



IGARASHI MOTORS INDIA LIMITED

Registered office: Plot Nos. B-12 to B-15, Phase II,
MEPZ-SEZ, Tambaram, Chennai 600045, India

NOTICE OF POSTAL BALLOT

Dear Shareholders,

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 (the "Rules"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, to transact the following business by the members of Igarashi Motors India Limited (the "Company") by passing the following resolution by way of a postal ballot.

The below resolutions along with the explanatory statement containing material facts and a postal ballot form are enclosed with this Notice.

To consider and, it thought fit, to give assent to the following resolutions:

1. Increase in the authorised share capital and amendment to the Memorandum of Association

To consider and to approve or disapprove the following resolution as an ordinary resolution:

"RESOLVED THAT in accordance with the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the consent of the members be and is hereby accorded to increase the authorised share capital of the Company from Rs. 22,00,00,000 (twenty two crore rupees) divided into 2,20,00,000 (two crore and twenty lac) equity shares of Rs. 10 (ten rupees) each to Rs. 35,00,00,000 (thirty five crore rupees) divided into 3,50,00,000 (three crore fifty lac) equity shares of Rs.10 (ten rupees) each.

RESOLVED FURTHER THAT pursuant to Section 16 of the Companies Act, 1956 and other applicable provisions, if any, the existing Clause V of the Memorandum of Association of the Company relating to share capital be and is hereby altered by deleting the same and substituting it with the following new Clause V:

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P.DINAKARA BABU
COMPANY SECRETARY

- V. The authorised share capital of the Company is Rs. 35,00,00,000 (thirty five crore rupees) divided into 3,50,00,000 (three crore and fifty lac) equity shares of Rs. 10 (ten rupees) each.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company (the “Board”, which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution) be and is hereby authorised, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any question or difficulty that may arise in regard thereto, without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by the above resolutions to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

2. Increase in borrowing powers of the Company under section 293(1)(d)

To consider and to approve or disapprove the following resolution as an ordinary resolution:

“**RESOLVED THAT**, in supersession of the resolution passed by the members at the Fourteenth Annual General Meeting held on 26 July 2006, consent of the members be and is hereby accorded to the Board of Directors of the Company (“Board”) pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 for borrowing from Financial Institutions/Banks or persons or others from time to time any sum or sums of money, provided that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) shall not, at any time, exceed an aggregate amount of Rs. 175 crore (Rupees one hundred and seventy five crore only) notwithstanding that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate of the paid up share capital of the company and its free reserves (i.e. reserves not set apart for any specific purpose).

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RESOLVED FURTHER THAT subject to the conditions and limits set out in these resolutions, the Board is hereby authorised to determine the loan/borrowing amount, approve such borrowing and lending on such terms and conditions as they may think fit and perform such activities in the matter relating hereinabove, as they may deem fit on behalf of the Company."

3. Preferential allotment of optionally convertible debentures

To consider and to approve or disapprove the following resolution as a special resolution:

"RESOLVED THAT, pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force, the Articles of Association of the Company, the listing agreement entered into between the Company and the stock exchanges where the equity shares of the Company are listed, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**"), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**") and all other applicable laws including the Foreign Exchange Management Act, 1999, the Foreign Exchange (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 any other guidelines and clarifications issued by the Government of India, the Securities and Exchange Board of India, Reserve Bank of India, stock exchanges on which the equity shares of the Company are listed as also by any other statutory/regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions of any authorities, as may be necessary, and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction which may be agreed to by the Board of Directors of the Company, consent of the Company be and is hereby given to the Board, to create, offer issue and allot, for cash, on a preferential basis, 92,32,362 (ninety two lacs thirty two thousand three hundred and sixty two) optionally convertible redeemable debentures with a 9% (nine per cent.) coupon, which shall accrue upon the expiry of six (6) months from the date of issuance of such optionally convertible debentures (hereinafter, the "**Allotment Debentures**") to Mr. Padmanaban Mukund ("**PM**"), an Indian resident individual who presently holds 52,322 (fifty two thousand three hundred and twenty two) equity shares of the Company of Rs. 10 (ten rupees) each (amounting to 0.26% (zero point two six per cent) of the outstanding equity share capital of the Company) on such terms and conditions as set out in the OCD subscription agreement dated 17 July 2013 between the Company, PM and Agile Electric Sub Assembly Private Limited, being the holding company of the Company, at a price which shall be the higher of: (a) the proposed price of Rs. 65 (sixty five rupees) per Allotment Debenture; and (b) such price determined in accordance with Chapter VII of the ICDR Regulations.

