

- # *The original schedule of activities were indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and were subject to receipt of relevant approvals from various statutory/regulatory authorities, if any.*
- ** *Actual date of receipt of SEBI comments.*
- § *To clarify, the actions set out above may be completed prior to their corresponding dates subject to compliance with the SEBI (SAST) Regulations.*

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Open Offer and given that Acquirer holds at least 16.38% of the Holding Company Expanded Voting Share Capital in the Holding Company as per the terms set out in the Holding Company Shareholders Agreement, the Acquirer has acquired and exercises control on and over the Holding Company and has become a joint promoter along with the Holding Company Other Promoters of the Holding Company.

3. As the Acquirer intended to acquire and exercise control on and over the Holding Company pursuant to the Underlying Transaction and to become a joint promoter along with the Holding Company Other Promoters of the Holding Company, and given that the Acquirer would acquire and exercise control on and over the Holding Company and become a joint promoter along with the Holding Company Other Promoters of the Holding Company in accordance with the Holding Company Shareholders Agreement, a mandatory open offer is being made by the Acquirer in compliance with Regulation 4 of the SEBI (SAST) Regulations with respect to the Holding Company (“**Holding Company Open Offer**”). Pursuant to the completion of the Transaction (i.e., completion of the Underlying Transaction and upon completion of the Holding Company Open Offer), the Acquirer, subject to holding at least 16.38% of the Holding Company Expanded Voting Share Capital in the Holding Company, will have control on and over the Holding Company and the Acquirer shall become the joint promoter along with the Holding Company Other Promoters of the Holding Company, including in accordance with the provisions of the SEBI (LODR) Regulations (the aforesaid in paragraph 2 and this paragraph 3 to be collectively referred to as the “**Underlying Transaction**”). Accordingly, pursuant to the completion of the Transaction, given that the Acquirer holds at least 16.38% of the Holding Company Expanded Voting Share Capital in the Holding Company, the Acquirer has control on and over the Holding Company and the Acquirer has become the joint promoter along with the Holding Company Other Promoters of the Holding Company.
4. The Holding Company (basis the publicly available shareholding pattern of the Target Company for the quarter ended 31 March 2022) belongs to the promoter and promoter group of the Target Company and holds 3,819,700 Equity Shares of the Target Company aggregating to 9.49% of the Existing Share Capital of the Target Company. Additionally, as mentioned in the Annual Report for the financial year ended 2020 – 2021 of the Target Company, the Holding Company is the sole beneficiary of Escorts Benefit and Welfare Trust which holds 23,497,478 Equity Shares of the Target Company, aggregating to 58.38% of the Existing Share Capital of the Target Company. Further, in the Annual Report for the financial year ended 2020 – 2021 of the Target Company, the Target Company is disclosed to be a subsidiary of the Holding Company (i.e., Escorts Limited). Accordingly, pursuant to completion of the Underlying Transaction, the Acquirer is entitled to, through the Holding Company (i.e., Escorts Limited), to indirectly exercise control over the Target Company (i.e., Escorts Finance Limited). Hence, this Open Offer is being made under Regulations 4 and 5(1) of the SEBI (SAST) Regulations.
5. A tabular summary of the Underlying Transaction is set out below:

Type of transaction (direct / indirect)	Mode of transaction (Agreement/Allotment/market purchase)	Equity Shares/Voting rights acquired/proposed to be acquired		Total consideration for Equity Shares/Voting Rights (VR) acquired (Indian Rupees)	Mode of payment (Cash/securities)	Regulation which has triggered
		Number	% vis-à-vis total equity/voting capital			
Indirect acquisition	(i) Agreement – Execution of the Holding Company Share Subscription Agreement for the	9,363,726 equity shares of the Holding Company	7.10 % of the Holding Company Expanded	Not applicable as this is an indirect acquisition.	Not applicable as this is	This is an indirect acquisition

- (5) *Reserves and surplus consists of following components of equity attributable to owners of the parents: (i) Share premium; (ii) Retained earnings; (iii) Other components of equity; and (iv) Treasury shares.*
- (6) *Net worth (excluding non-controlling interest) refers to total equity attributable to owners of the parent and is calculated as share capital plus reserves and surplus.*
- (7) *Other liabilities include: (i) Trade payables; (ii) Current other financial liabilities; (iii) Income taxes payable; (iv) Provisions; (v) Other current liabilities; (vi) Noncurrent other financial liabilities; (vii) Retirement benefit liabilities (viii) Deferred tax liabilities; and (ix) Other noncurrent liabilities.*
- (8) *Investments refers to investments accounted for using the equity method.*
- (9) *Other assets consists of: (i) Cash and cash equivalents; (ii) Trade receivables; (iii) Current finance receivables; (iv) Current other financial assets; (v) Inventories; (vi) Income tax receivables; (vii) Other current assets; (ix) Noncurrent finance receivables; (x) Noncurrent other financial assets; (xi) Deferred tax assets; and (x) Other noncurrent assets.*
- (10) *Attributable to owners of the parent.*
- (11) *Not stated for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 as the Acquirer did not have potentially dilutive common shares that were outstanding during that period.*

17. Contingent liabilities of Acquirer as on 31 December 2021:

- (a) The Acquirer is contingently liable as guarantor of the indebtedness of distributors, including associates and customers, for their borrowings from financial institutions. These guarantees obligate the Acquirer to make payments in the event of default by the distributor, including associates and customers. The term of these guarantees are from one to four years. The maximum potential amounts of undiscounted future payments of these financial guarantees were JPY 3,539 million (INR 2,202 million) and JPY 3,442 million (INR 2,142 million) at December 31, 2021 and 2020, respectively. The fair values of these financial guarantees were not material, and the probability of incurrence of a loss is remote.

