LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **Igarashi Motors India Limited.** If you require any clarification about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager to the Offer / Registrar to the Offer. In case you have sold your Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

Agile Electric Drives Technologies and Holdings Private Limited (the Acquirer)

No.19, Rangaswamy Street, Kothandam Nagar, Chromepet, Chennai - 600 044.

Tel: 91-44-42298199, Fax: 91-44-22628143, email: srinivasan@agileelectric.co.in

And

HBL Power Systems Limited (Person Acting in Concert along with Acquirer)

8-2-601, Road # 10, Banjara Hills, Hyderabad – 500 034.

Tel: 91-40-23355575, Fax: 91-40-23355048, email: contact@hbl.in

MAKE A CASH OFFER AT RS 76.30 (RUPEES SEVENTY SIX AND PAISE THIRTY ONLY) PER FULLY PAID EQUITY SHARE

TO ACQUIRE

40,74,877 equity shares of Rs 10 each, representing 20% of the Expanded Issued and Subscribed Equity Capital of

IGARASHI MOTORS INDIA LIMITED

(the Target Company)

(formerly known as CG Igarashi Motors Limited)

Regd. Office: Plot Nos B-12 to B-15, Phase II, MEPZ-SEZ, Tambaram, Chennai – 600 045

Tel: 91-44-42298199, **Fax:** 91-44-22628143,

email: investorservices@igarashimotors.co.in

Notes:

- This Offer is made pursuant to and in compliance with Regulations 10 & 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereof.
- This Offer is not conditional to any minimum level of acceptance.
- This is not a competitive bid. There are no competitive bids to this Offer.
- There has been no revision of Offer price, till the date of this Letter of Offer.
- Approval from RBI for transfer of shares of a Company registered in India by a Non Resident to a person resident in India is required. The Acquirer, vide letter dated January 07, 2011 has applied for approval from RBI for transfer of shares in their name after successful completion of this Offer.
- **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public announcement / Letter of Offer, can withdraw the same up to 3 working days prior to the date of closure of the Offer. The last date for such withdrawal is Friday, March 04, 2011.**
- The Acquirer can revise the Offer price upto 7 working days prior to the date of closure of the Offer. The last date for such revision is Friday, February 25, 2011. Any upward revision or withdrawal of the Offer would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. **Consideration at the same rate will be paid for all Equity Shares tendered anytime during the Offer period.**
- The Registration of all the Intermediaries associated with the Offer, viz. MAPE Advisory Group Private Limited, Manager to the Offer and Cameo Corporate Services Limited, Registrar to the Offer, are valid and no action has been initiated by SEBI or any other Government body against them.
- A copy of this Letter of Offer (including the Form of Acceptance and Acknowledgement and Form of Withdrawal) and copy of the Public Announcement are available on SEBI's website: www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
MAPE ADVISORY GROUP PRIVATE LIMITED **SEBI Regn. No.** INM 000011294 7C, P.M. Towers, 37, Greams Road, Chennai – 600 006 **Tel.:** 91-44-28295378 **Fax:** 91-44-28295377 **email:** vikram@mapegroup.com **Contact Person :** Vikram Kankaria	**CAMEO CORPORATE SERVICES LIMITED** **SEBI Regn. No.** INR 000003763 Subramaniam Building, Road No. 1, Club House Road, Chennai – 600 002 **Tel.:** 91-44-28460390 **Fax:** 91-44-28460129 **email:** investors@cameoindia.com **Contact Person :** Sreepriya K
OFFER OPENS ON : FRIDAY, FEBRUARY 18, 2011	**OFFER CLOSES ON : WEDNESDAY, MARCH 09, 2011**

The Schedule of activities is as follows:

Activity	Original Schedule	Revised Schedule
Public Announcement (PA)	Thursday, December 09, 2010	Thursday, December 09, 2010
Specified date	Monday December 27, 2010	Monday December 27, 2010
Last date for a competitive bid	Thursday, December 30, 2010	Thursday, December 30, 2010
Date by which individual Letters of Offer will be dispatched to the shareholders	Thursday, January 20, 2011	Saturday, February 12, 2011
Date of opening of the Offer	Thursday, January 27, 2011	Friday, February 18, 2011
Last date for revising the Offer Price/ number of shares	Thursday, February 03, 2011	Friday, February 25, 2011
Last date for withdrawing acceptance from the Offer	Wednesday, February 09, 2011	Friday, March 04, 2011
Date of closing of the Offer	Tuesday, February 15, 2011	Wednesday, March 09, 2011
Date by which acceptance/ rejection would be intimated and the corresponding payment for the acquired Equity Shares and/or the share certificates for the rejected/withdrawn Equity Shares will be dispatched and/or credited to the beneficiary account in case of dematerialised Equity Shares	Wednesday, March 02, 2011	Thursday, March 24, 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 Regulations

Risk Factors relating to the transaction and probable risks involved in associating with the Acquirer

1. The Acquirer proposes to take control of the Target Company. The likely changes in the management / taking control by the Acquirer shall be subject to successful completion of the formalities of the Offer, including dispatch of consideration for the Equity Shares accepted. The likely changes in the management of the Target Company shall also be subject to compliance with Regulation 23(6) of the SAST Regulations.

2. Association of the Acquirer with Igarashi Motors India Limited / taking control of Igarashi Motors India Limited by the Acquirer does not warrant any assurance with respect to the future financial performance of IMIL.

Risk Factors relating to the proposed Offer

3. The Equity Shares that are tendered in the Offer may be those held by persons resident outside India, including Overseas Corporate Bodies, if any, holding shares in the Company who may be persons not covered by specific provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. The acceptance of Equity Shares in the Offer from aforesaid categories of shareholder is subject to the receipt of the approval, if any, of the Reserve Bank of India ('RBI") under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under ("FEMA") for the acquisition of Equity Shares by the Acquirer. The Acquirer, vide letter dated January 07, 2011 has made an application to RBI seeking the same. However, if the RBI refuses the aforesaid approval or the approval is not granted before the date of closure of the Offer, then the Acquirer may not acquire Equity Shares tendered in the Offer by persons resident outside India unless the Acquirer (at its sole discretion) seeks for an extension from SEBI for completion of the offer and such extension is granted by SEBI.

4. Shareholders accepting this Offer will be tendering their Equity Shares before getting payment of consideration as the Acquirer has 15 days time from date of closure of the Offer to make payment of consideration. During such period, they will not be able to take advantage of any favorable price movements in the stock markets.

5. As on date of this Letter of Offer, apart from what is stated under (3) above, no statutory approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be

subject to all statutory approvals that may become applicable at a later date. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment, subject to, the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days from date of closure of Offer.

6. If the number of Shares of the Target Company assented to the Offer exceeds the Offer Size, then the Acquirer shall accept Equity Shares of the Target Company assented to the Offer, in accordance with Regulation 21(6) of the SAST Regulations, i.e. on a proportionate basis, to be decided in a fair and equitable manner, in consultation with the Manager to the Offer, irrespective of whether the tendered Shares are in physical or dematerialized form.

7. Assuming full acceptance of this Offer, the Post Offer shareholding of the Acquirer would be 75.70% of the expanded Issued and Subscribed Equity Capital of the Target Company.

8. Being a company listed on various stock exchanges, the Target Company and its shareholders are required to submit various reports from time to time as prescribed under Chapter II of the SAST Regulations. From the data made available by the Target Company, there have been instances in the past where there has been non-compliance with the abovementioned regulation. For further details of instances where the Target Company, its promoters, major shareholders or the Acquirer have been in non-compliance with Chapter II of SAST Regulations, please refer to Clause 5.1.13 of this Letter of Offer. Such instances of non-compliance are under SEBI's examination and suitable action may be initiated by SEBI at a later stage, which may be monetary or non-monetary in nature. Further, it cannot be confirmed if, in the future, the Target Company or its shareholders would continue to comply with applicable provisions of the SAST Regulations.

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DEFINITIONS/ABBREVIATIONS

1	IMIL / Target Company	Company whose equity shares are proposed to be acquired viz. Igarashi Motors India Limited
2	Acquirer / Agile	Agile Electric Drives Technologies and Holdings Private Limited, who is offering to acquire shares through this Offer
3	PAC/HBL	Person Acting in Concert with the Acquirer, being HBL Power Systems Limited
4	IG Japan	Igarashi Electric Works Limited, Japan, Promoter of the Target Company
5	IEW HK	Igarashi Electric Works (HK) Limited, Hong Kong, Promoter of the Target Company
6	RBI	Reserve Bank of India
7	SEBI / Board	Securities and Exchange Board of India
8	Merchant Banker / Manager to the Offer	MAPE Advisory Group Private Limited
9	Registrar to the Offer	Cameo Corporate Services Limited
10	PA / Public Announcement	Announcement of the Offer made by the Acquirer, published in the dailies, on Thursday December 09, 2010.
11	Offer	Cash Offer being made by the Acquirer to the Equity Share-holders of the Target Company
12	Equity Shares	Equity shares of IMIL of Face Value of Rs.10 each
13	EPS	Earnings Per Equity Share, for the period under reference and annualized
14	Book Value	Book Value of each Equity Share as on the date referred to
15	SAST Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997, as amended
16	NAV	Net Asset Value per Equity Share
17	Persons not eligible to participate in the Offer	Parties to the Agreement, Promoter group shareholders of the Target Company, the Acquirer and the PAC
18	Persons eligible to participate in the Offer	All equity shareholders of the Target Company, other than the Acquirer and the PAC, parties to the Agreement and Promoter group shareholders of the Target Company. Both registered and unregistered shareholders can participate in the Offer
19	BSE	Bombay Stock Exchange Limited
20	NSE	National Stock Exchange of India Limited

21	MSE	Madras Stock Exchange Limited
22	RNW	Return on Net Worth
23	FIIs	Foreign Institutional Investors
24	NRIs	Non Resident Indians and persons of Indian origin residing abroad
25	FIs	Financial Institutions
26	PAT	Profit After Tax
27	Agreement / SPA	Share Purchase Agreement dated December 06, 2010 entered into between the Acquirer and Promoter company of IMIL
28	SSA	Share Subscription Agreement dated December 07, 2010 entered into between the Acquirer and the Target Company
29	SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading Regulations) 1992 as amended
30	NSDL	National Securities Depository Limited
31	CDSL	Central Depository Services (India) Limited
32	Companies Act	Companies Act, 1956, as amended
33	SEBI Act	The Securities and Exchange Board of India Act, 1992
34	Offer Price	Cash price of Rs. 76.30 per Equity Share

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA (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 REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF IGARASHI MOTORS INDIA LIMITED, THE TARGET COMPANY, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER M/S. MAPE ADVISORY GROUP PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 23, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF.

2. DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1. This Offer is in compliance with Regulations 10 & 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as the “SAST Regulations").