RESOLVED FURTHER THAT each Allotment Debenture may be converted, at the option of the holder, into 1 (one) equity share of the Company with face value of Rs. 10 (ten rupees) each ("**Equity Shares**") at any time from the date of issuance of the

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respective Allotment Debentures (“Entitlement Date”) up to 18 (eighteen) months from the Entitlement Date, at such conversion price determined with reference to “Relevant Date”, which shall be 18 July 2013 or in case of delay in announcement of Shareholders’ resolution, the date 30 days prior to the date on which the Shareholders’ resolution is approved, in accordance with the ICDR Regulations or any other applicable regulations, provided that if an Allotment Debenture is not converted into an Equity Share prior to the expiry of eighteen (18) months from the Entitlement Date, such Allotment Debenture shall be redeemed by the Company in such manner as may be determined by the Board.

RESOLVED FURTHER THAT each Allotment Debenture shall, at the option of its holder, be redeemable by the Company at any time prior to the expiry of 18 (eighteen) months from the Entitlement Date.

RESOLVED FURTHER THAT in pursuance of the preferential allotment, as aforesaid, to PM, the Allotment Debentures shall remain locked in from such date and for such periods as specified under the ICDR Regulations.

RESOLVED FURTHER THAT the Allotment Debentures to be allotted to PM shall be freely transferable from the date of allotment, subject to the lock-in requirements as prescribed by the ICDR Regulations.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted upon conversion of the Allotment Debentures, as aforesaid, shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted upon conversion of the Allotment Debentures shall be listed on the stock exchanges on which the existing Equity Shares of the Company are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any question or difficulty that may arise in regard thereto and to appoint such consultants, valuers, legal advisors, advisors and all such agencies as may be required for the issue and allotment of the Allotment Debentures, without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by the above resolutions to any director or

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directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

**By order of the Board
For Igarashi Motors India Limited**

**P Dinakara Babu
Company Secretary**

**Place: Chennai
Date: 17 July 2013**

Enclosed:

1. Postal ballot form.
2. Postage – prepaid envelope.

NOTES

1. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 setting out all material facts and the reasons thereto is annexed hereto.
2. Resolutions 1 and 2 require the prior consent of the members by way of ordinary resolution. These resolutions shall be declared as passed if the number of votes cast in favour exceed the votes, if any, against the said resolutions.
3. The issuance of the optionally convertible debentures as aforesaid on a preferential basis requires the prior consent of the members by way of a special resolution by postal ballot, in terms of Section 81 (1A) of the Companies Act, 1956, the ICDR Regulations and the Takeover Regulations. The special resolution mentioned herein shall be declared as passed if the number of votes cast in its favour is not less than three times the number of votes cast against the said special resolution.
4. The postal ballot form for voting by shareholders of the Company is enclosed.
5. The Board has appointed Dr. B Ravi, Company Secretary in whole-time practice, as the scrutiniser for conducting this postal ballot voting process in a fair and transparent manner. The scrutiniser's address is Dr. B Ravi, C/o Cameo Corporate Services Limited, Subramanian Building, #1, Club House Road, Chennai – 600 002.
6. Members are requested to read carefully the instructions printed on the postal ballot form and return the same form duly completed, in the attached self addressed postage pre-paid envelope, so as to reach the scrutiniser on or before the close of business hours on 16 August 2013. Please note that any postal ballot form(s) received thereafter will be treated as not having been received. No other form or photocopy thereof is permitted.
7. The scrutiniser will submit his report to the Chairman or any Director of the Company after completion of the scrutiny of the postal ballots. The results of the postal ballot will be announced on 17 August 2013 at the registered office of the Company. The result shall also be announced to the stock exchanges where the equity shares of the Company are listed. In addition, the results shall be published in a leading English newspaper and a vernacular newspaper in Chennai, where the registered office of the Company is situated. These resolutions, if approved, will be taken as passed effectively on the date of declaration of result.
8. All documents referred to in the accompanying notice and the explanatory statement (other than the share subscription and purchase agreement dated 17 July 2013 and the two share purchase agreements executed by certain shareholders of Agile Electric Sub Assembly Private Limited dated 17 July 2013) are open for inspection at the registered office of the Company during office hours on all working days except Saturdays and Sundays between 11.00 a.m. and 5.00 p.m. up to 16 August 2013.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Explanatory statement for ITEM NO. 1

