2.	Nitasha Nanda	Whole Time Director	2, Friends Colony (West), South Delhi, New Delhi-110065
3.	Hardeep Singh	Director	608A, The Aralias, DLF Golf Links, DLF Golf Course, DLF City, Phase 5, Gurgaon-122009
4.	P. H. Ravikumar	Director	501, 5th Floor, Yashowan Towers, TH Kataria Marg, Mahim-West, Mumbai-400016
5.	Vibha Paul Rishi	Director	812, The Aralias Golf Course Road, Chakarpur, Gurgaon-122002, Haryana
6.	Dr. Sutanu Behuria	Director	602A, Beverly Park I, Mehrauli Road, DLF, Phase 2, Gurgaon-122009
7.	Shailendra Agrawal	Executive Director	Flat No. A1/702, Mathura Road, Mahindra Chloris, Sector-19, Old Faridabad – 121002
8.	Sunil Kant Munjal	Director	1-A, Friends Colony West, New Delhi-110065
9.	Tanya Dubash	Director	Hasman Bungalow, 89B Bhulabhai Desai Road, Mumbai-400026

4. OTHER DISCLOSURES

4.1. No investigations or proceedings have been instituted and are pending against the Company under the Act.

4.2. The Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Hence, the Company is not in arrears with respect to repayment of any deposits or interest thereon, as on the date of filing of this Scheme.

4.3. The Scheme will not have any adverse effect on any directors, key managerial personnel, promoters, non-promoter members, creditors and employees and depositors of the Company. The Company does not have any debenture holders. The Scheme will be in the best interest of all the stakeholders of the Company.

4.4. The benefits of the Scheme to the Company and its respective members, creditors and employees, as perceived by the Board of the Company are mentioned in Part B of the introduction of this Scheme (Rationale of Scheme).

PART B

5. BACKGROUND AND REDUCTION OF SHARE CAPITAL OF THE COMPANY

The objective of the Scheme is to undertake the Capital Reduction or otherwise alter the issued, subscribed and paid up share capital of the Company. As an integral part of the Scheme, upon the Scheme becoming effective after securing necessary approvals and permissions, without any further act, instrument or deed, (i) the issued, subscribed and paid-up equity share capital of the Company shall be reduced by INR 12,25,76,880 (Indian Rupees Twelve Crores Twenty Five Lakhs Seventy Six Thousand Eight Hundred and Eighty) (i.e. 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares of INR 10 (Indian Rupees Ten) each).

6. RE-ORGANISATION OF PAID UP SHARE CAPITAL AND ITS IMPACT ON THE COMPANY

6.1 Upon the Scheme becoming effective, 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) fully paid-up equity shares of INR 10 (Indian Rupees Ten) each of the Company held by EBWT shall stand cancelled and extinguished and, consequently, the paid-up equity share capital of the Company as on the Effective Date shall become INR 122,57,68,780 (Indian Rupees One Hundred and Twenty Two Crore Fifty Seven Lakhs Sixty Eight Thousand Seven Hundred and Eighty) divided into 12,25,76,878 (twelve crore twenty five lakhs seventy six thousand eight hundred and seventy eight) equity shares of INR 10 (Indian Rupees Ten) each.

6.2 The share capital of the Company before and after the Capital Reduction in terms of this Scheme shall be as under:

Particulars	**As on date of approval of the Scheme**		**After the approval of the Scheme and post proposed preferential allotment of shares to the Investor but before approval of the Capital Reduction in terms of this Scheme**		**Post Capital reduction in terms of this Scheme**	
	Number of Equity shares	Amount (INR)	Number of Equity shares	Amount (INR)	Number of Equity shares	Amount (INR)
Authorized equity share capital	40,10,00,000	4,01,00,00,000	40,10,00,000	4,01,00,00,000	40,10,00,000	4,01,00,00,000
Paid-up equity share capital	12,25,76,878	1,22,57,68,780	13,48,34,566	1,34,83,45,660	12,25,76,878	1,22,57,68,780

6.3 The Capital Reduction and the consequent cancellation of the equity share capital and the securities premium of the Company as herein above, shall be effected as per the provisions of Section 66 read with Section 52 of the Act and other applicable provisions of the Act, rules (including the Rules) and regulations made there under upon the Scheme becoming effective.

