

KISL/IB/IMIL/2017-18/156

March 12, 2018

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

Dear Sir,

**Sub.:** Open Offer to acquire up to 79,58,196 Equity Shares representing upto 26% of the Voting Rights of M/s Igarashi Motors India Limited ("Target Company") by Mr. Padmanabhan Mukund ("Acquirer") along with Agile Electric Sub Assembly Private Limited and Igarashi Motors Sales Private Limited ("Persons acting in concerns"/ "PACs") at a price of Rs.809.96/- per fully paid-up equity share.

**Ref:** Submission of Letter of Offer.

This is further to our letter No. 066 dated September 11, 2017 on the captioned subject, we are enclosing herewith a copy of the Letter of Offer with regard to the open offer to the shareholders of Igarashi Motors India Limited made by Mr. Padmanabhan Mukund along with Agile Electric Sub Assembly Private Limited and Igarashi Motors Sales Private Limited as submitted to SEBI for your information and records.

Further, we are also enclosing herewith a compact disc containing the soft copy of Letter of Offer in PDF Format.

Please acknowledge receipt.

Thanking you,

Yours Sincerely,  
For Karvy Investor Services Limited

  
T R Prashanth Kumar  
Whole Time Director & CEO



Encl.: As above

**Karvy Investor Services Limited**

**Address for Correspondence: Hyderabad:** Plot No. 31, 8th Floor, Karvy Millennium, Nanakramguda, Financial District, Gachibowli, Hyderabad - 500 032. Phones: +91 40 2342 8774 | 2331 2454 | Fax: +91 2337 4714

**Mumbai:** 701, Hallmark Business Plaza, Sant Dhyaneswar Marg, Bandra (E), Mumbai - 400051 | Tel: +91 22 61491500 | Fax: +91 22 61491515

**Registered Office:** 'Karvy House', 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034.

Email: cmg@karvy.com / igmbd@karvy.com | www.karvyinvestmentbanking.com

CIN No. U67120TG1997PLC026253 | SEBI Registration No. MB/INM000008365

## LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Letter of Offer ("**Letter of Offer**" / "**LOF**") is sent to you as an Eligible shareholder of **Igarashi Motors India Limited**. If you require any clarification about action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your equity shares (as defined below) in **Igarashi Motors India Limited**, please hand over this LOF the accompanying Form of Acceptance-cum-acknowledgement (as defined hereinafter) and transfer deed (s) to the member of the stock exchange through whom the said sale was effected

**OPEN OFFER ("Offer") by**  
**MR. PADMANABHAN MUKUND**  
Residing at New No. 207/2, Old No. 93/2, TTK Road, Alwarpet, Chennai, 600 018.  
(hereinafter referred to as "**Acquirer**")

**along with**  
**AGILE ELECTRIC SUB ASSEMBLY PRIVATE LIMITED**  
**Registered Office:** Plot Nos. A-33 and A-36, Phase I, MEPZ, Tambaram, Chennai 600 045. Tel: +91 44 4229 819, Fax: +91 44 2262 8143,  
E-mail: [sivaraman.v@agileelectric.co.in](mailto:sivaraman.v@agileelectric.co.in)  
**Corporate Identification Number (CIN):** U34300TN2005PTC057151  
(hereinafter referred to as "**AESAPL / PAC 1**")

And  
**IGARASHI MOTORS SALES PRIVATE LIMITED**  
**Registered Office:** Plot No. 7 and 8, Subramaniya Siva Salai Industrial Estate, Maraimalai Nagar, Tamil Nadu - 603 209, Tel: +91 44 4098 1324,  
E-mail: [sivaraman.v@agileelectric.co.in](mailto:sivaraman.v@agileelectric.co.in)  
**Corporate Identification Number (CIN):** U51505TN2005PTC057898  
(hereinafter referred to as "**IMSPL / PAC 2**")  
("**PAC 1**" and "**PAC 2**" together referred to as "**PACs**")

to acquire up to 7,958,196 fully paid-up equity shares of face value of ₹ 10 (Rupees Ten) each, representing 26.00% of the of the fully diluted voting share capital of

**IGARASHI MOTORS INDIA LIMITED (THE "TARGET COMPANY")**  
Corporate Identification Number (CIN): L29142TN1992PLC021997  
**Registered Office:** Plot Nos. B-12 to B-15, Phase II, MEPZ-SEZ, Tambaram, Chennai 600 045  
**Tel. No.:** +91 44 4229 8199// +91 44 2262 8199; **Fax:** +91 44 2262 8143  
Email: [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in)

at a price of ₹ 809.96 (Rupees Eight Hundred Nine and Paise Ninety Six only) per Equity Share (the "Offer Price") payable in cash pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof (the "SEBI SAST Regulations" and reference to a particular "Regulation" shall mean the particular regulation framed pursuant to the SEBI SAST Regulations).

#### Note:

1. The Offer is being made pursuant to and in compliance with the provisions of Regulation 4 and 5(1).
2. The Offer is not conditional up on any minimum level of acceptance in terms of Regulation 19(1).
3. The Offer is not a competing offer in terms of Regulation 20.
4. To the best knowledge and belief of the Acquirer and PACs, as of the date of this LOF, there are no statutory approvals required by the Acquirer or PACs to implement the Offer. In case of any statutory approvals being required by the Acquirer and/or the PACs at a later date before the closure of the Tendering Period, the Offer will be subject to receipt of such statutory approvals. Non-resident Indian ("**NRI**") and erstwhile overseas corporate body ("**OCB**") shareholders, if any, must obtain all requisite approvals required for tendering the Equity Shares held by them pursuant to the Offer (including without limitation the approval from the Reserve Bank of India ("**RBI**") and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and any other documents required to accept the Offer.
5. In the event of withdrawn of offer, a public announcement will be made two (2) working days of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
6. **There are no competing offers to this Offer under Regulation 20 as on the date of this LOF.**
7. Upward revision, if any, of the Open Offer would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement ("**DPS**") has appeared. Pursuant to the SEBI (SAST) Regulations at the discretion of Acquirer and the PACs are permitted to revise the Open Offer Price upwards at any time prior to the last three working days before the commencement of the tendering period i.e. up to March 15, 2018. Such revised Open Offer Price would be payable for all the Shares validly tendered anytime during the tendering period of the Open Offer.
8. As described in the Public Announcement (as defined below) dated May 03, 2017, the Offer Price shall be the Base Offer Price paid together with interest computed at the rate of 10% per annum on the Base Offer Price from May 03, 2017 until September 05, 2017 in terms of Regulation 8(12) of the SEBI (SAST) Regulations and the Offer Price includes such interest.
9. A copy of the Public Announcement in relation to this Offer and the Detailed Public Statement are made available on SEBI websites and this Letter of Offer is also expected to be made available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).



**Karvy Investor Services Limited**  
"Karvy House" 46, Avenue 4, Street No.1,  
Banjara Hills, Hyderabad-500 034,  
Telangana, India.  
Ph.: + 91 40 2342 8774/2331 2454; Fax: + 91 40 2337 4714  
Email: [cmg@karvy.com](mailto:cmg@karvy.com)  
Investor Grievance email id: [igmbd@karvy.com](mailto:igmbd@karvy.com),  
Website: [www.karvyinvestmentbanking.com](http://www.karvyinvestmentbanking.com)  
Contact Person: Mr.M.P.Naidu/ Mr. Avinash Palivela  
SEBI Registration No: INM000008365

**OFFER OPENS ON:** Tuesday, March 20, 2018



**Cameo Corporate Services Limited**  
Subramanian Building No 1,  
Club House Road, Chennai,  
Tamil Nadu - 600002  
Tel. : +91 44 - 2846 0390  
Fax : +91 44- 2846 0129  
Email: [investor@cameoindia.com](mailto:investor@cameoindia.com),  
Website: [www.cameoindia.com](http://www.cameoindia.com)  
Contact Person: Ms. Sreepriya  
SEBI Registration No: INR000003753

**OFFER CLOSES ON:** Wednesday, April 04, 2018

**The Tentative Schedule of activities under this Offer is as follows:**

Activity	Original Schedule		Revised Schedule	
	Date	Day	Date	Day
Date of Public Announcement	May 03, 2017	Wednesday	May 03, 2017	Wednesday
Completion of Underlying Transaction	August 31, 2017	Thursday	August 31, 2017	Thursday
Publication of Detailed Public Statement in newspapers	September 05, 2017	Tuesday	September 05, 2017	Tuesday
Filing of draft letter of offer with SEBI along with soft copies of Public Announcement and detailed Public Statement	September 12, 2017	Tuesday	September 12, 2017	Tuesday
Last date for a competing offer	September 26, 2017	Tuesday	September 26, 2017	Tuesday
Date for receipt of comments from SEBI on the draft Letter of Offer	October 04, 2017	Wednesday	March 01, 2018	Thursday
Identified Date*	October 06, 2017	Friday	March 06, 2018	Tuesday
Last date for dispatch of the Letter of Offer to the Eligible Shareholders of the Target Company as on the identified Date	October 13, 2017	Friday	March 13, 2018	Tuesday
Last date for upward revision of the Offer Price and / or the Offer Size	October 16, 2017	Monday	March 15, 2018	Thursday
Last date by which the recommendation of the committee of independent directors of the Target Company will be published.	October 17, 2017	Tuesday	March 16, 2018	Friday
Date of public announcement for opening of the Offer in the newspapers where the DPS has been published.	October 23, 2017	Monday	March 19, 2018	Monday
Date of Commencement of tendering period	October 24, 2017	Tuesday	March 20, 2018	Tuesday
Date of Closing of tendering period	November 06, 2017	Monday	April 04, 2018	Wednesday
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders/return of unaccepted Equity Shares.	November 20, 2017	Monday	April 18, 2018	Wednesday

*(\*) Identified date is only for the purpose of determining the names of the Eligible shareholders as on such date to whom the Letter of Offer would be sent. All Eligible shareholders (registered or unregistered) of equity shares of the Target Company (except Acquirer, PACs parties to the SPA, Manager to the Offer and persons deemed to be acting concert with each of them) are eligible to participate in the Offer any time before the closure of the Tendering Period (as defined below).*

## RISK FACTORS

The risk factors set forth below pertain to the underlying transaction, this Offer and are not intended to be a complete analysis of all risks in relation to this Offer or in association with the Acquirer or the PACs or the Target Company, but are only indicative. The risk factors set forth below do not relate to the present or future business or operations of the Target Company and any other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by an Eligible Shareholder in this Offer, but are merely indicative. Eligible Shareholders are advised to consult their stock brokers, tax advisers and/ or investment advisers/consultants, for analysing all the risks with respect to their participation in this Offer.

### Relating to the Transaction:

- a. On April 28, 2017, a Share Purchase Agreement ("**Original SPA**") was entered among the Acquirer, AESAPL, Alpha FDI Holdings PTE Limited ("**Seller 1**"), a company incorporated under the laws of Singapore and Tata Capital Growth Fund I ("**Seller 2**"), a domestic Venture Capital Fund registered with Securities and Exchange Board of India ("**Underlying Transaction**"). As per the terms of the SPA, the acquirer has agreed to buy 15,630,934 (Fifteen Million, Six Hundred and Thirty Thousand, nine hundred thirty four only) and 2,442,333 (Two Million, Four Hundred and Forty Two Thousand, three hundred thirty three only) shares from Seller 1 and Seller 2 respectively thereby increasing the shareholding of the Acquirer in AESAPL to 34.51% from 0.47% resulting in an indirect acquisition of Equity Shares, voting rights and control in the Target Company as defined under Regulation 5(1) read with Regulation 4 of SEBI (SAST) Regulations. As on the date of this LOF, the Acquirer along with AESAPL collectively holds 63.67% of the fully diluted equity share capital and voting rights, and controls the Target Company.
- b. In accordance with the terms of Share Purchase Agreement dated April 28, 2017 ("**Original SPA**"), Mr. Padmanabhan Mukund ("**Acquirer**") has assigned part of his rights and obligations under the Original SPA to PAC 2 vide a Deed of Accession dated August 28, 2017 ("**Deed of Accession**") (the Original SPA and the Deed of Accession collectively referred to as the "**SPA**"), pursuant to which PAC 2 has acquired 10,412,225 equity shares representing 19.61% of issued and paid-up share capital of PAC 1 and consequently, PAC 2 will now be persons acting in concert with the Acquirer and PAC 1 for the purpose of the Offer.
- c. Further in accordance with the terms of Share Purchase Agreement dated April 28, 2017 ("**Original SPA**"), Seller 1 and Seller 2 have transferred certain negative rights in PAC 1 to Acquirer and PAC 2 vide a Deed of Adherence dated August 28, 2017. Also, Igarashi Electric Works Limited, holding 55.21% in PAC1 vide their letter dated January 12, 2018 has confirmed that pursuant to the Share Purchase Agreement, the control over PAC 1 has been transferred from Seller to Acquirer and PAC 2.
- d. The execution of the Original SPA triggered the requirement to make the Public Announcement under Regulation 4 read with Regulation 5(1) of the SEBI (SAST) Regulations. The Acquirer and PACs shall acquire the Offer Shares validly tendered pursuant to the Open Offer, in accordance with the terms and conditions set forth in the detailed public statement and the letter of offer.