2.1.2 Agile Electric Drives Technologies and Holdings Private Limited, (hereinafter referred to as the “Acquirer”), having its registered office at “No.19, Rangaswamy Street, Kothandam Nagar, Chromepet, Chennai-600 044, and HBL Power Systems Limited, (hereinafter referred to as the person acting in concert with the Acquirer (“PAC”)) having its registered office at 8-2-601, Road # 10, Banjara Hills, Hyderabad – 500 034 are making an Offer to the Public shareholders (i.e. shareholders other than the Acquirer, the PAC, Promoters & Promoter group shareholders) of Igarashi Motors India Limited, ("IMIL" or "the Target Company") to acquire 40,74,877 Equity Shares of Rs 10 each, representing 20% of the expanded Issued and Subscribed equity capital of IMIL. The Offer is at a price of Rs.76.30 (Rupees Seventy Six and Paise Thirty only) per Equity Share (“the Offer Price”), payable in cash (the “Offer"), subject to the terms and conditions mentioned hereinafter.

2.1.3 Subject to the approval of the shareholders of IMIL, the Board of Directors of IMIL have, in their meeting held on December 6, 2010, proposed to issue and allot to Agile, on a preferential basis, 65,00,000 Equity Shares of Face value of Rs.10/- each per share constituting 31.9% of the expanded issued, subscribed and paid up share capital of IMIL at a price to be decided in accordance with the Regulations on Preferential Allotment contained in the SEBI (ICDR) Regulations, 2009 ("Preferential Allotment"). The Preferential Allotment is in accordance with Sec 81(1A) of the Companies Act and applicable provisions for preferential issue under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto. The Preferential Allotment is being made for cash consideration. Accordingly, Agile and the Target Company have executed a Share Subscription Agreement ("SSA") on December 07, 2010, for recording the terms of the Preferential Allotment. The SSA has necessitated the Offer in terms of Regulations 10 and 12 of the SAST Regulations.

The special resolution for allotment of Equity Shares was approved by the shareholders with requisite majority through postal ballot, the results of which were declared on January 08, 2011. In-principle approval from the designated stock exchange was received on January 11, 2011. The Allotment Committee of the Directors of the Target Company allotted 65,00,000 Equity Shares at a price of Rs. 76.30 per Equity Share to the Acquirer on January 25, 2011.

2.1.4 The Acquirer has executed a Share Purchase Agreement ("SPA"), on December 6, 2010 with Igarashi Electric Works Limited, Japan ("IG Japan", the Promoter company of the Target Company) for the acquisition from IG Japan, of 48,56,034 Equity Shares of Rs.10/- each fully paid up, constituting 35% of the present issued, subscribed and paid-up share capital of IMIL at a price of Rupees Sixty and Paise Seventy Four Only (Rs. 60.74 only) per fully paid up share for cash consideration. The SPA has also necessitated this Offer in terms of Regulations 10 and 12 of the SAST Regulations. The Offer is subject to the provisions of the Companies Act, SAST Regulations and the Listing Agreement of the Target Company with the Stock Exchanges in which the shares of the Target Company are listed and other applicable laws and regulations in force.

The SPA inter-alia provides that:

(i) Within 2 weeks from the date of the PA, 2/3rd of the sale consideration amounting to Rs. 19,66,37,003.44 /- shall be paid to IG Japan by Agile and IG Japan shall deposit with Agile irrevocable delivery instructions in respect of 32,37,356 number of the Sale Shares, being 2/3rd of the entire sale shares.

Accordingly, on December 13, 2010, payment of Rs. 19,66,37,003 was made by Agile to IG Japan and irrevocable delivery instructions in respect of 32,37,356 Equity Shares were provided to Agile by IG Japan.

(ii) Within 8 weeks from the date of the PA, the remaining 1/3rd of the sale consideration amounting to Rs. 9,83,18,501.72/- shall be paid to IG Japan by Agile and IG Japan shall deposit with Agile irrevocable delivery instructions in respect of 16,18,678 number of the Sale Shares, being 1/3rd of the entire sale shares.

The parties to the SPA, with mutual consent, have agreed to extend this timeline by a further 4 weeks.

(iii) Subject to other terms contained in the SPA and upon completion of the Offer under SAST Regulations, the transfer of the sale shares to, and in favour of, Agile shall take place and the Board of Directors of IMIL shall be reconstituted by appointing 3 (three) nominees of Agile on the Board of Directors.

2.1.5 The Acquirer, the PAC, its Promoters and Directors, the Target Company and its Promoters / Directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI

Act or under any of the regulations made under the SEBI Act. No other action has been taken against them by SEBI.

2.1.6 Mr K K Nohria is the Chairman and Mr P Mukund is a Director of both the Acquirer and the Target Company. They are thus insiders within the meaning of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. In compliance with Reg. 22(9) of the SAST Regulations, they refused themselves and did not participate in any past or future proceedings pertaining to the Offer, including but not limited to:

a) Board resolution dated December 06, 2010, passed by the Directors of the Target Company for allotment of 65,00,000 Equity Shares to the Acquirer on a preferential basis
b) Board Resolution passed by the Directors of the Acquirer for making the Offer to the shareholders of the Target Company

2.1.7 Subject to satisfaction of the provisions under the Companies Act, 1956 and / or any other Regulation(s), the Acquirer intends to make changes in the management of IMIL. The likely changes in the management of IMIL shall be subject to compliance with Regulation 23(6) of the Regulations.

2.2 Details of the proposed Offer

2.2.1. A Public Announcement, as per Regulation 15 (1) of the Regulations, was made on December 9, 2010 in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Dina Bhoomi	Tamil	Chennai edition
Nav Shakti	Marathi	Mumbai edition

The Public Announcement is also available on SEBI's website at http://www.sebi.gov.in/takeover/Igarashi.html

2.2.2 The Offer is to acquire 40,74,877 Equity Shares of Rs. 10 each, representing 20% of the expanded Issued and Subscribed equity capital of IMIL.

2.2.3 The Offer price is Rs.76.30 (Rupees Seventy Six and Paise Thirty only) per each fully paid up Equity Share of IMIL.

2.2.4 The consideration will be paid in cash. There is no differential price since entire consideration is payable in cash.

2.2.5 This is not a competitive bid. There are no competitive bids to the Offer.

2.2.6 This Offer is not conditional as to any minimum level of acceptance.

2.2.7 The Acquirer has not made any further acquisition of Equity Shares since the date of the PA and till date of this Letter of Offer.

2.2.8 MAPE Advisory Group Private Limited, Manager to the Offer does not hold any Equity Shares in the Target Company. They declare and undertake that they shall not deal in the Equity Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of fifteen days from the date of closure of the Offer.

2.2.9 There is no agreement by the Acquirer with any person / entity, in connection with this Offer. The entire shares proposed to be acquired under this Offer will be acquired by the Acquirer and no other person / entity proposes to take part in the acquisition.

2.2.10 The Acquirer has not acquired any Equity Share of IMIL after the date of PA. In the event of any further acquisition of Equity Shares from the date of PA till 7 days prior to closure of Offer by the Acquirer at a price higher than the Offer Price, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition. As per the terms of the Agreement, IG Japan would transfer 48,56,034 Equity Shares to the Acquirer upon completion of the Offer.

2.3 Objects of the proposed Offer and future plans of the Acquirer with respect to IMIL

2.3.1 The object of the acquisition is substantial acquisition of Shares of IMIL followed by change in control. The Acquirer proposes to take control of IMIL.

2.3.2 IMIL is presently engaged in the manufacture of electric motors, regulators, transformers, systems. The acquirer proposes to continue with the existing activities. Barring unforeseen circumstances, the Acquirer is confident of ensuring sustained growth.

2.3.3 Subject to satisfaction of the provisions under the Companies Act, 1956 and/or any other applicable regulation(s), the Acquirer intends to make changes in the management of IMIL. It is proposed to induct new Directors on the Board of Igarashi Motors India Limited by the Acquirer. The likely changes in the management/taking control by the Acquirer will be in compliance with Clause 49 of the Listing Agreement and shall be subject to successful completion of the Offer formalities and compliance with Regulation 23(6) of the SAST Regulations.

2.3.4 Subsequently, subject to requisite approvals, it is proposed to merge Agile with IMIL to profit from synergies between the two Companies. However, shareholders may please note that as on the date of this Letter of Offer, there is no specific agreement or approval received from the shareholders of either the Acquirer or the Target Company outlining the specific mode of merger, if any.

3. BACKGROUND OF THE ACQUIRER

3.1 AGILE ELECTRIC DRIVES TECHNOLOGIES AND HOLDINGS PRIVATE LIMITED

3.1.1 **Agile Electric Drives Technologies and Holdings Private Limited,** formerly called as Igarashi Electric Private Limited, is a Private Limited Company incorporated under the Companies Act on December 2, 2003, having its registered office at No.19, Rangaswamy Street, Kothandam Nagar, Chromepet, Chennai-600 044, Tel: 044 42298199, Fax: 044 22628143. The company was initially promoted by the Igarashi Group.

3.1.2 Agile is a subsidiary of HBL Power Systems Limited.

3.1.3 The Company is managed by its Board of Directors. Shri K K Nohria (Chairman), Shri P Mukund, Dr A J Prasad , Shri M S S Srinath and Smt Kavita Prasad are the Directors of the company.

3.1.4 Agile and its Subsidiaries are engaged in the business of manufacturing motor subassembly & precision components, and providing motor technology.

3.1.5 Agile is a closely held Company, and the equity shares are not listed in any Stock Exchange.

3.1.6 The Directors of Agile as on the date of the PA and their brief profile is as under:

Name & Designation & DIN number	Date of appointment	Age, Qualification, Experience	Residential Address
Shri K K Nohria Chairman DIN: 00060015	20/05/2004	78 years B.E (Electrical) Over 50 years of experience in electrical engineering	11.Aryavrat, 351 Narayan Dabholkar Road, Mumbai - 400 006
Shri P Mukund Director DIN: 00007788	31/07/2008	51 years MBA (XLRI), BE (Hons.) Over 25 years of experience in areas related to electric motors	New No.207/2, Old No. 93/2,T.T.K Salai, Alwarpet, Chennai - 600 018
Dr A J Prasad Director DIN: 00057275	06/12/2010	65 years B E (IIT, Kharagpur) Masters in management (MIT) Doctorate in International Business (Columbia University) 33 years of experience in the field of specialized batteries	8-2-601, Road # 10, Banjara Hills Hyderabad – 500 034
Shri M S S Srinath Director DIN: 00088746	06/12/2010	41 years B A (Hons) Over 16 years experience in administration and marketing	8-2-601, Road # 10, Banjara Hills Hyderabad – 500 034
Smt Kavita Prasad Director DIN: 00319292	06/12/2010	39 years B Com Over 10 years of experience in General Administration	8-2-601, Road # 10, Banjara Hills Hyderabad – 500 034

There has been no change in Board of Directors, since the date of PA.