The present authorised share capital of the Company is Rs.22,00,00,000 (twenty two crore rupees) divided into 2,20,00,000 (two crore and twenty lac) equity shares of Rs. 10 (ten rupees) each.

The Company, in order to meet its growth objectives and to strengthen its financial position, is required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the Authorised Share Capital of the Company and for that purpose, clause V of the Memorandum of Association of the Company is proposed to be suitably altered as set out at Item No. 1 of the accompanying Notice.

The Board of Directors accordingly recommends the resolutions set out at Item No. 1 of the accompanying Notice for the approval of the Members by exercising their vote through the Postal Ballot Form.

None of the directors are deemed to be interested in passing of the above resolution except to the extent of their shareholding, if any, in the Company. Mr. Padmanaban Mukund may be deemed to be concerned or interested in the resolution, in view of the proposed preferential allotment of optionally convertible debentures, in terms of Item No. 3 of the accompanying Notice.

Explanatory statement for ITEM NO. 2

Pursuant to the provisions of section 293(1)(d) of the Companies Act, the Board of Directors of a public limited company cannot, except with the consent of the Company at a general meeting, borrow monies (besides temporary loans) in excess of the aggregate of its paid up share capital and its free reserves (i.e., reserves not set apart for any specific purpose).

The Company, in order to meet its growth objectives and to strengthen its financial position, is required to generate long term resources by raising debt or issuing securities. It is therefore deemed appropriate to modify the borrowing limits of the Board of Directors of the Company, in supersession of the resolution passed by the members at the Fourteenth Annual General Meeting held on 26 July 2006 to Rs. 175 crore (Rupees one hundred and seventy five crore only) notwithstanding that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate of the paid up share capital of the company and its free reserves (i.e. reserves not set apart for any specific purpose).

Pursuant to the provisions of section 192A of the Companies Act, the resolution for increasing the borrowing limits of the Board of Directors is proposed to be passed through postal ballot. The Board of Directors accordingly recommends the resolutions set out at Item No. 2 of the accompanying Notice for the approval of the Members by exercising their vote through the Postal Ballot Form.

None of the directors are deemed to be interested in passing of the above resolution except to the extent of their shareholding, if any, in the Company. Mr. Padmanaban Mukund may be deemed to be concerned or interested in the resolution in view of the proposed preferential allotment of optionally convertible debentures, in terms of Item No. 3 of the accompanying Notice.