6.4 The Capital Reduction does not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

6.5 The Capital Reduction will not cause any prejudice to the creditors of the Company as there will not be any reduction in the amount payable to the respective creditors. Further, in the absence of any payments to EBWT pursuant to the Capital Reduction, it does not alter, vary or affect the rights of the creditors in any manner whatsoever. The liabilities with respect to payments due to the creditors will be discharged by the Company in accordance with the terms of their agreements with the Company, if any, or in the ordinary course of business, as the case may be. The Company has positive net worth and therefore the proposed Capital Reduction will not adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.

6.6 The extinguishment and cancellation of the paid-up equity share capital of the Company under this Scheme will facilitate the Company to keep its total equity share capital unchanged even after the preferential allotment to the Investor. Such action does not result in any payout to the EBWT pursuant to the proposed Capital Reduction.

6.7 The Capital Reduction will not have any adverse impact on the employees and workers of the Company in any manner and their service shall be continuous and they will continue to enjoy the same benefits as they used to before the Capital Reduction.

6.8 The Scheme does not in any manner alter, vary or affect the payment of any dues or outstanding amounts including all or any of the statutory dues payable or outstanding.

6.9 The Scheme does not envisage transfer or vesting of any of the properties and/ or liabilities of the Company to any person or entity.

6.10 The Scheme is merely a Capital Reduction and does not involve any conveyance or transfer of any property of the Company and does not involve any issue of shares. Consequently, the order of NCLT approving the Scheme will not attract any stamp duty.

6.11 Notwithstanding the Capital Reduction in pursuance to this Scheme and subject to the orders of the NCLT, the Company shall not be required to add the words "And Reduced" as a suffix.

6.12 During the pendency of this Scheme, EBWT will be eligible for all the rights in the capacity of shareholders of the Company including but not limited to receiving the dividend and bonus shares, participate in right issue and buy-back, voting in the shareholders' meeting and participate in any other corporate action taken by the Company.

7. COMPLIANCE

7.1 The consent of the members of the Company for the Capital Reduction and this Scheme shall be obtained through a special resolution under the provisions of Section 66 of the Act and any other applicable provision.

7.2 The Scheme, if sanctioned, shall be fully in compliance of the Securities and Exchange Board of India Act, 1992, Listing Regulations and SEBI Circular.

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

Upon the Scheme becoming effective, investment, aggregating to the value of investment representing 1,22,57,688 (one crore twenty two lakhs fifty seven thousand six hundred and eighty eight) equity shares of the Company recorded as non-current investment in the books of the Company as 'Sole beneficiary interest in Escorts Benefit and Welfare Trust' i.e. INR 113,21,25,002 (Indian Rupees One Hundred and Thirteen Crore Twenty One Lakh Twenty Five Thousand and Two) shall be cancelled, with corresponding adjustment by way of debit to:(i) the outstanding paid-up equity share capital for INR 12,25,76,880 (Indian Rupees Twelve Crores Twenty Five Lakhs Seventy Six Thousand Eight Hundred and Eighty); and (ii) the securities premium account of the Company for INR 100,95,48,122 (Indian Rupees One Hundred Crore Ninety Five Lakhs Forty Eight Thousand One Hundred and Twenty Two) in compliance with the generally accepted accounting principles in India.

9. MISCELLANEOUS

Notwithstanding the reduction of the capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words thereof.