3.1.7 The brief financials of Agile for the last 3 years is given below:

(i) Profit & Loss Statement (Standalone);

Rs. lakhs	**Limited Review**	**Audited**		
	As at September 30, 2010	**As at March 31, 2010**	**As at March 31, 2009**	**As at March 31, 2008**
Sales	0.00	0.05	0.00	0.00
Other Income	45.01	5.52	0.00	1.14
Total Income	45.01	5.57	0.00	1.14
Total Expenditure	17.92	99.00	109.32	52.56
Profit / Loss before Depreciation Interest and Tax	27.09	(93.43)	(109.32)	(51.42)
Depreciation	3.56	7.27	7.26	7.29
Interest	109.27	160.35	142.44	32.00
Profit / (Loss) before Tax	(85.74)	(261.05)	(259.03)	(90.71)
Provision for Tax	1.16	4.47	2.43	(55.71)
Profit / (Loss) after Tax	(84.57)	(256.57)	(256.60)	(146.42)

(ii) Balance Sheet (Standalone)

Rs. lakhs	Limited Review	Audited		
	Six months ending Sep 30, 2010	Year ending March 31, 2010	Year ending March 31, 2009	Year ending March 31, 2008
Sources of Funds				
Paid up Share Capital (Face Value per Share Rs.10)	8,567.57	8,567.57	8,265.66	2,716.80
Share Application Money	.01	0.01	0.005	0.00
Reserves & Surplus	0.00	0.00	0.00	0.00
Total Capital	**8,567.58**	**8,567.58**	**8,265.67**	**2,716.80**
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	187.61	0.00	0.00	465.32
Deferred Tax Liability	86.78	87.94	92.42	94.85
Total	**8,841.97**	**8,655.52**	**8,358.09**	**3,276.97**
Uses of Funds				
Net Fixed Assets	94.88	98.43	105.70	112.97
Investments	11,953.42	11,953.42	11,953.42	8,480.02
Net Current Assets	(4,350.34)	(4,455.76)	(4,503.89)	(5,862.28)
Profit & Loss Account	1,144.01	1,059.43	802.86	546.26
Total	**8,841.97**	**8,655.52**	**8,358.09**	**3,276.97**

(iii) Other Financial Data (Standalone)

Rs. Lakhs	Limited Review	Audited		
	Six months ending September 30, 2010	Year ending March 31, 2010	Year ending March 31, 2009	Year ending March 31, 2008
Dividend (%)	0.00	0.00	**0.00**	**0.00**
Networth	7,423.57	7,508.15	7,462.81	2,170.54
Earnings per Share (Rs 10) (Net Profit / no. of subscribed equity shares.	(0.09)	(0.30)	(0.31)	(0.54)
Return on Net Worth (%) (Net profit / Net Worth)	-2.28%	-3.42%	-3.44%	-6.75%
Book Value per Equity Share (FV Rs 10)	8.66	8.76	9.03	7.99

Note: No Contingent liabilities as on March 31, 2010.

The significant accounting polices followed by the company are

a. The accounts have been prepared using historical cost convention and on the basis of a going concern.

b. Revenue from sale of goods is recognized when substantial risks and rewards of ownership are transferred to buyer. Interest income is accrued at applicable rate. Other items of income are accounted as and when the right to receive arises.

c. Fixed Assets are capitalized at acquisition cost.

d. Inventories are valued at lower of weighted average cost or net realizable value.

e. Foreign currency transactions relating to purchase or sale of goods are recorded at the exchange rate prevalent at the time of transaction.

f. Depreciation on assets is provided on Straight Line Method.

g. Long Term Investments are carried at cost, after providing for any diminution in value, if such diminution is of permanent nature.

3.1.8 Agile has the following subsidiaries – Agile Electric Sub Assembly Private Limited, Agile Electric Technologies Private Limited and Igarashi Motor Sales Private Limited, the brief details of which are as under:

(i)

Name of the Company	**Agile Electric Sub Assembly Private Limited**
Date of Incorporation	August 10, 2005
Nature of activities	Manufacturing of brush cards

Financial Statement (Audited)			
Rs. lakhs	**Year ending March 31, 2010**	**Year ending March 31, 2009**	**Year ending March 31, 2008**
Paid up Equity Capital	2,300.00	2,300.00	2,300.00
Reserves (excl. revaluation reserve)	726.03	240.49	0.00
Net Asset Value	6,155.76	5,033.46	2,926.75
Total Income	11,445.34	9,775.99	2,563.53
Profit / (Loss) After Tax	485.54	331.82	(98.15)
Earnings Per Share (in Rs.)	2.11	1.44	(0.43)

The company is not a sick company.

(ii)

Name of the Company	**Agile Electric Technologies Private Limited**
Date of Incorporation	September 3, 2004
Nature of activities	Design, development of motors

Financial Statement (Audited)

Rs. Lakhs	Year ending March 31, 2010	Year ending March 31, 2009	Year ending March 31, 2008
Paid up Equity Capital	410.00	410.00	410.00
Reserves (excl. revaluation reserve)	2,039.89	1,943.37	1,930.37
Net Asset Value	2,796.35	2,804.48	2364.41
Total Income	1,543.22	1,552.73	556.71
Profit /(Loss)After Tax	96.52	12.99	(1.02)
Earnings Per Share (in Rs.)	2.35	0.32	(0.05)

The company is not a sick company.

(iii)

Name of the Company	**Igarashi Motor Sales Private Limited**
Date of Incorporation	October 24, 1995
Nature of activities	Marketing of motors and related sub-assembly

Financial Statement (Audited)

Rs. Lakhs	Year ending March 31, 2010	Year ending March 31, 2009	Year ending March 31, 2008
Paid up Equity Capital	75.00	75.00	75.00
Reserves (excl. revaluation reserve)	99.43	54.25	27.78
Net Asset Value (in Rs. lakhs)	174.52	129.32	102.81
Total Income	76.98	54.66	58.76
Profit / (Loss)After Tax	45.18	26.47	28.68
Earnings Per Share (in Rs.)	6.02	3.53	3.82

The company is not a sick company.

3.1.9 Agile has no overdue liabilities to Banks/FIs /Deposit holders.

3.1.10 There are no pending litigations against Agile which would affect its ability to consummate the transactions contemplated by the proposed Offer. Neither the Acquirer nor the persons acting in concert with the Acquirer have been prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B of the SEBI Act, 1992 as amended (The “SEBI Act”) or under any other Regulations made under the SEBI Act.

3.1.11 As on the date of the LOO, Agile does not hold any shares in the Target Company, and 65,00,000 Equity Shares are proposed to be allotted on a preferential basis at a price of Rs.76.30 (Rupees Seventy Six and Paise Thirty only) per fully paid up equity share of IMIL.

3.1.12 Mr K K Nohria is the Chairman and Mr P Mukund is a Director of both the Acquirer and the Target Company. They are thus insiders within the meaning of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. In compliance with Reg. 22(9) of the SAST Regulations, they refused themselves and did not participate in any past or future proceedings pertaining to the Offer, including but not limited to:

a) Board resolution dated December 06, 2010, passed by the Directors of the Target Company for allotment of 65,00,000 Equity Shares to the Acquirer on a preferential basis
b) Board Resolution passed by the Directors of the Acquirer for making the Offer to the shareholders of the Target Company

3.1.13 There are no other PACs other than the parent company, HBL Power Systems Limited.

3.1.14 Current shareholding pattern of Agile is as follows:

Name of the Shareholder	No. of Shares	% to total paid up Capital
HBL Power Systems Limited	72,040,000	63.9%
Shri P. Mukund	19,867,728	17.6%
Shri Jose K. Joseph	16,528,000	14.7%
Igarashi Electric Works (H.K) Limited, Hong Kong	2,280,000	2.0%
Shri K. K. Nohria	2,000,000	1.8%
Total	**112,715,728**	**100%**

3.1.15 Compliance Officer of Agile: Not applicable as Agile is Private Limited and not a listed company.

3.1.16 There has been no change of name, merger / demerger, and spin-off involving the Acquirer during last 3 years. Further, the Acquirer is an unlisted company.

3.1.17 The Board of Directors of Agile, at their meeting held on December 6, 2010, has authorized Dr. A J Prasad and Smt. Kavita Prasad, Director, to sign this Letter of Offer on behalf of the Acquirer.

3.2 BRIEF DETAILS OF THE PERSON ACTING IN CONCERT WITH THE ACQUIRER – HBL POWER SYSTEMS LIMITED

3.2.1 **HBL Power Systems Limited (HBL),** a Public Limited Company, was incorporated under the Companies Act, 1956 on August 29, 1986. The Company has been promoted by Dr A J Prasad and the registered office is located at 8-2-601, Road No. 10, Banjara Hills, Hyderabad – 500 034 (Tel: 91-40-23355575, Fax: 91-40-23355048, email: contact@hbl.in). The company is in the business of design, development and manufacture of specialised batteries and associated electronics. It manufactures batteries for the telecom sector, railways, core industrial sector and the defence sector. The products manufactured by the company include Lead Acid Batteries, Nickel Cadmium Batteries, and other Silver Base batteries for torpedoes and aircraft, Power Electronic Rectifiers, Uninterrupted Power Systems, Perforated Steel Strips and Lithium Batteries. It has manufacturing units at 5 places in Andhra Pradesh, one unit at Haridwar, Uttarakand and one unit at Manasar, Harayana.

3.2.2 The company is managed by Dr A J Prasad, Chairman and the other Directors of the company, who are Shri M S S Srinath, Smt Kavita Prasad, Shri P Ganapathi Rao, Shri V V Rao, Smt. Preeti Kandelwal and Shri Vivek Mundra.

3.2.3 The equity shares of HBL are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited**.** As per the CMP on December 22, 2010, the closing price of HBL on the BSE was Rs 27.05 and NSE was Rs 26.85.

