

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**

**Sub: Intimation of Press Release**

Dear Sir/ Ma'am,

Please find enclosed herewith the Press Release titled “Escorts Kubota Limited to Divests Railway Equipment Business Division”.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **Escorts Kubota Limited**

**Arvind Kumar**

**Company Secretary**

Encl.: As above

**Escorts Kubota Limited**

(Formerly Escorts Limited)

Registered Office - 15/5, Mathura Road, Faridabad - 121003, Haryana, India

Tel.: +91-129-2250222 | E-mail: corp.secretarial@escortskubota.com | Website: www.escortskubota.com

Corporate Identification Number L74899HR1944PLC039088

## **Escorts Kubota Limited to Divests Railway Equipment Business Division**

**Faridabad, October 23<sup>rd</sup>, 2024:** Escorts Kubota Limited (EKL) has entered into the Business Transfer Agreement with Sona BLW Precision Forgings Limited (Sona Comstar) for transferring the existing Railway Equipment Business Division (RED) as going concern, on slump sale basis, for a lumpsum cash consideration of INR 1,600 Crore (Indian Rupees One Thousand and Six Hundred Crores Only), subject to the terms of the Agreement.

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.

Commenting on the proposed Divestment of RED, **Mr. Nikhil Nanda, Chairman and Managing Director, Escorts Kubota Limited** said: With a renewed focus on core business divisions, EKL aims to maximize value for stakeholders and solidify its position as a leading player in the Agri and Construction Equipment Industry.

**Mr. Seiji Fukuoka, Deputy Managing Director, Escorts Kubota Limited** said: By concentrating on areas that align with the long-term strategic vision of Kubota Group, EKL is paving the way for sustainable growth and innovation in the Agri Machinery and Construction equipment evolving market landscape.

The divestment of RED is subject to customary closing conditions, including the receipt of necessary approvals and permissions.

Morgan Stanley India Company Private Limited is the exclusive financial advisor to Escorts Kubota Limited on this transaction. DMD Advocates is the company's Legal Advisor, while Transaction Square LLP is the financial and tax advisor.

### **About Escorts Kubota Limited:**

*"Escorts Kubota Limited (EKL) is one of India's leading engineering conglomerate with eight decades of experience in manufacturing excellence. Aligned to its purpose led existence of Spreading Prosperity & Impacting Lives, it has helped accelerate India's socio-economic development through its presence across the high growth sectors of agricultural mechanization, modernization of railway technology and transformation of Indian construction. The company has diversified business across various divisions, Agri Machinery Business Division, Construction Equipment Business Division & Railway Equipment Business Division. The company is committed to excellence in engineering, innovation in products, development of market-relevant technologies and the highest of cost efficiencies to create value for its customers and shareholders."*

*For further information, please contact:*

### **Bharat Madan**

Whole Time Director & Chief Financial Officer

### **Escorts Kubota Limited**

15/5, Mathura Road, Faridabad-121003, Haryana, India

Phone: +91 129 256 4838

E-mail: [bharat.madan@escortskubota.com](mailto:bharat.madan@escortskubota.com)

## **Escorts Kubota Limited**

### **Corporate Centre**

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

Tel.: +91-129-2250222 | E-mail: [investor.relation@escortskubota.com](mailto:investor.relation@escortskubota.com) | Website: [www.escortskubota.com](http://www.escortskubota.com)

Corporate Identification Number L74899HR1944PLC039088