



Escorts Kubota Limited

July 14, 2023

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

BSE – 500495

NSE – ESCORTS

Sub: Proceedings of the 77th Annual General Meeting ('AGM') of the Company

Dear Sir/ Ma'am,

Wish to inform that 77th AGM of the Company was held on Friday, July 14, 2023, through Video Conference.

Pursuant to Regulation 30, Part A of Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith the summary of proceedings of the AGM.

This is for your information and record.

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

Satyendra Chauhan
Company Secretary

Encl.: As Above

Escorts Kubota Limited

(Formerly Escorts Limited)

Corporate Secretarial & Law

Registered Office - 15/5, Mathura Road, Faridabad-121003, Haryana, India
Tel.: +91-129-2250222 | E-mail: corp.secretarial@escortskubota.com | Website: www.escortsgroup.com
Corporate Identification Number L74899HR1944PLC039088



Escorts Kubota Limited

Summary of Proceedings of the 77th AGM of the Company held on Friday, July 14, 2023 from 12:00 HRS to 14:08 HRS (IST)

Present

| Sr. No. | Name | Designation |
|---------|----------------------------------|--|
| 1. | Mr. Nikhil Nanda | Chairman and Managing Director |
| 2. | Mr. Hardeep Singh | Director |
| 3. | Dr. Sutanu Behuria | Independent Director (Ceased w.e.f. July 14, 2023) |
| 4. | Ms. Nitasha Nanda | Whole-time Director |
| 5. | Mr. Sunil Kant Munjal | Independent Director |
| 6. | Ms. Tanya Arvind Dubash | Independent Director |
| 7. | Mr. Harish Narinder Salve | Independent Director |
| 8. | Mr. Dai Watanabe | Nominee Director |
| 9. | Mr. Yuji Tomiyama | Nominee Director |
| 10. | Mr. Seiji Fukuoka | Nominee Director and Deputy Managing Director |
| 11. | Mr. Shiro Watanabe | Nominee Director |
| 12. | Mr. Ravindra Chandra Bhargava | Independent Director |
| 13. | Mr. Vimal Bhandari | Independent Director |
| 14. | Ms. Reema Rameshchandra Nanavati | Independent Director |
| 15. | Mr. Manish Sharma | Independent Director |
| 16. | Mr. Yasukazu Kamada | Nominee Director |
| 17. | Mr. Bharat Madan | Whole-time Director & Chief Financial Officer |
| 18. | Mr. Satyendra Chauhan | Company Secretary |
| 19. | Dr. Rupinder Singh Sodhi | Proposed Director |

Other than above, the authorised representatives of Statutory Auditors, Secretarial Auditor, Internal Auditor, Cost Auditor were also present at the AGM.

Mr. Nikhil Nanda, Chairman and Managing Director of the Company, welcomed Shareholders to the 77th AGM of the Company and introduced Directors, Key Managerial Personnel (KMP) and other invitees present in the Meeting to the Shareholders. The Directors and KMP have joined the meeting through Video Conference except Mr. Seiji Fukuoka and Mr. Bharat Madan, who were personally present at the meeting. The Chairman also informed that Mr. Kenichiro Toyofuku, Independent Director, could not join the meeting due to some unavoidable circumstances. The Chairman has given gratitude to Dr. Sutanu Behuria, retiring director for his guidance, support, and contribution during his tenure.

He also confirmed that the requisite quorum was present and called the meeting to order.

He further informed that the 'Register of Directors and Key Managerial Personnel and their Shareholdings' and 'Register of Contracts and Arrangements in which Directors are interested' were available for inspection of Members electronically during the Meeting.

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Mr. Satyendra Chauhan, Company Secretary of the Company, briefed about the procedure and other statutory requirements pertaining to the AGM to the Members of the Company.

Thereafter, The Chairman & Managing Director and Deputy Managing Director delivered their speech and gave detailed presentation about various initiatives taken, outlook and performance of the Company, during the FY 2022-23, the Speech is enclosed herewith as 'Annexure I'.

As the AGM Notice and the Annual Report was already circulated to all the Shareholders, therefore, AGM Notice convening the meeting, Board's Report and Auditor's Report were taken as read.

