



ESCORTS CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("ECPP").

1. Corporate Disclosure Policy

1.1. The following is the Corporate Disclosure Policy/norm to be followed by Escorts Kubota Limited ("Company") to ensure timely and adequate disclosure of price sensitive information, which would impact the price of the Company's Securities and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations.

1.2. This Code shall be applicable and binding on all the persons as defined under the regulations which shall include employees, officers, directors and those persons authorized to speak on behalf of the Company.

2. DEFINITIONS:

- a. **"Board"** means the Board of Directors of the Company.
- b. **"Company"** means Escorts Kubota Limited.
- c. **"Compliance Officer"** means the Company Secretary of the Company, or any other person so designated from time to time.
- d. **"Chief Investors Relations Officer / CIRO"** means the Chairman & Managing Director (CMD) or the Company Secretary, being the person who is designated as the Compliance Officer to oversee corporate disclosure and dissemination of UPSI.
- e. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof and means the securities of the Company (specifically excluding units of a mutual fund)
- f. **"Unpublished Price Sensitive Information" or "UPSI"** means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and ordinarily including but not restricted to, information relating to the following:
 - (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel; and
 - (vi) any information which is likely to material affect the price of shares of the Company.

3. Prompt disclosure of price sensitive information

- 3.1. Disclosure of UPSI would be done promptly when credible and concrete information is available for making the same generally available;
- 3.2. The Company will endeavor to make uniform and universal dissemination of UPSI and will avoid making selective disclosure once the information is ready to be made generally available. Material events will be disseminated as mandated by the stock exchanges in Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 as amended from time to time.
- 3.3. In case the UPSI get disclosed selectively or inadvertently or otherwise, the Company shall promptly make generally available the said UPSI through dissemination either in the form of notification to stock exchanges, press releases or upload of information on the website of the Company or any other means as may be feasible.
- 3.4. UPSI handling will be on a selective need to know basis for legitimate purposes only. Policy for determination of Legitimate purposes forms part of this code and annexed hereto as Annexure I.
- 3.5. The information released to stock exchanges will also be placed on the website of the Company for improving investor access to such public announcements.

4. Overseeing and coordinating disclosure

- 4.1. The Compliance Officer / CISO shall deal with dissemination and disclosure of UPSI.
- 4.2. Compliance Officer / CISO shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and coordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders and media, and educating staff on disclosure policies and procedure.
- 4.3. Information disclosure/ dissemination may normally be approved in advance by the Compliance Officer / CISO.
- 4.4. If information is accidentally disclosed without prior approval, the person responsible may inform the Compliance Officer / CISO immediately, even if the information is not considered price sensitive.

5. Chinese Wall

- 5.1. To prevent the misuse of UPSI, the Company has adopted a 'Chinese Wall' policy which separates those departments which routinely have access to UPSI, considered —inside areas from those departments which deal with sale/marketing or other departments providing support services, considered —"public areas".

As per the said policy:-

- i. The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
- ii. The Employees in inside area may be physically separated from the Employees in public area.
- iii. Only in exceptional circumstances, Employees from the public areas are brought 'over the wall' and given UPSI on the basis of —need to know basis, under intimation to the Compliance Officer.

6. Responding to market rumors

- 6.1. Any queries or requests for verification of market rumors by exchanges should be forwarded immediately to the Compliance Officer/ CISO who shall decide on the response/clarification.
- 6.2. The Compliance Officer/ CISO shall decide whether a public announcement is necessary for verifying or denying rumors. The required disclosure shall be made accordingly.
- 6.3. The Company will, subject to non-disclosure obligations, aim to provide appropriate and fair response to the queries on news reports and requests for verification of market rumors by regulatory authorities.
- 6.4. As a general practice, if the rumor appears in a responsible media channel which has reasonably wide audience and rumor can have material impact on pricing of securities, then the Company would immediately make a proper announcement to present the correct position.

7. Timely Reporting of shareholdings/ ownership and changes in ownership:

- 7.1. Disclosure of shareholdings/ ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be made in a timely and adequate manner.

8. Disclosure/ dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors

- 8.1. The guidelines given hereunder shall be followed while dealing with analysts and institutional investors:-

- i. Only Public information to be provided**

Only public information and Non Price Sensitive Information should be provided to the analyst/ research persons. Alternatively, the information given to the such persons should be made generally available at the earliest.

- ii. Recording of discussion**

In order to avoid misquoting or misrepresentation, it is desirable that as far as possible discussions at meetings with analysts, brokers or Institutional Investors should preferably be recorded.

- iii. Handling of unanticipated questions**

Sufficient care should be exercised while dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and suitable response given later. If the answer includes price sensitive information, the same should be promptly made generally available.

- iv. Prompt release of Information**

The Company may also consider transcripts or records of the proceedings of the meetings with Analysts, Investor Relation meetings available on the website of the Company promptly.

9. Medium of disclosure/ dissemination

9.1. The manner of disclosure/ dissemination of UPSI is given below:-

- i. Disclosure/ dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- ii. Compliance Officer/ CISO shall ensure that disclosure to stock exchanges is made promptly.
- iii. Company may also facilitate disclosure through the use of their dedicated Internet website.
- iv. Company websites may provide a means of giving investors a direct access to analyst Briefing material, significant background information and question and answers.
- v. The information filed by the Company with exchanges under continuous disclosure requirements may be made available on the Company's website.

10. Amendments and Modifications

10.1. This code shall be reviewed from time to time and any amendments or modifications thereto shall be subject to the review and approval of Board of Directors of the Company.