3.2.4 The Directors of HBL as on the date of PA and their brief profile is as under:

Name, Designation & DIN number	Date of appointment	Age, Qualification, Experience	Residential Address
Dr A J Prasad Chairman and Managing Director DIN: 00057275	Since inception	65 years, B E (IIT, Kharagpur) Masters in management (MIT) Doctorate in International Business (Columbia University) 33 years of experience in the field of specialized batteries	8-2-601, Road # 10, Banjara Hills Hyderabad – 500 034
Shri M S Srinath Whole Time Director DIN: 00088746	24.11.1997	41 years B.A (Hons) Over 16 years experience in administration and marketing	8-2-601, Road # 10, Banjara Hills Hyderabad – 500 034
Smt Kavita Prasad Director DIN: 00319292	11.05.2000	39 years B.Com Over 15 years experience in Export Market and General Operations of the company	8-2-601, Road # 10, Banjara Hills Hyderabad – 500 034

Shri P Ganapathi Rao Director DIN: 00089685	25.04.2005	55 years FCA Has experience in Finance, Audit Systems and Capital Markets	2-2-12/2, Flat.401, Bindu Residency, D D Coloney, Hyderabad – 500 007
Shri V V Rao Nominee Director DIN: 00620323	07.10.2008	56 years B.Sc Mathematics Over 20 years of experience in various departments of IDBI	Flat # 41, Vikas Sadan, 11-4-623/A, IDBI Offices Qrs., AC Guards, Bazarghat, Hyderabad – 500 004
Smt Preeti Khandelwal Director DIN: 00027999	02.03.2009	39 years B Com ACS She has experience in Company Law and FEMA Related matters, and is now a businesswoman	Plot No.73, Road No.3, Banjara Hills, Hyderabad - 500 034
Shri Vivek Mundra Director DIN: 00383479	29.05.2010	50 years MBA (IIMA) Member of the BSE and NSE and is into Equity Research.	Sri Ram Garden 1B, 15, Belvedere Road, Kolkata-700 027

There have been no changes in the Board of Directors since the date of PA.

3.2.5 The brief financials of HBL for the last 3 years are given below:

(i) Profit and Loss Statement

(Rs. Lakhs)	**Limited Review**	**Audited**		
	6 months ended September 30, 2010	**Year ending March 31, 2010**	**Year ending March 31, 2009**	**Year ending March 31, 2008**
Income from Operations (excl. Excise Duty)	49,968.55	1,10,951.49	1,24,389.58	97,275.64
Other Income & other operating income	218.77	654.01	508.85	370.48
Total Income	50,187.32	1,11,605.50	1,24,898.43	97,646.12
Total Expenditure	45,243.38	90,466.55	104,310.36	81,795.74
Profit / Loss before Depreciation, Interest & Tax	4,943.94	21,138.95	20,588.07	15,850.38
Depreciation	1,601.32	2,806.61	2,783.97	1,545.84
Amortization of Intangible assets	-	102.56	102.56	-
Interest	1,916.97	3,831.44	3,882.89	3,175.23
Profit / (Loss) before Extraordinary Items	1,425.65	14,398.34	13,818.65	11,129.31
Extraordinary items	0.00	0.00	135.82	103.24
Profit / (Loss) after Extraordinary items	1,425.65	14,398.34	13,682.83	11,026.07
Provision for Tax	455.00	4,356.55	4,587.27	4,317.29
Profit / (Loss) after Tax	970.65	10,041.79	9,095.56	6,708.78

(ii) Balance Sheet

Rs. Lakhs	Limited Review	Audited		
	As at Sep 30, 2010	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Sources of Funds				
Paid up Share Capital (FV per Share Rs.10)	2.530.00	2,530.00	2,427.96	2,427.96
Reserves & Surplus	49,573.90	48,603.25	36,079.05	27,835.66
Total Capital	**52,103.90**	**51,133.25**	**38,507.01**	**30,263.62**
Secured Loans	54,122.56	40,980.78	35,040.80	32,783.84
Unsecured Loans		1,716.36	1,716.36	2,461.36
Deferred Tax Liability	1,851.42	1,731.42	1,491.42	1,275.86
Total	**108,077.88**	**95,561.82**	**76,755.59**	**66,784.68**
Uses of Funds				
Net Fixed Assets	46,820.28	34,297.89	28,815.19	25,389.44
Capital Work in Progress		7,882.06	6,637.40	3,448.22
Investments	2,392.25	2,061.21	336.36	361.36
Net Current Assets	58,866.35	51,320.66	40,915.58	37,503.66
Preliminary Expenses	-	0.00	51.06	82.00
Miscellaneous Expenses Not Written Off	-	-	-	-
Total	**108,077.88**	**95,561.82**	**76,755.59**	**66,874.68**

(iii) Other Financial Data

	Limited Review	Audited		
	6 months ended Sep 30, 2010	Year ending March 31, 2010	Year ending March 31, 2009	Year ending March 31, 2008
Dividend (%)	-	30	30	15
Networth (Rs. Lakhs)	52,103.90	51,133.25	3,8455.95	30,181.61
Basic and Diluted Earnings per Share (Net Profit / no. of subscribed equity shares)*	0.38	4.06	37.46	27.63
Return on Net Worth (%) (Net profit/ Net Worth)	3.73 (Annualized)	19.64	23.62	22.17
Networth per Equity Share (Net Worth/number of subscribed Equity Shares)*	20.59	20.21	158.60	124.65

* The Face value was made Rs.1 in the financial year March 31, 2010 and was Rs. 10/- for the previous years

Discussions on results of operations:

Substantial increase in income and expenditure for 2008-09 as compared to 2007-08 and 2009-10:
Overall Sales of the Company for the year 2008-09 had recorded Rs. 1,24,390 lakhs compared to Rs. 97,276 lakhs in 2007-08. This increase was on account of utilization of additional capacities installed. The good order book position resulted in increase in sales volumes by 28% in 2008-09 over 2007-08. There was a corresponding increase in total expenditure by 28% from Rs. 81,796 lakhs in 2007-08 to Rs. 1,04,310 in 2008-09.

Overall Sales of the Company for the year 2009-10 was Rs. 1,10,951 lakhs as compared to Rs. 1,24,390 lakhs in 2008-09. This decrease of 11% was on account of a reduction of selling price levels in lead batteries (primarily telecom). The total expenditure reduced by 13% from Rs. 1,04,310 lakhs in 2008-09 to Rs. 90,467 lakhs in 2009-10 owing to reduction of raw material cost.

Substantial increase in Reserves and Surplus for 2009-10 compared to 2008-09:
For the year ending 31.03.2010, the Reserves and Surplus was Rs. 48,603 lakhs compared to Rs 36,079 lakhs for the year ending 31.03.2009. This increase was on account of the retained profits in 2009-10 and preferential issue of 10,20,445 equity shares of Rs.10/- each at a issue price of Rs.340/- per share (inclusive of Rs 330/- per share as premium) during the year under Portfolio Investment Scheme to Foreign Institutional Investor i.e. Citigroup Global Markets Mauritius Private Limited.

The significant accounting policies followed by the company are:

Significant Accounting Policies

1. The accounts have been prepared on a going concern basis to comply in all material aspects with applicable accounting principles in India, the Accounting Standards under the companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2. The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3. Fixed Assets are stated at Historical Cost, less accumulated depreciation and impairment loss, if any. Capital Work-in-Progress includes advances for capital items, capital items under erection and pre-operative expenses pending allocation on the assets to be commissioned / capitalized.

4. **Capital Work in Progress:** CWIP includes Plant and Equipment under erection, Civil works in progress, advances made to suppliers/ contractors for capital items and preoperative financial expenses pending allocation on the assets to be acquired / commissioned, capitalized. Also include payments made for technical knowhow fee and for development of prototypes including for related software, pending to be capitalised upon absorption of technology and completion of development

5. Depreciation is provided in accordance with and at the rates specified in Schedule XIV to the Companies Act, 1956, except for Dies & Moulds on which deprecation is charged @ 20% from the date of addition and in the case of assets costing Rs.5000/- or below deprecation is charged @ 100% in the year of purchase

6. Related costs of Development expenditure incurred on the new products is recognized as intangible assets to be amortized over expected benefit periods commencing from the year in which such products are put to commercial use/sale.

7. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is recognized when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

8. **Foreign Currency Transactions:** a) Import of Material / Capital Equipment are accounted at the exchange rates at which the actual payments are made. b) Assets and Liabilities arising out of foreign exchange transactions are translated at the exchange rates ruling on the date of Balance Sheet and are suitably adjusted to the appropriate Revenue / Capital account.

9. a) Investments classified as “Long Term Investments” are carried at cost and provision for diminution is made to recognize the decline, other than temporary, in the value of the Investments. Such reduction is determined and made for each investment individually. b) Investment classified as ‘Current Investments’ are carried at the lower of cost and fair value determined on individual investment basis.

10. **Inventories are valued as under:** a) Raw materials, components, consumables and stores are valued at lower of the cost (weighted average cost basis) or net realizable value. Semi-finished and Finished goods are valued at lower of weighted average cost of materials plus cost of conversion and other cost incurred in bringing them to the present location and condition or net realizable value. b) Cost of materials is net of CENVAT /VAT on all the items. c) The Excise and customs duties payable at the prevailing rates on year end stock of finished goods and bonded stocks is provided for and included in the value of such stocks. d) Consumable Tools are valued at cost less amount charged off (which is at 1/3rd of the value each year). e) Inventory arising out of inter unit transfers is valued at cost to the transferring division and after eliminating unrealized profit, if any.

11. **Income Recognition:** Sales revenue is recognized on dispatch to customers as per terms of order. Gross Sales are inclusive of Excise duty and Central Sales tax and service tax collected. It does not include Inter-divisional Transfers. Works contract receipts are accounted on the basis of bills submitted and accepted by the customers.

12. **Provisions, Contingent Liabilities and Contingent Assets** Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

13. **Deferred Tax** Provision for Current Tax is made after considering admissible deductions under the provisions of the I.T Act, 1961. Deferred tax resulting from timing differences between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The Deferred tax Asset is recognized and carried forward only to the extent that there is realizable certainty that the Asset will be realized in future.

14. a) In respect of Equipment taken under finance leases, the fair value of the leased asset is recognized as an asset and corresponding liability is created. The finance charges are allocated to periods during the lease term and charged to revenue. b) In respect of Equipment taken under operating lease, lease payments are recognized as expenses on straight line basis over the lease term.

15. **Employee Benefits:** a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. b) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

16. **Cash Flow statement:** Cash Flow statement is reported using indirect method as per Accounting Standard, AS-(3).

17**. Prior period and extraordinary items:** Prior period and extraordinary items of Income and Expenditure are reported distinctively and included in the determination of net profit or loss for the current period.

18**. Issue expenses:** Expenditure incurred in connection with issue of shares including Preferential / Rights issue is charged to Profit & Loss account.