Thereafter, Speaker Shareholders who had registered with the Company were provided opportunity to express their views and/ or ask their queries about the Company and/ or about agenda items of the AGM. Queries were adequately responded by the Chairman.

The Shareholders appreciated the good performance, foreign collaboration with Kubota Corporation, efforts of the Chairman, Board of Directors and Management Team during the last financial year.

Thereafter, the following items of business as mentioned in the AGM Notice were transacted at the meeting:

| Sr. No. | Particulars | Type of Resolution |
|---------------------------|--|--------------------|
| Ordinary Business: | | |
| 1. | To receive, consider and adopt the a. audited standalone financial statement of the Company for the financial year ended March 31, 2023, and the reports of Board of Directors and Auditors thereon; and b. audited consolidated financial statement of the Company for the financial year ended March 31, 2023, and the report of auditors thereon. | Ordinary |
| 2. | To declare a dividend on equity shares for the financial year ended March 31, 2023. | Ordinary |
| 3. | To appoint Ms. Nitasha Nanda (DIN: 00032660), who retires by rotation as a Director. | Ordinary |
| 4. | To appoint Mr. Yuji Tomiyama (DIN: 08779472), who retires by rotation as a Director. | Ordinary |
| Special Business: | | |
| 5. | To ratify the remuneration of Cost Auditor for the financial year ending March 31, 2024. | Ordinary |
| 6. | To appoint Dr. Rupinder Singh Sodhi (DIN: 03179002) as an Non-Executive, Independent Director | Special |

The Chairman informed that the Members who had not casted their vote through remote e-voting were requested to cast their vote, through the Insta-poll facility, provided by National Securities Depository Limited ("NSDL"), in respect of the items stated in the Notice, which was open for 15 minutes after the proceeding of the AGM.

Scrutinizer, for the remote e-voting process and e-voting (Insta-poll) at the AGM was Mr. Jayant Gupta, Practicing Company Secretary.

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The Chairman, thereupon, thanked all for their participation in the Meeting.

On completion of the Insta Poll, the AGM was concluded at 14:08 Hrs (IST).

Voting Results along with the Scrutinizer's Report would be declared within two working days from the conclusion of AGM and shall be communicated to the Stock Exchanges and also simultaneously be placed on the website of the Company and website of NSDL.

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Dear Shareholders

- The global economy witnessed a broad-based slowdown in 2022, with inflation surging to level not seen in several decades. Despite these challenges, there were some positive signs of recovery. Disruptions to supply chain, energy and food markets are fading.
- Indian economy has shown resilience in the face of global economic headwinds and is expected to continue growing in coming years.
- As per the latest assessment by Reserve Bank of India, India's GDP growth for the year fiscal FY 24 is projected at 6.5 %. The government's thrust on capital expenditure, moderation in commodity prices and robust credit growth are expected to nurture investment activity. Whereas, weak external demand, geoeconomic fragmentation and protracted geopolitical tension pose risk to the outlook.
- Talking about India opportunity, let me share what Morgan Stanley is predicting about India's journey in the next decade. First, the Indian population will touch 1.5 billion by 2030 which means growing demand for food. It also predicts 10 % increase in average diet calories. Second that India is estimated to have a surplus of 245 million skilled labour which indicates that the world will invest in India and become a hub for the world markets.
- Indian domestic tractor market reached a new peak of 945 thousand tractors last year and expected to cross 1 million mark in the near future. The Union budget for the fiscal year 2023-24 is very positive towards rural and infrastructure sector. The INR 20 trillion agri-credit support towards the farm sector will generate long term benefits.
- The tractor industry has also seen consistent growth in exports for the past 3 years, primarily due to products with contemporary technology and features at competitive pricing.
- India has the 4th largest railway system in the world. The Indian rail component industry is expected to grow at a healthy pace driven by the government's investments.
- The infrastructure requirement to bring the Indian economy in the top three economies will require large investments and thus also increasing the scope for construction and railway business at EKL.

- At Escorts Kubota, we take pride in actively contributing to India's growth journey.
- Our growth plans to leverage national and global opportunity are guided by three critical mission statements, first Sustainability, second Contribution and third Solution. The first is to work towards sustainable growth, second in contributing towards the living environment where people, especially farmers, women and socially vulnerable can live comfortably and the third to work towards further mechanisation and providing total solution to farmers.