10. MINUTE

The Form of Minute proposed to be registered under Section 66(5) of the Act and Rule 6(2) of the Rules is as follows:

"The issued, subscribed and paid-up capital of Escorts Limited is henceforth INR 1,22,57,68,780 (Indian Rupees One Hundred and Twenty Two Crore Fifty Seven Lakh Sixty Eight Thousand Seven Hundred and Eighty) divided into 12,25,76,878 (twelve crore twenty five lakhs seventy six thousand eight hundred and seventy eight) equity shares of INR 10 (Indian Rupees Ten) each reduced from INR 1,34,83,45,660 (Indian Rupees One Hundred Thirty Four Crore Eighty Three Lakh Forty Five Thousand Six Hundred and Sixty) divided into 13,48,34,566 (Thirteen crore forty eight lakh thirty four thousand five hundred and sixty six) equity shares of INR 10 (Indian Rupees Ten) each ."

11. LEGAL PROCEEDINGS

The Scheme will not affect any legal or other proceedings by or against the Company, pending or arising, but the proceedings may be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Company prior to the Scheme.

12. CONDUCT OF BUSINESS BY COMPANY

The Scheme does not involve any financial outlay/ outgo and therefore, will not affect the ability or liquidity of the Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme will also not in any way adversely affect the ordinary operations of the Company during the course, or after the approval, of the Scheme.

PART C

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

13. APPLICATION TO THE TRIBUNAL

The Company shall make applications/ petitions under Section 66 and other applicable provisions of the Act to the NCLT for the sanction of this Scheme, minute of reduction and all matters ancillary or incidental thereto.

14. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

14.1 TheCompany will be at liberty to apply to the NCLT from time to time for necessary directions in matters relating to this Scheme or any term thereof, in terms of the Act.

14.2 Subject to the provisions of the SEBI Circular, the Company through its Board, may assent to any modifications/ amendments to the respective section of this Scheme and/ or to any conditions or limitations, including such modifications/ amendments and/ or conditions or limitations that the Tribunal, the SEBI, the Stock Exchanges and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Company, through its authorized representatives, be and is hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the Tribunal or any other authority or otherwise, howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

15. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

(a) the Scheme being approved by the members of the Company through special resolution and provided that the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it through e-voting in terms of Para 1(A)(9) of Annexure I of SEBI Circular

(b) the Scheme being approved by the creditors of the Company as prescribed under the Act and/ or as may be directed by NCLT and/ or any other appropriate authority as may be applicable;

(c) the Company obtaining the observation letter/ no-objection letter from the relevant Stock Exchanges for the implementation of the Scheme;

(d) the Scheme being sanctioned by the Tribunal under Section 66 and any other applicable provision of the Act;

(e) certified copy of the order of the Tribunal sanctioning this Scheme and the minute of reduction being filed with the RoC by the Company; and

(f) the requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

16. EFFECT OF NON-RECEIPT OF APPROVALS

16.1 In the event of any of the sanctions and approvals referred to in Para 14 above not being obtained and/ or the Capital Reduction not being sanctioned by the Hon'ble Tribunal or such other appropriate authority, if any, this Capital Reduction shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Capital Reduction or as may otherwise arise in law and agreed between the relevant parties.

16.2 The Board of the Company shall be entitled to revoke, cancel and declare the Scheme or any part thereof to be of no effect and/ or to withdraw the Scheme or any part thereof and respective applications/ petitions filed with the Tribunal for any reason including if the Board is of view that the coming into effect of the Scheme or of any part thereof, in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on the Company or in case any condition or alteration imposed by the Tribunal or any other authority or entity is not on terms acceptable to them.

17. COSTS, CHARGES AND EXPENSES

The Company shall bear all the costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto.

18. MISCELLENEOUS

18.1 Notwithstanding the Capital Reduction, the listing benefits of the Company on all the Stock Exchange(s) shall continue and the Company will comply with the applicable provisions of the listing agreement with the Stock Exchange(s) for listing and trading of shares of the Company.

18.2 The designated stock exchange for interaction with the Securities and Exchange Board of India in terms of Paragraph I(A)(1)(a) of Annexure I of the SEBI Circular shall be BSE Limited.

XXXX

ANNEXURE-2

DCS/AMAL/SD/R37/1874/2020-21 **"E-Letter"** **January 5, 2021**

The Company Secretary,
ESCORTS LTD.
15/5, Mathura Road, Faridabad,
Haryana, 121003

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme for Reduction of share capital by Escorts Ltd.

