



Escorts Kubota Limited

July 6, 2022

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

Dear Sir/ Madam,

Sub: Postal Ballot Notice

Please find enclosed herewith the Postal Ballot Notice dated July 6, 2022 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 Sections 108 and 110 and other applicable provisions, if any, of the Companies Act, 2013; Rules 20 and 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, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021 and General Circular No. 3/2022 dated May 5, 2022 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 the business, through KFin Technologies Limited through their portal <https://evoting.kfintech.com> to enable the members to cast their votes electronically.

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

The Calendar of Event for the proposed postal ballot process is enclosed for reference.

The above is for your kind information and records.

Thanking You,
Yours faithfully,
For **Escorts Kubota Limited**


Satyendra Chauhan
Company Secretary & Compliance Officer



Encl.: As Above

Note: The Equity Shares of the Company were listed on the Delhi Stock Exchange Limited (DSE). However, DSE has been de-recognised and allowed to exit as a stock exchange by SEBI by way of SEBI's Order No. WTM/ SR/ SEBI/ MRD-DSA/ 04/ 01/ 2017 dated 23 January 2017. For avoidance of doubt, the securities of the Company are not listed on DSE owing to DSE having been de-recognised by SEBI.

ESCORTS KUBOTA LIMITED
(Formerly Escorts Limited)

Registered Office: 15/5, Mathura Road, Faridabad 121 003, India
Tel.: +91-129-2250222

E-mail: escortsgroup@escorts.co.in Website: www.escortsgroup.com
Corporate Identification Number L74899HR1944PLC039088

Calendar of Events of Postal Ballot Process

Sr. No.	Particulars	Date
1.	Date on which consent is given by Scrutinizer	July 1, 2022
2.	Date of Board Resolution authorizing the person to be responsible for entire postal ballot process	July 4, 2022
3.	Date of appointment of Scrutinizer	July 4, 2022
4.	Cut-off Date for sending Postal Ballot Notice	July 1, 2022
5.	Date of completion of Postal Ballot Notice	July 6, 2022
6.	Date of publishing advertisement in newspapers	July 7, 2022
7.	Date of commencement of e-voting	July 7, 2022 (From 09:00 A.M.)
8.	Last date of e-voting	August 5, 2022 (Upto 05:00 P.M.)
9.	Date on which the resolution deemed to be passed	August 5, 2022
10.	Date of submission of report by Scrutinizer	On or before August 9, 2022
11.	Date of declaration of results by Chairman or person authorized by Chairman	On or before August 9, 2022



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Postal Ballot Notice

[Pursuant to Sections 108 and 110 of the Companies Act, 2013, read with Rules 20 and 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 Sections 108 and 110 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (“**Rules**”) (hereinafter cumulatively referred to as “**Act**”), 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, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021 and General Circular No. 3/2022 dated May 5, 2022 and any updates thereto issued by the Ministry of Corporate Affairs (“**MCA**”) (together referred as “**MCA Circulars**”) and secretarial standards on general meetings (“**SS-2**”), SEBI (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 Kubota Limited (formerly Escorts Limited) (“**Company**”) by way of Postal Ballot through voting by electronic means (“**E-voting**”). The proposed resolution as set out below, along with the Explanatory Statement 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 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 member’s 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 December 31, 2022, 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 e-mail addresses with the Company or depository/ depository participants and the communication of assent/ dissent of the members will only take place through the 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 E-voting facility provided by the Company as per the procedure mentioned in the Notes below under the section “Voting through Electronic Means” under this Postal Ballot Notice.

The Board of Directors of the Company vide its circular resolution passed on July 4, 2022 has appointed Mr. Jayant Gupta, Practicing Company Secretary (FCS Membership No. 7288 and Certificate of Practice No. 9738), as the Scrutinizer (“**Scrutinizer**”) for conducting the Postal Ballot, including E-voting process, in a fair and transparent manner. The Board of Directors of the Company vide its circular resolution passed on July 4, 2022 has, amongst others, appointed Mr. Bharat Madan, President Finance, Group Chief Financial Officer & Corporate Head and Mr. Satyendra Chauhan, Company Secretary & Compliance Officer of the Company to be severally responsible for the entire Postal Ballot process and to take all the steps and to do all the acts, deeds and things etc., as may be necessary or expedient in connection with or in relation to the Postal Ballot process.

Members holding equity shares of the Company as on July 1, 2022 (“**Cut-off Date**”) have the option of voting by E-voting process.

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 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. on July 7, 2022 and will remain open up to 5:00 p.m. on August 5, 2022.

For the purpose of E-voting, the Company has engaged the services of KFin Technologies Limited (“**KFin**”). Members requiring any clarifications on E-voting may contact Mr. Sankara Gokavarapu, Manager from KFin on toll-free number 1800 309 4001 or by e-mail at einward.ris@kfintech.com. Also, if any Member needs assistance with regards to using the technology, they can contact KFin Technologies Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, e-mail id - einward.ris@kfintech.com, Toll Free No.:1800 309 4001; Fax No. : +91 40 2300 1153 with attention to Mr. Sankara Gokavarapu.

After completion of scrutiny of the E-voting, the Scrutinizer will submit his report to the Chairman of the Company (“**Chairman**”) or to any other person authorized by the Chairman within the stipulated time for declaration of results. The results of Postal Ballot (including E-voting) shall be declared within 2 (two) working days from the end of voting i.e. on or before August 9, 2022, 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 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. August 5, 2022.