3.2.7 HBL has not provided for the following contingent liabilities as at March 31, 2010:

a) Un-executed portion of letters of credit opened by Bank; Rs. 4,146.49 Lakhs

b) Guarantees issued on behalf of the company by Bankers for which the company gave counter guarantee: Rs.14,601.19 Lakhs.

c) Legal undertakings given to Custom's Authorities for clearing the Imports at Nil or concessional rate of duty pending fulfillment of export obligations: Rs. 4,271.70 Lakhs (Previous year Rs.3,778.49 Lakhs) against which the export obligations have been fulfilled to the extent of Rs. 1,737.70 Lakhs.

d) Claims against the Company not acknowledged as debt:

- Excise duty claim: Rs. 94.85 Lakhs
- Custom duty claim: Rs. 36.67 Lakhs
- Property tax of VSEZ Unit Rs. 27.64 Lakhs
- Other claims: Rs. 26.25 Lakhs

e) SAFT AB (earlier known as SAB Nife AB) has initiated legal proceedings for infringement of its trademark against the company's subsidiary HBL Nife (UK) Limited in the Royal Court of Chancery Division, London and where in the Holding company HBL Power Systems Limited, (formerly known as HBL Nife Power Systems Limited) was mentioned as 2nd defendant. On February 8, 2006 the Royal Court of Chancery Division, London passed an order against the company's subsidiary and the company, restraining the defendants against infringement of UK trademark and claimed a damage of 2,00,000 Pounds. The wholly owned subsidiary company in UK has been liquidated and wound up. In the opinion of the management, the claim is not likely to be devolved on the Company and hence no provision is considered necessary for the said claim.

3.2.8 BRIEF DETAILS OF SUBSIDIARIES OF HBL.

Subsidiaries

(i)

Name of the Company	HBL Power Systems (M) SDN BHD, Malaysia
Promoter	HBL Power Systems Limited
Date of Incorporation	23.06.1999
Board of Directors	Kamaluddin Bin Saidon Yusnita Binti Hamdan Mikkilineni Satyanarayana Subramanya Srinath Aluru Kavitha Prasad Partha Pratim Paul
Nature of activities	Trading and marketing Agent for Nickel Batteries

Brief financials based on Audited Accounts for the last three years

	For the year ended March 31,		
In Rs.	2010	2009	2008
Paid up Equity Capital	24,82,000	24,82,000	24,82,000
Reserves & Surplus	2,34,244	0.00	63,023
Total Income	1,63,41,552	1,52,69,288	6,47,309
Profit (Loss) after Tax	5,84,960	16,52,472	(8,73,912)
Earnings per Paid Up Share (FV Rs.10)	2.35	6.66	-3.52
Net Asset Value	10.94	10.00	10,25

The Company is not a Sick Industrial Company

(ii)

Name of the Company	**Bhagirath Energy Systems Limited, Nepal**
Promoter	HBL Power Systems Limited
Date of Incorporation	21.10.2001
Board of Directors	M S S Srinath Mr. N Balasubramanyam
Nature of activities	Under Winding up

Brief Statement of Affairs for the last three years

In Rs.	For the year ended March 31,		
	2010	2009	2008
Paid up Equity Capital	107,60,000	107,60,000	107,60,000
Current Assets	103,75,776	96,47,444	88,64,515
Accumulated Losses	11,12,556	18,95,486	25,39,898
Interest income on FDs	(7,28,332)	(7,82,929)	(6,44,412)

3.2.9 HBL has no overdue liabilities to Banks / FIs / Deposit holders.

3.2.10 There are no pending litigations against the HBL, which would affect its ability to consummate the transactions contemplated by the present Offer.

3.2.11 HBL, its Promoters / Directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act. No other action has been taken by SEBI against them.

3.2.12 There are no persons on the Board of the Target Company representing HBL.

3.2.13 HBL does not hold any equity shares in IMIL and hence, the provisions of Regulations 6, 7 & 8 of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 are not applicable to HBL.

3.2.14 Shareholding pattern of HBL as on the date of PA is as follows:

Sr. No.	Name of the Shareholder	No of Shares	% of Total Paid up Capital
1	Promoters	**17,80,54,860**	70.38
2	Foreign Institutional Investors	2,11,04,709	8.34
	Mutual Funds / UTI	43,29,281	1.71
	Insurance Companies	0.00	0.00
	Banks/ Financial Institutions	1,32,575	0.05
	Foreign Corporate Bodies	0.00	0.00
	Overseas Corporate Bodies	0.00	0.00
	Non Resident Individuals	0.00	0.00
3	Public / Others	**4,93,78,575**	19.52
4	Custodians against which Depository Receipts have been issued	0.00	0.00
	Total	**25,30,00,000**	100.00

3.2.15 Compliance Officer of HBL: The Compliance Officer of HBL is Shri D Mabu Basha, Company Secretary, who will be available at the Registered Office of the company. HBL is in compliance with all the provisions of the Listing Agreement and the requirements of Clause 49 of the Listing Agreement.

3.2.16 There have been no amalgamations / mergers involving HBL in the last 3 years.

3.2.17 The Board of Directors of HBL, at their meeting held on December 4, 2010, has authorized Dr A J Prasad, Chairman and Managing Director, and Smt. Kavita Prasad, Director, to sign this Letter of Offer on behalf of the PAC.

3.3 BRIEF DETAILS OF THE ACQUIRER ARE TABULATED BELOW:

Name , address and contact details	Relationship, if any, with the Acquirer	Net Worth as certified by Chartered Accountant
Agile Electric Drives Technologies and Holdings Private Limited No. 19, Rangaswamy Street, Kothandam Nagar, Chromepet, Chennai - 600 044; Tel: 91-44-42289199, Fax: 91-44-22628143, email: srinivasan@agileelectric.co.in	The Acquirer	Rs. 71.81 Crore (as on November 30, 2010)

4 Compliance with Regulation 21(2) & Clause 40A of the Listing Agreement

The acquisition of 20% of the expanded issued and subscribed capital of IMIL under this Offer together with the Shares being acquired through the Share Purchase Agreement and Share Subscription Agreement will result in public shareholding falling below the level required for continued listing. If consequent to the shares proposed to be acquired under the Share Purchase Agreement, the preferential allotment, any further acquisition by the Acquirer and this Offer, the public shareholding falls below the level stipulated for continued listing, then the Acquirer will comply with the relevant provisions of Clause 40A of the listing agreement in this regard, within the time limits stipulated therein. The Acquirer undertakes and declares that they do not have any intention to delist the Equity Shares of Target Company for a period of atleast three years from the date of closure of the Offer. They also undertake that they will comply with the provisions of Clause 40A of the listing agreement, in this regard, within the time limits stipulated therein.

Igarashi Motor Works Ltd., Japan ("IG Japan"), and Igarashi Electric Works (HK) Limited, Hong Kong ("IEW HK"), current promoters of the Target Company have confirmed their intention of discontinuing from acting as the promoters of the Target Company post completion of the Offer and transfer of Equity Shares in pursuance to the SPA dated December 06, 2010. Shares held by these entities would accordingly be treated as 'Public'. Further, the Acquirer shall act as the sole promoter and be in control of the Target Company. Accordingly, the post Offer shareholding of the Public, assuming full acceptance to the Offer, shall be 24.26%. The Acquirer intends to, subject to various approvals as may be necessary, bring minimum public shareholding to atleast 25%, within 6 months of transfer of Equity Shares pursuant to the Offer, through open-market transactions.

4.1 DISCLOSURE IN TERMS OF REGULATION 16 (IX)

4.1.1 The Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company for commercial reasons and operational efficiencies.

4.1.2 Other than in the ordinary course of business, the Acquirer undertakes that it will not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company.

4.1.3 Subject to requisite approvals, it is proposed to merge Agile with IMIL to profit from synergies between the two companies. However, shareholders may please note that as on the date of this Letter of Offer, there is no specific agreement or approval received from the shareholders of either the Acquirer or the Target Company outlining the specific mode of merger, if any.

5. BACKGROUND OF THE TARGET COMPANY

5.1.1 IMIL was incorporated on January 10, 1992 with the Registrar of Companies, Tamil Nadu at Chennai as a Public Limited Company under the name and style of CG Igarashi Motors Limited. IMIL made its maiden public issue of Equity Shares on January 10, 1994 and got its Equity Shares listed at BSE and MSE. IMIL was set up as a 100% Export Oriented Unit to manufacture permanent magnet micrometers and its accessories mainly for the automotive sector at Madras Export Processing Zone (MEPZ) Chennai. IMIL is currently engaged in the business of assembling DC motors and actuation system for various automotive and non automotive applications and manufacturing sub assemblies that go into a DC motor. The company was set up as a joint venture between Crompton Greaves Limited., India Igarashi Electric Works, Japan and International Components Corporation (ICC) USA. Igarashi Electric Works, Japan acquired the stake from its joint venture partners through itself and its associate, Igarashi Electric Works (HK) Limited, Hong Kong, and increased its stake to 60% in 2006. IMIL listed its shares on NSE in January 1994. The company has currently applied to MSE for delisting its shares, but MSE is yet to decide on the application.

5.1.2 The Registered Office of IMIL is situated at Plot No's B 12-15, Phase II MEPZ –SEZ, Tambaram, Chennai – 600 045 (Tel: 91-44-42298199, Fax: 91-44-22628143, email: investorservices@igarashimotors.co.in). The registered address is also the corporate address of the Target Company.

5.1.3 IMIL has been promoted by Igarashi Electric Works Limited, Japan and its subsidiary Igarashi Electric Works (H.K.) Limited, Hongkong.

5.1.4 The Directors of IMIL are Shri K K Nohria (Chairman), Shri P Mukund (Managing Director), Shri K Igarashi, (Director) Shri C P Dusad (Independent Director) , Shri G N Mani (Independent Director) , Shri T Igarashi (Director) and Shri Keiichi Igarashi (Director).

5.1.5 The Authorized Capital of IMIL is Rs 22,00,00,000, divided into 2,20,00,000 equity shares of Rs 10/- each. The issued and paid up capital of the company as on date is 1,38,74,382 Equity Shares of Rs. 10/- each aggregating Rs.13,87,43,820. All the outstanding equity shares of the company are fully paid up. All the equity shares are listed and admitted for trading.

5.1.6 IMIL has signed agreements with NSDL and CDSL for offering Shares in dematerialized form and is traded in compulsory demat mode. The Marketable lot for the Shares of IMIL is 1 (one only). The ISIN Number is INE 188B01013.

5.1.7 IMIL has fixed assets valued at Rs. 8,569.25 Lakhs as at the end of March 31, 2010 and the fixed assets comprises Factory Building, Furniture, Plant and Equipment, Vehicles and Capital Work In Progress.

5.1.8 IMIL has no subsidiaries.

5.1.9 IMIL is not a Sick Industrial Company.

5.1. 10 The Equity Shares of IMIL are presently listed at BSE, NSE and MSE. The Shares are not admitted as a permitted security at any other Stock Exchange. All the outstanding issued Equity Shares of IMIL are listed and have been admitted for trading. There are no partly paid Equity Shares or outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. None of the shares are under lock-in. At a Board Meeting held on December 06, 2010, the Board of Directors of IMIL have decided to allot, on a preferential basis, subject to the approval of the shareholders, 65,00,000 equity shares to Agile, the Acquirer.