We are in receipt of the Draft Scheme for Reduction of share capital by Escorts Ltd filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated January 5, 2021 has inter alia given the following comment(s) on the draft scheme for Reduction:

- **"The Company shall ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon'ble National Company Law Tribunal".**
- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**
- **"Company shall duly comply with various provisions of the Circular."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted

company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

sd/-

Nitinkumar Pujari
Senior Manager

BSE - INTERNAL

National Stock Exchange Of India Limited

Ref: NSE/LIST/24888_II

January 05, 2021

The Company Secretary
Escorts Limited
15/5, Mathura Road,
Faridabad - 121003

Kind Attn.: Mr. Satyendra Chauhan

Dear Sir,

Sub: Observation Letter for Draft Scheme of Reduction of Share Capital between Escorts Limited and its Shareholders

We are in receipt of the Draft Scheme of Reduction of Share Capital between Escorts Limited and its Shareholders vide application dated September 30, 2020.

Based on our letter reference no Ref: NSE/LIST/24888 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

a. *The Company shall ensure that additional information, if any submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.*

b. *The Company shall duly comply with various provisions of the Circular.*

c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

d. *The Company shall ensure that suitable disclosure about the latest financials of the Companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon'ble National Company Law Tribunal.*

e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Confidential

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from January 05, 2021 within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Amit Phatak
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

Confidential

Galactico Corporate Services Limited

A SEBI Registered Category I Merchant Banker

Ref. No: MB\2020-21\E01

Date: July 15, 2020

To,

Board of Directors

Escorts Limited

15/5, Mathura Road,

Faridabad, Haryana 121 003

Subject: Fairness opinion on the valuation report issued by N S Kumar & Co., Chartered Accountant dated July 15, 2020, in relation to the proposed scheme of reduction of capital by Escorts Limited under Section 66 read with Section 52 of the Companies Act, 2013.

Dear Sir,

We refer to the engagement letter dated 30 June 2020 ("Engagement Letter") and discussions undertaken with the Management of Escorts Limited ("EL" or "the Company") wherein the Management of EL has requested Galactico Corporate Services Limited, to provide fairness opinion on the valuation report dated July 15, 2020 issued by N S Kumar & Co. Chartered Accountants ("NSK") in relation to the proposed reduction of share capital by way of cancellation of equity shares held by Escorts Benefit and Welfare Trust ('EBWT') as required under relevant Securities Exchange Board of India ('SEBI') guidelines with respect to reduction of share capital.

Though as a part of the Scheme, the capital reduction is proposed to be undertaken at **NIL** consideration, fairness opinion on the valuation report is required to be undertaken by a Merchant Banker under the relevant SEBI regulations.

Please find enclosed our deliverable in the form of report ("the Report"). The Report sets out the background of the Company, transaction overview, scope of work, source of information, valuer's recommendation and our opinion on the fair value per share of the Company determined by NSK including methodologies adopted for arriving at the fair value for the proposed reduction of share capital.

Yours faithfully,

For Galactico Corporate Services Limited

GALACTICO CORPORATE SERVICES LIMITED

Authorised Signatory

Contents	Page No.
Brief background	3
Transaction overview	4
Scope, limitation, assumption, qualification, exclusions and disclaimers	5-6
Source of Information	7
Valuer's recommendation	8-9
Opinion on Valuer's Report	10

BRIEF BACKGROUND

1. Escorts Limited ("the Company" or "EL") is a public company incorporated under the Companies Act, 1913 in the year 1944. Equity shares of the Company are listed on National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE") and Delhi Stock Exchange Limited ("DSE").

2. The Company is engaged in the business of manufacturing and sale of agricultural tractors, automotive engineering and operates in the sectors of agri-machinery, construction and material handling equipment and railway equipment.