Resolution by means of Postal Ballot

1. Capital Reduction of 2,14,42,343 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 52, 66 and other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**) and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable rules made thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and any other applicable provisions of law, the Articles of Association of the Company, and subject to the confirmation of the Hon’ble National Company Law Tribunal (**“NCLT”**), and such other approvals/ observations as may be required, and subject to such terms and conditions, as may be prescribed by BSE Limited and National Stock Exchange of India Limited (**“Stock Exchanges”**), Securities and Exchange Board of India, and any other appropriate authority, while granting approval(s) or confirmation(s), 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 of selective capital reduction, 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 131,94,06,040/- (Indian Rupees One Hundred Thirty One Crores Ninety Four Lakhs Six Thousand and Forty) comprising of 13,19,40,604 (Thirteen Crores Nineteen Lakhs Forty Thousand Six Hundred Four) equity shares of INR 10/- (Indian Rupees Ten only) each to INR 110,49,82,610/- (Indian Rupees One Hundred and Ten Crores Forty Nine Lakhs Eighty Two Thousand Six Hundred and Ten) divided into 11,04,98,261 (Eleven Crores Four Lakhs Ninety Eight Thousand Two Hundred and Sixty One) equity shares of INR 10 (Indian Rupees Ten only) each by cancelling and extinguishing 2,14,42,343 (Two Crores Fourteen Lakhs Forty Two Thousand Three Hundred and Forty Three) 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 198,04,23,438 (Indian Rupees One Hundred and Ninety Eight Crore Four Lakh Twenty Three Thousand Four Hundred and Thirty Eight), 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 21,44,23,430 (Indian Rupees Twenty One Crore Forty Four Lakh Twenty Three Thousand Four Hundred and Thirty); and (ii) the securities premium account of the Company for INR 176,60,00,008 (Indian Rupees One Hundred and Seventy Six Crore Sixty Lakh and Eight), 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 above mentioned 2,14,42,343 (Two Crores Fourteen Lakhs Forty Two Thousand Three Hundred and Forty Three) 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 Kubota Limited**

**Sd/-
Satyendra Chauhan
Company Secretary & Compliance Officer**

**Place: Faridabad
Date: July 6, 2022**

Notes:

1. The businesses mentioned above require the consent of the members of the Company through Postal Ballot (including E-voting).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, stating all material facts and the reasons for the proposal, is annexed to this Postal Ballot 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 July 1, 2022 i.e. the Cut-off Date. The Notice is being sent to members in electronic form to the e-mail addresses registered with their Depository Participants (in case of electronic shareholding)/ the Company (in case of physical shareholding). Members whose e-mail addresses are not registered, shall register their e-mail 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/public/ballotform.aspx> 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. August 5, 2022).
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: **July 7, 2022** at 09:00 Hours (IST).
- (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: **August 5, 2022** 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. Sankara Gokavarapu, Manager, KFin Technologies Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Toll Free No.:1800 309 4001; Fax No. : +91 40 2300 1153; E-mail: inward.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 e-mail addresses with the Company/ Depository Participant(s):** In case a member receives an e-mail 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 e-mail).
 - 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, e-mail 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. 6712.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. July 1, 2022 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, you will not be allowed to modify your vote. During the voting period i.e. July 7, 2022 to August 5, 2022, members can login any number of times till they have voted on the resolution.
- 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, to the Scrutinizer at e-mail 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 Kubota Limited Event No."

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

The members who have not yet registered their e-mail address are requested to get their e-mail addresses registered by following the procedure given below:

Members holding shares in physical form:

Members holding shares in physical mode, who have not registered/ updated their E-mail addresses with the RTA, are requested to register/ update the same by clicking on <http://ris.kfintech.com/clientservices/mobilereg/mobileE-mailreg.aspx> or by submitting the Form ISR-1 and other relevant forms available on Company's website at <https://www.escortsgroup.com/investors/usefullinks/forms.html> with details of folio number.

Members holding shares in electronic mode:

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

After due verification, KFIN will forward your login credentials to your registered e-mail address.

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

11. Members can also temporarily update their e-mail address and mobile number with KFIN, by complying with the procedure given below:
 - (i) Visit the link <https://ris.kfintech.com/clientservices/mobilereg/mobilee-mailreg.aspx>
 - (ii) Select the company name: Escorts Kubota Limited
 - (iii) Enter DPID Client ID (in case shares are held in electronic form)/ Physical Folio No. (in case shares are held in physical form) and Permanent Account Number (PAN).
 - (iv) In case shares are held in physical form, if PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
 - (v) Enter the e-mail address and mobile number.
 - (vi) System will check the authenticity of the DPID Client ID/ Physical Folio No. and PAN/ Certificate No., as the case may be and send the OTPs to the said mobile number and e-mail address, for validation.
 - (vii) Enter the OTPs received by SMS and E-mail to complete the validation process. (Please note that the OTPs will be valid for 5 minutes only).
 - (viii) In case the shares are held in physical form and PAN is not available, the system will prompt you to upload the self-attested copy of your PAN.
 - (ix) System will confirm the E-mail address for the limited purpose of serving the Notice of the Postal Ballot and the E-voting instructions along with the User ID and Password.

Alternatively, Members may send an e-mail request to einward.ris@kfintech.com along with the scanned copy of their request letter duly signed by the 1st shareholder, providing the e-mail address, mobile number, self- attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to

enable KFIN to temporarily register their e-mail address and mobile number so as to enable the Company to issue the Notice of the Postal Ballot and the E-voting instructions along with the User ID and Password, through electronic mode.

However, Members holding shares in electronic form, will have to once again register their E-mail address and mobile number with their DPs, to permanently update the said information.

In case of any queries, in this regard, Members are requested to write to einward.ris@kfintech.com or evoting@kfintech.com or contact KFIN at toll free number: 1800 3094 001.