Explanatory statement for ITEM NO. 3

1. The Board, at its meeting held on 17 July 2013, has considered it desirable to and has approved, subject to obtaining the necessary statutory approvals and such other approvals as the Board may consider appropriate, the raising of further capital by way of a preferential allotment of an aggregate of 92,32,362 (ninety two lacs thirty two thousand three hundred and sixty two) optionally convertible redeemable debentures (hereinafter the "**Allotment Debentures**") with a 9% (nine per cent.) coupon, the accrual of which commences upon the expiry of six (6) months from the date of issuance of such debentures, to Mr. Padmanaban Mukund ("**PM**"), an Indian resident individual and the Managing Director of the Company, who presently holds 52,322 (fifty two thousand three hundred and twenty two) equity shares of the Company of Rs. 10 (ten rupees) each (amounting to 0.26% (zero point two six per cent) of the outstanding equity share capital of the Company) at a price which shall be the higher of: (a) the proposed price of Rs. 65 (sixty five rupees) per Allotment Debenture; and (b) such price determined in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**"). An OCD subscription agreement in this regard has been executed between the Company, PM and Agile Electric Sub Assembly Private Limited ("**AESPL**"), being the promoter of the Company, on 17 July 2013 ("**OCDSA**").
2. The Company has been informed that its promoter, AESPL and certain shareholders of AESPL have simultaneously entered the following agreements with Blackstone Capital Partners (Singapore) VI FDI Three Pte. Limited and BFIP (Cayman) VI-ESC FDI Three Limited (together, the "**Investors**"): (a) a share subscription and purchase agreement dated 17 July 2013; and (b) two share purchase agreements dated 17 July 2013 (together, the "**SSPA**"), pursuant to which 4,57,96,048 (four crore fifty seven lac ninety six thousand and forty eight) equity shares of AESPL in aggregate will be purchased by the Investors from certain shareholders of AESPL, including HBL Power Systems Limited and PM, and 61,76,806 (sixty one lac seventy six thousand eight hundred and six) equity shares of AESPL shall be subscribed by the Investors, on the terms set out therein. Pursuant to these transactions, the Investors shall be the legal and beneficial owners of 97.90% (ninety seven point nine zero per cent) of the share capital of AESPL. In addition, the Company has been informed that PM shall be subscribing to the Allotment Debentures as a 'person acting in concert' (as the term is defined in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**")) with the Investors. Shareholders are requested to note that the term of the SSPA is subject to the satisfaction or waiver of certain conditions relating to the SSPA. The satisfaction of these conditions is not necessarily within the control of the parties to the SSPA.

3. Consequent to the transactions as contemplated above resulting in an indirect change of control of the Company, the Investors (along with AESPL and PM as 'persons acting in concert') are required to make an open offer ("**Open Offer**"/"**Offer**") to acquire up to 79,54,036 (seventy nine lac fifty four thousand and thirty six) equity shares of the Company, constituting 26% (twenty six per cent) of the post-allotment (i.e. after including such number of equity shares of the Company which are issuable on the assumption that all Allotment Debentures, all vested employee stock options and all other convertible securities have been converted as of the tenth working day from the closure of the tendering period) equity share capital of the Company in accordance with the Takeover Regulations.
4. The Investors shall issue a 'public announcement' in this regard as required under the Takeover Regulations. The Investors, AESPL and PM (as 'persons acting in concert') could also acquire up to 79,54,036 (seventy nine lac fifty four thousand and thirty six) additional shares in the open offer. The exact number of shares that the Investors and/or the persons acting in concert would acquire in the open offer would depend on the number of shares that are validly tendered and purchased pursuant to the open offer.
5. In terms of Section 81(1A) of the Companies Act, 1956 read with the ICDR Regulations and Regulation 26 of the Takeover Regulations, the proposed preferential allotment requires approval of the Company's shareholders by way of a special resolution through the postal ballot process. The Board, therefore, seeks the consent of the Company's shareholders to the special resolution set out in the notice, by way of a special resolution through postal ballot.
6. The Board believes that the proposed preferential allotment would strengthen the Company's balance sheet as also provide it with funds for its working capital and ordinary course requirements. The Board expects to raise approximately Rs. 60 crores pursuant to the issuance of the Allotment Debentures, assuming that they are allotted at a minimum price of Rs 65 (sixty five rupees) per Allotment Debenture.
7. The proposed issue and allotment of the Allotment Debentures will be governed by the Companies Act, 1956 (including any statutory modification or re- enactment thereof for the time being in force), the Articles of Association of the Company, the listing agreement entered into between the Company and the stock exchanges where the equity shares of the Company are listed, the ICDR Regulations and the Takeover Regulations, as also the terms of the OCDSA.
8. Under the ICDR Regulations, since the equity shares of the Company have been listed on a recognised stock exchange for a period more than six months as on the Relevant Date, the equity shares shall be allotted at a price not less than the higher of the following:
 - (a) the average of the weekly high and low of the closing prices of the related equity shares quoted on a recognised stock exchange during the twenty-six weeks preceding the Relevant Date; or