3. Shareholding pattern of the Company as on 31 March 2020 is as under:

Particulars	No of shares	Shareholding
Promoters	4,93,33,680	40.2%
Public	7,01,68,686	57.2%
Non-promoter and non-public	30,74,512	2.5%
Total	**12,25,76,878**	**100%**

TRANSACTION OVERVIEW

We understand that Escorts Benefit Welfare Trust ("EBWT") was settled on February 14, 2012 in terms of the Scheme of Arrangement and Amalgamation of Escorts Construction Equipment Limited ("ECEL"), Escotrac Finance and Investments Private Limited ("Escotrac"), Escorts Finance Investments and Leasing Private Limited ("EFILL") with Escorts Limited ('the Company'), approved by the High Court of the States of Punjab and Haryana at Chandigarh vide order dated August 9, 2012 and September 5, 2012 (hereinafter referred to as "EBWT Scheme"), for the exclusive benefit of Escorts Limited and its successors in interest. In terms of the EBWT Scheme, 3,73,00,031 (Three Crore Seventy Three Lakh and Thirty One) equity shares of the Company were issued / vested with EBWT and as such held by it upon the effectiveness of the EBWT Scheme.

As on the date of the approval of the Scheme of reduction of share capital by the Board of Directors of Escorts Limited, EBWT holds 3,37,00,031 (Three Crore Thirty Seven Lakh and Thirty One) equity shares of Escorts Limited.

The Company is contemplating a proposal entailing reduction of 1,22,57,688 equity share capital of the Company held with EBWT for **NIL** consideration in accordance with the provisions of Section 66 read with Section 52 of the Companies Act, 2013 or any statutory modifications, re-enactment or amendments thereof for the time being in force ("the Act") read with National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("the Rules"), as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force including the applicable provisions of the Securities Exchange Board of India ('SEBI') Guidelines and the rules framed therein with respect to the reduction of share capital and in a manner provided in the Scheme of Reduction of Share Capital (hereinafter referred to as 'proposed scheme').

In this regard, EL has approached Galactico Corporate Services Limited ('GCSL' or "we', 'us' or 'our') to provide fairness opinion based on the valuation report ("Valuation Report") dated 15 July 2020 ("Valuation date") issued by N S Kumar & Co. Chartered Accountants ("NSK" or "the Valuer") for the proposed scheme as discussed above.

This Report is our deliverable for the aforementioned engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereunder. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SCOPE LIMITATION, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

1. As the equity shares of the Company are listed on nationwide stock exchanges, it is bound by the listing agreement and the provisions thereof as amended from time to time. Accordingly, there is a requirement of obtaining an opinion for the proposed scheme from SEBI registered Merchant Banker about fairness of the valuation done by a Chartered Accountant as per Para 2(d) and Para 8(b) of Part I(A) of Annexure I of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation.

2. This Fairness Opinion Report ('Report') is prepared by us on the basis of information, documents, papers and explanations given by the Management, officers and staff of the Companies.

3. In preparing the Report, we have relied upon and assumed without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Management. We have therefore relied upon all specific information as received and declined any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.

4. Our work does not constitute an audit or certification or due diligence of the past financials of the Company and we have relied upon the information provided to us by the Company as regards such working results.

5. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the company. As implied by the financial statements, the Company is assumed to have those legal rights to the assets and be subject to those claims represented by the liabilities presented in its financial statements. No investigation was undertaken to confirm these legal rights or claims.

6. Publicly available information deemed relevant for the purpose of the analysis contained in this Report has also been used. Accordingly, this report is based on our interpretation of the information provided by the Company as well as its representatives and advisors, to date.

GALACTICO CORPORATE SERVICES LIMITED

7. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this report.

8. This report should not be construed as any accounting, tax or legal advice to the Company or any of its affiliates by us.

9. This Report does not constitute a, solvency opinion or an investment recommendation and should not be construed as such either for making or divesting investment.

10. This Report is furnished strictly on confidential basis. The same may be submitted to the stock exchanges, SEBI, National Company Law Tribunal and other regulatory or statutory authorities. Except as stated herein, neither this Report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than as stated in this Report.