12. Information and Instructions for E-voting by Individual Shareholders holding shares of the Company in Demat Mode:

As per the SEBI circular dated December 9, 2020 on E-voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail id in their demat accounts in order to access E-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

NSDL		CDSL	
1.	User already registered for IDeAS facility	1.	Existing user who have opted for Easi/ Easiest
I.	Type in the browser/ click on the following URL: https://eservices.nsd.com	I.	Type in the browser/ click on the following URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com
II.	Click on the “Beneficial Owner” icon under ‘IDeAS’ section.	II.	Click on New System Myeasi
III.	On the new page, enter User ID and Password. Post successful authentication, click on “Access to E-voting”	III.	Login with user id and password.
IV.	Click on company name or E-voting service provider and you will be re-directed to E-voting service provider website for casting the vote during the E-voting period.	IV.	Option will be made available to reach E-voting page without any further authentication.
		V.	Click on E-voting service provider name to cast your vote.
2.	User not registered for IDeAS e-Services	2.	User not registered for Easi/Easiest
I.	To register, type in browser/ click on link: https://eservices.nsd.com	I.	To register, type in browser/ click on link: https://web.cdslindia.com/myeasi/Registration/EasiRegistration
II.	Select “Register Online for IDeAS”	II.	Proceed with completing the required fields.
III.	Proceed with completing the required fields.	III.	After registration, please follow steps given above to cast your vote.
IV.	After registration, please follow steps given above to cast your vote.		
3.	By visiting the E-voting website of NSDL	3.	By visiting the E-voting website of CDSL
I.	Type in the browser/ click on the following URL: https://www.evoting.nsd.com	I.	Type in the browser/ click on the following URL: www.cdslindia.com
II.	Click on the icon “Login” which is available under ‘Shareholder/ Member’ section.	II.	Provide Demat Account Number and PAN
III.	On the login page, enter User ID (i.e. 16-digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen.	III.	System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account.
IV.	Post successful authentication, you will be redirected to NSDL Depository site wherein you can see E-voting page.	IV.	After successful authentication, user will be provided links for the respective E-voting service provider where the e-Voting is in progress.
V.	Click on company name or E-voting service provider name and you will be redirected to E-voting service provider website for casting your vote during the E-voting period.		

Individual Shareholders (holding securities in demat mode) login through their demat accounts/ website of depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for E-voting facility. Once login, you will be able to see E-voting option. Click on E-voting option and you will be redirected to NSDL/ CDSL Depository site after successful authentication. Click on company name or E-voting service provider name and you will be redirected to E-voting service provider website for casting your vote during the E-voting period.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password options available on the websites of Depositories/ Depository Participants.

Members facing any technical issue – NSDL	Members facing any technical issue – CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

13. 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/public/Downloads.aspx> (KFin Website) or contact Mr. Sankara Gokavarapu, Manager (Unit: Escorts Kubota Limited), KFin Technologies Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Toll Free No.:1800 309 4001; Fax No. : +91 40 2300 1153; E-mail: einward.ris@kfintech.com for any further clarifications
14. E-voting period commences on Thursday, July 7, 2022 (9:00 am IST) and ends on Friday, August 5, 2022 (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. July 1, 2022, may cast their vote by E-voting only. The E-voting module shall be disabled by KFin for voting thereafter i.e., after 5:00 p.m. IST on August 5, 2022.
15. 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 E-voting.
16. 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. July 1, 2022. A person who is not a member as on the cut-off date is requested to treat this Notice for information purpose only.
17. Members who do not have the User ID and Password for E-voting or have forgotten the User ID and Password may retrieve the same by following the E-voting instructions mentioned elsewhere in the Notice. Further, members can also use the OTP based login for logging into the E-voting system.
18. Mr. Jayant Gupta, Practicing Company Secretary has been appointed as Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
19. The Scrutinizer shall within stipulated time 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.
20. The result of the Postal Ballot will be announced on or before Tuesday i.e. August 9, 2022 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 KFin's website <https://evoting.kfintech.com> and shall also be communicated to the stock exchanges where the shares of the Company are listed.
21. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.
22. 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).
23. All documents referred to in the Notice will be kept open for inspection at the Registered Office of the Company between 10:00 a.m. and 1:00 p.m. on all working days between Monday to Friday of every week, up to the last date specified by the company for E-voting.

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 July 6, 2022.

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 the 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, Escotracc 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.

Subsequently, by way of an order dated December 23, 2021, the NCLT (as defined hereinafter), approved the cancellation of 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 ("**First Capital Reduction**"). The First Capital Reduction was made effective by the Company on December 27, 2021.

As on the date of the approval of scheme of capital reduction by the Board of Directors, EBWT holds 2,14,42,343 (Two Crore Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty-Three) equity shares of the Company through its trustee, namely, Dr. Sutanu Behuria, amounting to 16.25% (Sixteen Point Twenty Five percent) of the total issued and paid-up share capital of the Company ("**Trust Shares**").

The Board of Directors, in its meeting held on November 18, 2021, inter alia, provided an approval to consider and evaluate the feasibility of reduction of the share capital of the Company by cancelling and extinguishing 2,14,42,343 (Two Crore Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty-Three) equity shares of the Company held by EBWT, without payment of any consideration to EBWT.

The Company had issued and allotted 93,63,726 (Ninety -Three Lakhs Sixty -Three Thousand Seven Hundred Twenty-Six) equity shares of INR 10 (Indian Rupees Ten) each to Kubota, by way of preferential issuance, on February 18, 2022. The said preferential issue and allotment was approved by the Board of Directors keeping in view the future outlook of the Company, its growth targets and prospects, and additional funding requirements. Following this, the Company is adequately capitalized as of now for workings towards achieving its business objectives.