5.1.11 IMIL has no arrears of listing fee to Stock Exchanges. IMIL has been complying with the listing requirements of the Stock Exchanges. No action has so far been taken by the Stock Exchanges or SEBI against IMIL, its Directors or Promoters.

5.1.12 IMIL is complying with the provisions of Clause 49 of the Listing Agreement.

5.1. 13 As confirmed by IMIL, IMIL, its promoters, major shareholders and the Acquirer have complied with Chapter II of the SAST Regulations except for the following:

(i) Delay of 1 day in filing report under Clause 7(1) by IEW HK regarding purchase of 3,099,993 Equity Shares on September 17, 2002

(ii) Delay of 1 day in filing report under Clause 7(1) by Aeneas Evolution Portfolio Limited regarding allotment of Equity Shares, or 6.66% of the shareholding

(iii) Delay of 303 days in filing report under Clause 6(4) by IMIL to MSE

(iv) Delay of 90 days in filing report under Clause 8(3) for the year ended 31/03/2000 by the IMIL to MSE and BSE

(v) IMIL has not provided records for the following reports to be filed by it to the Stock Exchanges, and thus the following instances may be considered as non-compliance with SAST Regulations:

Clause of SAST Regulations	Due Date of compliance	Stock Exchanges for which no records available	Nature of event requiring the filing
6(4)	21/05/1997	BSE	Declaration of major shareholders upon the SAST Regulations becoming applicable
8(3)	30/04/1998	BSE, MSE	Annual declaration of major shareholders to be made to the Stock Exchanges within 30 days of year-end
8(3)	30/04/1999	BSE, MSE	
8(3)	30/04/2001	BSE	
7(3)	15/10/2005	BSE, NSE, MSE	Sale of shares by IEW HK

The Target Company may face disciplinary action from SEBI at a later date regarding the abovementioned instances of non-compliances.

5.1. 14 There has not been any merger or demerger or spin-off of activity in the preceding 3 years except during the financial year 2007-08. The Company based on an independent valuation report and on approval of the shareholders by postal ballot dated 27th March 2008 had effected sale of (a) Sub assembly lines to Agile Electric Sub Assembly Private Limited for a consideration of Rs.1,205.99 lakhs and (b) Components manufacturing line including testing & validation equipment along with super structures to Agile Electric Technologies Private Limited for a consideration of Rs.2,131.83 lakhs.

5.1.15 IMIL has no overdue liabilities to Banks/FIs. There are no pending litigations against IMIL except for 3 Income Tax appeals pending before various forums.

5.1.16 The Compliance Officer of Igarashi Motors India Limited is Smt. T S Maharani, Company Secretary residing at No. 18/12, Laxmi Nagar, Chromepet, Chennai – 600 044, Tel: 91-44- 42298199, email: mahaaraani@igarashimotors.co.in, who will be available at the registered office address of IMIL and shall attend to all investor grievances.

5.2 Equity Share Capital History

5.2.1 Equity Share Capital Structure of IMIL as on Thursday, December 09, 2010, the date of PA -

Paid up Equity Shares of IMIL	No. of Shares	% of Shares	Voting Rights	% of voting rights
Fully paid up Equity Shares	1,3874,382	100	1,38,74,382	100
Partly paid up Equity Shares	-	-	-	-
Total paid up Equity Shares	1,38,74,382	100	1,38,74,382	100
Total voting rights in Target Company	1,38,74,382	100	1,38,74,382	100

5.2.2 **Build Up of Current Capital**

5.2.2.1 Build up of Authorized capital

(In Rs.)

Date	From	To	Authorized Capital after enhancement
On Incorporation	0	5,00,00,000	5,00,00,000
03.07.1993	5,00,00,000	11,00,00,000	11,00,00,000
30.09.1996	11,00,00,000	12,00,00,000	12,00,00,000
07.04.2005	12,00,00,000	15,00,00,000	15,00,00,000
20.01.2006	15,00,00,000	20,00,00,000	20,00,00,000
27.01.2006	20,00,00,000	22,00,00,000	22,00,00,000

The Authorized Capital consists of Equity Share Capital only.

5.2.2.2 Build up of Current paid up Capital

Date of allotment	No. of Equity Shares Issued	% of Equity Shares issued as on the date of allotment	Paid up Capital issued (Rs.)	Cumulative paid up capital(Rs.)	Mode of allotment	Identity of allottees (e.g.- Promoters/others)	Status of compliance with SAST Regulations and other regulations under the SEBI Act
10.01.1992	7	100.00%	70	70	Subscription to Memorandum of Association	K K Nohria, C P Dusad, Gopalasamudram Narayana Mani, Mahendra Arora, Sharad Narayan Telang, Puzhankarai Narayanan Kannan, Padmanabhan Mukund	Provisions of Companies Act, complied with. SEBI regulations/guidelines issued by SEBI not applicable
16.06.1993	155,770	4.78%	1,557,700	32,560,070	Allotment	ICC USA (Promoter)	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable
	1,309,436	40.22%	13,094,360		Allotment	Igarashi Electric Works, Japan (Promoter)	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable
	1,790,794	55.00%	17,907,940		Allotment	Crompton Greaves Limited (Promoter)	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable
08.01.1994	66,452	1.30%	664,520	51,000,000	Firm allotment pursuant to disclosure made in the Prospectus filed for IPO	ICC USA (Promoter)	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable
	468,342	9.18%	4,683,420			Igarashi Electric Works, Japan (Promoter)	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable
	1,309,199	25.67%	13,091,990			Crompton Greaves Limited (Promoter)	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable

Date of allotment	No. of Equity Shares Issued	% of Equity Shares issued as on the date of allotment	Paid up Capital issued (Rs.)	Cumulative paid up capital(Rs.)	Mode of allotment	Identity of allottees (e.g.- Promoters/others)	Status of compliance with SAST Regulations and other regulations under the SEBI Act
09.03.1994	999,900	10.00%	9,999,000	100,000,000		Second India Investment Fund BB Netherlands	SEBI Guidelines complied with. Provisions of Companies Act, complied with.
	1,000,000	10.00%	10,000,000			IL&FS Venture Fund	SEBI Guidelines complied with. Provisions of Companies Act, complied with.
	130,100	1.30%	1,301,000			Credit Capital Venture Fund India Limited	SEBI Guidelines complied with. Provisions of Companies Act, complied with.
	2,770,000	27.70%	27,700,000		Initial Public Offer	Public	Provisions of Companies Act, 1956 complied with. SEBI Guidelines on Public Issues, complied with
29.11.1996	1,900,000	15.97%	19,000,000	119,000,000	Preferential Allotment	Igarashi Electric Works, Japan (Promoter)	SEBI Guidelines on Preferential Allotment complied with. Provisions of Companies Act, complied with.
12.04.2005	849,382	6.66%	8,493,820	127,493,820	Preferential Allotment	Aeneas Evolution Portfolio Limited (Public)	SAST Regulations complied with, Report under 7(3) filed. Provisions of Companies Act, complied with.
25.01.2006	425,000	3.06%	4,250,000	138,743,820	Preferential Allotment	T Rowe Price International Inc (Public)	SAST Regulations complied with, Report under 7(3) filed. Provisions of Companies Act, complied with.
	700,000	5.05%	7,000,000		Preferential Allotment	Lloyd George Investment Management (Bermuda) Limited (Public)	SAST Regulations complied with, Report under 7(3) filed. Provisions of Companies Act, complied with.
25.01.2011	65,00,000	31.90	65,000,000	203,743,820	Preferential Allotment	Agile	SAST Regulations complied with, Report under 7(3) filed. Provisions of Companies Act, complied with.

5.2.2.3 Change in Shareholding of Promoters/Promoter Group and position of Compliance

Promoters

Date of allotment/ transfer	Opening no. of shares - Individual	Opening total no. of shares o/s	Opening % holding - Individual	No. of Equity Shares acquired	No. of Equity Shares sold	Mode of Acquisition /disposal	Closing no. of shares- Individual	Closing total no. of shares o/s	Closing % holding - Individual	Increase/ (decrease) in % holding - Individual	Closing no. of shares - Promoter Group	Closing % holding - Promoter Group	Increase/ (decrease) in % holding - Promoter Group	Compliance status
Igarashi Motor Works Limited, Japan														
16.06.1993	-	7	0.00%	1,309,436	-	Allotment	1,309,436	3,256,007	40.22%	40.22%	1,309,436	40.22%	40.22%	SAST Regulations not applicable. RBI regulations complied with.
08.01.1994	1,309,436	3,256,007	40.22%	468,342	-	Allotment	1,777,778	5,100,000	34.86%	-5.36%	1,777,778	34.86%	-5.36%	SAST Regulations not applicable. RBI regulations complied with.
09.03.1994	1,777,778	5,100,000	34.86%	-	-	Allotment to Public in IPO	1,777,778	10,000,000	17.78%	-17.08%	1,777,778	17.78%	-17.08%	SAST Regulations not applicable. IPO Prospectus approved by SEBI.
29.11.1996	1,777,778	10,000,000	17.78%	1,900,000	-	Allotment	3,677,778	11,900,000	30.91%	13.13%	3,677,778	30.91%	13.13%	SAST Regulations not applicable. RBI regulations complied with.

Date of allotment/ transfer	Opening no. of shares - Individual	Opening total no. of shares o/s	Opening % holding - Individual	No. of Equity Shares acquired	No. of Equity Shares sold	Mode of Acquisition /disposal	Closing no. of shares- Individual	Closing total no. of shares o/s	Closing % holding - Individual	Increase/ (decrease) in % holding - Individual	Closing no. of shares - Promoter Group	Closing % holding - Promoter Group	Increase/ (decrease) in % holding - Promoter Group	Compliance status
24.12.1996 *	3,677,778	11,900,000	30.91%	999,900	-	Purchase	4,677,678	11,900,000	39.31%	8.40%	4,677,678	39.31%	8.40%	SAST Regulations not applicable. RBI regulations complied with.
25-10-1999	4,677,678	11,900,000	39.31%	-	122,222	Sale	4,555,456	11,900,000	38.28%	-1.03%	4,555,456	38.28%	-1.03%	SAST Regulations not applicable. RBI regulations complied with.
05-11-1999	4,555,456	11,900,000	38.28%	222,222	-	Inter-se transfer from ICC USA	4,777,678	11,900,000	40.15%	1.87%	4,777,678	40.15%	1.87%	SAST Regulations not applicable. RBI regulations complied with.
25.07.2001 *	4,555,456	11,900,000	38.28%	575,000	-	Purchase	5,130,456	11,900,000	43.11%	4.83%	5,130,456	43.11%	4.83%	SAST Regulations not applicable as the acquisition was within the limis under Regulation 11 (1). RBI regulations complied with.