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- (b) the average of the weekly high and low of the closing prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the Relevant Date

The recognised stock exchange referred to above means any of the recognised stock exchanges in which the equity shares of the Company are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding twenty six weeks prior to the Relevant Date.

The "Relevant Date" for the preferential issue of convertible securities for the determination of applicable price for the issue of the Allotment Debentures shall be 18 July 2013 or in case of delay in announcement of the shareholders' resolution, the date which is 30 (thirty) days prior to the date of announcement of the results of the postal ballot.

Accordingly, it is proposed that the Allotment Debentures are issued and allotted at a price which shall be the higher of: (a) the proposed price of Rs. 65 (sixty five rupees) per Allotment Debenture; and (b) such price determined in accordance with Chapter VII of the ICDR Regulations.

9. The allotment of the Allotment Debentures is subject to PM not having sold any equity shares of the Company during the six months preceding the Relevant Date. PM has confirmed that he and his affiliates have not sold any equity shares in the Company during the 6 (six) months preceding the date of this notice.
10. It may be noted that under the terms of Chapter VII of the ICDR Regulations, it is necessary to disclose the details of investor and certain other matters to the shareholders while seeking their approval for issuing equity shares or convertible securities on preferential basis. Hence, the relevant disclosures/details are given below:

- (a) Objects of the issue:

The amounts received by the Company pursuant to the preferential allotment shall be used in the ordinary course of the Company's business, including as working capital (including, for the avoidance of doubt, to pay its own costs and expenses in relation to the preferential allotment), for the purposes of any capital expenditure by the Company and for such other corporate purposes of the Company as the Company may determine.

- (b) Proposal of the promoters/directors/key management persons of the Company to subscribe to the offer:

PM is the managing director of the Company and he has agreed to subscribe to the Allotment Debentures. The price at which the Allotment Debentures will be issued shall be determined by the Board, provided that such price shall be the higher of: (a) the proposed price of Rs. 65 (sixty five rupees) per Allotment Debenture; and (b) such price determined in accordance with

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Chapter VII of the ICDR Regulations. PM shall be subscribing to the Allotment Debentures as a 'person acting in concert' with the Investors.

- (c) Shareholding pattern of the Company before and after the proposed issue of shares pursuant to the resolution:

The pre allotment (as on 12 July 2013, being the latest practicable date on which shareholder data was available prior to the approval and issuance of the notice to shareholders) and post allotment shareholding pattern of the Company is set out below:

Igarashi Motors India Limited				
Shareholder	Pre-allotment		Post-allotment	
	No. of equity shares (fully diluted basis)	% to total	No. of equity shares (fully diluted basis)	% to total
Promoter				
AESPL	1,28,24,225	60.04%	1,28,24,225	41.92%
PM [^]			99,78,384 [#]	32.62%
Non-Promoter				
PM [^]	7,46,022 [*]	3.49%		
Other Sellers under the SSPA	4,60,401	2.16%	460,401	1.50%
Other Public Shareholders	73,29,434 [@]	34.31%	73,29,434	23.96%
Total	2,13,60,082	100.00%	3,05,92,444	100.00%

[^] PM, who was earlier a public shareholder, shall be a part of the promoter group post allotment.