Amongst others, the objectives of EBWT, which holds equity shares of the Company, were: (i) to hold the trust funds exclusively for the benefit of the beneficiary (i.e., the Company) and sell the shares in accordance with the provisions of the trust deed dated February 14, 2012 read with amended trust deed dated March 20, 2020 and amended trust deed dated May 13, 2020 ("**EBWT Trust Deed**") and the applicable provisions of the Act; (ii) forthwith remit the proceeds to the Company; and (iii) undertake such other incidental and ancillary activities in a manner as provided for under the EBWT Trust Deed. Over a period of time, EBWT, acting through its trustees and in accordance with the EBWT Trust deed, has sold certain shares and later consented to the First Capital Reduction, which was implemented by the Company.

Taking cognizance of the above and in furtherance to infusion of additional funds by Kubota in the Company, the Board of Directors in its considered opinion believes that the purpose for which the equity shares of the Company were held by EBWT has been duly served. In light of this, the Board of Directors in its meeting held on February 18, 2022 has approved the cancellation of 2,14,42,343 (Two Crore Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty-Three) equity shares of INR 10 (Indian Rupees Ten) each of the Company held by EBWT, without payment of any consideration to EBWT.

The proposed reduction of the 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. Further, the proposed capital reduction shall result in an increase in proportionate shareholding of other shareholders of the Company, including public shareholders.

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		Post Capital reduction in terms of this Scheme	
	Number of Equity shares	Amount (INR)	Number of Equity shares	Amount (INR)
Authorized equity share capital	40,10,00,000	401,00,00,000	40,10,00,000	401,00,00,000
Authorized Unclassified Share Capital	88,80,00,000	888,00,00,000	88,80,00,000	888,00,00,000
Paid-up equity share capital	13,19,40,604	131,94,06,040	11,04,98,261	110,49,82,610

(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	9,61,82,406	72.90	7,47,40,063	67.64
Public	3,33,87,002	25.30	3,33,87,002	30.21
Non Promoter Non Public	23,71,196	1.80	23,71,196	2.15
Total	13,19,40,604	100	11,04,98,261	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.

There are no material ongoing adjudication & recovery proceedings, prosecution initiated, and any enforcement action taken against the Company. Further to the knowledge of the Company, there are no ongoing adjudication & recovery proceedings, prosecution initiated, and any enforcement action taken against its promoters and directors.

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 February 18, 2022, 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 June 29, 2022 ("**Observation Letters**") 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.

Pursuant to the SEBI Circular, the Company has filed the complaints report with BSE and NSE on April 19, 2022, which is 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 Fedex Securities Pvt. Ltd, 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/capital-reduction-scheme/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 Kubota Limited**

**Sd/-
Satyendra Chauhan
Company Secretary & Compliance Officer**

**Place: Faridabad
Date: July 6, 2022**

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 (as defined hereinafter) is presented under the provisions of Section 66 read with Section 52 and other relevant provisions of the Act (as defined hereinafter) read with Rules (as defined hereinafter) for the selective reduction of equity share capital of the Company as specified in this Scheme.

B. BACKGROUND AND RATIONALE TO THE 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 the 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 Lakhs 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.
- (d) Subsequently, by way of an order dated December 23, 2021, the NCLT (*as defined hereinafter*), approved the cancellation of 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 ("**First Capital Reduction**"). The First Capital Reduction was made effective by the Company on December 27, 2021.
- (e) As on the date of the approval of this Scheme by the Board of Directors (*as defined hereinafter*) EBWT holds 2,14,42,343 (Two Crore Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty-Three) equity shares of the Company through its trustee, namely, Dr. Sutanu Behuria, amounting to 16.25% (Sixteen Point Twenty Five percent) of the total issued and paid-up share capital of the Company ("**Trust Shares**").
- (f) The Board of Directors, in its meeting held on November 18, 2021, *inter alia*, provided an approval to consider and evaluate the feasibility of reduction of the share capital of the Company by cancelling and extinguishing 2,14,42,343 (Two Crore Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty-Three) equity shares of the Company held by EBWT, without payment of any consideration to EBWT.
- (g) The Company has issued and allotted 93,63,726 (Ninety -Three Lakhs Sixty -Three Thousand Seven Hundred Twenty-Six) equity shares of INR 10 (Indian Rupees Ten) each to Kubota, by way of preferential issuance, on February 18, 2022.
- (h) The abovementioned preferential issue and allotment was approved by the Board of Directors keeping in view the future outlook of the Company, its growth targets and prospects, and additional funding requirements. Following this, the Company is adequately capitalized as of now for workings towards achieving its business objectives.
- (i) Amongst others, the objectives of EBWT, which holds equity shares of the Company, were: (i) to hold the trust funds exclusively for the benefit of the beneficiary (i.e., the Company) and sell the shares in accordance with the provisions of the trust deed dated February 14, 2012 read with amended trust deed dated March 20, 2020 and amended trust deed dated May 13, 2020 ("**EBWT Trust Deed**") and the applicable provisions of the Act; (ii) forthwith remit the proceeds to the Company; and (iii) undertake such other incidental and ancillary activities in a manner as provided for under the EBWT Trust Deed. Over a period of time, EBWT, acting through its trustees and in accordance with the EBWT Trust deed, has sold certain shares and later consented to the First Capital Reduction, which was implemented by the Company.
- (j) Taking cognizance of the above and in furtherance to infusion of additional funds by Kubota in the Company, the Board of Directors in its considered opinion believes that the purpose for which the equity shares of the Company were held by EBWT has been duly served. In light of this, the Board of Directors in its meeting held on February 18, 2022 has now approved the cancellation of 2,14,42,343 (Two Crore Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty-Three) equity shares of INR 10 (Indian Rupees Ten) each of the Company held by EBWT, without payment of any consideration to EBWT.
- (k) The proposed reduction of the 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. Further, the proposed capital reduction shall result in an increase in proportionate shareholding of other shareholders of the Company, including public shareholders.