### Relating to the Open Offer:

- a. To the best of the knowledge and belief of the Acquirer and PACs, no statutory or regulatory approvals are required by the Acquirer and PACs to complete this Offer. However, in case of any statutory or regulatory approvals being required by the Acquirer and PACs at a later date, this Offer shall be subject to such approvals and the Acquirer and PACs shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory or regulatory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and PACs agreeing to pay interest to the Eligible Shareholders for delay beyond 10th Working Day from the date of Closure of Tendering Period, at such rate as may be specified by SEBI. Where the statutory or regulatory approvals extend to some but not all the Eligible Shareholders, the Acquirer and PACs shall have the option to make payment of the consideration to such Eligible Shareholders in respect of whom no statutory or regulatory approvals are required in order to complete this Offer in respect of such Eligible Shareholders.

- b. The acquisition of the Offer Shares from NRIs and erstwhile OCBs is subject to the approval or exemption from the RBI. Where any such statutory or regulatory approval or exemption extends to some but not all of the Eligible Shareholders, the Acquirer and PACs shall have the option to make payment to such Eligible Shareholders in respect of whom no statutory or regulatory approvals or exemptions are required in order to complete this Offer. Notwithstanding the RBI approval sought by the Acquirer and PACs, any NRIs and OCBs may also choose to apply for all requisite approvals required to tender their respective Offer Shares and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer.
- c. In the event that either (a) the statutory or regulatory approvals, if any required, are not received in a timely manner (b) there is any order of a governmental authority or litigation leading to a stay/injunction on the Open Offer or that restricts/restrains the Acquirer and PACs from performing its obligations hereunder, or (c) SEBI instructing the Acquirer and PACs not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders of Target Company, whose Equity Shares have been accepted in the Open Offer as well as the return of Equity Shares not accepted by the Acquirer and PACs in the Open Offer, may be delayed.
- d. Eligible Shareholders who have lodged their acceptance to this Offer shall not be entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.
- e. The Equity Shares tendered in the Offer and documents will be held in the pool account of the broker/ in trust by the Clearing Corporation/Registrar to the Offer, till the process of acceptance of tenders and the payment of consideration is completed. The Eligible Shareholders will not be able to trade in such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares. The Acquirer and PACs make no assurance with respect to the market price of the Equity Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Eligible Shareholders on whether or not to participate in the Offer.
- f. In the case of the number of Equity Shares validly tendered by the Eligible Shareholders under this Offer is more than the number of Offer Shares, acceptance will be determined by the Acquirer and PACs in consultation with the Manager to the Offer, on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Eligible Shareholders in this Offer will be accepted.
- g. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer and PACs or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
- h. Eligible Shareholders are advised to consult their respective stockbroker, legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case and further risks with respect to their participation in the Offer, and related transfer of Equity Shares to the Acquirer and PACs, and the appropriate course of action that they should take. The Acquirer / PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer, and all shareholders should independently consult their respective tax advisors.
- i. The Acquirer / PACs and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, and this Letter of Offer or in any advertisement or any materials issued by or at the instance of the Acquirer and PACs. Any persons placing reliance on any other source of information (not released by the Acquirer or PACs or the Manager to the Offer) will be doing so at his/her/their own risk.

**Relating to the Acquirer and PACs:**

- a. The Acquirer and PACs makes no assurances with respect to his investment/divestment decisions relating to their proposed shareholding in the Target Company.
- b. The Acquirer and PACs makes no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.
- c. The Acquirer and PACs makes no assurances with respect to the market price of the Equity Shares before, during or after the Offer expressly disclaims any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Eligible Shareholder on whether to participate or not to participate in the Offer.
- d. For the purpose of disclosures in the PA or DPS or this Letter of Offer in relation the Target Company, the Acquirer and PACs have relied on the information published or provided by the Target Company, as the case may be, or publicly available sources and have not independently verified the accuracy of details of the Target Company. The Acquirer and PACs do not accept any responsibility with respect to any misstatement by the Target Company in relation to such information.
- e. As on the date of this Letter of Offer, the total public shareholding in the Target Company is 25% of the total paid up equity share capital of the Target Company. In terms of Regulation 7(4) of the SEBI (SAST) Regulations, since any acquisition of the Equity Shares accepted in the Offer would result in the shareholding of the members of the promoter and promoter group of the Target Company, the Acquirer and the PACs exceeding the maximum permissible non-public shareholding, the Acquirer and the PACs would be required to bring down the non-public shareholding to the maximum permissible level specified and within the time permitted under the SCRR.

Further, in accordance with Regulation 7(5) of the SEBI (SAST) Regulations, if the shareholding of the members of the promoter and promoter group of the Target Company, the Acquirer and the PACs in the Target Company exceeds the maximum permissible non-public shareholding as aforesaid, then none of the promoter and promoter group of the Target Company, the Acquirer or the PACs shall be eligible to make a voluntary delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended, unless a period of twelve months has elapsed from the date of the completion of the offer period in accordance with the SEBI (SAST) Regulations.

**Currency of Presentation:**

- a. In this Letter of Offer, all references to "Rs."/"Rupees"/"INR"/"₹" are references to Indian Rupee(s), the official currency of the Republic of India.
- b. In this Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

## TABLE OF CONTENTS

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1	Definitions and Abbreviations	6
2	Disclaimer Clause	9
3	Details of the Offer	9
4	Background of the Acquirer and PACs	13
5	Background of the Target Company	20
6	Offer Price and Financial Arrangements	23
7	Terms And Conditions of the Offer	28
8	Procedure for Acceptance and Settlement of the Offer	30
9	Documents for Inspection	34
10	Declaration by the Acquirer and the PACs	35

## 1. DEFINITIONS AND ABBREVIATIONS

Term	Definition/Abbreviation
Acquirer	Padmanabhan Mukund
Bank Guarantee	Has the meaning assigned to it in paragraph 6.2.
Base Price	₹ 782.10 per Equity Share.
Board of Directors	The Board of Directors of the Target Company
Book Value	Book Value of each Equity Share as on the date referred to
BSE	BSE Limited
Buying Broker	Karvy Stock Broking Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act	The Companies Act, 2013, as amended and the Companies Act, 1956, as amended, as the case may be
Clearing Corporation	Clearing Corporation of Stock Exchanges
Deed of Accession	Deed of Accession dated August 28, 2017 amongst the Acquirer, Sellers and PAC2.
Deed of Adherence	Deed of Adherence dated August 28, 2017 amongst the Acquirer, Seller 1 and Seller 2, PACs, Igarashi Electric Works Limited and Mape Advisory Group Private Limited.
Detailed Public Statement or DPS	Detailed Public Statement of the Open Offer made by the Acquirer and PACs, which appeared in the newspapers on September 05, 2017.
Depositories	CDSL and NSDL
DIN	Director Identification Number
DP	Depository Participant
Draft Letter of Offer/DLOF	The Draft Letter of Offer dated September 11, 2017
Eligible Shareholders	All Equity Shareholders other than the Acquirer, the PACs, parties to the SPA, and persons deemed to be acting in concert with such parties.
EPS	Earnings per Equity Share
Escrow Account	The account opened with Escrow Bank under the name and title "IMIL - Open Offer - Escrow Account" bearing Account No. 10007354562
Escrow Agreement	Escrow Agreement dated August 28, 2017 entered amongst the Acquirer, PACs, Escrow Bank and Manager to the Offer.
Escrow Bank	IDFC Bank Limited
Equity Shareholders	All equity shareholders of the Target Company, including beneficial owners of the Equity Shares.
Equity Shares	Fully paid-up equity share of the Target Company of face value ₹ 10/- each
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time.
FII	Foreign Institutional Investor registered with SEBI
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgement
FY	Financial Year
Identified Date	Tuesday March 06, 2018 i.e., The date, falling on the 10 <sup>th</sup> Working Day prior to the commencement of the Tendering Period, for the purpose of determining the names of shareholders as on such date to whom the Letter of Offer will be sent.
Income Tax Act	The Income Tax Act, 1961 as amended.
Karvy Investor Services Limited/KISL/Manager to the Offer/MB/Merchant Banker	Karvy Investor Services Limited, the Merchant Banker appointed by the Acquirer and PACs pursuant to Regulation 12 of the SEBI (SAST) Regulations, 2011 having registered office at 46, Avenue 4, Street No.1, Banjara Hills Hyderabad - 500 034, Telangana, India.
Letter of Offer / LOF	This Letter of Offer dated March 08, 2018
Listing Agreement	Equity Listing Agreement with each of the stock exchanges in India, as amended from time to time.



Term	Definition/Abbreviation
NAV	Net Asset Value per Equity Share
NRIs	Non Resident Indians and Persons of Indian origin residing abroad
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Offer /Open Offer	This Offer, being made by the Acquirer and PACs to the Eligible Shareholders of the Target Company (other than parties to the SPA,) to acquire upto 7,958,196 fully paid-up equity shares of face value of ₹ 10/- each, constituting 26% of the issued, subscribed and voting capital of the Target Company.
Offer Price	₹ 809.96/- (Indian Rupees Eight Hundred and Nine Rupees and Ninety Six Paise only) per fully paid up equity share of ₹ 10/- each.
Offer Period	Period from the date of entering into Share Purchase Agreement to the date on which the payment of consideration to the shareholders whose Equity Shares are accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be.
Offer Size	7,958,196 fully paid-up Equity Shares of face value of ₹ 10 (Rupees Ten) each, representing 26.00% of the of the fully diluted voting share capital of the Target Company at a price of ₹ 809.96 (Rupees Eight Hundred Nine and Paise Ninety Six only) per Equity Shares aggregating to ₹ 6,445,820,432 (Indian Rupees Six Billion Four Hundred Forty Five million Eight hundred twenty thousand and four hundred thirty two only).
Original SPA	The share purchase agreement dated April 28, 2017 amongst the Acquirer, PAC 1 and the Sellers
PA /Public Announcement	Public Announcement of the Open Offer issued by the Manager to the Offer, on behalf of the Acquirer and PACs on May 03, 2017.
PAC 1	Agile Electric Sub Assembly Private Limited
PAC 2	Igarashi Motors Sales Private Limited
PACs	PAC 1 and PAC 2 are collectively referred to as the PACs
PAN	Permanent Account Number
PAT	Profit after Tax
PBDIT	Profit Before Depreciation, Interest and Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India.
Registrar/ Registrar to the Offer	Cameo Corporate Services Ltd
Regulations / SEBI (SAST) Regulations, 2011/ SAST Regulations/ Takeover Code	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
Rs. / Rupees /₹ / INR	Indian Rupees.
SCRR	Securities Contract (Regulations) Rules, 1957 and subsequent amendments thereto.
SEBI	Securities & Exchange Board of India
SEBI Act	Securities & Exchange Board of India Act, 1992 and subsequent amendments thereto.
SEBI SAST Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
SEBI SAST Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof
SEBI Listing Obligations Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subsequent amendments thereof

<b>Term</b>	<b>Definition/Abbreviation</b>
Seller 1	Alpha FDI Holdings PTE Limited, a company incorporated under the laws of Singapore
Seller 2	Tata Capital Growth Fund I, a domestic Venture Capital Fund registered with Securities and Exchange Board of India
SPA / Share Purchase Agreement	The Original Share Purchase Agreement together with deed of accession dated August, 28, 2017.
Stock Exchanges	National Stock Exchange of India Limited and BSE Limited
Target Company	Igarashi Motors India Limited
Tendering period	Period within which shareholders may tender their shares in acceptance of this Offer i.e. from March 20, 2018 to April 04, 2018
Underlying Transaction	The primary acquisition of 18,073,267 equity shares of PAC1 by the Acquirer and PAC2.
Working Day	A working day of SEBI, as defined in the SEBI (SAST) Regulations, 2011.