Now I will talk about business performance in FY 23.

- We managed to grow our total consolidated income by 16.8 % y-o-y at INR 8,710 Crores, **our highest ever.**
- Margins, however remained under pressure due to unprecedented level of inflation. We have managed to reduce the impact of inflation through better price discovery and cost saving initiatives in the areas of material cost and fixed cost.
- Our consolidated EBITDA was at INR 778 Crore.
- Our Consolidated net profit stood at INR 637 Crore after exceptional items of INR 53 Crore.
- I am happy announce that the board of directors have recommended a total dividend of 70% per equity share.
- Other financial highlights can be seen on the screen. I will give you few seconds to go through figures on the screen of EPS, ROE and ROCE.

Moving on to Agri Machinery Business

- Agri machinery business revenue increased by 13.5 %.
- Tractor sales stood at 103,290 tractors representing 9.6 % growth.
- Looking ahead, we expect demand momentum to continue across geographies with better crop prices, improved finance availability and good water reservoir levels.
- Under Powertrac brand, we launched products for growth in the haulage segment and higher productivity.
- Under Farmtrac, Farmtrac HERO was launched with 35 HP engine category to address the 30 - 35 HP segment which was vacant earlier. This will ensure entry level farmers also get access to advance technology and features of Farmtrac.

- Indian construction equipment industry registered overall growth on account of sharp rise in road and infrastructure construction activity across the country driven by significant government spending and private sector programs.
- Construction equipment division revenue grew by 19.5 % at 1179 Crores
- Construction equipment volume rose by 12.2 % to 4620.
- Due to Government's continued thrust on infrastructure projects, the demand for equipment in material handling as well as earthmoving segments is expected to remain buoyant in FY 24.
- In Construction Equipment Business, we launched new products in material handling and earthmoving categories as you can see on the screen.
- A separate vertical of Earthmoving Machinery has been carved out to focus on the existing Backhoe Loader business and Mini Excavator from Kubota in smaller cities. Expansion of the common channel under this vertical will compliment both product lines across our geographies.
- Our railway equipment business revenue went up by 32.3 % to our ever-highest revenue at INR 842 Crore. Order book at the end of the year stood at healthy level at INR 1050 Crore.
- Our growth trend is expected to continue considering our rigorous product development programs and govt. focus on infrastructure spend.
- In the Railway business, we received the first ever purchase order for Locomotive HVAC and Vande Bharat Train Brake system, Dampers & couplers.
- Our indigenously developed Axle Mounted Disc Brake System for LHB coaches has entered the field trial stage with Indian Railways. These would provide further impetus to the existing business growth.

Going forward in FY 24, for revenue growth, we have planned initiatives for market share improvement through retail focus, sharp product positioning, new product introduction, export growth and digital push.

- On the cost front, rigorous saving initiatives for material cost and fixed cost have started.
- With the softening of commodity prices and these initiatives, we look forward to gradual improvements in our margins.
- FY 24 will be the first year of our Medium term business plan upto FY28. We will talk about Mid-term business plan in later part of the speech.

I am thankful to Kitao san, the President and Representative director & Watanabe san, Director and Executive Vice President of Kubota Corporation, for showing the trust in your company's vision, values and philosophy of serving farming community and other customers in India and Global markets.

Kitao san, through his video message would like to share the long term vision of Kubota becoming Global Major Brand - GMB 30 and vision for Escorts Kubota Limited to capitalise on Global and local opportunities as well as contribute towards Kubota's vision.

Video message from Kitao san

Thank you Kitao san

To quote Mr. Gonshiro Kubota, founder of Kubota Corporation, "For the prosperity of society, we need to put all our efforts into creation" "Our products should not only be technically excellent, but also useful for the good and society"

- Philosophy given by Mr. H P Nanda, founder of Escorts advocates bringing the world's best to India and taking India's best to the world to empower community and nation & spread prosperity.
- There is a commonality of a larger purpose between guiding philosophies of founders of Kubota and Escorts.

