
SUMMARY OF THE COMBINATION

**[UNDER REGULATION 13(1A) OF THE COMPETITION COMMISSION OF INDIA
(PROCEDURE IN REGARD TO THE TRANSACTION OF BUSINESS RELATING TO
COMBINATIONS) REGULATIONS, 2011]**

(a) Name of the parties to the combination

- (i) Kubota Corporation (***Kubota / Acquirer***); and
- (ii) Escorts Ltd. (***Escorts / Target***)

Kubota and Escorts are collectively referred to as the ***Parties***.

(b) The nature and purpose of the combination

The Proposed Transaction is in the nature of a share acquisition by way of a preferential allotment and falls under Section 5(a) of the Competition Act, 2002.

Kubota will subscribe to 12,257,688 equity shares of Escorts constituting 9.09% of the total issued, subscribed and paid-up share capital of Escorts (and constituting 10% of the total issued, subscribed and paid-up share capital of Escorts upon completion of its capital reduction process).

Further, Kubota will also acquire all the shares held by Sumitomo Corporation in Kubota Agricultural Machinery India Private Limited (***KAI***), i.e., 40% of the shareholding in KAI. Thereafter, Escorts will acquire 40% of the shareholding in KAI from Kubota.

(c) The products, services and business(es) of the parties to the combination

Kubota

Kubota is a company incorporated under the laws of Japan. Kubota is a comprehensive agriculture product manufacturer and offers various machinery such as tractors, combine harvesters, and rice transplanters. Kubota also offers engineering, procurement, construction to maintenance, contributing to safety and security of water.

Escorts

Escorts is a public limited company incorporated in India. Escorts' shares are listed on the BSE Limited, the National Stock Exchange of India Limited and the Delhi Stock Exchange Limited.¹ Escorts is engaged in the business of manufacturing and sale of agri-machinery, construction equipment and railway equipment in India.

(d) The respective markets in which the parties to the combination operate

It is humbly submitted that the Proposed Transaction does not significantly alter the competitive landscape in India, in any manner. Therefore, there is no need to conclusively define a relevant market in the present case. However, without prejudice to the above and in order to assist the Hon'ble Commission's review process, the Parties have identified the following relevant markets based on the activities of the Parties:

- (i) Relevant Market for the manufacture and sale of tractors in India;
- (ii) Relevant Market for the manufacture and sale of combine harvesters in India; and
- (iii) Relevant Market for the manufacture and sale of diesel engines in India.

¹ The Delhi Stock Exchange is defunct, and the shares of Escorts is not traded on the Delhi Stock Exchange. However, the shares of Escorts is yet to be delisted from the Delhi Stock Exchange.