Date of allotment/ transfer	Opening no. of shares - Individual	Opening total no. of shares o/s	Opening % holding - Individual	No. of Equity Shares acquired	No. of Equity Shares sold	Mode of Acquisition /disposal	Closing no. of shares- Individual	Closing total no. of shares o/s	Closing % holding - Individual	Increase/ (decrease) in % holding - Individual	Closing no. of shares - Promoter Group	Closing % holding - Promoter Group	Increase/ (decrease) in % holding - Promoter Group	Compliance status
28-03-2002	5,130,456	11,900,000	43.11%	471,004	-	Purchase	5,601,460	11,900,000	47.07%	3.96%	8,701,453	73.12%	3.96%	SAST Regulations complied with. Report under 7(3) filed. RBI regulations complied with.
12.04.2005	5,601,460	11,900,000	47.07%	-	-	Preferential Allotment to others	5,601,460	12,749,382	43.94%	-3.14%	8,701,453	68.25%	-0.91%	SAST Regulations not applicable.
25.01.2006	5,601,460	12,749,382	43.94%	-	-	Preferential Allotment to others	5,601,460	13,874,382	40.37%	-3.56%	8,101,453	58.39%	-5.15%	SAST Regulations not applicable.
Igarashi Electric Works (H.K.) Limited, Hong Kong														
25-06-2002#	-	11,900,000	0.00%	3,099,993	-	Inter-se transfrer from Cromption Greaves	3,099,993	11,900,000	26.05%	26.05%	8,230,449	69.16%	26.05%	SAST Regulations complied with - Report under 3(4) filed with SEBI
12.04.2005	3,099,993	11,900,000	26.05%	-	-	Preferential Allotment to others	3,099,993	12,749,382	24.31%	-1.74%	8,701,453	68.25%	-0.91%	SAST Regulations not applicable.
07-10-2005	3,099,993	12,749,382	24.31%	-	600,000	Sale	2,499,993	12,749,382	19.61%	-4.71%	8,101,453	63.54%	-4.71%	SAST Regulations complied with - Report under 7(1A) filed with Stock Exchanges

Date of allotment/ transfer	Opening no. of shares - Individual	Opening total no. of shares o/s	Opening % holding - Individual	No. of Equity Shares acquired	No. of Equity Shares sold	Mode of Acquisition /disposal	Closing no. of shares- Individual	Closing total no. of shares o/s	Closing % holding - Individual	Increase/ (decrease) in % holding - Individual	Closing no. of shares - Promoter Group	Closing % holding - Promoter Group	Increase/ (decrease) in % holding - Promoter Group	Compliance status
25.01.2006	2,499,993	12,749,382	19.61%	-	-	Preferential Allotment to others	2,499,993	13,874,382	18.02%	-1.59%	8,101,453.00	58.39%	-5.15%	SAST Regulations not applicable.

* Records of transfer were not available with the Company. Date provided here is the date on which RBI's approval for transfer of shares was received.

Date provided is the date on which the agreement for purchase was executed

Promoter Group

Sl. No.	Date of allotment/ transfer	Opening no.of shares - Promoter Group	Opening total no. of shares o/s	Opening % holding - Promoter Group	Name of Promoter	No. of Equity Shares acquired	No. of Equity Shares sold	Mode of Acquisition/ Disposal	Closing no.of shares - Promoter Group	Closing total no. of shares o/s	Closing % holding - Promoter Group	Increase/ (decrease) in % holding - Promoter Group	Compliance status
1	16.06.1993	-	7	0.00%	IG Japan	1,309,436	-	Allotment	1,309,436	3,256,007	40.22%	40.22%	SAST Regulations not applicable. RBI regulations complied with.
2	08.01.1994	1,309,436	3,256,007	40.22%	IG Japan	468,342	-	Allotment	1,777,778	5,100,000	34.86%	-5.36%	SAST Regulations not applicable. RBI regulations complied with.
3	09-03-1994	1,777,778	5,100,000	34.86%	N/A	-	-	Allotment to Public in IPO	1,777,778	10,000,000	17.78%	-17.08%	SAST Regulations not applicable. IPO Prospectus approved by SEBI.
4	29.11.1996	1,777,778	10,000,000	17.78%	IG Japan	1,900,000	-	Allotment	3,677,778	11,900,000	30.91%	13.13%	SAST Regulations not applicable. RBI regulations complied with.
5	24.12.1996*	3,677,778	11,900,000	30.91%	IG Japan	999,900	-	Purchase	4,677,678	11,900,000	39.31%	8.40%	SAST Regulations not applicable. RBI regulations complied with.
6	25-Oct-99	4,677,678	11,900,000	39.31%	IG Japan	-	122,222	Sale	4,555,456	11,900,000	38.28%	-1.03%	SAST Regulations not applicable. RBI regulations complied with.

Sl. No.	Date of allotment/ transfer	Opening no.of shares - Promoter Group	Opening total no. of shares o/s	Opening % holding - Promoter Group	Name of Promoter	No. of Equity Shares acquired	No. of Equity Shares sold	Mode of Acquisition/ Disposal	Closing no.of shares - Promoter Group	Closing total no. of shares o/s	Closing % holding - Promoter Group	Increase/ (decrease) in % holding - Promoter Group	Compliance status
7	05-11-1999	4,555,456	11,900,000	38.28%	IG Japan	222,222	-	Inter-se transfer from ICC USA	4,777,678	11,900,000	40.15%	1.87%	SAST Regulations not applicable. RBI regulations complied with.
8	25.07.2001*	4,777,678	11,900,000	40.15%	IG Japan	575,000	-	Purchase	5,352,678	11,900,000	44.98%	4.83%	SAST Regulations not applicable as the acquisition was within the limis under Regulation 11 (1). RBI regulations complied with.
9	28-03-2002	5,352,678	11,900,000	44.98%	IG Japan	471,004	-	Purchase	5,823,682	11,900,000	48.94%	3.96%	SAST Regulations complied with. Report under 7(3) filed. RBI regulations complied with.
10	25-06-2002#	5,823,682	11,900,000	48.94%	IEW, HK	3,099,993	-	Inter-se transfrer from Cromption Greaves	8,923,675	11,900,000	74.99%	26.05%	SAST Regulations complied with - Report under 3(4) filed with Stock Exchanges. RBI Regulations complied with.
11	12-04-2005	8,923,675	11,900,000	74.99%	N/A	-	-	Preferential Allotment to others	8,923,675	12,749,382	69.99%	-5.00%	SAST Regulations not applicable.
12	07-10-2005	8,923,675	12,749,382	69.99%	IEW, HK	-	600,000	Sale	8,323,675	12,749,382	65.29%	-4.71%	SAST Regulations complied with - Report under 7(1A) filed with Stock Exchanges. RBI regulations complied with.
13	25-01-2006	8,323,675	12,749,382	65.29%	N/A	-	-	Preferential Allotment to others	8,323,675	13,874,382	59.99%	-5.29%	SAST Regulations not applicable.

* Records of transfer were not available with the Company. Date provided here is the date on which RBI's approval for transfer of shares was received.

Date provided is the date on which the agreement for purchase was executed

5.4 As per terms of the SSA, 65,00,000 Equity Shares were allotted to the Acquirer by the Target Company on January 25, 2010 at Rs. 76.30 per Equity Share. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later date.

5.5 Board of Directors of IMIL as on December 09, 2010 (date of PA):

Name & DIN	Date of appointment	Residential Address/Contact details	Age, Qualification and Experience	Designation
Dr.K K Nohria DIN: 00060015	03/07/1993	11, Aryavrat, Plot No: 351 Narayan Dabholkar Road Mumbai – 400 006	78 years PhD, B.Tech Over 50 years experience in Electrical & Electronics Industry	Non Executive Chairman; Independent
Shri P Mukund DIN: 00007788	12/07/1999	New No.207/2, Old No. 93/2 T T K Salai Alwarpet, Chennai - 600 018	51 years PGDBM, B.E More than 25 years of experience in manufacturing and Project Management	Managing Director
Shri C P Dusad DIN: 00259555	03/07/1993	23, Priyadarshini, 6th North South Road, JVPD Scheme Mumbai – 400 051	73 years M.B.A, B.Tech Experience in electric motors	Independent Director
Shri Kazuharu Igarashi DIN: 00558629	08/07/1998	Konya-Cho 3, Saiwai-ku, Kawasaki, Japan	73 years Technical Graduate from Japan Over 4 decades of marketing and global leadership experience	Director – Promoter
Shri Keiichi Igarashi DIN: 00356779	17/07/2003	Chigasaki Higashi, 3-9-11, Tsuzuki-ku, Yokohama, Japan	44 years Technical Graduate from Japan Over 20 years of management experience in China and Japan	Director – Promoter
Shri Tadaharu Igarashi DIN: 00446580	08/07/1998	Sugata-Cho, 2858-13, Kanagawa-ku, Yokohama, Japan	69 years Technical Graduate from Japan Over 4 decades of experience in sales, marketing and manufacturing	Director – Promoter
Shri G N Mani DIN: 00060175	09/06/2007	9, 21 Cross Indira Nagar Chennai – 600 020	80 years M.Tech Over 4 decades of experience in sales & marketing	Independent Director

5.5 There has been no change in the Board of Directors of the Target Company in the last 3 years

5.6 Brief published Audited Financial data for the last three years and for the six months ended 30.09.2010 (subject to limited review) are given hereunder:

Profit and Loss Account

Rs. lakhs	**Limited Review**	**Audited**		
	30 September 2010	**FY10**	**FY09**	**FY08**
Income from Operations (Sales)	9230.49	15,870.54	25,781.32	27,401.78
Other Income	10.33	54.23	1,710.24	3,366.13
Extra Ordinary Income	0.00	0.00	0.00	0.00
Total Income	**9240.82**	**15,924.77**	**27,491.56**	**30,767.91**
Total Expenditure	7922.36	14,049.33	31,088.60	27,313.50
Extra ordinary expenditure	0.00	0.00	0.00	0.00
Profit / (loss) before Depreciation, Interest and Tax	1308.12	1,875.44	(3,597.04)	3,454.41
Depreciation & Amortization	529.75	851.15	8,34.84	1,060.72
Interest & Fin charges	470.18	648.05	1,435.85	1,159.66
Profit/ (Loss) Before Tax before Extraordinary Income/Extraordinary exp.	318.53	376.25	(5,867.73)	1,234.03
Profit Before Tax after Extraordinary income/Extra ordinary exp.	318.53	376.25	(5,867.73)	1,234.03
Less: Pro vision for Taxes	(59.71)	103.50	1,61.07	2,71.33
Profit / (Loss) After Tax	**378.24**	**272.75**	**(6,028.80)**	**962.70**