- I am delighted to share that one of the most important milestone in our partnership has been completed in the form of Mid-term business plan (MTBP) till FY 28.
- Mid-term business plan covers our overall goals, targets and action plans for the period up to FY 28.
- The plan reflects the ideology of our founder's vision – to bring the world's best to India which is Kubota's technology, quality and processes and offering India's best in terms of Escorts frugal engineering, agility and speed to the world through Kubota's global presence.

- The plan has been jointly created between Escorts Kubota and Kubota, Japan, keeping in view, our leadership aspirations and to establish India a strategic hub for manufacturing and Research and development. The plan is aligned with Kubota's aspiration of becoming a Global Major brand.
- In order to capitalise on the opportunities, our focus and actions will revolve around six imperatives.
 1. We aspire our revenue to grow 2.5 times from both the Indian and Global markets.
 2. We will invest in creating a global Research and development centre and create abilities to design and produce innovative products.
 3. We will also create a shared service centre within Research and development , to support Kubota's global needs, such as digital transformation, Research and development design support, engineering support and other innovative project partnership.
 4. We will leverage our channel strength both in the domestic and global market to reach aspiration for growth.
 5. We will align our manufacturing with Kubota 's manufacturing standards and excellence by implementing Kubota Production system.
 6. We will focus on profitable growth, work towards EBITDA targets and be mindful around ROI and creating shareholder wealth.

Now I request Fukuoka san, our Deputy Managing Director to walk you through the details of our Mid term business plan. Over to you Fukuoka san.

Thank you Nanda san.

Good afternoon.

Now please let me take you through five concepts which we have identified to achieve our vision.

1. Expansion of existing business
2. Investment in R&D and Innovation
3. Manufacturing and Sourcing
4. Quality assurance
5. An engaging, motivating and progressive corporate culture

- We will significantly enhance the product variety and launch jointly developed products for all the brands Farmtrac, Powertrac and Kubota.
 - For the sales channel, we will be introducing Kubota's customer-oriented sales policies and practices in India and global markets.
 - In addition, we will enhance our retail finance and training systems.
 - For exports, we will work closely with Kubota Group companies to supply made in India products to the world with competitive price and quality for leadership position in India Led Exports.
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- Along with joint development with EKL and Kubota, we shall also expand the scope of R&D by opening shared services for Kubota group.
 - Furthermore, we will promote open innovation through Rajan Nanda Innovation Lab for to speeding up collaboration with start-ups and academia, like what Kubota is doing in Japan, US, and Europe.
 - We would like to make ourselves a base to make India's excellent technology into products and deliver to the global market.
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- In manufacturing and sourcing, we will re-organise manufacturing infrastructure and establish green field facility for capacity & business expansion.
 - We plan to set up modern Engine Manufacturing Facility. This helps us to become a global hub for affordable manufacturing, while ensuring emission standards.
 - Also, through adopting Kubota Production System & digital transformation initiatives, we will realize more efficient and stable quality.

We will establish a company level quality assurance system and its standard workflow to enhance product competitiveness.

- We aim to create a common corporate culture with Kubota based on its philosophy of "On Your Side".
- In a single word "On your side" means altruism, selfless concern for the wellbeing of others.
- The philosophy asks us to respect our colleagues, irrespective of their level, gender and area of work. It also means to treat our suppliers and dealers as equal partners to achieve our goals.

- Now I will request Nanda san to explain how we are preparing for the next phase of growth.
- Thank you Fukuoka san
- To become the total solution provider to solve the issues of society and creating a sustainable world, our aspiration will need significant enablers.
- We are well equipped to cater to various customer segments with our well differentiated brand strategy.
- Kubota range will offer premium products for enhanced customer experience.
- Farmtrac range will cater to customers seeking productivity & power for advanced equipment.
- Powertrac range will address the mass customer segment requiring fuel efficiency & total cost of ownership.
- We plan to realize EKL's expanded vision of 'tractor-implements' total solution through smart farm implements.
- In addition to tractors, we will expand the product offering such as combine harvesters, rice transplanters, and other implements from Kubota to expand our business significantly.
- Our digital strategy has 3 pronged approach - Communicate, Connect and Community building
- Our digital initiatives for enhanced brand awareness, digital lead generation, digital dashboards to track coverage and performance gaps and manufacturing excellence will improve sales and optimize cost.
- We are committed to offer product range which enhances customer experience.
- We are preparing to launch a new World Maxx series in Farmtrac which will help us reposition ourselves in the 50 HP and above in the premium segment as you can see on the screen.
- With this series, we are also introducing a completely new range of transmissions which are suitable for emerging applications which offer better productivity and fuel efficiency.