- (b) Since May 2007, the Acquirer has been subject to 51 asbestos-related lawsuits in Japan, which were filed against the Acquirer or defendant parties consisting of the Japanese government and asbestos-related companies, including the Acquirer. By May 2021, with regard to the four lawsuits consolidating 14 cases, the Supreme Court of Japan has concluded proceedings and ruled that the government and a part of asbestos using companies were liable for compensation. On the other hand, all claims against the Acquirer were rejected.

Other 37 cases are still ongoing, and the total claims for compensation of all lawsuits aggregate to JPY 21,421 million (INR 13,330 million), which relate to 578 construction workers who suffered from asbestos-related diseases. 10 among 37 lawsuits were compiled into four cases and the first instance ordered the Acquirer to pay compensation damages of JPY 2 million (INR 1 million) under judgement for one case, and other cases were decided in favor of the Acquirer. All four cases were appealed to the appellate court. Two appellate courts ruled in favor of the Acquirer, but the plaintiffs of these two cases appealed to the supreme courts.

However, the Acquirer believes that it is currently unable to predict the ultimate outcome of lawsuits. The Acquirer does not have any cost-sharing arrangements with other potentially responsible parties, including the government, for these 51 lawsuits.

- (c) The Law for the Relief of Patients Suffering from Asbestos-Related Diseases (the “**New Asbestos Law**”) was established by the Japanese government in March 2006. The purpose of this law is to provide prompt relief to persons who sustain asbestos-related diseases but are not relieved by compensation for accidents under workmen's compensation insurance. Contributions under this law are made by the Japanese government, local authorities and business entities. Contributions by business entities commenced from the year ended 31 March 2008, and these include special contributions by business entities which operated a business closely to asbestos.

- (h) Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirer.
- (i) Buying Brokers would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer.
- (j) In case of partial or non-acceptance of orders, the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- (k) Any excess physical Equity Shares, including to the extent tendered but not accepted, will be returned by registered post back to the Public Shareholder(s) directly by Registrar to the Offer. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Public Shareholders'/unregistered owners' sole risk to the sole/ first Public Shareholder/unregistered owner.
- (l) Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- (m) If Public Shareholders bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Public Shareholder.
- (n) Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- (o) In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.

IX. COMPLIANCE WITH TAX REQUIREMENTS

THE INFORMATION PROVIDED BELOW SETS OUT THE INCOME-TAX IMPLICATIONS ON TENDERING OF LISTED EQUITY SHARES ON BSE UNDER AN OPEN OFFER IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS

tax resident; (b) meeting the anti-abuses tests under General Anti-Avoidance Rule (“GAAR”) and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

- f) The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, and corresponding withholding tax obligation based on the period of holding, residential status, classification of the Public Shareholder, nature of the income earned, etc.
- g) The Public Shareholders may be required to undertake compliances such as filing of an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.
- h) In addition to income tax, as the tendering of Equity Shares is being undertaken on a recognised stock exchange (i.e. BSE), such transaction will be chargeable to Securities Transaction Tax (“STT”). STT is payable in India on the value of securities on every purchase or sale of securities that are listed on recognised stock exchanges. Currently, the STT rate applicable on the purchase and sale of shares on recognised stock exchanges (including BSE) is 0.1% of the value of security transacted.
- i) All references to equity shares herein refer to listed equity shares unless stated otherwise.

2. **Classification of Public Shareholders:** Public Shareholders can be classified under the following categories:

- a) Resident Public Shareholders being:
 - (i) Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
 - (ii) Others
 - Company
 - Other than company
- b) Non-Resident Public Shareholders being:
 - (i) Non-Resident Indians (“NRIs”)
 - (ii) Foreign Institution Investors (FIIs)/ Foreign Portfolio Investors (FPIs)
 - (iii) Others:
 - Company
 - Other than company

3. **Classification of Shares**

The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the Public Shareholder and various other factors. Public Shareholders are also required to refer to Circular No.6/2016 dated

and cess) with indexation benefits, at the option of the taxpayer. In case of non-resident, such gains may be taxed at 20% (plus applicable surcharge and cess) after allowing benefit of indexation or neutralization of foreign exchange gains, as may be applicable. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112 of the IT Act

- f) STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- g) As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- h) Further the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the Public Shareholders.

The provisions of Section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

- i) As per Section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.
- j) Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.
- k) Additional information in case of Foreign Institutional Investors (“**FII**s”):
 - (i) As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.
 - (ii) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%.
 - (iii) Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding Rs. 1 lakh.

