

**DMD Advocates, led by Rashi Dhir (Senior Partner & Head of Corporate), advised Escorts Limited in a strategic \$1.26 billion investment by Kubota Corporation, Japan**

In one of the most prominent transactions this year, DMD Advocates acted as the legal advisor to Escorts Limited in a strategic investment by Kubota Corporation, one of the largest Japanese agricultural and heavy equipment manufacturers, for acquisition of control over the Company to become a joint promoter along with the existing promoters in the Company. Kubota will acquire additional shares via fresh issuance by way of preferential allotment followed by open offer to public shareholders.

The transaction was led by Rashi Dhir (Senior Partner & Head of Corporate), assisted by Sumit Sinha (Partner), Saiyam Chaturvedi (Principal Associate), Ashima Dewan (Principal Associate), Divay Rastogi (Senior Associate), Tanay Shah (Senior Associate) and Kishlay Pandey (Senior Associate).

The key aspects of the transaction are mentioned below:

***Preferential Issue of equity shares to Kubota Corporation, Japan***

Escorts will raise equity capital (aggregating to INR 18,72,74,52,000) through preferential issue of 93,63,726 equity shares (“**Proposed Issue**”) of face value INR 10 at INR 2,000 per share (including a premium of INR 1,990 for each equity share), to Kubota Corporation, Japan, a company incorporated under the laws of Japan (“**Investor**”).

With regard to the Proposed Issue, the Board of Directors (“**Board**”) of the Company accorded approval for execution of: (i) a share subscription agreement (“**SSA**”) among the Investor, the Company, Escorts Benefit and Welfare Trust (“**EBWT**”), and Specified Promoters (as defined in the SSA), and (ii) a shareholders’ agreement among the Investor, the Company, EBWT and the Specified Promoters (“**SHA**”).

***Open offers***

Pursuant to the execution of the SSA and SHA (wherein it is proposed that the Investor will acquire control over the Company to become a joint promoter of the Company along with the existing promoters), the obligation to make a mandatory open offer by the Investor to the public shareholders of the Company will be triggered (“**Open Offer**”) in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.

The proposed acquisition of control over the Company by the Investor to become a joint promoter of the Company will trigger an obligation on the Investor to make an open offer to the public shareholders of the listed subsidiary of the Company i.e., Escorts Finance Limited, as well.