Note: All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the SEBI (SAST) Regulations, 2011 unless specified.

## 2. DISCLAIMER CLAUSE

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS, 2011. THIS REQUIREMENT IS TO FACILITATE THE ELIGIBLE SHAREHOLDERS OF IGARASHI MOTORS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PACS OR FOR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND PACS DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, KARVY INVESTOR SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 11, 2017 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”**

## 3. DETAILS OF THE OFFER

### 3.1 Background to the Offer

- 3.1.1 This Offer is a mandatory open offer being made under Regulations 4 and 5(1) of the SEBI (SAST) Regulations, 2011 and is being made as a result of an indirect acquisition of Equity Shares, voting rights and control in the Target Company by the Acquirer and PACs pursuant to the Share Purchase Agreement. There are no other persons acting in concert with the Acquirer other than the PACs for the purpose of the Offer. Further Igarashi Electric Works Limited, holding 55.21% in PAC1 has confirmed vide their letter dated January 12, 2018 that control over PAC 1 has been transferred from Seller 1 and Seller 2 to Acquirer and PAC 2 pursuant to Deed of Adherence.
- 3.1.2 This Offer is being made as a result of the acquisition of substantial shares, voting rights and control of PAC 1 by the Acquirer and PAC 2, accompanied with the acquisition of indirect control of the Target Company, by the Acquirer and PAC 2.
- 3.1.3 Subsequent to the Public Announcement dated May 03, 2017, PAC 2 has joined as a person acting in concert with the Acquirer and PAC1 for the purpose of the Offer.
- 3.1.4 On April 28, 2017, a share purchase agreement (“Original SPA”) was entered among the Acquirer, PAC 1, Alpha FDI Holdings PTE Limited (“Seller 1”), a company incorporated under the laws of Singapore and Tata Capital Growth Fund I (“Seller 2”), a domestic Venture Capital Fund registered with Securities and Exchange Board of India (“Underlying Transaction”). As per the terms of the Original SPA, the acquirer has agreed to buy 15,630,934 (Fifteen Million, Six Hundred and Thirty Thousand, nine hundred thirty four only) and 2,442,333 (Two Million, Four Hundred and Forty Two Thousand, three hundred thirty three only) shares from Seller 1 and Seller 2 respectively thereby increasing the shareholding of the Acquirer in AESAPL to 34.51% from 0.47% resulting in an indirect acquisition of Equity Shares, voting rights and control in the Target Company as defined under Regulation 5(1) read with Regulation 4 of SEBI (SAST) Regulations. As on the date of this Letter of Offer, the Acquirer along with PAC1 collectively holds 63.67% of the fully diluted equity share capital and voting rights, and controls the Target Company.

- 3.1.5 A deed of accession dated August 28, 2017 (“Deed of Accession”) amongst the Acquirer, Seller 1, Seller 2 and PAC 2, wherein Acquirer has assigned substitution rights to PAC 2 for acquisition of 10,412,225 equity shares representing 19.61% of issued and paid-up share capital of PAC 1 from Seller 1 and Seller 2.
- 3.1.6 Further in accordance with the terms of Original SPA, Seller 1 and Seller 2 have transferred certain negative rights in PAC 1 to Acquirer and PAC 2 vide a Deed of Adherence dated August 28, 2017. Such negative rights include but not limited to amendments to chartered documents, merger, demerger, Consent for Business Plan and Budget, Change in Capital Structure, Investment in Fixed Assets and Real Estate, Appointment or Removal of CEO and CFO and Expansion of Board in PAC 1 amongst others.
- 3.1.7 The Underlying Transaction was completed on August 31, 2017, the primary acquisition of 18,073,267 (Eighteen Million Seventy three thousand two hundred and Sixty Seven only) acquired by Acquirer and PAC 2 (“Underlying Transaction”) in PAC1, a Detailed Public Statement was published in terms of the provision to Regulation 13(4) of the SEBI (SAST) Regulations on September 05, 2017.
- 3.1.8 A summary of some of the salient features of the Share Purchase Agreement and Deed of Accession, which are all subject to detailed terms in the Share Purchase Agreement (“SPA”) is as follows:
- “Seller 1 Sale Shares” means 1,56,30,934 (one crore, fifty six lakhs, thirty thousand, nine hundred thirty four) fully paid up Equity Shares held by Seller 1;
  - “Seller 1 Purchase Consideration” means an aggregate amount of INR 367,56,75,764.65 (Rupees three hundred sixty seven crores, fifty six lakhs, seventy five thousand, seven hundred sixty four and Paise sixty five), at a price per Seller 1 Sale Share of INR 235.15 (Rupees two hundred thirty five and Paise fifteen)
  - “Seller 2 Sale Shares” means 24,42,333 (twenty four lakhs, forty two thousand, three hundred thirty three) fully paid up Equity Shares held by Seller 2;
  - “Seller 2 Purchase Consideration” means an aggregate amount of INR 57,43,24,235.35 (Rupees fifty seven crores, forty three lakhs, twenty four thousand, two hundred thirty five and Paise thirty), being the consideration calculated on the basis of a price per Seller 2 Sale Share of INR 235.15 (Rupees two hundred thirty five and Paise fifteen)
  - Seller 1 hereby agrees to sell and transfer, at Closing, to the Purchaser, and the Purchaser hereby agrees to purchase and accept from Seller 1, at Closing, the legal and beneficial ownership of the Seller 1 Sale Shares, free and clear of any Encumbrances, other than the Permitted Encumbrances, for the Seller 1 Purchase Consideration;
  - Seller 2 hereby agrees to sell and transfer, at Closing, to the Purchaser, and the Purchaser hereby agrees to purchase and accept from Seller 2, at Closing, the legal and beneficial ownership of the Seller 2 Sale Shares, free and clear of any Encumbrances, other than the Permitted Encumbrances, for the Seller 2 Purchase Consideration.
  - Seller 1 shall issue irrevocable instructions to its depository participant to transfer the Seller 1 Sale Shares from the Seller 1 DP Account to the Purchaser DP Account. Seller 1 shall provide the Purchaser with a copy of such instructions issued by Seller 1 to its depository participant.
  - Seller 2 shall issue irrevocable instructions to its depository participant to transfer the Seller 2 Sale Shares from the Seller 2 DP Account to the Purchaser DP Account. Seller 2 shall provide the Purchaser with a copy of such instructions issued by Seller 2 to its depository participant.
- 3.1.9 The details of shares held by Acquirer and PAC 1 in the Target Company as on date of this Letter of Offer is as follows.

Name	Number of Equity Shares
Padmanabhan Mukund*	6,658,033
Agile Electric Sub Assembly Private Limited	12,830,659
<b>Total</b>	<b>19,488,692</b>

*PAC 2 do not hold any Equity Shares in the Target Company.*

*\* Padmanabhan Mukund has pledged his entire shareholding of 6,658,033 equity shares on August 29, 2017 with Axis Trustee Services Limited acting on behalf of Axis Finance Limited and with Debenture Trustee acting on behalf of Axis Capital Limited*

- 3.1.10 Neither the Acquirer nor the PACs have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.
- 3.1.11 As on the date of the LOF, Acquirer is the Director of PAC 2 and also is on the Board of Directors of the Target Company. As of the date of the LOF, there is no change proposed by either the Acquirer or any of the PACs to the current board of directors of the Target Company. The Acquirer and PACs reserve the right to appoint their respective nominee directors of the board of directors of the Target Company during the pendency of the Open Offer, in accordance with the SPA and provisions contained in the SEBI SAST Regulations and the Companies Act, 2013.
- 3.1.12 As per Regulation 26(6), the Board of Directors of the Target Company is required to, upon receipt of the Detailed Public Statement, constitute a committee of independent directors to provide its reasoned recommendations on the Open Offer to the Eligible Shareholders. As per Regulation 26(7) read with Regulation 26(6), the written reasoned recommendations of the committee of independent directors is required to be published by the Target Company at least two (2) Working Days prior to the commencement of the Tendering Period in the same newspapers where the Detailed Public Statement was published and simultaneously, a copy of such recommendations needs to be sent to SEBI, BSE, NSE and to the Manager to the Offer

## 3.2 Details of the Open Offer

- 3.2.1 The Public Announcement announcing the Open Offer, under Regulations 3, and 5(1), was made on May 03, 2017 to the BSE, NSE and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office.
- 3.2.2 A Detailed Public Statement as per Regulation 14(3) of SEBI (SAST) Regulations, 2011 pursuant to Public Announcement made by the Acquirer and PACs was published in the following Newspapers, on September 05, 2017:

Name of the Newspaper	Language	Editions
Financial Express	English	All Editions
Janasatta	Hindi	All Editions
Lakshya Deep	Marathi	Mumbai edition
Makkal Kural	Tamil	Chennai edition

*(Public Announcement and the Detailed Public Statement are available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) )*

- 3.2.3 Pursuant to the SEBI Observation letter dated March 01, 2018, this open offer is being made in terms of Regulation 4 and Regulation 5(1) of SEBI (SAST) Regulations, 2011 instead of Regulation 3 and Regulation 5(1) of the SEBI (SAST) Regulations, 2011 as specified in PA, DPS and DLOF.
- 3.2.4 This Offer is being made by the Acquirer and PACs, in accordance with Regulation 4 and Regulation 5(1) of the SEBI (SAST) Regulations, 2011, to the Eligible Shareholders of the Target Company, to acquire up to 7,958,196 Equity Shares ("Offer Shares"), constituting 26% of the issued, subscribed, paid-up and voting share capital of the Target Company at an offer price of ₹ 809.96/- (Indian Rupees Eight Hundred and Nine Rupees and Ninety Six Paise only) ("**Offer Price**") aggregating to ₹ 6,445.82 Millions ("**Offer Size**"). The Offer Price will be payable in Cash by the Acquirer and PACs, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations. The Offer Price comprises the Base Offer Price i.e., ₹ 782.10 per Equity Share and an additional amount of ₹ 27.86 per Equity Share of the Target Company, being an amount greater than the sum determined at the rate of 10% per annum on the Base Offer Price for the period between April 28, 2017, (being the date on which the transaction was contracted and announced in the public domain) and September 05, 2017, being the date of publication of the Detailed Public Statement, in accordance with Regulation 8(12).

- 3.2.5 As of the date of this Letter of Offer, there are no: (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants / fully convertible debentures / partially convertible debentures) issued by the Target Company. Further, there is no differential pricing for the Offer. In the event of any acquisition of Equity Shares during the Offer Period by the Acquirer and/or the PACs, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall be revised to the highest price paid or payable for any such acquisition.
- 3.2.6 The Acquirer and PACs have not acquired any Equity Shares of the Target Company since the date of entering SPA being April 28, 2017, up to the date of this Letter of Offer. In the event of any acquisition of Equity Shares during the Offer Period by the Acquirer and/or the PACs, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall be revised to the highest price paid or payable for any such acquisition.
- 3.2.7 This Offer is not a competing offer under Regulation 20. To the best knowledge of the Acquirer, the PACs and the Target Company, there has been no competing offer as on the date of this Letter of Offer.
- 3.2.8 The Offer is unconditional and not subject to any minimum level of acceptance from the shareholders of the Target Company, in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011.
- 3.2.9 The Manager to the Offer, Karvy Investor Services Limited does not hold any Equity Shares in the Target Company as on the date of this LOF. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.
- 3.2.10 The Equity Shares of the Target Company acquired by the Acquirer and PACs shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.11 All Equity Shares validly tendered by the Eligible Shareholders will be acquired by the PAC 1 in accordance with the terms and conditions contained in the DPS and this Letter of Offer. In the event that the Equity Shares validly tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, the acquisition of Equity Shares from each Eligible Shareholder will be on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner.
- 3.2.12 Pursuant to this Offer, the public shareholding in the Target Company will reduce below the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Acquirer and PACs hereby undertakes that the public shareholding in the Target Company will be enhanced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.