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

DEFINITIONS AND DETAILS OF THE COMPANY

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 2,14,42,343 (Two Crore Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty-Three) fully paid-up equity shares of face value INR 10 (Indian Rupees Ten) each of the Company held by EBWT, without payment of any consideration to 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 pursuant to the EBWT Trust Deed;
- (f) **“EBWT Trust Deed”** shall have the meaning ascribed to such term in Paragraph B (i);
- (g) **“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;
- (h) **“Ind AS”** means the Indian Accounting Standards prescribed under Section 133 of the Act;
- (i) **“Kubota”** 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;
- (j) **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- (k) **“RoC”** means the Registrar of Companies, National Capital Territory of Delhi and Haryana;
- (l) **“Rules”** means National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, as amended from time to time;
- (m) **“SEBI Circular”** means the SEBI Circular CFD/DIL3/CIR/201721 dated March 10, 2017, as amended from time to time, read with the SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-Rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;
- (n) **“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;
- (o) **“SEBI”** means the Securities and Exchange Board of India;
- (p) **“Stock Exchanges”** means the stock exchanges where the equity shares of the Company are listed and are admitted to trading, viz, BSE Limited and the National Stock Exchange of India Limited; and
- (q) **“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 and 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 the 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 by the 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 Tribunal.

- (c) The corporate identity number of the Company is L74899HR1944PLC039088.
- (d) The shares of the Company are currently listed on 2 (two) stock exchanges - the BSE Limited and the National Stock Exchange of India Limited. The shares of the Company were listed on the Delhi Stock Exchange Limited ("DSE"). However, DSE has been de-recognized and allowed to exit as a stock exchange by SEBI by way of SEBI's Order No. WTM/SR/SEBI/MRD-DSA/04/01/2017 dated January 23, 2017. For the avoidance of doubt, the securities of the Company are currently not listed on DSE owing to DSE having been de-recognized by SEBI.
- (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 Sections 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, 2021, is as under:

Share Capital	Amount (INR)
Authorized Share Capital	
401,000,000 equity shares of INR 10 each	401,00,00,000
888,000,000 unclassified shares of INR 10 each	888,00,00,000
Total	1289,00,00,000
Issued, Subscribed and Paid-up Share Capital	
134,834,566 equity shares of INR 10 each	134,83,45,660
Total	134,83,45,660

Subsequent to March 31, 2021, the NCLT, by way of an order dated December 23, 2021, approved the cancellation of 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. This First Capital Reduction was made effective by the Company on December 27, 2021. Further, the Company has also issued and allotted 93,63,726 (Ninety Three Lakhs Sixty Three Thousand Seven

Hundred Twenty Six) equity shares of INR 10 (Indian Rupees Ten) each by way of preferential issuance to Kubota on February 18, 2022. Therefore, the issued, subscribed and paid-up share capital of the Company as on the date of filing of this Scheme is INR 131,94,06,040 (Indian Rupees One Hundred Thirty One Crores Ninety Four Lakhs Six Thousand and Forty) comprising of 13,19,40,604 (Thirteen Crores Nineteen Lakhs Forty Thousand Six Hundred Four) equity shares of INR 10 (Indian Rupees Ten) each.

The revised share capital structure of the Company, post the First Capital Reduction and preferential allotment is as under:

Share Capital	Amount (INR)
<i>Authorized Share Capital</i>	
401,000,000 equity shares of INR 10 each	401,00,00,000
888,000,000 unclassified shares of INR 10 each	888,00,00,000
Total	1289,00,00,000
<i>Issued, Subscribed and Paid-up Share Capital</i>	
131,940,604 equity shares of INR 10 each	131,94,06,040
Total	131,94,06,040

2.5 Financials

The key aspects with respect to the financial performance of the Company for the financial year ended March 31, 2021, and period ended September 30, 2021, are as summarized below:

Particulars	Financial Year ended March 31, 2021 (Amount in INR Crores)	Period ended September 30, 2021 (Amount in INR Crores)
Total Current Assets	4,563.14	4,839.32
Total Current Liability	1,656.00	1,656.86
Profit/ (Loss)	874.06	361.92

3. PROMOTERS AND DIRECTORS

3.1. The names of the promoters of the Company as on December 31, 2021, along with their addresses are set forth below:

S. No.	Name	Promoter	Address
1.	Nikhil Nanda	Promoter	Nirvana, C-26, Asola Village, Fatehpur Beri, New Delhi - 110074
2.	Nitasha Nanda	Promoter Group	2, Friends Colony (West) South Delhi New Delhi 110065
3.	Shweta Nanda	Promoter Group	Nirvana, C-26, Asola Village, Fatehpur Beri, New Delhi - 110074
4.	Navya Naveli Nanda	Promoter Group	Nirvana, C-26, Asola Village, Fatehpur Beri, New Delhi - 110074
5.	Agastya Nanda	Promoter Group	Nirvana, C-26, Asola Village, Fatehpur Beri, New Delhi - 110074
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	Plot No. 19, Industrial Area, Phase 2, Chandigarh - 160002
10.	Har Parshad and Company Private Limited	Promoter Group	202 I Floor Okhla Industrial Estate Phase-III New Delhi 110020
11.	Sietz Technologies India Private Limited	Promoter Group	202 I Floor Okhla Industrial Estate Phase-III New Delhi 110020
12.	Niky Tasha Communications Private Limited	Promoter Group	202 Okhla Industrial Estate Phase-III New Delhi 110020
13.	Niky Tasha Energies (P) Limited	Promoter Group	202 I Floor Okhla Industrial Estate Phase-III New Delhi 110020
14.	Charak Ayurvedic Treatments Private Limited	Promoter Group	202 I 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

Upon the effectiveness of the Shareholders Agreement dated November 18, 2021, entered into between the Company, Kubota, EBWT and certain specified promoters of the Company (“SHA”), Kubota will acquire control over the Company to become a joint promoter along with the existing promoters of the Company in accordance with the terms contained therein.

