



Igarashi Motors India Limited

Reg. Off. & Plant - I :

Plot No. B12 to B15 Phase II,

MEPZ - SEZ, Tambaram,

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CIN : L29142TN1992PLC021997

27 May, 2017

Online Submission

Bombay Stock Exchange Limited

Corporate Relationship Department

1st Floor, New Trading Ring,

Rotunda Building, P J Towers,

Dalal Street, Fort,

Mumbai 400 001

Stock Code : 517380

**National Stock Exchange of India
Limited**

Exchange Plaza, 5th Floor, Plot No.C/1,

G-Block, Bandra Kurla Complex,

Bandra (East),

Mumbai 400 051

Stock Code : IGARASHI

Dear Sir/ Madam,

Sub: Outcome of the Board Meeting held on May 27, 2017- Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI circular no. CIR/CMD/4/2015 dated 9th September, 2015 and SEBI circular no .CFD/DIL3/CIR/2017/21 dated 10th March, 2017

We wish to inform you that the Board of Directors of Igarashi Motors India Limited (hereinafter referred as 'the Company') at their meeting held today i.e. 27th May, 2017, approved the Scheme of Arrangement ('Scheme') facilitating the:

- a) Amalgamation of Agile Electric Sub Assembly Private Limited with the Company under section 230 read with section 232 and other applicable provisions of the Companies Act, 2013 with the appointed date of 1st April, 2017 and;
- b) 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 the approval of the Shareholders, creditors, the Hon'ble National Company Law Tribunal ('NCLT') and all other regulatory and necessary approvals and therefore, the record date for the issue of bonus shares, which will be an integral part of the Scheme, will be fixed only post the necessary approvals are obtained.

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The Board also approved the exchange ratio of 88 fully paid up equity shares of the face value of Rs. 10/- each of the Igarashi Motors India Limited to be issued for every 323 equity shares of Rs. 10/- each held by the equity shareholders of Agile Electric Sub Assembly Private Limited.

Further, the Board has also approved the issue of fully paid bonus equity share of the face value of Rs. 10/- each to the public shareholders of the Company on completion of the Scheme in such proportion and to the extent required to comply with the minimum public shareholding requirement prescribed under SEBI Guidelines.

The detailed disclosure in respect of the aforesaid Scheme as required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI circular no. CIR/CMD/4/2015 dated 9th September, 2015 and SEBI Circular no .CFD/DIL3/CIR/2017/21 dated 10th March, 2017 has been enclosed as Annexure - A.

We request you to kindly take the above on record

Thanking you.

Yours faithfully

For **IGARASHI MOTORS INDIA LIMITED**



P. Dinakara Babu
Company Secretary

Encl: a/a

ANNEXURE – A

Disclosure in respect of the aforesaid Scheme as required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI circular no. CIR/CMD/4/2015 dated 9th September, 2015 and SEBI circular no .CFD/DIL3/CIR/2017/21 dated 10th March, 2017

- i) **Name of the entities forming part of the Amalgamation, details in brief such as size, turnover etc.**

(Rs. in crores)

Name of the Entities	Igarashi Motors India Limited (Transferee Company)	Agile Electric Sub Assembly Private Limited (Transferor Company)
Turnover March 31, 2017	507.89	355.65
Net worth as on March 31, 2017	370.35	231.92

- ii) **Whether the transaction would fall within the related party transactions, if yes whether the same is done at arm's length.**

The Scheme envisages the merger of Agile Electric Sub Assembly Private Limited with Igarashi Motors India Limited. Accordingly, the shares held by Agile Electric Sub Assembly Private Limited in Igarashi Motors India Limited shall stand cancelled pursuant to the merger. Further, the share exchange ratio based on the valuation report provided by S.R. Batliboi & Co. LLP Chartered Accountants, Mumbai and Fairness opinion provided by SBI Capital Markets Limited was recommended by the Audit Committee to the Board.

- iii) **Area of business of the entities**

- a) Igarashi Motors India Limited is engaged in the business of manufacturing Torque Actuator Motors for engines, turbo & exhaust applications.
- b) Agile Electric Sub Assembly Private Limited is engaged in the business of manufacturing Comfort Actuator Motors & Sub-Assemblies.



iv) Rationale for the Amalgamation**a. Business Strategy Consolidation :****i) Market / Application diversification**

The transferor company operates in Comfort Actuator Motors & Sub-Assemblies and the transferee company operates in Torque Actuator Motors for engines, turbo & exhaust applications. The Company would be able to diversify into new application areas and serve existing and new customers.

ii) Product portfolio expansion & Shorter Product Launch Cycle:-

The Transferor Company manufactures customer designed products and Transferee Company develops & manufactures own designed and patented products. The customer designed products would require short product launch time.

Combination of the Transferor and Transferee Company clearly provides diversification, expansion and risk mitigation of market/ customers/ applications.

b. Technology Aggregation:

The Amalgamation allows aggregation of specific technologies in each of the companies, thereby helping in seamless engineering across the value stream for expansion into new products, applications and technologies.

c. Business Chain Integration:

The Amalgamation creates a Full Service Supplier play by the Company, i.e., from Product Development, Process Development to Manufacturing in Tier-2, Tier-3 & Tier-4 as both companies have specialized focus at different Tiers.

d. Expansion & scalability :

The Amalgamation allows flexibility in utilization of manufacturing capacities in all operating Tiers enabling quicker launches in the manufacturing cycle and improved utilization of infrastructure and capacities.

With initial seed launches from flexible capacity lines, scalable capacities can be added in the following phase for improved utilisation of all resources that would enable the Company to meet customer / market demands in a timely and efficient manner.

e. Shareholder Value:

Results in improved shareholder value for the Companies by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability.

f. Simplification of Corporate Structure:

The Arrangement shall be beneficial to the interest of the shareholders, employees and creditors to simplify the Combination into a Single Corporate Structure, resulting in Legal Integration of the businesses.

v) In case of cash consideration – amount or otherwise share exchange ratio

In consideration to the amalgamation, Igarashi Motors India Limited shall issue and allot to every Equity Shareholder of Agile Electric Sub Assembly Private Limited, 88 equity shares of Rs. 10 each to be issued for every 323 equity shares of Rs. 10 each held by such shareholder in Agile Electric Sub Assembly Private Limited.

Further, in order to protect the interest of the public shareholders and to ensure compliance of minimum public shareholding post the merger, the public shareholders of Igarashi Motors India Limited as on the record date shall be issued such proportion of bonus equity shares as fully paid up in order to maintain minimum public shareholding post the Scheme as prescribed under SEBI Guidelines.

vi) Brief Details of change in shareholding pattern (if any) of the listed entity

Upon the Scheme becoming effective, the Company will issue around 1,44,63,945 equity shares to the shareholders of Agile Electric Sub Assembly Private Limited and also issue such number of bonus equity shares only to its public shareholders as on Record Date so as to ensure compliance with the provisions of SEBI circular no .CFD/DIL3/CIR/2017/21 dated 10th March 2017 which mandates the maintenance of minimum public shareholding of at least 25% both pre-merger and the post-merger.

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "IGARASHI MOTORS INDIA LIMITED" around the perimeter and "CHENNAI-60" at the bottom. In the center of the stamp is a stylized logo.