- (iv) Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains. The above rates are to be increased by applicable surcharge and cess.
- (v) Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.
- (vi) The CBDT has *vide* Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors (“**FPIs**”) registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.

l) Additional Information in case of Non-resident Indians (“**NRIs**”):

Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e. individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

- (i) Under Section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 10 % (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.
 - (ii) Under Section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets, within 6 (Six) months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 (three) years from the date of their acquisition.
 - (iii) Under Section 115G of the IT Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
 - (iv) Further, no deduction under Chapter VI-A would be allowed in computing LTCG.
 - (v) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.
- m) Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident Public Shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) meeting anti-abuse

tests under GAAR; and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

n) Investment Funds:

Under Section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head “Profits and gains of business or profession” would be exempt from income-tax. For this purpose, an “Investment Fund” means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

o) Mutual Fund

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

5. Taxability of Business Income in the hands of the Public Shareholders:

- a) Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the IT Act.
- b) In terms of Section 36(1)(xv) of the IT Act, STT paid by the Public Shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.
- c) Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident Public Shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) meeting anti-abuse tests under GAAR; and (c) maintaining necessary information and documents as prescribed under the IT Act.

6. Withholding Tax implications:

- a) Remittance/Payment of Consideration
 - (i) Resident Public Shareholders:
 - With effect from 1 July 2021, Finance Act 2021 creates an obligation on the buyer of goods to withhold tax under Section 194Q at the rate of 0.1% when buying goods from an Indian resident. The withholding obligation only exists where the consideration for goods exceeds Rs. 50,00,000 and the buyer had a business turnover of more than Rs. 10,00,00,000 in the immediately preceding year. The term “goods” has not been defined and may cover shares.

- As per Circular No 13 of 2021 dated June 30, 2021 issued by the CBDT, the provisions of Section 194Q is not applicable where the transactions in securities and commodities are traded through recognised stock exchanges (including BSE). Therefore, the Acquirer is not required to withhold tax under Section 194Q on consideration payable to resident Public Shareholders.
 - The resident Public Shareholders must file their tax return in India *inter alia* considering gains arising pursuant to this Open Offer. The resident Public Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc. The resident Public Shareholders shall also keep the Acquirer indemnified for any taxes of the resident Public Shareholder that may be recovered from the Acquirer under withholding tax provisions or otherwise under the IT Act.
- (ii) Non-Resident Public Shareholders – FIIs/FPIs
- Section 196D of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII/FPIs from the transfer of securities referred to in Section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs subject to FIIs/FPIs providing the required documentation and information..
- (iii) Non-Resident Public Shareholders (other than FIIs/FPIs):
- Each non-resident Public Shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.
 - Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.
 - However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through BSE, and there will be no direct payment by the Acquirer to the non-resident Public Shareholders.
 - Since the tendering of shares under the Open Offer is through BSE, the responsibility to discharge tax due on the gains (if any) is on the non-resident Public Shareholder given that practically it is not possible to withhold taxes and the Acquirer believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the custodians/ authorized dealers/ non-resident Public Shareholders – with no recourse to the Acquirer. It is therefore recommended that the non-resident Public Shareholders consult their custodians/ authorized dealers/ tax advisors

appropriately. In the event the Acquirer is held liable for the tax liability of the Public Shareholder, the same shall be to the account of the Public Shareholder and to that extent the Acquirer should be indemnified.

- The non-resident Public Shareholders must file their tax return in India *inter alia* considering gains arising pursuant to this Open Offer. The non-resident Public Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

b) **Remittance/Payment of Interest**

- (i) In case of interest, if any, paid by the Acquirer to resident and non-resident Public Shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, the Acquirer decides to withhold tax, the same shall be basis the documents submitted along with the Form of Acceptance-cum-Acknowledgement or such additional documents as may be called for by the Acquirer. It is recommended that the Public Shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorisation of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of the Public Shareholder, the same shall be to the account of the Public Shareholder and to that extent the Acquirer should be indemnified.
- (ii) The Public Shareholders must file their tax return in India *inter alia* considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to this Open Offer. The Public Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

7. **Rate of Surcharge and Cess**

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

a) **Surcharge**

- (i) In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.
- (ii) In case of domestic companies liable to pay tax under section 115BAA or section 115BAB: Surcharge @ 10% is leviable.
- (iii) In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore and @ 2% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.

- (iv) In case of individuals, HUF, AOP, BOI:
- Surcharge at the rate of 10% is leviable where the total income exceeds Rs. 50 lakh but does not exceed Rs. 1 crore.
 - Surcharge at the rate of 15% is leviable where the total income exceeds Rs. 1 crore but does not exceed Rs. 2 crore.
 - Surcharge at the rate of 25% is leviable where the total income exceeds Rs. 2 crore but does not exceed Rs. 5 crore.
 - Surcharge at the rate of 37% is leviable where the total income exceeds Rs. 5 crore.
 - However, for the purpose of income chargeable under section 111A, 112, 112A, and 115AD(1)(b) (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.
 - Further, in case of an AOP (which only has companies as its members), surcharge at the rate of 15% is leviable where the total income exceeds Rs. 1 crore.
- (v) In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds Rs. 1 crore.

b) Cess

Health and Education Cess @ 4% is currently leviable in all cases.