### **3.3 Object of the Open Offer**

- 3.3.1 The Underlying Transaction has resulted in an indirect acquisition voting rights by Acquire and PAC 2, accompanied with the acquisition of indirect control of the Target Company, by the Acquirer and PAC 2, in terms of Regulations 4 read with Regulation 5(1). It may be noted that as on the date of this Letter of Offer, Acquirer together with PAC 2 holds 34.51% of the equity share capital of PAC 1.
- 3.3.2 After the completion this Offer, the Acquirer and PAC 1 will hold the majority of Equity Shares by virtue of which the Acquirer and PAC 1 shall be in a position to exercise effective control over the management and affairs of Target Company.

- 3.3.3 On May 27, 2017, the Board of Directors of Target Company, has approved the Scheme of Arrangement (“Scheme”), under the provisions of section 230 read with Section 232, Chapter XV and other applicable provisions, if any, of the Companies Act, 2013, as and when applicable, inter alia, providing amalgamation of PAC1 with the Target Company. The Board of Directors also approved issue of bonus equity shares only to the public shareholders of the Company pursuant to the Scheme in the interest of the public shareholders and to ensure compliance of minimum public shareholding post the merger. The Scheme is subject to approval of shareholders, the National Company Law Tribunal and other regulatory and necessary approvals. The record date for the issue of bonus shares, which will be an integral part of the Merger Scheme, will be fixed only post the necessary approvals are obtained. Further, based on the inputs received from NSE in determining the ‘relevant date’ for valuation, the Board of Directors have approved, the revised share exchange ratio of 35 fully paid up equity shares of the face value of ₹ 10/- each of the Target Company to be issued for every 128 equity shares of ₹ 10/- each held by the equity shareholders of PAC 1 in their meeting held on August 02, 2017. Currently, the Scheme along with other merger related documents are filed with both the Stock Exchanges. NSE (being the designated stock exchange) and BSE. Both the Stock Exchanges have reviewed the same and forwarded the scheme to SEBI for its comments. As on date of this Letter of Offer, the Scheme is pending for SEBI’s approval. Further, the Scheme will take place upon only on completion of this Open Offer.
- 3.3.4 Except as disclosed in this LOF, the Acquirer and PAC 1 do not currently have any intention to alienate any material assets of the Target Company outside the ordinary course of business for a period of 2 years after completion of the Offer, other than those already disclosed and/or publicly announced by the Target Company. Other than the above, if the Acquirer and PAC 1 intend to alienate any material asset of the Target Company, within a period of 2 years from completion of the Offer, the Target Company shall seek the approval of its shareholders as per proviso to Regulation 25(2), to the extent applicable.

#### **4. BACKGROUND OF THE ACQUIRER AND PACs**

##### **A.1 PADMANABHAN MUKUND (“ACQUIRER”)**

1. Mr. Padmanabhan Mukund, S/o Mr. Nadamuni Krishnaswami Padmanabhan, an individual, aged about 57 years is residing at New No. 207/2, Old No. 93/2, TTK Road, Alwarpet, Chennai, 600 018. He is an Graduate in Mechanical Engineering and Post Graduate Diploma in Business Management (XLRI). He has over 30 years of experience in Project Management and Manufacturing Engineering related to electric motors. He has been working with Igarashi Motors India Limited since inception.
2. M/s. Ramesh Babu & Associates Chartered Accountants, (Firm Registration No. 06789S) having its office at 19, (New No. 45), III Main Road, Gandhi Nagar, Adyar, Chennai – 600 020, Tel: +91 44 2441 9748, E-mail: fca.ramesh@gmail.com, vide certificate dated March 07, 2018, has certified that the net worth of Acquirer as on February 28, 2018 is ₹ 4,100 Millions.
3. As on the date of the LOF, Acquirer is a part of Promoter and Promoter group of the Target Company and holding 6,658,033 equity shares representing 21.75% of the voting capital of the Target Company and is also the Managing Director of the Target Company. However, he pledged his entire shareholding on August 29, 2017 with Axis Trustee Services Limited acting on behalf of Axis Finance Limited and with Debenture Trustee acting on behalf of Axis Capital Limited.
4. As on the date of the LOF, Acquirer is holding 7,911,042 equity shares representing 14.90% of the voting capital of the PAC 1 and is holding 749,990 equity shares representing 99.99% of the voting capital of the PAC 2 and is also a director in PAC 2.
5. Acquirer is not the whole-time director in any other company except the Target Company.
6. As on date of this Letter of Offer, Acquirer does not hold any positions on the Board of Directors in any listed company except in the Target Company.



7. The Acquirer have confirmed that is was not categorized as a “willful defaulter” in terms of regulation 2(1) (ze) of the SEBI (SAST) Regulations, 2011 and have not been prohibited by SEBI anytime from dealing in securities in terms of directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
8. The provisions of the Chapter II and Chapter V of SEBI (SAST) Regulations, 1997/2011 have been complied by Acquirer.

## **A.2 AGILE ELECTRIC SUB ASSEMBLY PRIVATE LIMITED (“AESAPL/PAC 1”)**

1. PAC 1 a private limited company, was incorporated on August 10, 2005, under the name and style of “Igarashi Brush Cards Private Limited” under the Companies Act, 1956, with the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands and subsequently the name of the PAC 1 has been changed to “Agile Electric Sub Assembly Private Limited” on January 24, 2008 and a fresh certificate of incorporation was issued by the Tamil Nadu, Chennai, Andaman and Nicobar Islands. The corporate identification Number is U34300TN2005PTC057151.
2. The Registered office of PAC 1 is situated at Plot Nos. A-33 and A-36, Phase I, MEPZ, Tambaram, Chennai 600 045, Tel: +91 44 4229 819, Fax: +91 44 2262 8143, E-mail: sivaraman.v@agileelectric.co.in.
3. PAC 1 is engaged in the business of manufacture, fabrication, repair, maintenance, purchase, sale, lease or otherwise dealing in all types of electric generators, alternators, sub-assemblies, parts for sub-assemblies, production of AC motors and assembly lines for electric motors.
4. The PAC 1 belongs to “Igarashi” group.
5. M/s. Ramesh Babu & Associates Chartered Accountants, (Firm Registration No. 06789S) having its office at 19, (New No. 45), III Main Road, Gandhi Nagar, Adyar, Chennai - 600 020, Tel: +91 44 2441 9748, E-mail: fca.ramesh@gmail.com, vide certificate dated March 07, 2018, has certified that the net worth of PAC 1 as on February 28, 2018 is ₹ 12,160 Millions.
6. Subsequent to the acquisition of 7,661,042 equity shares of the PAC 1 on August 31, 2017 by the Acquirer and 10,412,225 equity shares of the PAC 1 on August 31, 2017 respectively, by the PAC 2 pursuant to the underlying transaction, control of the PAC 1 has been acquired by Acquirer and PAC 2. As on the date of this LOF, Acquirer is holding 7,911,042 equity shares representing 14.90% of the voting capital of the PAC 1 and PAC 2 is holding 10,412,225 equity shares representing 19.61% of the voting capital of the PAC 1. Further Igarashi Electric Works Limited holding 55.21% in PAC1 has confirmed vide their letter dated January 12, 2018 that control over PAC 1 has been transferred from Seller 1 and Seller 2 to Acquirer and PAC 2. .
7. As on the date of this LOF, in addition to the Acquirer and PAC 2, Igarashi Electric Works Limited, Japan, Igarashi Electric Works (H.K.) Limited, Hong Kong and MAPE Securities Private Limited are the other key shareholders and the promoters / persons in control of the PAC 1.
8. As on the date of the LOF, Acquirer is one of the promoter in PAC 1.
9. The equity shares of the PAC 1 are not listed on any stock exchange in India or abroad.



10. The shareholding pattern of PAC 1 as on the date of this LOF is as under:-

S.No	Shareholding Category	Number of equity shares held	% of holding
1	<b>Promoter &amp; Promoter Group</b>		
	Igarashi Electric Works Limited, Japan	29,308,000	55.21
	Igarashi Electric Works (H.K.) Limited, Hong Kong	866,400	1.63
	Padmanabhan Mukund	7,911,042	14.90
	Igarashi Motors Sales Private Limited	10,412,225	19.61
	MAPE Securities Private Limited	4,591,587	8.65
	<b>Total of Promoter and Promoter Group</b>	<b>53,089,254</b>	<b>100.00</b>
2	FII/Mutual Funds/FIs/Banks	Nil	Nil
3	Public	Nil	Nil
	<b>Total Paid-up Capital</b>	<b>53,089,254</b>	<b>100.00</b>

11. Details of the Board of Directors of AESAPL is provided below:-

Name of the Director Director Identification Number	Date of Appointment	Designation	Qualifications	Experience
R. Chandrasekaran DIN: 00012643	February 19, 2011	Director	Post graduate degree in Commerce	28 years in the auto components industry in the areas of Finance, Accounts, Treasury, Taxation, Commercial, HR and Information Technology
Seiji Kamota DIN: 07236805	July 30, 2015	Director	Bachelor of Commerce from Waseda University	Joined Mitsubishi Bank in 1981, and retired from the bank (Bank of Tokyo-Mitsubishi UFJ) in 2011. During the period, he worked in Singapore for 2 years, in Indonesia for 3 years, in the U.S.A. for 3 years, and in Malaysia for 3 years. Joined the Acquirer in 2011 and is responsible for Corporate Planning.

12. Apart from Mr. R Chandrasekaran, Director of PAC 1, who is also the chief financial officer of the Target Company, no other directors or key employees of PAC 1 have any interest in the Target Company.

13. Brief audited financials of PAC1 based on the audited financials for the years ended March 31, 2017, 2016 and 2015, are as follows:-

#### Profit & Loss Account

(₹ in Millions except EPS)

Particulars	Year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
	(Audited)	(Audited)	(Audited)
Income from Operations	3,556.46	3,532.20	2,907.03
Other Income	70.17	131.86	58.83
<b>Total Income</b>	<b>3,626.63</b>	<b>3,664.06</b>	<b>2,965.86</b>
Total Expenditure	2,900.33	2,973.31	2,453.40
<b>Profit/(Loss) before Depreciation, Interest and Tax</b>	<b>726.30</b>	<b>690.75</b>	<b>512.46</b>
Depreciation	144.28	132.17	120.07
Interest	92.81	150.52	162.50
<b>Profit/(Loss) before Tax</b>	<b>489.21</b>	<b>408.06</b>	<b>229.89</b>
Provision for Tax (Current tax including priors year and Deferred Tax)	143.67	143.74	81.35
<b>Profit/(loss) after tax</b>	<b>345.54</b>	<b>264.32</b>	<b>148.54</b>

#### Balance Sheet Statement

(₹ in Millions)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
	(Audited)	(Audited)	(Audited)
<b>Sources of funds</b>			
Paid up Equity Share Capital	530.89	530.89	530.89
Reserves & Surplus (excluding revaluation reserve)	1,788.33	1,432.14	1,167.43
<b>Net Worth</b>	<b>2,319.23</b>	<b>1,963.04</b>	<b>1,698.32</b>
Secured Loans	527.94	458.33	113.36
Unsecured Loans	-	-	-
Deferred Tax Liabilities (Net)	199.98	174.23	163.89
<b>Total</b>	<b>3,047.15</b>	<b>2,595.60</b>	<b>1,975.57</b>
<b>Uses of funds</b>			
Net Fixed Assets	1,881.71	1,474.92	1,480.56
Investments	908.01	908.01	907.81
Net Current Assets	174.87	78.39	481.93
Non - Current Assets	82.56	134.28	69.13
<b>Total</b>	<b>3,047.15</b>	<b>2,595.60</b>	<b>1,975.57</b>

#### Other Financial Data

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015
Dividend (%)	Nil	Nil	Nil
Basic and Diluted (EPS) (₹)	6.51	4.98	2.80

#### Contingent liabilities and Commitments as on March 31, 2017

Particulars	(₹ in millions)
Bills Discounted	26.26
Income Tax liability that may arise in respect of matters on which the Company is under appeal	7.43
Employees Provident Fund demand on dues for trainees	5.54
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	116.03

14. As on the date of this Letter of Offer, PAC 1 is a part of Promoter and Promoter Group and directly holds 12,830,659 Equity Shares representing 41.92% of the fully paid up Equity Share Capital of the Target Company.
15. PAC 1 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of SEBI Act or under any other regulation made under the SEBI Act.
16. PAC 1 has complied with the relevant provisions of Chapter II of SEBI SAST Regulations, 1997 and Chapter V of the SEBI SAST Regulations, as applicable.