11. The fee for this engagement is not contingent upon the results reported and fairness opinion provided by us.

12. This Report, its contents and the results herein (i) are specific to the purpose of report agreed as per the terms of our engagement; (ii) are specific to the date of this report and (iii) are the prevailing financial, economic and other conditions in general and industry trends in particular as in effect on, and the written and oral information made available to us till the date of this report. Events occurring after this date may affect this report and we do not assume any obligation to update, revise or reaffirm this report.

13. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.



SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of the Company for the purpose of this report:

1. Brief History, Present Activities, Business Profile, Shareholding Pattern of the Companies;

2. Draft scheme of reduction of share capital under section 66 read with section 52 of the Companies Act 2013;

3. Valuation Report issued by M/s. N S Kumar & Co., Chartered Accountants dated July 15, 2020;

4. Audited standalone and consolidated financial results of the Company for the quarter ended 31 March 2020 and the year ended 31 March 2020;

5. Details of Market Price and trading volume of the Company;

6. Such other information and explanations as required and which have been provided by the management of the Company, which were considered relevant for the purpose the Fairness Opinion.

The Company has been provided with the opportunity to review the draft fairness opinion report (excluding our opinion) as part of our standard practice to make sure those factual inaccuracies/ omissions are avoided.

GALACTICO CORPORATE SERVICES LIMITED

VALUER'S RECOMMENDATIONS

1. The scope of work of the Valuer was, inter alia, to carry out the fair value per equity share of the Company for the proposed scheme of reduction of capital by way of cancellation of equity shares held by EBWT.

2. The fair value per equity share of the Company is calculated in the valuation report by the adoption of commonly used and accepted methods of valuation, to the extent relevant and applicable, including
   a) Asset Approach : Net Asset Value method
   b) Income Approach : Discounted Cash Flow method
   c) Market Approach : Market Price method and Comparable Price method

3. The Valuer has assigned nil weightage to the value derived under Net Asset Value method since asset approach does not value the future profit generating potential of the Company.

4. The Valuer has not considered the Discounted Cash Flow Method for determining the fair value of per equity share of the Company as the Company is a listed company and information related to future financial projections are price sensitive and therefore, the valuer were not provided with the projections of the Company.

5. The Valuer has assigned full weightage to the value derived underMarket Price method as equity shares of the Company are listed on BSE, NSE and DSE and have a quoted market price available with reasonable trade volume.

   For determining the market price the Valuer has considered the higher of the following:

   (a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the valuation date; **or**

   (b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the valuation date.

GALACTICO CORPORATE SERVICES LIMITED

Further as the trading volume on NSE was higher during the above mentioned period, the Valuer has considered the market prices quoted on NSE for two weeks and twenty six weeks preceding the valuation date, to arrive at the market price under the Market Approach.

6. Accordingly, the Valuer recommended the fair value per equity share of the Company to be **INR 1,089.90**.

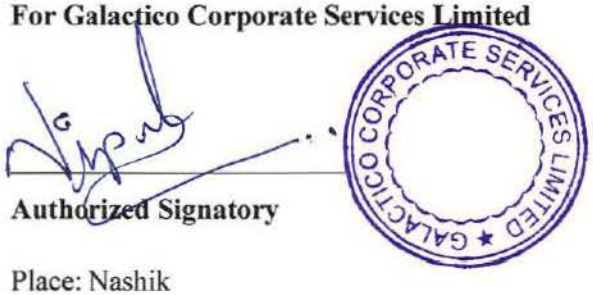


OPINION ON VALUER'S REPORT

The formation of an opinion is generally a complex process involving careful consideration and review of valuation methods, associated financial and other analysis performed by the valuer. We have made a qualitative assessment of the appropriateness of the method and subsequent application.

In light of the above, we believe that the value of per equity share of the Company as recommended by M/s N S Kumar & Co., Chartered Accountants dated July 15, 2020, for the proposed Scheme is fair.

For Galactico Corporate Services Limited



Authorized Signatory

Place: Nashik
Date: July 15, 2020