

October 23, 2024

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

BSE – 500495**NSE – ESCORTS**

Dear Sir/ Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Pursuant to Regulation 30 of SEBI Listing Regulations read with Paragraph A of Part A of Schedule III of SEBI Listing Regulations, we wish to inform you that the Board of Directors of Escorts Kubota Limited (“**Company**”) in its meeting held on October 23, 2024 has approved the sale/ transfer of its division engaged in the business of manufacturing, assembly, sales, servicing, research and development of railway equipment products including parts thereto (“**RED Business**”) as a going concern, on a ‘slump sale’ basis, as defined under Section 2(42C) of the Income-tax Act, 1961, for a lump sum cash consideration of INR 1,600 Crore (Indian Rupees One Thousand and Six Hundred Crores Only) without values being assigned to the individual assets and liabilities in such sale/ transfer, to Sona BLW Precision Forgings Limited (“**Sona Comstar/ Buyer**”).

The sale/ transfer of RED Business is subject to completion of conditions precedent and closing actions as specified in the business transfer agreement is being executed by and between the Company and the Buyer (“**BTA**”). The lumpsum cash consideration is subject to certain transaction adjustments as specified in the BTA.

Further, the details as required under Regulation 30 of SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, are enclosed herewith and marked as ‘**Annexure I**’.

The time and date of occurrence of an event is 16:12 P.M. (IST) on October 23, 2024.

The above intimation is also available on the website of the Company at <https://www.escortskubota.com>.

We request you to take the above information on record.

For **Escorts Kubota Limited**

Arvind Kumar
Company Secretary

Encl.: As above

Escorts Kubota Limited

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Corporate Identification Number L74899HR1944PLC039088

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S. No.	Particulars of Disclosure	Disclosure
(a)	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year.	<p>Turnover Details:</p> <ul style="list-style-type: none"> Turnover of the Company is INR 8,776.74 Crores (Indian Rupees Eight Thousand Seven Hundred Seventy Six Crores and Seventy Four Lakhs Only) for the year ended March 31, 2024. Turnover of RED Business is INR 950.41 crores (Indian Rupees Nine Hundred Fifty Crores and Forty One Lakhs Only) for the year ended March 31, 2024. Turnover of RED Business is 10.83% of the total turnover of the Company during the financial year 2023-2024. <p>Net Worth Details:</p> <ul style="list-style-type: none"> Net worth of the Company is INR 9,116.71 Crores (Indian Rupees Nine Thousand One Hundred Sixteen Crores and Seventy One Lakhs Only) as on March 31, 2024. Net worth of RED Business is INR 342.63 crores (Indian Rupees Three Hundred Forty Two Crores and Sixty Three Lakhs Only) as on March 31, 2024. Net worth of RED Business is 3.76% of the total net worth of the Company as on March 31, 2024.
(b)	Date on which the agreement for sale has been entered into.	The agreement is being executed on October 23, 2024.
(c)	The expected date of completion of sale/ disposal.	September 30, 2025, subject to completion of conditions precedent as specified in the BTA.
(d)	Consideration received from such sale/ disposal.	INR 1,600 Crore (Indian Rupees One Thousand and Six Hundred Crores Only) to be received, subject to certain transaction adjustments as specified in the BTA, on the closing date.
(e)	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/ group companies. If yes, details thereof.	<p>Name of the Buyer: Sona BLW Precision Forgings Limited (Sona Comstar) with corporate identification number L27300HR1995PLC083037.</p> <p>The Buyer does not belong to Promoter and/ or Promoter Group.</p>
(f)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".	No

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(g)	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of Listing Regulations.	Not applicable
(h)	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/ merger, shall be disclosed by the listed entity with respect to such slump sale.	As provided in S. No. (h)(i) to (h)(vi) below.
(h)(i)	Name of the entity(ies) forming part of the slump sale, details in brief such as, size, turnover etc.	<p>The Seller is Escorts Kubota Limited having turnover of INR 8,776.74 Crores (Indian Rupees Eight Thousand Seven Hundred Seventy Six Crores and Seventy Four Lakhs Only) for the year ended March 31, 2024 and net worth of INR 9,116.71 Crores (Indian Rupees Nine Thousand One Hundred Sixteen Crores and Seventy One Lakhs Only) as on March 31, 2024.</p> <p>The Buyer is Sona BLW Precision Forgings Limited (Sona Comstar) having consolidated turnover of INR 3,184.78 Crores (Indian Rupees Three Thousand One Hundred Eighty Four Crores and Seventy Eight Lakhs Only) for the year ended March 31, 2024 and consolidated net worth of INR 2,650.33 Crores (Indian Rupees Two Thousand Six Hundred Fifty Crores and Thirty Three Lakhs Only) as on March 31, 2024.</p>
(h)(ii)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”.	No, as mentioned in S. No. (f) above.
(h)(iii)	Area of business of the entity(ies).	<p>The Company currently engaged in, <i>inter alia</i>, the business of: (i) manufacturing, assembly, sales, trading, marketing, financing, servicing, research and development of agri-machinery products including parts (“Agri Machinery Business”); (ii) manufacturing, assembly, sales, marketing, financing, servicing, research and development of construction equipment products including parts (“Construction Equipment Business”); and (iii) manufacturing, assembly, sales, servicing, research and development of railway equipment products including parts.</p> <p>Business of Buyer: The Buyer is a public company listed on the National Stock Exchange of India Limited and BSE Limited and is engaged in, <i>inter alia</i>, the business of designing, manufacturing, and supplying systems and components for original equipment manufacturers for both electrified and non-electrified powertrain segments.</p>

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(h)(iv)	Rationale for slump sale.	<ul style="list-style-type: none"> • In line with our strategic focus on the Agri and Construction equipment sectors, EKL has decided to divest its Railway Equipment business. This strategic shift is aimed at simplifying operations, capital re-allocation leading to an increase in scale and efficiency of the core businesses. By aligning with the vision of the parent i.e. Kubota Corporation, EKL is positioning itself for sustainable growth and driving innovation in its core businesses. • RED is one of the railway component suppliers in India for the products like brakes, couplers, suspension systems, and friction and rubber products. RED has also a few new products in pipeline, which includes HVAC systems, electrical control panels, vacuum evacuation systems, and automatic plug doors. • The Railway Equipment Business Division aligns with the vision of Sona Comstar as they intend to expand into the broader mobility sector, and it will enhance their clean mobility product offerings by adding railway components business.
(h)(v)	In case of cash consideration – amount or otherwise share exchange ratio.	The cash consideration is INR 1,600 Crore (Indian Rupees One Thousand and Six Hundred Crores Only) subject to certain transaction adjustments on the closing date as specified in the BTA.
(h)(vi)	Brief details of change in shareholding pattern (if any) of listed entity.	Not applicable.