### **A.3 IGARASHI MOTORS SALES PRIVATE LIMITED (“IMSPL/PAC 2”)**

1. PAC 2 a private limited company, was incorporated on October 24, 2005, under the name and style of “Igarashi Motors Sales Private Limited” under the Companies Act, 1956, with the Registrar of Companies, Tamil Nadu. The corporate identification Number is U51505TN2005PTC057898.
2. The Registered office of IMSPL is situated at Plot No. 7 and 8, Subramaniya Siva Salai Industrial Estate, Maraimalai Nagar, Tamil Nadu – 603 209, Tel: +91 44 4098 1324, E-mail: sivaraman.v@agileelectric.co.in.
3. PAC 2 is engaged in the business of buying, selling, modify, assemble, re-assemble, improve import, export , lease or otherwise dealing in all types of electric motors, generators, regulators, transformers, alternators and other equipment in relation to electricity.
4. M/s. Ramesh Babu & Associates Chartered Accountants, (Firm Registration No. 06789S) having its office at 19, (New No. 45), III Main Road, Gandhi Nagar, Adyar, Chennai – 600 020, Tel: +91 44 2441 9748, E-mail: fca.ramesh@gmail.com, vide certificate dated March 07, 2018, has certified that the net worth of PAC 2 as on February 28, 2018 is ₹ (180) Millions.
5. Subsequent to the acquisition of 750,000 equity shares of the PAC 2 on May 11, 2017 by the Acquirer pursuant to a share purchase agreement between Acquirer and M/s ABV Engineers and Consultants Private Limited for purchase of 300,000 equity shares and another share purchase agreement between Acquirer and PAC 1 for purchase of 450,000 equity shares, control of the PAC 2 has been acquired by Acquirer. As on the date of this LOF, Acquirer is holding 749,990 equity shares representing 99.99% of the voting capital of the PAC 2.
6. As on the date of the LOF, Acquirer and Narayanan Ramanujam are the Promoters in PAC 2.
7. The equity shares of the PAC 2 are not listed on any stock exchange in India or abroad.
8. As on the date of the LOF, PAC 2 is holding 10,412,225 equity shares representing 19.61% of the voting capital of the PAC 1.
9. PAC 2 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of SEBI Act or under any other regulation made under the SEBI Act.
10. As on the date of the LOF, PAC 2 does not hold any Equity Shares in the Target Company. Hence, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or Chapter V of the SEBI (SAST) Regulations were not applicable.

11. The shareholding pattern of PAC 2 as on the date of this LOF is as under:-

S.No	Name of the shareholder	Number of equity shares	% age of shareholding
1	<b>Promoter &amp; Promoter Group</b>		
	P. Mukund	749,990	99.99
	Narayanan Ramanujam	10	0.01
	<b>Total of Promoter and Promoter Group</b>	<b>750,000</b>	<b>100.00</b>
2.	FII/Mutual Funds/FIs/Banks	Nil	Nil
3	Public	Nil	Nil
	<b>Total Paid-up Capital</b>	<b>750,000</b>	<b>100.00</b>

12. Details of the Board of Directors of PAC 2 is provided below:-

Name of the Director Director Identification Number	Date of Appointment	Designation	Qualifications	Experience
P. Mukund DIN: 00007788	October 24, 2005	Director	Graduate in Mechanical Engineering, Post Graduate Diploma in Business Management (XLRI)	30 years of experience in Project Management and Manufacturing Engineering related to electric motors. He has been working with Igarashi Motors India Limited since inception and been Managing Director of the Target Company since February, 1999.
Narayanan Ramanujam DIN: 07572956	May 11, 2017	Director	Engineering in Electronics and Telecommunications from MIT.	Worked in the Radio and Television industry in India, Germany and Saudi Arabia for over 45 years. Retired from active service and advising the company on matters like business development, governance and finance matters.

13. Brief audited financials of PAC 2 based on the audited financials for the years ended March 31, 2017, 2016 and 2015, are as follows:-

#### Profit & Loss Account

(₹ in Millions except EPS)

Particulars	Year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
	(Audited)	(Audited)	(Audited)
Income from Operations	-	2.27	3.23
Other Income	0.00	0.08	-
<b>Total Income</b>	<b>0.00</b>	<b>2.35</b>	<b>3.23</b>
Total Expenditure	0.05	1.09	1.35
<b>Profit/(Loss) before Depreciation, Interest and Tax</b>	<b>(0.05)</b>	<b>1.26</b>	<b>1.88</b>
Depreciation	0.00	0.00	-
Interest	-	-	-
<b>Profit/(Loss) before Tax</b>	<b>(0.05)</b>	<b>1.26</b>	<b>1.88</b>
Provision for Tax (Current tax including priors year and Deferred Tax)	(0.00)	0.41	0.58
<b>Profit/(loss) after tax</b>	<b>(0.05)</b>	<b>0.85</b>	<b>1.30</b>

#### Balance Sheet Statement

(₹ in millions)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
	(Audited)	(Audited)	(Audited)
<b>Sources of funds</b>			
Paid up Equity Share Capital	7.50	7.50	7.50
Reserves & Surplus (excluding revaluation reserve)	12.24	12.29	11.44
<b>Net Worth</b>	<b>19.74</b>	<b>19.79</b>	<b>18.94</b>
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Deferred Tax Liabilities (Net)	-	0.00	0.00
<b>Total</b>	<b>19.74</b>	<b>19.79</b>	<b>18.94</b>
<b>Uses of funds</b>			
Net Fixed Assets	-	-	-
Investments	-	-	-
Net Current Assets	19.74	19.79	18.94
Non-Current Assets	-	-	-
<b>Total</b>	<b>19.74</b>	<b>19.79</b>	<b>18.94</b>

#### Other Financial Data

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015
Dividend (%)	Nil	Nil	Nil
Basic and Diluted (EPS) (₹)	(0.07)	1.14	1.73

Contingent Liabilities as on March 31, 2017: Nil

#### **A.4 Other persons which may be deemed to be acting in concert with the Acquirer and the PACs 1)**

Other than PAC 1 and PAC 2, no other persons are acting in concert with the Acquirer and the PACs for the purposes of the Offer within the meaning of Regulation 2(1)(q)(1). However, as per Regulation 2(1)(q)(2), there may be other entities or persons which may be deemed to be acting in concert with the Acquirer and the PACs.

#### **5. BACKGROUND OF THE TARGET COMPANY**

*Note: The information in this section has been sourced from information published by the Target Company or publicly available sources and confirmations provided by the Target Company.*

- 5.1 The Target Company was incorporated on January 10, 1992, under the name and style of “CG Igarashi Motors Limited” under the Companies Act, 1956, with the Registrar of Companies, Chennai Tamil Nadu and subsequently the name of the Target Company has been changed to “Igarashi Motors India Limited” on July 30, 2003 and a fresh certificate of incorporation was issued by the Registrar of Companies, Chennai Tamil Nadu. The corporate identification Number of the Target Company is L29142TN1992PLC021997.
- 5.2 The Registered Office of the Target Company is situated at Plot No B-12 to B-15, Phase II, MEPZ-SEZ, Tambaram, Chennai, Tamil Nadu - 600 045. Tel: +91 44 4229 8199; Fax: +91 44 2262 8143; Email: investorservices@igarashimotors.co.in; Website: igarashimotors.com
- 5.3 The Target Company is currently engaged in the business of assembling DC motors and actuation systems for various automotive and non-automotive applications, the manufacture of sub-assemblies that go into a DC motor and the production of certain parts of electric motors.
- 5.4 On May 27, 2017, the Board of Directors of Target Company, has approved the Scheme of Arrangement (“Scheme”), under the provisions of section 230 read with Section 232, Chapter XV and other applicable provisions, if any, of the Companies Act, 2013, as and when applicable, inter alia, providing amalgamation of Agile Electric Sub Assembly Private Limited with the Target Company. The Board of Directors also approved issue of bonus equity shares only to the public shareholders of the Company pursuant to the Scheme in the interest of the public shareholders and to ensure compliance of minimum public shareholding post the merger. The Scheme is subject to approval of shareholders, the National Company Law Tribunal and other regulatory and necessary approvals. The record date for the issue of bonus shares, which will be an integral part of the Merger Scheme, will be fixed only post the necessary approvals are obtained. Further, based on the inputs received from NSE in determining the ‘relevant date’ for valuation, the Board of Directors have approved, the revised share exchange ratio of 35 fully paid up equity shares of the face value of ₹ 10/- each of the Target Company to be issued for every 128 equity shares of ₹ 10/- each held by the equity shareholders of PAC 1 in their meeting held on August 02, 2017. Currently, the Scheme along with other merger related documents are filed with NSE (being the designated stock exchange) and BSE. Both the stock exchanges have reviewed the same and forwarded the scheme to SEBI for its comments. As on date of this Letter of Offer, the scheme is pending for SEBI’s approval. Further, the Scheme will take place only on completion of this Open Offer.
- 5.5 The equity shares of Target Company are listed on BSE (Security ID: IGARASHI, Security Code: 517380) and NSE (Symbol: IGARASHI), ISIN: INE188B01013. The Equity Shares of the Target Company have been voluntarily delisted from MSE with effect from August 25, 2014. (Source: Target Company filings with Stock Exchanges)

5.6 The equity shares of Target Company are frequently traded on NSE in terms of Regulation 2(1)(j) of SEBI (SAST) Regulations, 2011.

5.7 As on the date of this LOF the Authorized Share Capital of Target Company is ₹ 350,000,000, comprising of 35,000,000 equity shares of face value ₹ 10 (Rupees Ten Only) each. The issued, subscribed, paid-up and voting share capital is ₹ 306,084,440 comprising of 30,608,444 fully paid up equity share of face value of ₹ 10 (Rupees Ten only) each.

<b>Paid up Equity Shares of Target Company</b>	<b>Number of shares / voting rights</b>	<b>% of shares / voting rights</b>
Fully paid up equity shares	30,608,444	100
Partly paid up equity shares	NIL	NIL
Total paid up equity shares	30,608,444	100
Total voting rights in Target Company	30,608,444	100

5.8 There are currently no outstanding partly paid up shares or any other instruments which are convertible into Equity Shares of the Target Company at a future date.

5.9 As on the date of this LOF, the composition of Board of Directors of Target Company is as follows:-

<b>Name of the Director</b>	<b>DIN</b>	<b>Date of Appointment</b>	<b>Designation</b>
Mr. K. K. Nohria	00060015	July 23, 2015	Chairman & Independent Director
Mr. Keiichi Igarashi	00356779	July 17, 2003	Non-Executive Director
Mr. Hemant M Nerurkar	00265887	June 23, 2014	Independent Director
Mr. S. Radhakrishnan	01246033	June 23, 2014	Independent Director
Ms. Eva Maria Rosa Schork	07159550	January 28, 2016	Non-Executive & Women Director
Mr. P. Mukund	00007788	July 12, 1999	Managing Director

Mr. Akhil Awasthi (DIN: 00148350) has resigned from the board of the Target Company with effect from August 30, 2017 and he was also Director on the board of directors of PAC 1 and resigned as Director from PAC 1 w.e.f., August 30, 2017.

5.10 There has been no mergers/demergers/spin-offs involving the Target Company during the last three (3) years expect for the proposed amalgamation of PAC 1 with the Target Company The proposed amalgamation is subject to approval of shareholders, the National Company Law Tribunal and other regulatory and necessary approvals.

5.11 As of this date of this LOF, all the Equity Shares of the Target Company are listed on the Stock Exchanges. The trading of Equity Shares of the Target Company has not been suspended on any of the Stock Exchanges where such Equity Shares are listed.