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	Address
1.	Nikhil Nanda	Chairman and Managing Director	Nirvana, C-26, Asola Village, Fatehpur Beri, New Delhi - 110074
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	CM519B, The Camellias, DLF Golf Links, Gurgaon, 122009
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	29-A, Friends Colony West, New Delhi 110065
9.	Tanya Dubash	Director	Hasman Bungalow, 89B Bhulabhai Desai Road, Mumbai 400026
10.	Harish Narender Salve	Director	Flat 19, Park Towers, 2 Brick Street, London W1J 7DD, UK
11.	Dai Watanabe	Director	2-15-15, Midorigaoko, Osaka Prefecture, Toyonaka – 5600002, Japan
12.	Yuji Tomiyama	Director	1040-1-706, Nakaku Fukuda, Sakai City, Osaka 599-8241, Japan

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, are mentioned in Part B of the introduction of this Scheme (Selective Reduction of Share Capital of the Company).

PART B

SELECTIVE REDUCTION OF SHARE CAPITAL OF THE COMPANY

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, the issued, subscribed and paid-up equity share capital of the Company shall be reduced by INR 21,44,23,430 (Indian Rupees Twenty-One Crores Forty-Four Lakhs Twenty-Three Thousand Four Hundred Thirty) comprising of 2,14,42,343 (Two Crores Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty-Three) 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, 2,14,42,343 (Two Crores Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty Three) fully paid-up equity shares of the Company of INR 10 (Indian Rupees Ten) each of the Company held by EBWT shall be cancelled and extinguished and consequently, the paid-up equity share capital of the Company as on the Effective Date shall become INR 110,49,82,610 (Indian Rupees One Hundred and Ten Crores Forty -Nine Lakhs Eighty Two Thousand Six Hundred and Ten) divided into 11,04,98,261 (Eleven Crores Four Lakhs Ninety-Eight Thousand Two Hundred and Sixty-One) equity shares of INR 10 (Indian Rupees Ten) each. Further, upon the Scheme becoming effective, the Company shall ensure compliance with applicable provisions of the Listing Regulations, including Regulation 31A of the Listing Regulations in relation to the de-classification of EBWT as a part of the Promoter Group of the Company.

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		Post Capital reduction in terms of this Scheme	
	Number of Equity shares	Amount (INR)	Number of Equity shares	Amount (INR)
Authorized equity share capital	40,10,00,000	401,00,00,000	40,10,00,000	401,00,00,000
Authorized Unclassified Share Capital	88,80,00,000	888,00,00,000	88,80,00,000	888,00,00,000
Paid-up equity share capital	13,19,40,604	131,94,06,040	11,04,98,261	110,49,82,610

6.3 The Capital Reduction and the consequent cancellation of the equity share capital as hereinabove and the securities premium of the Company, 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 thereunder 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 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.

6.7 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.

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

6.9 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 issuance of shares. Consequently, the order of NCLT approving the Scheme will not attract any stamp duty.

6.10 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, participating in any rights 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 with the Securities and Exchange Board of India Act, 1992, Listing Regulations and SEBI Circular. Upon the Scheme becoming effective, the Company shall ensure compliance with applicable provisions of the Listing Regulations, including Regulation 31A of the Listing Regulations in relation to the de-classification of EBWT as a part of the Promoter Group of the Company.

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

Upon the Scheme becoming effective, investment, aggregating to the value of investment representing 2,14,42,343 (Two Crores Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty Three) equity shares of the Company recorded as a non-current investment in the books of the Company as 'Sole beneficiary interest in Escorts Benefit and Welfare Trust' i.e., INR 198,04,23,438 (Indian Rupees One Hundred and Ninety Eight Crore Four Lakh Twenty Three Thousand Four Hundred and Thirty Eight) shall be cancelled, with corresponding adjustments by way of debit to: (i) the outstanding paid-up equity share capital for INR 21,44,23,430 (Indian Rupees Twenty One Crore Forty Four Lakh Twenty Three Thousand Four Hundred and Thirty); and (ii) the securities premium account of the Company for INR 176,60,00,008 (Indian Rupees One Hundred and Seventy Six Crore Sixty Lakh and Eight), 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 110,49,82,610 (Indian Rupees One Hundred and Ten Crores Forty Nine Lakhs Eighty Two Thousand Six Hundred and Ten) divided into 11,04,98,261 (Eleven Crores Four Lakhs Ninety Eight Thousand Two Hundred and Sixty One) each reduced from INR 131,94,06,040 (Indian Rupees One Hundred Thirty One Crores Ninety Four Lakhs Six Thousand and Forty) comprising of 13,19,40,604 (Thirteen Crores Nineteen Lakhs Forty Thousand Six Hundred Four) 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 The Company will be at liberty to apply to the NCLT from time to time for necessary directions in matters relating to this Scheme or any terms 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 the 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 15 above not being obtained and / or the Capital Reduction not being sanctioned by the 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 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 an 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. MISCELLANEOUS

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 SEBI in terms of the SEBI Circular shall be BSE Limited.