8. **Others**

- a) Notwithstanding the details provided above, all payments will be made to the Public Shareholders subject to compliance with prevailing tax laws.
- b) The tax deducted by the Acquirer (if required) or custodians/ authorized dealers, while making payment to a Public Shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
- c) The Acquirer will deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Public Shareholder, such shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Acquirer with all information/documents that may be necessary and cooperate in any proceedings before income tax/ appellate authority in India.
- d) The Acquirer and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

THE ABOVE DISCLOSURE ON TAXATION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED ABOVE. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE ABOVE DISCLOSURES.

THE JUDICIAL AND ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE PUBLIC SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT INCOME TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, PUBLIC SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY THE STOCK EXCHANGE (BSE), AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED APRIL 13, 2015 AND CFD/DCR2/CIR/P/2016/131 DATED DECEMBER 9, 2016. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON BSE IN INDIA SET OUT ABOVE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, ELIGIBLE PUBLIC SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY IS INTENDED ONLY TO PROVIDE GENERAL INFORMATION TO THE PUBLIC SHAREHOLDERS AND IS NEITHER DESIGNED NOR INTENDED TO BE SUBSTITUTED FOR PROFESSIONAL TAX ADVICE. IN VIEW OF THE INDIVIDUAL NATURE OF TAX CONSEQUENCES, EACH PUBLIC SHAREHOLDER IS ADVISED TO CONSULT HIS/HER OWN TAX ADVISOR WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY.

X. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders electronically on all Working Days during the Tendering Period, upon making a prior request to the Manager. The Public Shareholders interested in electronically inspecting the documents, can send an email, from their registered email address, to the Manager on escortsfinance_openoffer@morganstanley.com with the subject line "Documents for

Inspection – Escorts Finance Limited”. Upon receipt and processing of the received request, access to electronic inspection of the documents shall be provided to the respective shareholder. They will also be available for inspection to the Public Shareholders at the registered office of the Manager to the Offer at Morgan Stanley India Company Private Limited, 18F, Tower 2, One World Center, Plot 841 | Senapati Bapat Marg, Lower Parel, Mumbai, 400013, India, between 10:30 AM and 5:00 PM on any Working Day (except Saturdays, Sundays and public holidays) during the period from the date of commencement of the Tendering Period until the date of closure of the Tendering Period

1. Copies of the Articles of Incorporation and Certified Registration Record of the Acquirer and Memorandum and Articles of Association and certificate of incorporation of the Target Company;
2. Copy of the Holding Company Share Subscription Agreement executed amongst the Acquirer, Holding Company and certain of the Holding Company Other Promoters (i.e., (a) Nikhil Nanda; (b) Shweta Nanda; (c) Navya Naveli Nanda; (d) Agastya Nanda; (e) AAA Portfolios Private Limited; (f) Big Apple Clothing Private Limited; (g) Har Parshad and Company Private Limited; and (h) Escorts Benefit and Welfare Trust);
3. Copy of the Holding Company Shareholders Agreement executed amongst the Acquirer, Target Company and certain of the Holding Company Other Promoters (i.e., (a) Nikhil Nanda; (b) Shweta Nanda; (c) Navya Naveli Nanda; (d) Agastya Nanda; (e) AAA Portfolios Private Limited; (f) Big Apple Clothing Private Limited; (g) Har Parshad and Company Private Limited; and (h) Escorts Benefit and Welfare Trust);
4. Copy of the annual audited consolidated financial statements pertaining to the Acquirer as on and for the financial years ended on 31 December 2019, 31 December 2020 and 31 December 2021;
5. Copy of the annual reports of the Target Company for the financial years ending 31 March 2020, 31 March 2021 and audited financials for the financial year ending 31 March 2022;
6. Copy of certificate dated 13 April 2022 from R.D. Sarfare & Co., Chartered Accountants (Rajesh Dilip Sarfare, Proprietor, Membership No. 140399) certifying the adequacy of financial resources of the Acquirer to fulfil its Open Offer obligations;
7. Copy of certificate dated 18 November, 2021 from R.D. Sarfare & Co., Chartered Accountants (Rajesh Dilip Sarfare, Proprietor, Membership No. 140399) certifying the Initial Offer Price computation;
8. Copy of certificate dated 13 April, 2022 from R.D. Sarfare & Co., Chartered Accountants (Rajesh Dilip Sarfare, Proprietor, Membership No. 140399) certifying the for the computation of the Interest per Offer Share for the purpose of this Open Offer;
9. Copy of the valuation report dated 17 November 2021 issued by Ernst & Young Merchant Banking Services LLP (SEBI Registration number: INM000010700);
10. Copy of the report on interest computation under Regulation 8(12) of the Takeover Regulations dated 12 April 2022 by Ernst & Young Merchant Banking Services LLP, (SEBI Registration number: INM000010700);
11. Copy of Escrow Agreement between the Acquirer, ICICI Bank Limited and the Manager to the Open Offer;
12. Copy of the letter received from the Escrow Agent, confirming receipt of a cash amount of ₹ 53,162,200 in the escrow account on 13 April 2022;

13. Copy of the Public Announcement dated 18 November 2021 submitted to the BSE on 18 November 2021;
14. Copy of the DPS dated 19 April 2022 published by the Manager to the Offer in the Newspapers on behalf of the Acquirer on 20 April 2022;
15. Copy of the recommendation made by the committee of the independent directors of the Target Company; and
16. Copy of the letter number SEBI/HO/CFD/DCR-1/P/OW/2022/21349/1 from SEBI dated 19 May 2022 containing its observations on the DLoF.