5.12 Brief financial information of the Target Company as extracted from the audited standalone financial statements as at and for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 published by the Target Company as per SEBI Listing Obligations Regulations, are as follows:

**Profit & Loss Account**

Particulars	Year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
	(Audited)	(Audited)	(Audited)
Income from Operations	5,078.94	4,449.84	3,850.78
Other Income	146.70	143.03	171.44
<b>Total Income</b>	<b>5,225.64</b>	<b>4,592.87</b>	<b>4,022.22</b>
Total Expenditure	3,874.55	3,379.58	3,060.34
<b>Profit/(Loss) before Depreciation, Interest and Tax</b>	<b>1,351.09</b>	<b>1,213.29</b>	<b>961.88</b>
Depreciation	220.31	189.63	187.98
Interest	17.69	50.08	57.42
<b>Profit/(Loss) before Tax</b>	<b>1,113.09</b>	<b>973.58</b>	<b>716.48</b>
Provision for Tax (Current tax including priors year and Deferred Tax)	375.39	337.17	226.96
<b>Profit/(loss) after tax</b>	<b>737.70</b>	<b>636.41</b>	<b>489.52</b>

**Balance Sheet Statement**

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
<b>Sources of funds</b>			
Paid up Equity Share Capital	306.08	306.08	306.08
Reserves & Surplus (excluding revaluation reserve)	3,397.44	2,638.06	2,203.44
<b>Net Worth</b>	<b>3,703.52</b>	<b>2,944.14</b>	<b>2,509.52</b>
Secured Loans	85.19	223.64	404.17
Unsecured Loans	-	-	12.82
Deferred Tax Liabilities (Net)	106.78	91.52	89.35
Other Liabilities	-	-	-
<b>Total</b>	<b>3,895.49</b>	<b>3,259.30</b>	<b>3,015.86</b>
<b>Uses of funds</b>			
Net Fixed Assets	1,605.13	1,495.12	1,222.65
Investments	337.00	337.00	261.26
Net Current Assets	1,886.41	1,407.09	1,498.13
Non-current Assets	66.95	20.08	33.82
<b>Total</b>	<b>3,895.49</b>	<b>3,259.30</b>	<b>3,015.86</b>



5.13 Pre and Post-Offer shareholding pattern of the Target Company is as per the following table:-

S.No	Shareholders' Category	Shareholding & voting rights prior to the agreement/ acquisition on and after		Shareholding & Voting Rights acquired through SPA		Shares/Voting rights to be acquired in open offer full (assuming full acceptances)		Share holding / voting rights after the acquisition and offer	
		No.	%	No.	%	No.	%	No.	%
<b>(1) Promoter Group including Acquirer and the PACs</b>									
<b>Promoters</b>									
Acquirer #		6,658,033	21.75	--	--	--	--	6,658,033	21.75
PAC1		12,830,659	41.92	--	--	7,958,196	26.00	20,788,855	67.92
<b>Total</b>		<b>19,488,692</b>	<b>63.67</b>	--	--	<b>7,958,196</b>	<b>26.00</b>	<b>27,446,888</b>	<b>89.67</b>
<b>Promoter Group</b>									
Igarashi Electric Works Hong Kong Limited		2,499,993	8.17	--	--	(7,958,196)	(26.00)	3,161,556	10.33
Igarashi Electric Works Limited		967,648	3.16	--	--				
<b>Total Promoter Group (including Promoters)</b>		<b>22,956,333</b>	<b>75.00</b>	--	--				
<b>(2) Parties to the SPA other than mentioned at (1)</b>		--	--	--	--				
<b>(3) Public (other than parties to SPA, Acquirer and PACs)</b>		--	--	--	--				
a) Institutions (Mutual Funds / UTI, FIs/ Banks/ FIIs/ FVCI etc.) (		3,923,428	12.82	--	--				
b) Others		3,728,683	12.18	--	--				
<b>Total</b>		<b>7,652,111</b>	<b>25.00</b>	--	--	<b>(7,958,196)</b>	<b>(26.00)</b>	<b>3,161,556</b>	<b>10.33</b>
<b>GRAND TOTAL</b>		<b>30,608,444</b>	<b>100.00</b>	--	--	--	--	<b>30,608,444</b>	<b>100.00</b>

\$ Note: Assuming full subscription to the Open Offer, and full acceptance of shares offered in the Open Offer.

#Acquirer has pledged his entire shareholding of 6,658,033 equity shares on August 29, 2017 with Axis Trustee Services Limited acting on behalf of Axis Finance Limited and with Debenture Trustee acting on behalf of Axis Capital Limited.

5.14 The number of shareholders in Target Company in public category is 15,069 as on March 06, 2018.

#### 5.15 Compliance Officer

**Mr. P Dinakara Babu - Company Secretary**

Plot No. B-12 to B-15, Phase II, MEPZ-SEZ,

Tambaram, Chennai- 600 045

**Tel:** +91 44 4229 8199 / +91 44 2262 8199; **Fax:** +91 44 2262 8143;

**Email:** investorservices@igarashimotors.co.in;

**Website:** www.igarashimotors.com

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1 Justification of offer price

6.1.1 The Offer is being made pursuant to indirect acquisition of control of the Target Company in compliance with the provisions of Regulations 4, and 5(1) at an Offer Price of ₹809.96 (Rupees Eight Hundred Nine and Ninety Six Paise only) per Equity Share payable in cash.

6.1.2 The Equity Shares of the Target Company are listed on BSE (Scrip Code: 517380; Scrip ID: IGARASHI) and NSE (Symbol: IGARASHI) under the ISIN - INE188B01013. The Equity Shares of the Target Company have been voluntarily delisted from MSE with effect from August 25, 2014. (Source: Stock Exchange filings by Target Company)

6.1.3 The Equity Shares of the Target Company are listed on BSE and NSE. The trading turnover in the Equity Shares based on the trading volumes on the NSE and BSE during the twelve calendar months preceding the month in which the PA was issued (i.e., May 2016 to April 2017) is given below:-

Name of the Exchange	Traded turnover of equity shares of the Target Company during the Twelve Months period ("A")	Total Number of Equity Shares listed ("B")	Total Turnover% (A/B)
BSE	1,890,613	30,608,444	6.18
NSE	9,200,543	30,608,444	30.06

(Source: www.bseindia.com and www.nseindia.com)

6.1.4 Based on the above, the equity shares of the Target Company are frequently traded in terms of Regulation 2(1)(j) of SEBI (SAST) Regulations, 2011. Accordingly, the Offer Price determined in terms of regulation 8(1), 8(3) read with 8(5) of SEBI (SAST) Regulations, 2011, being the highest of the following:

(a)	The Negotiated Price per share, if any, of the Target Company for any acquisition under the Underlying Transaction.	Not Applicable
(b)	The volume-weighted average price paid or payable for acquisition, by the Acquirers during the 52 weeks immediately preceding the earlier of, the date on which the primary acquisition is contracted or decision to make primary acquisition is announced in the public domain.	Not Applicable
(c)	The highest price paid or payable for any acquisition, by the Acquirers, during the 26 weeks immediately preceding the earlier of, the date on which the primary acquisition is contracted or decision to make primary acquisition is announced in the public domain.	Not Applicable
(d)	The highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, between the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain, and the date of the public announcement of the open offer for shares of the target company made under these regulations;	Not Applicable
(e)	The volume-weighted average market price of the equity shares of the Target Company for a period of 60 trading days immediately preceding the earlier of, the date on which the primary acquisition is contracted or decision to make primary acquisition is announced on NSE, being the stock exchanges where the maximum volume of trading in the equity shares of the Target Company are recorded during such period and such shares being frequently traded.	782.10
(f)	The per share value computed under sub-regulation (5) of Regulation 8	Not applicable
(g)	The Price computed including interest at the rate of 10% per annum for the period between the date of the PA and the date of the DPS, in accordance with Regulation 8(12) of the SEBI (SAST) Regulations	809.96
	<b>Highest of the above</b>	<b>809.96</b>

Note: In terms of regulation 8(12) of the SEBI (SAST) Regulations, in case of an indirect acquisition other than indirect acquisition referred in Regulation 5(2) of SEBI (SAST) Regulations, the offer price shall stand enhanced by an amount equal to 10% per annum for the period between April 28, 2017, being the earlier of the date on which the underlying Transaction is contracted or the date on which the intention or the decision to make the underlying Transaction is announced in the public domain, and the date of publication of the detailed public statement, i.e. September 5, 2017.

The Original SPA was executed on April 28, 2017 and the intention or decision to make the underlying Transaction was made on April 28, 2017. The underlying Transaction contemplated in the SPA was closed on August 31, 2017. The offer price of ₹ 782.10 (Indian Rupees Seven Hundred and Eighty Two Rupees and Ten Paise), as disclosed in the PA, would be enhanced at a rate of 10% per annum, calculated for the period from April 28, 2017 to September 05, 2017, being the date of publication of the DPS, which works out to ₹ 27.86 (Indian Rupees Twenty Seven Eighty Six Paise) per Equity Share (“Enhancement Amount”)

- 6.1.5 In view of the parameters considered and presented in table above, in the opinion of the Acquirer, PACs and Manager to the Offer, the Offer Price of ₹ 809.96/- (Rupees Eight Hundred Nine and Ninety Six Paise) per fully paid-up equity share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.
- 6.1.6 As per Regulation 8(2)(d) of the SEBI (SAST) Regulations, 2011, the calculation of the volume-weighted average market price of the equity shares, for a period of sixty (60) trading days immediately preceding the date on which the primary acquisition is contracted i.e. April 28, 2017, as traded on NSE is as follows:

S. No.	Date	Total Traded Equity Shares	Total Turnover (Rs.)
1	30-Jan-17	7,106	5,183,883
2	31-Jan-17	31,559	22,743,125
3	1-Feb-17	50,336	37,304,944
4	2-Feb-17	34,316	25,728,153
5	3-Feb-17	7,718	5,933,761
6	6-Feb-17	30,303	23,859,739
7	7-Feb-17	28,820	22,085,987
8	8-Feb-17	29,033	22,270,167
9	9-Feb-17	31,741	24,413,213
10	10-Feb-17	9,086	6,935,836
11	13-Feb-17	6,951	5,340,519
12	14-Feb-17	6,275	4,804,113
13	15-Feb-17	4,114	3,135,810
14	16-Feb-17	6,621	5,013,049
15	17-Feb-17	12,145	9,242,427
16	20-Feb-17	3,867	2,926,836
17	21-Feb-17	2,667	2,026,025
18	22-Feb-17	3,795	2,873,404
19	23-Feb-17	22,562	16,959,479
20	27-Feb-17	9,695	7,377,156
21	28-Feb-17	22,316	17,208,785
22	1-Mar-17	37,188	29,472,763
23	2-Mar-17	23,525	18,728,792
24	3-Mar-17	20,457	15,960,363
25	6-Mar-17	7,108	5,636,897
26	7-Mar-17	7,394	5,742,304
27	8-Mar-17	6,358	4,868,526
28	9-Mar-17	8,902	6,874,392
29	10-Mar-17	6,459	4,963,547
30	14-Mar-17	10,317	8,130,151
31	15-Mar-17	112,044	88,153,276
32	16-Mar-17	17,468	14,211,799
33	17-Mar-17	35,415	28,325,752
34	20-Mar-17	15,349	12,418,037
35	21-Mar-17	20,931	16,568,396
36	22-Mar-17	16,953	13,581,066
37	23-Mar-17	11,747	9,568,207
38	24-Mar-17	16,667	13,670,633
39	27-Mar-17	53,868	43,355,855

S. No.	Date	Total Traded Equity Shares	Total Turnover (Rs.)
40	28-Mar-17	50,425	40,394,784
41	29-Mar-17	9,944	7,989,373
42	30-Mar-17	14,067	11,319,632
43	31-Mar-17	9,156	7,372,179
44	3-Apr-17	10,742	8,748,620
45	5-Apr-17	14,694	12,027,185
46	6-Apr-17	14,742	11,803,054
47	7-Apr-17	11,741	9,401,086
48	10-Apr-17	7,823	6,287,709
49	11-Apr-17	11,551	9,180,231
50	12-Apr-17	11,378	8,969,595
51	13-Apr-17	9,454	7,448,716
52	17-Apr-17	10,665	8,334,552
53	18-Apr-17	12,816	9,957,115
54	19-Apr-17	15,459	12,005,389
55	20-Apr-17	160,299	124,841,078
56	21-Apr-17	20,264	15,945,481
57	24-Apr-17	11,871	9,405,352
58	25-Apr-17	8,975	7,135,057
59	26-Apr-17	20,621	16,390,787
60	27-Apr-17	7,595	6,101,003
	<b>Total</b>	<b>1,233,458</b>	<b>964,655,141</b>
<b>Volume Weighted Average Market Price (Total Turnover divided by the Total Number of shares traded)</b>		<b>782.10</b>	

- 6.1.7 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9), other than a dividend of ₹ 6.61 per equity share paid for fiscal year 2017 by the Target Company with ex-dividend date being July 25, 2017. The Acquirer and PACs have not considered any downward revision in the Offer Price on account of the above corporate action
- 6.1.8 If the Acquirer / PACs acquire equity shares of the Target Company during the period of twenty-six weeks after the tendering period at the price higher than the Offer Price, then the Acquirer / PACs shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations, 2011 or pursuant to SEBI (Delisting of Equity Shares), Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.
- 6.1.9 If the Acquirer / PACs acquire or agrees to acquire any equity shares or voting rights in the Target Company during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price pursuant to future purchases / competing offers shall stand revised to the highest price paid or payable for any such acquisition in terms of regulation 8(8) of SEBI (SAST) Regulations, 2011. Provided that no such acquisition shall be made after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.