DCS/AMAL/TL/IP/2394/2022-23

“E-Letter”

June 29, 2022

The Company Secretary,
Escorts Kubota Ltd
 15/5, Mathura Road, Faridabad, Haryana, 121003

Dear Sir,

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

We are in receipt of the draft Scheme for Reduction of Share Capital filed by **Escorts Kubota Ltd** as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated June 28, 2022, has inter alia given the following comment(s) on the draft scheme of Capital Reduction:

- a) “Company shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon’ble NCLT and Shareholders, while seeking approval of the scheme.”
- b) “Company shall ensure that additional information and undertakings, 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.”
- c) “Company shall ensure the compliance with the SEBI Circulars issued from time to time.”
- d) “The entities involved in the scheme shall duly comply with various provisions of the Circular.”
- e) “Company is advised that the information pertaining to all the Unlisted Companies involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.”
- f) “Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.”
- g) “Company is advised that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.”
- h) “Company is advised that the proposed Equity Shares to be issued in terms of the ‘Scheme’ shall mandatorily be in demat form only.”
- i) “Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.”
- j) “Company to ensure that no changes to the draft Scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Floor 15, P. J. Towers, Colaba District, Mumbai 400 006, India.
 T: +91 22 2352 1030 | E: info@bseindia.com | www.bseindia.com
 Corporate Identity Number: U67290MH40025PL102800

- k) “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon’ble NCLT and the Company obliged to bring the observations to the notice of Hon’ble NCLT.”
- l) “Company is advised to comply with the all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.”
- m) “It is to be noted that the petitions are filed by the Company before Hon’ble 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:

- i. To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- ii. To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- iii. 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/-

**Prasad Bhide
Manager**



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
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Corporate Identity Number: U67200MH2005PL152812



National Stock Exchange Of India Limited

Ref: NSE/LIST/30324_II

June 29, 2022

The Company Secretary
Escorts Kubota Limited*
15/5, Mathura Road,
Faridabad-121 003

Kind Attn.: Mr. Satyendra Chauhan

Dear Sir,

Sub: Observation Letter for draft scheme of reduction of share capital between Escorts Kubota Limited* and its shareholders.

We are in receipt of draft scheme of reduction of share capital between Escorts Kubota Limited* and its shareholders vide application dated March 10, 2022.

Based on our letter no. NSE/LIST/30324 dated May 30, 2022, submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 and Regulation 94(2) SEBI (LODR) Regulations, 2015, kindly find following comments on the draft scheme:

- a. *The Company shall ensure that it discloses all the details of ongoing adjudication and recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme.*
- b. *The Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the website of the listed Company.*
- c. *The Companies involved in the scheme shall duly comply with various provisions of the Circular.*
- d. *The Company is advised that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- e. *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

This Document is Digitally Signed

f. The Company is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.

g. The Company is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.

h. The Company is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.

i. No changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.

j. The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.

k. The Company is advised to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.

l. 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 Exchanges. 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.

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 June 29, 2022 within which the scheme shall be submitted to NCLT.

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Signer: DIPTI VIPIL CHINCHHEDE
Date: Wed, Jun 29, 2022 18:54:56 IST
Location: NSE

*The name of the Company has changed from “Escorts Limited” to “Escorts Kubota Limited” which is effective from June 29, 2022.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Dipti Chinchkhede
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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Signer: DIPTI VIPIL CHINCHKHEDE
Date: Wed, Jun 29, 2022 18:54:56 IST
Location: NSE



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SEBI REGN. NO. INM 000010163

Strictly Private & Confidential

Dated: February 18, 2022

**The Board of Directors/ Members of the Audit Committee,
Escorts Limited**

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

Dear Members of the Board,

Reg: Fairness Opinion on the valuation report issued by the CA Niranjan Kumar, Registered Valuer dated February 18, 2022 in connection with the proposed scheme of reduction of capital by Escorts Limited under Section 66 read with Section 52 of the Companies Act, 2013.

We refer to the request made by the management of Escorts Limited [CIN: L74899HR1944PLC039088] (hereinafter referred to as "**EL**" or "the **Company**") for the purpose of arriving at a fairness opinion on the valuation report dated February 18, 2022 ("**Valuation Report**") issued by CA Niranjan Kumar, Registered Valuer- Securities or Financial Assets (the "**Valuer**") for the proposed reduction of share capital by way of cancellation of equity shares held by Escorts Benefit and Welfare Trust ("**EBWT**") as per the regulation of Securities and Exchange Board of India ("**SEBI**") and under the provisions of Companies Act, 2013 or any statutory modification, re-enactment or amendment thereof for the time being in force ("**Act**") read with National Company Law Tribunal (Procedure for the Reduction of Share Capital of Company) Rule,



2016 in respect of the proposed reduction of the share capital of the Company pursuant to a scheme for reduction of share capital ("**Proposed Scheme/Scheme**"). The Scheme provides for the reduction of the share capital of EL.

With reference to the above, Fedex Securities Private Limited ("**Fedex**") has been appointed as Merchant Bankers by the management of the Company to provide a Fairness Opinion on the valuation report issued by the Valuer pursuant to the Proposed Scheme of capital reduction for cancellation of shares held by EBWT in EL.

Company Background and Purpose

The Company is a public company, which was incorporated on October 17, 1944, under the erstwhile provisions of the Companies Act, 1913, under the name 'Escorts (Agents) Limited'. The registered office of the Company is currently situated at 15/5, Mathura Road, Faridabad – 121003 in the State of Haryana.

EL 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. The equity shares of the Company are listed and traded on National Stock Exchange of India Limited and BSE Limited.

The Valuer has been appointed to determine the fair value of the equity shares of EL as at report date and recommend on the proposed reduction of share capital by way of cancellation of equity shares held by EBWT in EL. In this connection, the management of EL has requested us to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the valuation ("**Fairness Opinion**") as per the requirement of SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("**SEBI Circular**"), as modified.

All terms not specifically defined in this Fairness Opinion shall carry the same meaning as in the Proposed Scheme.