XI. DECLARATION BY THE ACQUIRER

1. The Acquirer and its directors accept full responsibility for the information contained in this Letter of Offer (other than such information as has been obtained from public sources or provided by or relating to and confirmed by the Target Company), and undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations in respect of this Open Offer.
2. The information pertaining to the Target Company contained in the Public Announcement or the Detailed Public Statement or this Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company, as the case may be, or publicly available sources which has not been independently verified by the Acquirer or the Manager. The Acquirer and the Manager do not accept any responsibility with respect to such information relating to the Target Company.
3. The information contained in this Letter of Offer is as on the date of this Letter of Offer, unless expressly stated otherwise
4. The persons signing this Letter of Offer, are duly and legally authorized by the Acquirer to sign this Letter of Offer.

Issued by the Manager to the Open Offer

For and on behalf of the Acquirer

Signed for and on behalf of Kubota Corporation (Acquirer)

Sd/-

Name: Hideo Takigawa

Title: Executive Officer, GM of Corporate Planning and Control Dept.

Place: 2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka 556-8601 Japan

Date: 27 May 2022

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Eligible Shareholders holding shares in dematerialised form are not required to fill the Form of Acceptance, unless required by their respective Selling Broker. Eligible Shareholders holding shares in physical form (resident and non-resident) are mandatorily required to submit this Form of Acceptance along with TRS and other enclosures, directly or through their respective broker/Selling Broker to the Registrar to the Offer, at its registered office address provided in the Letter of Offer)

(Capitalized terms and expressions used herein but not defined, shall have the same meaning as ascribed to them in the Letter of Offer)

TENDERING PERIOD FOR THE OFFER	
OPENS ON	6 June 2022 (Monday)
CLOSES ON	17 June 2022 (Friday)

To,

The Acquirer

C/o Kfin Technologies Limited
Selenium Building, Tower- B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda, Serilingampally,
Hyderabad, Telangana – 500032
Tel. No.: +91 40 6716 2222/1-800-309-4001
Fax No.: +91 40 2343 1551
Email: efl.openoffer@kfintech.com

Dear Sir/Madam,

SUB: OPEN OFFER FOR ACQUISITION OF UP TO 10,465,000 EQUITY SHARES OF ESCORTS FINANCE LIMITED TO THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY BY KUBOTA CORPORATION (“ACQUIRER”)

I/We refer to the Letter of Offer for acquiring the Equity Shares held by me/us in the Target Company.

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement, Letter of Offer and the Open offer opening public announcement, and understood its contents, terms and conditions, and unconditionally accept these terms and conditions.

I/We acknowledge and confirm that all the particulars/statements given by me/us, herein are true and correct.

Details of Public Shareholder:

Name (in BLOCK LETTERS)	Holder	Name of the Shareholder	Permanent Account Number (PAN)
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s)/demat account)	Sole/First		
	Second		
	Third		

Name (in BLOCK LETTERS)	Holder	Name of the Shareholder	Permanent Account Number (PAN)
Contact Number(s) of the First Holder	Tel No. (with ISD/STD Code):		Mobile No.:
Full Address of the First Holder (with pin code)			
Email address of the First Holder			
Date & Place of incorporation (if applicable)			

FOR EQUITY SHARES HELD IN PHYSICAL MODE:

I/We, confirm that our residential status under the IT Act is as below (tick whichever is applicable).

- Resident
- Non-Resident

I/We, holding physical shares, accept this Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below along with enclosures as mentioned herein:

Sr. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		No. of Equity Shares
			From	To	
1					
2					
3					
(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)				TOTAL	

Enclosures (whichever is applicable)

- Duly attested power of attorney, if any person apart from the Public Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)
- Original Equity Share certificate(s)
- Valid Equity Share transfer deed(s)
- Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorized signatories
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired
- Self-attested copy of PAN card of all the transferor(s)
- Other relevant documents (please specify)

FOR ALL PUBLIC SHAREHOLDERS:

I/We confirm that the Equity Shares which are being tendered herewith by me/us under this Open Offer, are free from any pledges, liens, charges, equitable interests, non-disposal undertakings or any other form of encumbrances and are

being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

I/We confirm that the sale and transfer of the Equity Shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to.

My/Our execution of this Form of Acceptance-cum-Acknowledgement shall constitute my/our warranty that the Equity Shares comprised in this application are owned by me/us and are sold and transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I/we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these Equity Shares.

I/We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Offer Shares in this Open Offer and that I/we am/are legally entitled to tender the Offer Shares in this Open Offer.

I/We agree that the Acquirer and PACs will pay the consideration as per secondary market mechanism, only after verification of the certifications, documents and signatures, as applicable submitted along with this Form of Acceptance-cum-Acknowledgment by the Public Shareholders, and subject to the adherence of the aforementioned Instructions. I/We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me/us.

I/We declare that regulatory approvals, if applicable, for holding the Offer Shares and/or for tendering the Offer Shares in this Open Offer are enclosed herewith.

I/We confirm that I/We am/are not persons acting in concert with the Acquirer.

I/We give my/our consent to the Acquirer and/or the PACs, to file any statutory documents, if any, on my/our behalf in relation to accepting the Offer Shares in this Open Offer.