## 6.2 Financial Arrangements:

- 6.2.1 The maximum consideration payable by the Acquirer and PACs to acquire up to 7,958,196 fully paid-up equity shares at the Offer Price of ₹ 809.96 (Indian Rupees Eight Hundred and Nine Rupees and Ninety Six Paise only) per equity share, assuming full acceptance of the Offer would be ₹ 6,445.82 Millions ("Offer Size")
- 6.2.2 By way of security for performance, The Acquirer and the PACs has furnished an unconditional, irrevocable and on demand bank guarantee dated February 22, 2018 in favour of the Manager to the Offer from IDFC Bank Limited acting through its Chennai Branch Office located at DBS Westminister, 3rd Floor, No. 108, Dr. Radhakrishnan Salai, Mylapore, Chennai- 600 004, having Bank Guarantee No: LOBG801011701362 for an amount of ₹ 1,400 Million (Rupees One Thousand Four Hundred million only) ("**Bank Guarantee**"). The Bank Guarantee is valid up to July 24, 2018. The Manager to the Offer has been duly authorised to realize the value of the Bank Guarantee in terms of the SEBI (SAST) Regulations. The Acquirer, PAC 1 and PAC 2 have undertaken to renew the Bank Guarantee for such period so as to be in compliance with Regulation 17(6).
- 6.2.3 The Acquirer and PACs have adequate resources to meet the financial requirements of this Offer and have made firm financial arrangements for fulfilling the payment obligation under the offer. The Acquirer and PACs propose to fund the Offer out of their cash balances and outstanding and other liquid assets. M/s. Ramesh Babu & Associates Chartered Accountants, (Firm Registration No. 06789S) have certified vide their certificate dated March 07, 2018 that the Acquirer and PACs have made firm financial arrangements to meet their payment obligations under the Offer.
- 6.2.4 In accordance with Regulation 17(4) of the SEBI (SAST) Regulations, the Acquirer, PACs, the Manager to the Offer and IDFC Bank Limited, having its registered office at KRM Tower, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600 031 ("**Escrow Bank**") have entered into an escrow agreement on August 28, 2017 ("**Escrow Agreement**"). Pursuant to the Escrow Agreement, the Acquirer and PACs has established an escrow account under the name and title of "IMIL - OPEN OFFER ESCROW ACCOUNT" bearing no. 10007354562 ("**Escrow Account**") with the Escrow Bank and has made a cash deposit of ₹ 65 Million (Rupees Sixty Five million only) in the Escrow Account in accordance with the Regulation 17(3)(a) read with Regulation 17(4) of the SEBI (SAST) Regulations, which is in excess of 1% of the Maximum Consideration. The cash deposit has been confirmed pursuant to a confirmation letter dated August 29, 2017 issued by the Escrow Bank.
- 6.2.5 The amount deposited in the Escrow Account, along with the Bank Guarantee amount are in accordance with Regulation 17(1) and 17(4).
- 6.2.6 The Manager to the Offer has been solely authorised by the Acquirer and PACs to operate and realise the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.7 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer and PACs to implement the Offer in accordance with the SEBI (SAST) Regulations, 2011 and that the firm arrangement for the funds and money for payment through verifiable means, to fulfill their obligations under the Offer.
- 6.2.8 In case of any upward revision in the Offer Price or the Offer Size, the cash in the Escrow Account and / or Bank Guarantee shall be increased by the Acquirer, PAC 1 and PAC 2 in terms of Regulation 17(2), prior to effecting such revision.

## 7. TERMS AND CONDITIONS OF THE OFFER

- 7.1.1 The Offer is not subject to any minimum level of acceptances from shareholders.
- 7.1.2 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
- 7.1.3 The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholder(s) of the Target Company (except the Acquirer, PACs and parties to the SPA) whose name appear on the Register of Members and whose names appear on the beneficial records of the Depository Participant, at the close of business hours on March 06, 2018 (“Identified Date”).
- 7.1.4 The Offer is subject to the terms and conditions set out in the Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.5 Eligible persons can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with Form of Acceptance-cum-Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of Closing of Tendering Period i.e. April 04, 2018, Alternatively, the LOF along with the Form of Acceptance cum acknowledgement would also be available at SEBI’s website, [www.sebi.gov.in](http://www.sebi.gov.in), and shareholders can also apply by downloading such forms from the website.
- 7.1.6 Accidental omission to dispatch the Letter of Offer to any member entitled to this Offer or non-receipt of the Letter of Offer by any member entitled to this Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.7 The shareholders to whom the Open Offer is being made are free to offer their Equity Shares in whole or in part while accepting the Open Offer.
- 7.1.8 No indemnity would be required from unregistered shareholders regarding the title to the shares.
- 7.1.9 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected except where a ‘no objection certificate’ from lenders is attached with the Form of Acceptance-cum-Acknowledge.
- 7.1.10 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance cum Acknowledgement sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 7.1.11 The Eligible Shareholders who tender their Equity Shares under the Open Offer shall ensure that the Equity Shares are free and clear from all liens, charges, equitable interests and encumbrances and are tendered together with all rights attached thereto, including the rights to all dividends, bonus and rights offers, if any, declared thereafter and the tendering Public Shareholder shall have obtained any necessary consents (including any statutory approvals, if required) for it to sell the Equity Shares on the foregoing basis.
- 7.1.12 The Acquirer and PACs shall not be responsible in any manner for any loss of equity share certificate(s) and Open Offer acceptance documents during transit. The Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- 7.1.13 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 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.
- 7.1.14 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.

- 7.1.15 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, 2011, the shareholders who have accepted this Offer by tendering the Equity Shares held by them and requisite documents in terms of the PA, DPS and Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for this Offer
- 7.2 Locked in shares -**  
To the best of knowledge of Acquirer and PACs, there are no Equity Shares of the Target Company which are subject to lock-in conditions.
- 7.3 Persons eligible to participate in the Offer**  
All the owners of the equity shares of the Target Company, registered or unregistered, except the parties to SPA, are eligible to participate in this Offer, at any time during the Tendering Period for this Offer.
- 7.4 There has been no revision in the Offer Price as of the date of this Letter of Offer. Further revisions in the Offer Price for any reason including competing offers shall be done prior to the commencement of the last three Working Days before the commencement of the Tendering Period and will be notified to the Shareholders by (i) notification to the Stock Exchanges, SEBI and the Target Company at its registered office, and (ii) public announcement in the same newspapers in which the DPS has been published. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations, 2011.
- 7.5 Statutory and Other Approvals**
- 7.5.1 As of the date of the LOF, to the best of the knowledge of the Acquirer and PACs, there are no statutory approvals required by the Acquirer and PACs to acquire the equity shares tendered pursuant to this Offer other than an approval of the Reserve Bank of India, if any, for the acquisition of the Equity Shares from the non resident shareholders (Non-Resident Indians (“NRIs”) or Overseas Corporate Bodies (“OCBs”)/Foreign Shareholders) of the Target Company. NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this 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. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and PACs reserve the right to reject such Equity Shares tendered in this Offer.
- 7.5.2 However, in case of any statutory approvals being required by the Acquirer / PACs at a later date before the closure of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. The Acquirer / PACs will not proceed with the Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations, 2011.
- 7.5.3 In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Offer, SEBI has the power to grant extension of time to Acquirer and PACs for payment of consideration to the Eligible Shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer / PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011. Provided where the statutory approvals extend to some but not all Eligible Shareholders, the Acquirer / PACs have the option to make payment to such shareholders in respect of whom no statutory approvals are required in order to complete this Offer. Further, in case the delay occurs on account of willful default by the Acquirer / PACs in obtaining any statutory approvals in time, the amount lying in the Escrow Account will be liable to be forfeited and dealt with in the manner provided in clause (e) of sub-regulation (10) of Regulation 17 of SEBI (SAST) Regulations, 2011.

7.5.4 There are no conditions stipulated in the SPA between the Acquirer, PACs and Sellers, the meeting of which would be outside the reasonable control of the Acquirer and in view of which the offer may be withdrawn under Regulation 23 of SEBI (SAST) Regulations, 2011.

## 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1 All the shareholders, registered or unregistered, of the Target Company, except the Acquirer and PACs, owning equity shares any time before the date of Closure of the Offer, are eligible to participate in the Offer.

8.2 Persons who have acquired equity shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired equity shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

8.3 The Open Offer will be implemented by the Acquirer and PACs through a stock exchange mechanism made available by Stock Exchanges in the form of a separate window ("Acquisition Window") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI.

8.4 BSE shall be designated stock exchange for the purpose of tendering Equity Shares in the Open Offer.

8.5 The facility for acquisition of shares through Stock Exchange Mechanism pursuant to the Offer shall be available on the BSE in the form of a separate window ("Acquisition Window").

8.6 The Acquirer and PACs have appointed Karvy Stock Broking Limited ("Buying Broker") for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the Tendering Period. The Contact details of the Buying Broker are as mentioned below:

**Karvy Stock Broking Limited**

**Address:** Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034

**Email ID:** service@karvy.com

**Contact Person:** Mr. G Suresh Kumar

**Tel No:** +91 40 3321 6775

8.7 All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers ("Selling Broker"), during the normal trading hours of the secondary market during the Tendering Period.

### 8.8. Procedure for tendering shares held in Dematerialized Form.

- a) Eligible Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their respective depository participant ("DP")/Selling Broker (in case the trading and demat accounts are with the same member) indicating the details of Equity Shares they intend to tender in Open Offer by filling and handing over the Delivery Instruction Slip ("DIS") to such DP / Selling Broker to ensure the transfer of Equity Shares to the Selling Broker's pool account. In case the DP is not the Selling Broker, the Public Shareholder is required to submit a copy of the DIS to the Selling Broker for placing the sell order. The Eligible Shareholders are advised to retain an acknowledged copy of the DIS.
- b) The Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.
- c) For custodian participant, orders for Demat equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.



- d) The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ Clearing Corporation, before the opening of the Offer.
- e) Upon placing the order, the Selling Broker(s) shall provide transaction registration slip (“TRS”) generated by the Exchange bidding system to the shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of equity shares tendered etc.
- f) The Eligible Shareholders will have to ensure that they keep the depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

The Eligible Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement. Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptances.