[#] Assuming the issue of 92,32,362 Allotment Debentures held by PM, each convertible into 1 equity share.

^{*} Assuming the conversion of 6,93,700 employee stock options held by PM which have vested as on date.

[@] Assuming the conversion of additional 2,47,000 employee stock options held by employees of the Company (other than PM) which have vested as on date.

This table shows the expected shareholding pattern of the Company upon consummation of the preferential allotment, and assumes that holdings of all other shareholders shall remain the same post-issue, as they were on the date on which the pre-issue shareholding pattern was prepared. The Allotment Debentures will represent an aggregate of 92,32,362 (ninety two lac thirty two thousand three hundred and sixty two) equity shares of the Company post conversion.

Depending upon the date of completion of the preferential allotment, and whether the Investors and the persons acting in concert have acquired equity shares pursuant to the Open Offer at such time, the post-issue shareholding pattern of the Company may undergo changes from the table set out above.

- (d) Proposed time within which allotment will be completed:

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COMPANY SECRETARY

Under regulation 74(1) of the ICDR Regulations, preferential allotment pursuant to a special resolution shall be completed within a period of 15 (fifteen) days from the date of passing of such resolution, provided that where permission by any regulatory authority or the Central Government for allotment is pending, the period of 15 (fifteen) days shall be counted from the date of approval or permission, as the case may be.

However, under regulation 74(3) of the ICDR Regulations, notwithstanding the above, where a preferential allotment is made that attracts an obligation to make an open offer for equity shares of the issuer under the Takeover Regulations, and there is no offer made under regulation 20(1) of the Takeover Regulations, the period of 15 (fifteen) days shall be counted from the expiry of the period specified in regulation 20(1) of the Takeover Regulations or the date of receipt of all statutory approvals required for the completion of the open offer under the Takeover Regulations, provided that if an offer is made under regulation 20(1) of the Takeover Regulations then the period of 15 (fifteen) days shall be counted from the expiry of the offer period as defined in the Takeover Regulations. Sub-regulation (3) of regulation 74 of the ICDR Regulations further provides that the provisions of that sub-regulation shall not apply to an offer made regulation 20(1) of the Takeover Regulations pursuant to a preferential allotment.

Accordingly, the allotment of the Allotment Debentures shall take place within the applicable period mentioned above.

- (e) Identity of the proposed allottee, the percentage of post-preferential issued capital that may be held by the said allottee and change in control, if any, in the issuer consequent to the preferential issue:

Allottee	Number of Allotment Debentures to be issued	% of post-issue equity capital (on a fully diluted basis)
Padmanaban Mukund	92,32,362	30.18%

The preferential allotment on a standalone basis will not result in a change in the control or management of the Company. However, the completion of the purchase of equity shares of AESPL by the Investors under the SPA will result in an indirect change of control and management of the Company (since AESPL is the holding company of the Company). PM will be acquiring the Allotment Debentures as a person acting in concert for the purposes of the Takeover Regulations.

- (f) Requirement as to re-computation of price and lock-in of specified securities:

Since the equity shares of the Company have been listed on the stock exchanges for a period more than 26 (twenty six) weeks prior to the Relevant

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Date, the Company is neither required to re-compute the price of the Allotment Debentures nor therefore, required to submit the undertakings specified under regulation 73(1)(f) and (g) of the ICDR Regulations.

11. M/s. Sharp & Tannan, the Statutory Auditors of the Company, have certified that the proposed preferential issue is being made in accordance with the ICDR Regulations. A copy of the said certificate, the Memorandum of Association and the Articles of Association of the Company and the OCDSA is available for inspection at the registered office of the Company during working hours between 11.30 a.m. and 5.00 p.m., except on Saturdays, Sundays and public holidays, up to the last date fixed for the receipt of postal ballots from the members of the Company.
12. The Allotment Debentures issued pursuant to the preferential allotment will be subject to lock in as provided in the ICDR Regulations. The entire pre preferential allotment shareholding of the allottees, if any, shall be locked in from the relevant date for a period of 6 (six) months from the date of the allotment.
13. None of the directors are deemed to be interested in passing of the above resolution except to the extent of their shareholding, if any, in the Company. PM has recused himself from voting on resolutions with respect to this preferential allotment.