I/We confirm that I/we am/are in compliance with the terms of the Open Offer set out in the Public Announcement, the Detailed Public Statement, and the Letter of Offer.

I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer and/or the PACs, to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.

I/We am/are not debarred from dealing in shares or securities.

I/We confirm that there are no taxes or other claims pending against me/us which may affect the legality of the transfer of Equity Shares under the IT Act, including but not limited to Section 281 of the IT Act. I/We confirm that no notice has been issued by the income tax authorities impacting the rights to transfer the shares.

I/We note and understand that the Offer Shares will be held by the Registrar to the Offer/Clearing Corporation in trust for me/us till the date the Acquirer make payment of consideration as mentioned in the Letter of Offer, or the date by which other documents are dispatched to the Public Shareholders, as the case may be. I/We also note and understand that the consideration will be paid only to those Public Shareholders who have validly tendered their Equity Shares in this Offer, in accordance with the terms of the Letter of Offer.

I/We confirm that in the event of any income tax demand (including surcharge, cess, interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by me/us, or as a result of income tax (including any consequent surcharge, cess, interest and penalty) on the income arising from tendering of the Offer Shares, I/We will indemnify the Acquirer for such income tax demand (including surcharge, cess, interest, penalty, etc.) and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

I/We authorize the Acquirer and/or the PACs to acquire all the Equity Shares so tendered by me/us or such lessnumber of Equity Shares, which it/they may decide to accept, in consultation with the Manager to the Offer, and in terms of the Letter of Offer.

I/We authorize the Acquirer and/or the PACs, and the Registrar to the Offer to return to me/us by registered post or ordinary post, unaccepted documents, if any, at my/our sole risk, without specifying the reasons thereof.

I/We, confirm that our residential status for the purposes of tax is:

Resident Non-resident, if yes please state country of tax residency: _____

(If none of the above box is ticked, the residential status of the Public Shareholder will be considered as non-resident, for withholding tax purposes).

I/We, confirm that my/our status as a shareholder is: *(Please tick whichever is applicable)*

<input type="checkbox"/> Individual	<input type="checkbox"/> Domestic Company	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FII/FPI - Corporate	<input type="checkbox"/> FII/FPI - Others
<input type="checkbox"/> QFI	<input type="checkbox"/> FVCI	<input type="checkbox"/> Partnership /Proprietorship firm/LLP	<input type="checkbox"/> Private Equity Fund/AIF	<input type="checkbox"/> Pension/Provident Fund
<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Financial Institution	<input type="checkbox"/> NRIs/PIOs - repatriable	<input type="checkbox"/> NRIs/PIOs - non-repatriable
<input type="checkbox"/> Insurance Company	<input type="checkbox"/> OCB	<input type="checkbox"/> Domestic Trust	<input type="checkbox"/> Banks	<input type="checkbox"/> Association of person/Body of Individual
<input type="checkbox"/> Any others, please specify:				

FOR NRIs/OCBs/FIIs, FPIs AND SUB-ACCOUNTS/OTHER NON-RESIDENT SHAREHOLDERS:

I/We, confirm that my/our investment status is: *(Please provide supporting documents and tick whichever is applicable)*

- FDI Route
 PIS Route
 Any other - please specify _____

I/We, confirm that the Offer Shares tendered by me/us are held on: *(Please tick whichever is applicable)*

- Repatriable basis
 Non-Repatriable basis

I/We, confirm that: *(Please tick whichever is applicable)*

- No RBI or other regulatory approval was required by me for holding Offer Shares that have been tendered in this Open Offer and the Offer Shares are held under the general permission of the RBI
 Copies of all approvals required by me for holding Offer Shares that have been tendered in this Open Offer

are enclosed herewith

- Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith I/We, confirm that: *(Please tick whichever is applicable)*
- No RBI or other regulatory approval is required by me for tendering the Offer Shares in this Open Offer
- Copies of all approvals required by me for tendering Offer Shares in this Open Offer are enclosed herewith

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All future correspondence, if any, should be addressed to the respective Selling Broker, or the Registrar to the Offer at:

Unit: Escorts Finance Limited – Open Offer
Contact Person: M Murali Krishna
Tel: +91 40 6716 2222; Toll free number: 18003094001; Fax: +91 40 2343 1551
Website: www.kfintech.com
Email: efl.openoffer@kfintech.com

Additional confirmations and enclosures for all Public Shareholders, as applicable:

I/We, have enclosed the following documents: *(Please tick whichever is applicable)*