11. Effective Date

11.1. This Code is effective from May 15, 2015.

**ESCORTS KUBOTA LIMITED
(Formerly Escorts Limited)**

Registered Office: 15/5, Mathura Road, Faridabad 121 003, India

Tel.: +91-129-2250222

E-mail: escortsgroup@escorts.co.in Website: www.escortsgroup.com

Corporate Identification Number L74899HR1944PLC039088

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

1. INTRODUCTION:

This Policy has been framed in compliance with the provisions of Regulation 3 (2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**SEBI (PIT) Regulations**”).

The objective of the Policy is to identify the legitimate purposes for sharing Unpublished Price Sensitive Information of the Company, if any, during the course of performance of duties or discharging legally bona-fide obligations.

2. DEFINITIONS:

- a. “**Insider**” for the purpose of this Policy will mean any person who is in receipt of Unpublished Price Sensitive Information pursuant to a legitimate purpose.
- b. “**Legitimate Purpose**” shall include sharing of unpublished price sensitive information in the Ordinary course of business by an insider with its promoters, promoter group, holding companies, subsidiaries, associates, affiliates, joint ventures (collectively with the Company, “**Group Companies**”) arising out of the business requirements, including for the purposes of promoting the business of the Company, strategies of business, preservation of Company value, statutory consolidation requirements, partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants of the Group Companies , provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI (PIT) Regulations.

In the following cases (which are illustrative in nature) sharing of UPSI would be considered legitimate purpose:

- (i) for investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognised by law;

Illustrations (including but not limited to): Call for information or query received from the Ministry of Corporate Affairs, income tax authorities, Securities and Exchange Board of India, stock exchanges, Reserve Bank of India, etc.

- (ii) under any proceedings or pursuant to any order of courts or tribunals;

Illustrations (including but not limited to): National Company Law Tribunal, National Company Law Appellate Tribunal, quasi-judicial authorities, courts, arbitration proceedings, etc.

- (iii) as part of compliance with applicable laws, regulations, rules, directions and requirements;

Illustrations (including but not limited to): Companies Act, 2013, Securities and Exchange Board of India Act , 1992, Income Tax Act, 1961, and rules and regulations issued thereunder, etc.

- (iv) undertaking any corporate actions in accordance with applicable laws, regulations, rules, directions and requirements;
- (v) arising out of any contractual obligations or arrangements entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking;

Illustrations (including but not limited to): Due diligence for any kind of restructuring, mergers and acquisitions, delisting, disposals and expansion of business, joint venture agreements, share purchase agreements, preferential issuance, share subscription, etc.

- (vi) arising out of the business requirements, including for the purposes of promoting business of the Company, strategies of business, statutory consolidation requirements or related customary or contractual disclosure obligations which may require sharing of UPSI, whether pursuant to a contract or otherwise, with the holding company, subsidiaries, associates, joint ventures, and with the promoters, and the promoters in turn with their promoters, as well as by the promoters with their advisors, consultants, intermediaries, fiduciaries, etc., on a need to know basis.

Illustrations (including but not limited to):

- sharing relevant UPSI for advice, consultation, valuation, fund raising or other intermediation and approvals in relation to the subject matter of a proposed deal/assignment/tie-up/venture/fund raising;
- sharing relevant UPSI in relation to corporate actions such as dividend, bonus issue, buyback, etc. or in relation to changes in key managerial personnel;
- sharing relevant UPSI with intermediaries, fiduciaries, merchant bankers, advisors, lawyers, bankers, consultants, valuers, rating agencies, auditors, income tax advisors, insolvency professionals, business support agents, transaction processing service providers in order to avail professional services from them;
- sharing relevant UPSI for advice, consolidation, transactional support, intermediation and approvals on projects relating to enterprise transformation, strategy, change management, analytics, reorganisation, operational improvement, technology and similar domains;
- sharing relevant UPSI with business partners essential to fulfil the terms and conditions of business contact the client, vendor, collaborator or lender;
- sharing relevant UPSI for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new products, business opportunities and new lines of business;
- sharing relevant UPSI for statutory consolidation requirements or related customary disclosure obligations;
- sharing relevant UPSI with persons engaged or involved in the processes leading to disclosure of events set out in Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the event of any doubt as to the constitution of “legitimate purpose”, the decision of the Board of Directors of the Company shall be final and binding.

Any person in receipt of UPSI pursuant to a 'legitimate purpose' shall be considered an 'insider' for the purposes of the SEBI (PIT) Regulations and shall comply with this Code.

- c. **Ordinary course of business** includes regular and usual day to day transactions, general customs and practices of a business performed in the Company.

3. COMMUNICATION PURSUANT TO SHARING OF UPSI:

3.1 Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered as an Insider and due notice shall be given to such Insider to maintain confidentiality of such UPSI in compliance with SEBI (PIT) Regulations.

3.2 The Communicates shall require to execute agreements with the Company to contract confidentiality and non-disclosure obligations on the part of receivers of such UPSI and such outside parties shall keep information so received confidential, and shall not trade in securities of the Company when in possession of UPSI.

3.3 The Company shall take requisite information before communicating UPSI to such persons as per the internal policy of the Company, including but not limited to:

3.3.1 Full name of the recipient of UPSI;

3.3.2 Name of the entity whom the recipient represents

3.3.3 Complete residential address of recipient and registered office address of the recipient entity.

3.3.4 Permanent Account Number or other identifier authorized by law in case permanent Account Number is not available of the recipient and his entity.

4. AMENDMENT:

This Policy may be amended by the Board from time to time. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there are any mandatory changes required by the law.