- This will be the first major new product launch with Kubota involvement.
 - Now I will request Fukuoka san to explain market expansion and manufacturing initiatives.
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- Thank you Nanda san
 - We are continuously expanding our reach and coverage for leveraging opportunities across strong and opportunity markets.
 - We have increased our dealer base from 1100 in FY22 to more than 1200 in FY23.
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- We have been steadily growing our exports with introduction of new products and opening new markets.
 - EKL has taken lead in introducing Stage V and Tier IV compliant products for the European and American markets strengthening EKL resolve to build quality products complying with strict global emission standards.
 - EKL has pioneered the development and export of Electric Tractors from India to developed markets of USA and Europe.
 - We take pride in Escorts Kubota becoming the first Indian manufacturer to receive European Union Stage-V emission certification for our in-house 90-110 HP engine tractors under the FARMTRAC range.
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- Driven by our commitment to delivering high-quality products, optimizing costs, and ensuring sustainable growth, we have our focus on plant improvements using Kubota Production system as a tool and investments in new facilities for capacity expansion and technological upgradation.
 - To support our volume growth, we have planned significant investments in smart facilities and technologies. A cornerstone of our manufacturing excellence is our commitment to kaizen and innovation.
 - Now I will request Nanda san to take up next part of the speech
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- Thank you Fukuoka san
 - Our capital allocation strategy ensures a balanced approach to fuelling growth while maintaining financial discipline.
 - We look forward to selectively allocate more capital for setting up a greenfield facility, introduction of new products, innovation and technology.

- Cultivating a cohesive and people-centric work environment lies at the core of our organization. Our culture focuses on performance, diversity, and process efficiency.
- To optimize our operations, we have implemented a lean and agile structure for speed in decision-making and responding to customer needs.
- We have embraced digital transformation to enhance our HR processes, leading to increased efficiency and enhanced employee experience.
- To stay competitive, we focus on nurturing and developing young and diverse talent for navigating today's challenge and shaping our future.
- At Escorts Kubota Limited, we are fully committed to ESG, aligning with Kubota Corporation's ESG vision and management policy.
- At Escorts Kubota Limited (EKL), we are committed to becoming carbon neutral by 2050, actively reducing our environmental impact and promoting resource recycling. In line with this target, by 2030, we aim to reduce CO2 emission by 25 % from base year of 2023.
- In addition, we are committed to “Zero waste to landfill by 2026” and “Water positive by 2030”.
- Our CSR initiatives are aimed at creating a positive impact on local communities and promoting their overall well-being.
- We support several projects in the areas of healthcare, training, skill development and environment protection.
- Over the years, we have maintained an optimal capital structure that allows us to capitalise on emerging opportunities. The company maintains a healthy liquidity position.
- The Company’s long term financial rating has been reaffirmed at AA+ with stable outlook and we are just one notch lower than the highest rating of AAA.
- Our partnership positions us uniquely to capitalize on the growth trends to deliver long-term value to our stakeholders and contribute significantly to India's growth story.
- As we move forward, we will stay focused on operational excellence, cost management, and leveraging our partnerships to seize growth opportunities. By investing in research and development, embracing digital transformation, and

fostering a culture of innovation, we aim to be at the forefront of technological advancement in the industry.

- I am thankful to all our Customers who have supported our brand and given us opportunity to serve them. We will continue to serve our customers to create benchmarks of customer experience.
- As I conclude, I would like to thank our Board of Directors whose continued guidance and encouragement has played pivotal role in growth of your company.
- I also extend my gratitude to all the stakeholders of your company; shareholders, dealer partners, suppliers who stood by us in our growth journey.
- I also thank our employees and employee union representatives in all plants and offices who have embraced culture of "On your side" for supporting our customers and society at large.

Thank you

Thank you and we look forward to shaping a better tomorrow at Escorts Kubota Limited together.