- Self-attested copy of PAN card
- For non-resident Public Shareholders not possessing a PAN Card, the following information/documents (that has not already been furnished): a) name, e-mail id, contact number; (b) address in the country or specified territory outside India of which the non-resident Public Shareholder is a resident; (c) a certificate of residence of the non-resident Public Shareholder in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; (d) tax identification number of the non-resident Public Shareholder in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the non-resident Public Shareholder is identified by the Government of that country or the specified territory of which he claims to be a resident
- Self-declaration form in Form 15G/Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any)
- Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum- Acknowledgement
- Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories
- For Mutual funds/Banks/Notified Institutions under Section 194A(3)(iii) of the IT Act, attestedcopy of relevant registration or notification
- Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs)
- SEBI Registration Certificate for FIIs/FPIs (mandatory to be submitted by FIIs/FPIs)
- ‘Valid Tax Residency Certificate’ issued by the income tax authority of a foreign country of which he/it claims to be a tax resident, in case the non-resident Public Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which such non-resident Public Shareholder claims to be resident and a duly filled in ‘Form 10F’ as prescribed under the IT Act. Such other information and documentation as maybe required depending upon specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India
- Certificate under Section 195(3) or Section 197 of the IT Act, wherever applicable (certificate for deduction of tax at lower rate) from the income tax authorities under the IT Act, indicating the amount of tax to be deducted by the Acquirer
- SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the IT Act
- Self-attested declaration in respect of residential status and tax status of Public Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify)
- Self-declaration that (a) income tax returns have been duly filed in India for the two preceding financial years along with copies of acknowledgements issued by the Indian tax authorities (as may be suitably redacted) evidencing the filing of such tax returns or; (b) that the aggregate tax deducted at source and tax collected at source is less than INR 50,000 in each of the two preceding financial years, as evidenced by a copy of Form 26AS annexed, ((a) and (b) applicable to non-residents only if they have a permanent establishment in India)

Other relevant documents (Please specify) _____

BANK DETAILS

In case of Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

In case of interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments.

Yours faithfully, Signed and Delivered,

	Full name(s) of the holder	PAN	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed, and certified copies of the necessary Board resolutions/Corporate authorizations should be attached.

Place: _____ Date: _____

-----**Tear along this line**-----

Acknowledgement Slip – Escorts Finance Limited - Open Offer

Received from Mr./Ms./M/s. _____

Address: _____

Form of Acceptance-cum-Acknowledgement for Escorts Finance Limited – Open Offer as per details below:

Copy of delivery instruction to depository participant of DP ID/Client ID/Folio No. _____ for
_____ Equity Shares

Date of Receipt: _____ Place of Receipt: _____

Stamp of Selling Broker: _____ Signature of Official: _____

INSTRUCTIONS

Capitalized terms used and not defined in these instructions will have the same meaning as provided in the Letter of Offer dated 27 May 2022.

- 1. PLEASE NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT OR ANY OTHER DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRER, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER.**
2. The Form of Acceptance-cum-Acknowledgement should be legible and should be filled-up in English only.
3. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
4. Eligible Public Shareholders who desire to tender their Equity Shares in the dematerialized form under the Open Offer would have to do so through their respective Selling Member by indicating the details of Equity Shares they intend to tender under the Open Offer.
- 5. AS PER THE PROVISIONS OF REGULATION 40(1) OF THE SEBI LODR REGULATIONS AND SEBI PR 49/2018 DATED 3 DECEMBER 2018, REQUESTS FOR TRANSFER OF SECURITIES SHALL NOT BE PROCESSED UNLESS THE SECURITIES ARE HELD IN DEMATERIALISED FORM WITH A DEPOSITORY W.E.F. 1 APRIL 2019. HOWEVER, IN ACCORDANCE WITH THE CIRCULAR ISSUED BY SEBI BEARING REFERENCE NUMBER SEBI/HO/CFD/CMD1/CIR/P/2020/144 DATED 31 JULY 2020, SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL FORM ARE ALLOWED TO TENDER SHARES IN AN OPEN OFFER. SUCH TENDERING SHALL BE AS PER THE PROVISIONS OF THE SEBI (SAST) REGULATIONS.**
6. The Public Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach their respective stock brokers and submit the following set of documents for verification procedure as mentioned below:
 - a) Original share certificate(s).
 - b) Valid share transfer deed(s), i.e., Form SH-4, duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
 - c) Self-attested copy of the Public Shareholder's PAN Card (in case of joint holders, the PAN card copy of all transferors).
 - d) This Form - for Public Shareholders holding Equity Shares in physical mode, duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
 - e) A self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license.
 - f) Any other relevant document including (but not limited to) such as power of attorney, corporate authorization (including board resolution(s)/specimen signature(s)), notarised copy/(ies) of death certificate(s) and succession certificate(s) or probated will(s), if the original shareholder is deceased, etc., as applicable.

Public Shareholders holding physical shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.

7. In case of unregistered owners of Equity Shares in physical mode, the Public Shareholder should provide an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Public Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. **PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.**
8. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a

public office and authorized to issue the seal of his office or a member of the BSE under their seal of office and membership number or manager of the transferor's bank.

9. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).
10. The Public Shareholder should ensure that the certificate(s) and above documents should be sent only to the Registrar to the Offer either by registered post or courier or hand delivery so as to reach the Registrar to the Offer: i.e. Kfin Technologies Limited , in no event later than 21 June 2022 (Tuesday) by 5.00 p.m. (IST) at the following address: Kfin Technologies Limited , Selenium Building, Tower B, Plot No-31 & 32, Nanakramguda, Serilingampally, Hyderabad, Telenagana, India 500032.
11. The Selling Broker should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc.
12. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement as the order in which they hold the Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
13. If the Offer Shares tendered are rejected for any reason, the Offer Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
14. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer in Section VIII (*Procedure for Acceptance and Settlement of the Open Offer*).
15. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement is being dispatched to all the Public Shareholders as on the Identified Date. In case of non-receipt of the Letter of Offer, such shareholders may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer.
16. All the Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
17. All the Public Shareholders are advised to refer to Section X (*Compliance with Tax Requirements*) in the Letter of Offer. However, it may be noted that Public Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances, as the details provided in Section X (*Compliance with Tax Requirements*), as referred to above, are indicative and for guidance purposes only.
18. All documents/remittances sent by or to Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
19. The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System.
20. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
21. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer at Section IX (*Procedure for Acceptance and Settlement of the Offer*).
22. The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is being dispatched to all the Public Shareholders as on the Identified Date. In case of non-receipt of the Letter of Offer, such Public Shareholders may download the same from the SEBI website (www.sebi.gov.in), or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Offer Shares. The Letter of Offer will also be available on the website of BSE (www.bseindia.com).
23. The Tender Form and TRS in case of shares held in dematerialized form are not required to be submitted to the Acquirer, the PACs, the Manager to the Offer or the Registrar to the Offer. Shareholders holding shares in demat

mode are not required to fill the Form of Acceptance-cum-Acknowledgment unless required by their respective selling broker. Holders of Equity Shares under lock-in will be required to fill the Form of Acceptance-cum-Acknowledgment.

24. If non-resident Public Shareholders had required any approval from the RBI or any other regulatory body in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, to tender the Offer Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Offer Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer, and provide such other consents, documents and confirmations as may be required to enable the Acquirer and/or PACs to purchase the Offer Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserve the right to reject such Offer Shares tendered in this Open Offer. If the Offer Shares are held under general permission of RBI, the non-resident Public Shareholder should state that the Offer Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.
25. Interest payment, if any: In case of interest payments by the Acquirer for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments.
26. Public Shareholders who hold shares in physical form and wish to tender their Equity Shares must submit the following documents to the Registrar to the Offer.
 - a) For resident Public Shareholders:
 - Self-attested copy of PAN card
 - Certificate from the income tax authorities under Section 197 of the IT Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of consideration (certificate for deduction of tax at lower rate)
 - Self-declaration in Form 15G/Form 15H (in duplicate), if applicable
 - Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum- Acknowledgement
 - Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories
 - For specified entities under Section 194A(3)(iii) of the IT Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any)
 - Self-attested declaration in respect of residential status and tax status of Public Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify);
 - Self-declaration that (a) income tax returns have been duly filed in India for the two preceding financial years along with copies of acknowledgements issued by the Indian tax authorities (as may be suitably redacted) evidencing the filing of such tax returns or; (b) that the aggregate tax deducted at source and tax collected at source is less than INR 50,000 in each of the two preceding financial years, as evidenced by a copy of Form 26AS annexed.
 - b) For non-resident Public Shareholders:
 - Self-attested copy of PAN card and in the case of non-resident Public Shareholders not possessing a PAN Card, the following information/documents (that has not already been furnished): a) name, e-mail id, contact number; (b) address in the country or specified territory outside India of which the non-resident Public Shareholder is a resident; (c) a certificate of residence of the non-resident Public Shareholder in any country or specified territory outside India from the Government of that country or specified territory if the law of that

country or specified territory provides for issuance of such certificate; (d) tax identification number of the non-resident Public Shareholder in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the non-resident Public Shareholder is identified by the Government of that country or the specified territory of which he claims to be a resident

- Certificate under Section 195(3) or Section 197 of the IT Act, wherever applicable (certificate for deduction of tax at lower rate) from the income tax authorities under the IT Act, indicating the amount of tax to be deducted by the Acquirer
- Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum- Acknowledgement
- Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories
- Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs).
- SEBI Registration Certificate for FIIs/FPIs (mandatory to be submitted by FIIs/FPIs, and Category 1 or Category 2 AIFs).
- Tax Residency Certificate and Form 10F and other information or documents as may be required to claim relief under the provisions of applicable double taxation avoidance agreement
- Self-attested declaration that it does not have a Permanent Establishment in India either under the IT Act or DTAA or agreement applicable between India and any other foreign country or specified Territory (as notified under Section 90 or Section 90A of the IT Act) of which the Public Shareholder claims to be a tax resident
- Self-attested declaration in respect of residential status and tax status of Public Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify)
- In case of non-resident Public Shareholders having a permanent establishment in India, a self-declaration that (a) income tax returns have been duly filed in India for the two preceding financial years along with copies of acknowledgements issued by the Indian tax authorities (as may be suitably redacted) evidencing the filing of such tax returns or; (b) that the aggregate tax deducted at source and tax collected at source is less than INR 50,000 in each of the two preceding financial years, as evidenced by a copy of Form 26AS annexed

In an event of non-submission of NOC or certificate for deduction of tax at nil/lower rate, tax will be deducted upto the maximum marginal rate as may be applicable to the relevant category, to which the Public Shareholder belongs, by the Acquirer.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING OFFER SHARES IN THIS OPEN OFFER, PLEASE REFER TO THE LETTER OF OFFER.

All future correspondence, if any, should be addressed to the respective Selling Broker, or to the Registrar to the Offer at the following address:

Unit: Escorts Finance Limited – Open Offer
 Contact Person: M Murali Krishna
 Tel: +91 40 6716 2222; Toll free number: 18003094001; Fax: +91 40 2343 1551
 Website: www.kfintech.com
 Email: efl.openoffer@kfintech.com