The consent of the members is being sought under Section 81(1A) of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, if any, and in terms of the ICDR Regulations and provisions of the listing agreements executed by the Company with the stock exchanges where the Company's shares are listed.

The Board of Directors of the Company believes that this preferential allotment is in the interest of the Company and hence, recommends the resolution for the approval of the shareholders.

**By order of the Board
For Igarashi Motors India Limited**

**P Dinakara Babu
Company Secretary**

**Place: Chennai
Date: 17 July 2013**

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**P. DINAKARA BABU
COMPANY SECRETARY**

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IGARASHI MOTORS INDIA LIMITED
Regd. Office: Plot No. B-12 to B-15, Phase II
MEPZ- SEZ, Tambaram, Chennai - 600 045, Tamil Nadu

POSTAL BALLOT FORM

- Sl. No.
1. Name(s) of member(s) :
(including joint-holders, if any) :
 2. Registered address of the :
sole /first named member :
 3. Registered Folio No. * :
(* Applicable to member(s) holding :
shares in physical form)
DP ID No. & Client ID No.** :
(** Applicable to member(s) holding :
shares in dematerialised form) :
 4. Number of shares held :

I/we hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot in respect of the business stated in the Postal Ballot Notice of the Company dated July 17, 2013 by sending my/our assent or dissent to the said Resolution by placing the tick (√) mark at the appropriate box below:

S.No.	Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Increase in Authorised Share Capital from Rs. 22 Crores to Rs. 35 Crores			
2	Under Section 293(1)(d) of the Companies Act, 1956, for increase of borrowing powers upto Rs. 175 Crores.			
3	Special Resolution- under Section 81(1A) of the Companies Act ,1956, for issue of Allotment Debentures to Mr. Padmanaban Mukund			

Place:

Date:

Signature of the member

NOTE: PLEASE READ CAREFULLY THE INSTRUCTIONS PRINTED OVERLEAF BEFORE EXERCISING THE VOTE.

IGARASHI MOTORS INDIA LIMITED

INSTRUCTIONS

1. A member desiring to exercise vote by Postal Ballot may complete this postal ballot form and send it to the Scrutiniser in the enclosed self-addressed Business Reply envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if deposited in person or sent by courier / registered post at the expense of the member will also be accepted. Members residing outside India should stamp the envelopes appropriately.
2. The self-addressed envelope bears the address of the Scrutiniser appointed by the Board of Directors of the Company.
3. This postal ballot form should be completed and signed by the member as per the specimen signature registered with the Company. In case of joint holding, this form should be completed and signed by the first named member and in his/her absence, by the next named member. Unsigned postal ballot form will be rejected.
4. In case of companies, trusts, etc. the duly completed postal ballot form should be accompanied by a certified true copy of Board Resolution / Authority to the person voting on the postal ballot form.
5. In case holders of Power of Attorney sign the postal ballot form, reference of Power of Attorney registration by the Company should be mentioned in the postal ballot form.
6. **Duly completed postal ballot form(s) should reach the Scrutiniser not later than the close of working hours (5.00 pm) on Friday 16 August 2013. Postal Ballot Form(s) received after this date will be strictly treated as if the reply from such member has not been received.**
7. A member may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutiniser not later than the date specified at item 6 above.
8. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member on the date of dispatch of the notice.
9. Members are requested not to send any other paper along with the postal ballot form in the enclosed self-addressed Business Reply envelope. Any extraneous paper found in such envelope will be destroyed by the Scrutiniser.

IGARASHI MOTORS INDIA LIMITED


P. DINAKARA BABU
COMPANY SECRETARY