Brief Background of the Proposed Scheme

We understand that EBWT was settled on February 14, 2012, in terms of the Scheme of Arrangement and Amalgamation of Escorts Construction Equipment Limited (“ECEL”), Escorts Finance Investments and Leasing Private Limited, Escotrac Finance and Investments Private Limited with 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 the Company and its successors in interest. In terms of the EBWT Scheme, 3,73,00,031 (Three Crores Seventy-Three Lakhs 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. Over a period of time, EBWT, acting through its trustees and in accordance with the EBWT Trust deed, has sold certain shares and later consented to the First Capital Reduction (defined hereinafter), which was implemented by the Company.

We understand that Hon’ble National Company Law Tribunal approved the cancellation of 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 (**‘First Capital Reduction’**), by way of an order dated December 23, 2021.

As on date, EBWT holds 2,14,42,343 (Two Crores Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty-Three) equity shares of EL.

The Management of EL is considering a proposal of capital reduction of 2,14,42,343 (Two Crores Fourteen Lakhs Forty-Two Thousand Three Hundred and Forty-Three) equity shares of the Company held by EBWT in EL for NIL consideration in accordance with the provisions of Section 66 read with Section 52 of the Act read with National Company Law Tribunal (Procedure for the Reduction of Share Capital of Company) Rule, 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 SEBI Circular and the rules framed therein with respect to the reduction of share capital and in a manner provided in the Proposed Scheme.



Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Valuation Report issued by the Valuer;
2. Audited financial statements of EL for the year ended March 31, 2021 and limited reviewed financial statement for the 6 (six) and 9 (nine) month period ended September 30, 2021 and December 31, 2021;
3. Latest shareholding pattern of EL, as duly certified;
4. Draft Scheme (as duly certified by the management of EL);
5. Other relevant details of EL, such as its history, past and present activities, future plans and prospects, and other relevant information; and
6. Such other information and explanations as required and which have been provided by the management of EL.

Limitation of Scope and Review

Our Opinion and analysis are limited to the extent of review of documents as provided to us by the Company, including the Valuation Report and the draft Scheme. The Company has been provided with the opportunity to review the Valuation Report as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final opinion.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion. We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We have not assumed any obligation to conduct, nor have conducted any physical inspection or title verification of the properties or facilities of the Company and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Company, nor do we technically qualify to value immovable assets. We have, however, been furnished with the Valuation Report obtained by the Company. We have not received any internal management information statement or any non-public report, and instead, with your consent, have relied upon information that was publicly available or provided or



otherwise made available to us by the Company for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims or any tax implication connected with the Proposed Scheme, and accordingly, we have not evaluated any litigation or other actual or threatened claims. In addition, we have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Company, other than those disclosed in the information provided or considered in the Proposed Scheme.

We understand that the management of the Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and, on the information, made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorised to solicit, and did not solicit, interest from any party with respect to the Proposed Scheme involving the Company or any of its assets, nor did we negotiate with any other party in this regard. We express no opinion whatever and make no recommendation at all as to Company's underlying decision to affect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility for or as to the price at which the equity shares of the Company will trade following the announcement of the Proposed Scheme or as to the financial performance of the Company following the consummation of the Proposed Scheme.

Fedex and/or our affiliates in the past may have provided, and may currently or in the future provide, investment banking, commercial banking and other financial services to the Company and /or their

A circular stamp of Fedex Securities Pvt. Ltd. Mumbai is visible, along with a handwritten signature in blue ink that appears to read "Nashok".

affiliates unrelated to the Proposed Scheme. We may have received or in the future may receive compensation for the rendering of the aforementioned services. In the ordinary course of our business, we and our affiliates may invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in debt, equity or other securities or financial instruments (including derivatives or other obligations) of the Company and/or their respective affiliates, holding companies and group companies.

Fedex will receive a fee in connection with the delivery of this Fairness Opinion. The fee is not contingent upon the nature of the opinion provided to the Company. The fee for our service is not subject to the outcome of the Proposed Scheme. In addition, the Company has agreed to reimburse certain of our expenses and to indemnify us against liabilities arising out of our engagement. This Fairness Opinion is subject to the laws of India.

In no circumstances shall the liability of Fedex, its directors or employees related to the service provided in connection with this opinion, exceed the amount paid to Fedex as fees for this Fairness Opinion.

Distribution of this Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of EL/members of the Audit Committee of EL (in its capacity as such) solely for the purpose of providing them with an independent opinion on the fairness of the valuation as determined by the Valuer and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the petition for the Proposed Scheme and such other regulatory authorities under SEBI Circular and /or Act. The Fairness Opinion shall not be disclosed or referred to publicly or to any third party, other than as required by Indian law (in which case you would provide us with a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. In no circumstances, however, will Fedex or its directors, officers, employees and controlling persons of Fedex accept any responsibility or liability including any pecuniary or financial liability to any third party, in any registration statement, prospectus, offering



memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Conclusion

Based on our examination of the draft Scheme, Valuation Report, other information's and our independent analysis and evaluation of such information and subject to the scope limitations as detailed above and to the best of our knowledge and belief, we are of the opinion that, the fair value per equity share of INR 1,844.5 (Indian Rupees One Thousand Eight Hundred Forty-Four and fifty paise) of Rs. 10/- (Indian Rupees Ten) each of Escorts Limited, as recommended by CA Niranjana Kumar, Registered Valuer – Securities or Financial Assets, is fair and reasonable.

In connection with the aforesaid, considering the Company is the sole beneficiary of the equity shares held by EBWT, the proposed reduction of share capital at NIL is fair to the equity shareholders.

Yours truly,

For **Fedex Securities Private Limited**

(formerly known as Fedex Securities Limited)

A circular stamp of Fedex Securities Pvt. Ltd. Mumbai is visible on the left, with a handwritten signature in blue ink overlapping it.

Authorised Signatory