#### **8.9. Procedure to be followed by the registered Shareholders holding Equity Shares in physical form:**

- a) The Eligible Shareholders who are holding physical equity shares and intend to participate in the offer will be required to approach their respective Selling Broker alongwith the complete set of documents for verification procedures to be carried out including the:
  - i. The form of Acceptance-cum-Acknowledgement duly signed (by all Eligible Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares;
  - ii. Original Share Certificates;
  - iii. Valid shares transfer form(s) duly filled and signed by the transferors (i.e., by all registered Shareholders in same order and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirer/PACs;
  - iv. Self-attested copy of the Shareholder’s PAN card (in case of joint holders PAN card copy of all transferors);
  - v. Any other Relevant documents such as (but not limited to):
    - Duly attested power of attorney if any person other than the Eligible Shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement;
    - Notarized Copy of death Certificate/ succession certificate or probated will, if the original Shareholder has deceased;
    - Necessary corporate authorizations, such as Board Resolutions etc, in case of companies.
  - vi. In addition to the above, if the address of the Shareholders has undergone a change from the address registered in the register of members of the Target Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: Valid Aadhar Card, Voter Identity card or Passport.
- b) Selling Broker should place order on the Acquisition Window with the relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling broker shall provide a TRS generated by the Exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity shares tendered etc.
- c) After placement of order, the Selling Broker must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, Original share certificate(s), valid share transfer form(s) and other documents (as mentioned in the paragraph 8.9(a)) either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscripted as “**IGARASHI - Open Offer**”. One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- d) Shareholders holding physical Equity shares should note that the physical equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical equity shares by the Acquirer shall be subjected to verification by Registrar to the Offer. Registrar to the Offer will verify

such orders based on the documents submitted on a daily basis and till such time the BSE shall display such orders as “unconfirmed physical Bids”. Once, Registrar to the Offer confirms the order it will be treated as “Confirmed Bids”.

e) In case any person has submitted Equity shares in physical form for dematerialization, such shareholders should ensure that the process of getting the equity shares dematerialized is completed well in time so that they can participate in the offer before the Offer Closing Date.

8.10. Modification/Cancellation of orders will not be allowed during the period the Offer is open.

8.11. The cumulative quantity tendered shall be made available on the website of the BSE throughout the trading session and will be updated at specific intervals during the tendering period

**8.12. Procedure for Tendering the Shares in case of Non-Receipt of the Letter of Offer:**

a) Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

b) A Shareholder may participate in the Offer by approaching their broker/Selling Broker and tender Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.

c) The Letter of Offer will be dispatched to all the Eligible Shareholders of the Target Company. Eligible Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptances along with the Letter of Offer. In case of non-receipt of the Letter of Offer, such Eligible Shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://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 Equity Shares.

d) The Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), and shareholders can also apply by downloading such forms from the said website.

**8.13. Acceptance of Equity Shares**

a. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

b. In the event that the number of Equity Shares (including demat Equity Shares and physical Equity Shares) validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot.

**8.14. Settlement Process**

a. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.

b. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

- c. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favor of Clearing Corporation.
- d. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the pool account of the Buying Broker.
- e. In case of partial or non-acceptance of orders or excess pay-in, demat Shares shall be released to the securities pool account of the Selling Broker / custodian, post which, the Selling Broker would then issue contract note for the shares accepted and return the balance shares to the Shareholders.
- f. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned to the Shareholder(s) directly by Registrar to the Offer.

#### **8.15. Settlement of Funds/ Payment Consideration**

- a. The settlement of fund obligation for demat and physical Equity Shares shall be effected through existing settlement accounts of Selling Broker.
- b. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Selling Broker / Custodian Participant will receive funds payout in their settlement bank account. The Selling Brokers / Custodian participants would pay the consideration to their respective clients.
- c. The funds received from Buying Broker by the Clearing Corporation will be released to the Selling Broker(s) as per secondary market pay-out mechanism.
- d. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, 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 consideration received by the selling Shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, 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 selling Shareholder.
- e. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer /PACs for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer / PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

#### **NOTE ON TAXATION:**

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 (twelve) months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are sold will be subject to short term capital gains tax provided the transaction is chargeable to STT.

**SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER AND PACs DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS OFFER.**

## 9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Eligible Shareholders of Target Company at the office of the Manager to the Offer, Karvy Investor Services Limited, Karvy House, 46 Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034 on any day (except Saturdays, Sundays and public holidays) between 10.30 a. m. to 2.00 p.m. during the period from the Date of Commencement of the Tendering Period till the Date of Closing of the Tendering Period.

1. Certificate of Incorporation, Memorandum and Articles of Association of the Target Company and PACs
2. Audited Financials of Target Company for the years ended March 31, 2017, 2016 and 2015.
3. Audited Financials of AESAPL for the years ended March 31, 2017, 2016 and 2015.
4. Audited Financials of IMSPL for the years ended March 31, 2017, 2016 and 2015.
5. Certificate dated March 07, 2018 from CA CS Rameshbabu, Membership No. 027872, Proprietor of M/s. Ramesh Babu & Associates, Chartered Accountants with Firm Registration No. 06789S having his office at 19, (New No.45), III Main Road, Gandhi Nagar, Adyar, Chennai – 600 020, certifying the adequacy of financial resources of the Acquirer and PACs to fulfill their Offer obligations and the network certificates of Acquirer and PACs.
6. Copy of letter dated August 29, 2017 from IDFC Bank Limited confirming the cash deposit of ₹ 65 Million in the escrow account.
7. Bank Guarantee dated February 22, 2018 from IDFC Bank Limited in favor of Manager to Offer for an amount ₹ 1,400 Million.
8. Copy of Escrow Agreement amongst the Acquirer, PACs and Karvy Investor Services Limited dated August 28, 2017.
9. Copy of the Original SPA dated April 28, 2017 among the Acquirer, PACs, Sellers and Target Company for acquisition of Equity Shares of PAC 1, which triggered the Open Offer.
10. Copy of the Deed of Accession dated August 28, 2017 among the Acquirer, PACs, Sellers and Target Company for assigning part of Acquirer rights and obligation under the Original SPA to PAC 2.
11. Copy of the Deed of Adherence dated August 28, 2017 amongst the Acquirer, PACs, Seller 1 and Seller 2, Igarashi Electric Works Limited and Mape Advisory Group Private Limited.
12. Copy of the Public Announcement dated May 03, 2017 and published copy of the Detailed Public Statement dated September 04, 2017.
13. Copy of the recommendation made by Committee of Independent Directors of the Target Company, as required under Regulation 26(7) of SEBI (SAST) Regulations, 2011.
14. SEBI Observation Letter dated March 01, 2018 bearing reference number SEBI/HO/CFD/DCR1/OW/P/2018/6740/1.

## 10. DECLARATION BY THE ACQUIRER AND PACs

For the purpose of disclosures in this Letter of Offer relating to the Target Company, the Acquirer and the PACs have relied on the information provided by the Target Company or as available in public domain and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirer and the PACs accept full responsibility for the information contained in this Letter of Offer in relation to them and the Offer, including the attached Form of Acceptance-cum- Acknowledgement (other than such information as has been obtained from public sources or provided or confirmed by the Target Company or entities controlled by the Target Company).

The Acquirer and the PACs also accept full responsibility for their obligations under the Offer and shall be severally and jointly liable for ensuring compliance with the SEBI SAST Regulations.

The information contained in this Letter of Offer is as of the date of this Letter of Offer, unless expressly stated otherwise

For **Padmanabhan Mukund (“Acquirer”)**

**PAC 1 Agile Electric Sub Assembly Private Limited**

Sd/-

Date : March 8, 2018  
Place : Chennai

Sd/-

Authorised Signatory  
Name: R Chandrasekaran

Date: March 8, 2018  
Place: Chennai, India

**PAC 2 Igarashi Motors Sales Private Limited**

Sd/-

Authorised Signatory  
Name: P. Mukund

Date: March 8, 2018  
Place: Chennai, India

Encl.:

1. Form of Acceptance-cum-Acknowledgement
2. Form SH-4 Securities Transfer Form, for physical shareholders

**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT  
(FOR HOLDING SHARES IN PHYSICAL FORM)**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

*(Please send this Form with TRS generated by Broker and enclosures to Registrar to the Offer, Cameo Corporate Services Limited, at their address given in the Letter of Offer as per the mode of delivery mentioned in the Letter of Offer)*

TENDERING PERIOD FOR THE OFFER	
OFFER OPENS ON	: Tuesday, March 20, 2018
OFFER CLOSSES ON	: Wednesday, April 04, 2018

**From:**

**Name:**

**Address:**

Tel. No.:

Fax No.:

E-mail:

To,

**Cameo Corporate Services Limited**

**(Unit: Igarashi Motors India Limited - Open Offer)**

Subramanian Building No 1,

Club House Road, Chennai,

Tamil Nadu - 600 002

Dear Sir,

**Sub: Open Offer for acquisition of upto 79,58,196 Equity Shares, constituting 26% of the Issued Subscribed, Paid-up and Voting Capital of Igarashi Motors India Limited ("Target Company") from the Eligible Shareholders of the Target Company by Mr. Padmanabhan Mukund ("Acquirer") and Agile Electric Sub Assembly Private Limited ("AESAPL/PAC 1") and Igarashi Motors Sales Private Limited ("IMSPL/PAC 2") ("PAC 1" AND "PAC 2" are collectively referred to as the "PACs") under the SEBI (SAST) Regulations, 2011 ("Offer").**

I / we, refer to the Letter of Offer dated March 08, 2018 for acquiring the Equity Shares held by me / us in **M/s. Igarashi Motors India Limited**. Capitalized terms not defined here shall have the meanings ascribed to them under the Letter of Offer.

I / we, the undersigned, have read PA, DPS and the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I / We, unconditionally Offer to sell to the Acquirer/PACs the following equity shares in Target Company held by me/ us at a price of ₹ 809.96/- (Indian Rupees Eight Hundred and Nine Rupees and Ninety Six Paise) per fully paid-up equity share.

I/We enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our equity shares as detailed below (please enclose additional sheet(s), if required).

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers.		Number. of equity shares
			From	To	
1					
2					
3					
<b>Total No. of Equity Shares</b>					

*(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)*

I/We confirm that the Equity Shares which are being tendered herewith by me/us under this Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter and that I/We have obtained any necessary consents to sell the Equity Shares on the foregoing basis.

I/We also note and understand that the obligation on the Acquirer / PACs to pay the purchase consideration arises only after verification of the certification, documents and signatures submitted along with this Form of Acceptance-cum-Acknowledgment.

I/We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961. I/We are not debarred from dealing in Equity Shares.

I/We note and understand that the shares/original share certificate(s) and transfer deed(s) will be held by the Registrar to the Offer in trust for me/us till the date the Acquirer / PACs make payment of consideration as mentioned in the Letter of Offer or the date by which original share certificate(s), transfer deed(s) and other documents are dispatched to the shareholders, as the case may be.

I/We confirm that 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 me/us, I/we will indemnify the Acquirer / PACs for such income tax demand (including interest, penalty, etc.) and provide the Acquirer / PACs with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer / PACs pay the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer / PACs shall pay the purchase consideration only after verification of the documents and signatures.

I/We note and understand that the Equity Shares would lie with the Clearing Corporation until the time the Acquirer / PACs make payment of purchase consideration as mentioned in the Letter of Offer. I/We authorise the Acquirer / PACs to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer / PACs to return to me / us, share certificate(s) in respect of which the Open Offer is not found valid/not accepted without specifying the reasons thereof.

Yours faithfully,

Signed & Delivered:

	Full Name	PAN	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

*Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary Board resolutions should be attached.*

Place:

Date:



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

**ACKNOWLEDGEMENT SLIP**

**Cameo Corporate Services Limited,  
(Unit - IMIL Open offer)**

Subramanian Building No 1,  
Club House Road, Chennai,

Tamil Nadu, 600002

Tel.: + 91 44 - 2846 0390

Fax: +91 44 - 2846 0129

Email: investor@cameoindia.com

Website: www.cameoindia.com

Contact Person: Ms. Sreepriya.K

**Received from Mr. / Ms. / Smt:** \_\_\_\_\_

**Address:** \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement for \_\_\_\_\_ Shares along with:

**Physical Shares:** Share Certificate(s) along with \_\_\_\_\_ number of  
Form SH 4- Securities Transfer Form(s) under Folio Number (s) \_\_\_\_\_

**TRS No.:** \_\_\_\_\_

**Other Documents, please specify:** \_\_\_\_\_

Stamp of Registrar to the Offer:		Signature of the Official:		Date of Receipt:	
----------------------------------	--	----------------------------	--	------------------	--

*All future correspondence, if any, should be addressed to the Registrar to the Offer at their address quoting your Folio No. / DP ID and Client ID.*