Balance Sheet Statement

Rs. lakhs	**Limited Review**	**Audited**		
	30 September 2010	**31 March 2010**	**31 March 2009**	**31 March 2008**
Sources of funds				
Paid up Equity Share Capital	1,387.44	1,387.44	1,387.44	1,387.44
Reserves & Surplus(Excluding revaluation reserves, if any)	3833.95	3,833.95	3,833.95	6,906.77
Less: Misc. Expenses not written off	0.00	0.00	0.00	0.00
Net Worth	**5,221.39**	**5,221.39**	**5,221.39**	**8,294.21**
Secured Loans	7,410.58	6,917.21	7,523.92	7,795.50
Unsecured Loans	0.00	110.00	2,588.18	5,365.14
Deferred tax liability	867.00	933.94	823.20	675.18
Total	**13,498.97**	**13,182.54**	**16,156.69**	**22,130.02**
Uses of funds				
Net Fixed Assets	8,067.64	8,569.63	9,088.89	10,297.94
Investments	1,433.00	1,433.00	1,243.00	966.00
Deferred Tax Asset	0.00	7.23	0.00	0.00
Net Current Assets	1,693.34	489.44	2,868.82	10,866.08
Profit and Loss Account	2,304.99	2,683.23	2,955.97	0.00
Total	**13,498.97**	**13,182.54**	**16,156.69**	**22,130.02**
Other Financial Data				
Dividend (%)	Nil	Nil	Nil	15
Earnings per Share (Rs 10/-.) (Net profit / no. of subscribed Equity Shares.) fully diluted.	1.23	1.96	(43.45)	6.90
Return on Net Worth (%) (Net profit X 100 divided by Net Worth) (31.12.2006 annualized)	3.27	5.22	(115.46)	11.60
Book Value Per Equity Share (F.V. Rs.10) Net Worth divided by number of subscribed Equity Shares	37.63	37.63	37.63	59.78

Details of Other Income during the above period

(Rs. In Lakhs)

OTHER INCOME	Audited		
	FY10	**FY09**	**FY08**
Interest Income	2.96	150.96	37.70
Profit on sale of Investments	0.00	1375.40	2869.52
Profit on sale of Fixed Assets	6.44	31.97	410.73
Service Income	22.50	0.00	0.00
Scrap Sales	22.32	0.00	0.00
Others	0.00	151.91	48.17
Total of Other Income	**54.23**	**1710.24**	**3366.13**

Discussions on results of operations:

Substantial increase in loss for 2008-09 over 2007-08 and 2009-10:

During 2008-09, IMIL recorded a loss of Rs. 60.29 Crore, as compared to a profit of Rs. 9.63 Crore in 2007-08. This extraordinary loss was primarily due to exchange losses on foreign currency transactions of Rs. 41.51 Crore and slow down of business during the second half of 2008-09.

High Unsecured loans for 2007-08 and 2008-09:

IMIL had availed of foreign currency unsecured loans for capital expenditure (purchase of imported machinery), which appeared as unsecured loans in the financial statements of 2007-08 and 2008-09. This loan has gradually been repaid fully.

5.7 Pre and Post Offer Share holding Pattern of the IMIL is and shall be as follows:

Shareholders' category	Shareholding & Voting Rights prior to the allotment, acquisition & Offer		Shares / voting rights post Preferential Allotment		Shares / voting rights post acquisition through SPA		Shares/voting rights to be acquired in the Offer (assuming full acceptances)		Shares/ voting rights post acquisition in the Offer (assuming full acceptances)	
	(A)		(B)		(C)		(D)		(A)+(B)+(C)+(D)=(E)	
	No.	%	No.	%	No.	%	No.	%	No.	%
(1) Promoter group										
a) Party to the agreement-IG Japan	5,823,682	41.97%	5,823,682	28.58%	967,648	4.75%	-	0.00%	967,648	4.75%
b) Promoters other than (a) above-IEW HK	2,499,993	18.02%	2,499,993	12.27%	2,499,993	12.27%	-	0.00%	2,499,993	12.27%
Total 1 (a+b)	**8,323,675**	**59.99%**	**8,323,675**	**40.85%**	**3,467,641**	**17.02%**	**-**		**3,467,641**	**17.02%**
(2) Acquirers										
a) Main Acquirer (Agile)	-	0.00%	6,500,000	31.90%	11,356,034	55.74%	**4,074,877**	20.00%	15,430,911	75.74%
b) PACs	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total 2 (a+b)	**-**	**0.00%**	**6,500,000**	**31.90%**	**11,356,034**	**55.74%**	**4,074,877**	**20.00%**	**15,430,911**	**75.74%**
(3) Parties to agreement other than (1) & (2) above	-	0.00%	-	0.00%	-	0.00%	**-**	0.00%	-	0.00%
(4) Public (other than parties to the agreement)										
Total (4)(a+b+c)	**5,550,707**	40.01%	**5,550,707**	27.24%	**5,550,707**	27.24%	(4,074,877)	20.00%	**1,475,830**	7.24%
Grand Total (1+2+3+4)	**13,874,382**	**100.00%**	**20,374,382**	**100.00%**	**20,374,382**	**100.00%**	-	**0.00%**	**20,374,382**	**100.00%**

Notes:

- *IG Japan and IEW HK, current promoters of the Target Company have confirmed their intent of discontinuing from acting as the promoters of the Target Company post completion of the Offer and transfer of Equity Shares in pursuance to the SPA dated December 06, 2010. Equity Shares held by these entities would accordingly be treated as 'Public' post the Offer. Further, the Acquirer shall act as the sole promoter and be in control of the Target Company. Accordingly, the post Offer shareholding of the Public, assuming full acceptance to the Offer, shall be 24.26%.*
- *There are no shares, which are subject to Lock in.*
- *There are no warrants, options or convertible instruments, convertible at a later stage.*
- *Except 65,00,000 Equity Shares allotted pursuant to the SSA, the Acquirer has not acquired any shares from the date of the PA till date of this Letter of Offer.*
- *The number of shareholders under Public Category, i.e. under 4 above, as on December 15, 2010, is 11,083.*

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of the Offer Price

6.1.1 The shares of IMIL are listed at The Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and the Madras Stock Exchange (MSE). The Shares are not admitted as permitted security in any other stock exchange.

6.1.2 The annualized trading turnover of Shares of IMIL, on BSE and NSE during the preceding 6 calendar months prior to the month in which PA is made i.e. during the months June 2010 to November 2010 (both inclusive) is given below.

Name of stock exchange(s)	Shares traded during 6 calendar months prior to month in which PA was made.	Total No. of listed Shares	Annualized Turnover (% of listed Shares)
Bombay Stock Exchange	41,83,337	138,74,382	60.30
National Stock Exchange	48,23,569	138,74,382	69.54

Source: www.bseindia.com; www.nseindia.com

6.1.3 The annualized trading turnover of Shares of IMIL, on MSE during the preceding 6 calendar months prior to the month in which PA was made has been nil. The shares are infrequently traded on MSE within the meaning of explanation (i) to Regulation 20 (5) of the SAST Regulations.

6.1.4 Since the Equity Shares of the Target Company has not been infrequently traded as per explanation (i) to Regulation 20(5) at the Stock Exchanges during the 6 calendar months preceding the month in which the PA has been issued on BSE and NSE and is infrequently traded on MSE, the Offer Price has been justified, taking into account, the following parameters, as set out under Regulations 20(4) and Regulation 20(5):

a.	The Negotiated Price	Rs.60.74
b.	Highest Price paid by Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or Preferential issue during the 26 weeks prior to the Public Announcement i.e December 09, 2010	N.A
c.	The Price at which Preferential Allotment is being made to the Acquirer (due to which the Offer has been triggered)	Rs. 76.30 per share
d.	The average of the weekly High and Low of the closing prices of the shares of IMIL on NSE during 26 weeks period preceding the reference date (board resolution authorising the Preferential Allotment) i.e. December 06, 2010	Rs. 76.13 per share
e.	The average of the weekly High and Low of the closing prices of the shares of IMIL on NSE during 26 weeks period preceding the Public Announcement date i.e December 09,2010	Rs. 76.26 per share
f.	The average of the daily High and Low of the prices of the shares of IMIL on NSE during 2 weeks period preceding the Public Announcement date i.e. December 09, 2010	Rs. 71.54 per share
g.	Other Financial Parameters Return on Net Worth (%) Book Value per share (Rs.) Earnings per share (Rs.) Price Earning multiple (with reference to Offer price of Rs.76.30 per share)	(30.09.10 (Certified)) 0.03% 37.63 7.36 10.4

6.1.5 Trading data at National Stock Exchange (NSE) – where highest volumes were recorded

a. The Weekly High and Low of the closing prices of the Equity Shares of IMIL at National Stock Exchange Limited during the 26 Weeks preceding December 09, 2010, the date of Public Announcement is as under:

Sl.	Week begin	Week end	closing high	closing low	Average
1	10-Jun-10	16-Jun-10	67.15	58.10	62.63
2	17-Jun-10	23-Jun-10	68.50	64.10	66.30
3	24-Jun-10	30-Jun-10	75.50	71.35	73.43
4	1-Jul-10	7-Jul-10	77.65	73.40	75.53
5	8-Jul-10	14-Jul-10	71.80	67.85	69.83
6	15-Jul-10	21-Jul-10	75.50	71.15	73.33
7	22-Jul-10	28-Jul-10	78.20	68.90	73.55
8	29-Jul-10	4-Aug-10	71.00	66.00	68.50
9	5-Aug-10	11-Aug-10	72.80	69.90	71.35
10	12-Aug-10	18-Aug-10	70.55	69.55	70.05
11	19-Aug-10	25-Aug-10	70.65	66.50	68.58
12	26-Aug-10	1-Sep-10	67.95	64.65	66.30
13	2-Sep-10	8-Sep-10	74.25	71.15	72.70
14	9-Sep-10	15-Sep-10	80.25	77.85	79.05
15	16-Sep-10	22-Sep-10	87.45	81.25	84.35
16	23-Sep-10	29-Sep-10	84.65	79.90	82.28
17	30-Sep-10	6-Oct-10	82.60	80.30	81.45
18	7-Oct-10	13-Oct-10	83.35	80.80	82.08
19	14-Oct-10	20-Oct-10	91.40	83.90	87.65
20	21-Oct-10	27-Oct-10	98.00	92.45	95.23
21	28-Oct-10	3-Nov-10	90.15	87.95	89.05
22	4-Nov-10	10-Nov-10	88.55	87.90	88.23
23	11-Nov-10	17-Nov-10	86.30	78.90	82.60
24	18-Nov-10	24-Nov-10	81.75	74.00	77.88
25	25-Nov-10	1-Dec-10	73.85	67.85	70.85
26	2-Dec-10	8-Dec-10	74.45	65.80	70.13
	Average price				76.26

(Source: NSE Website: www.nseindia.com)

b. The daily High and Low of the traded prices of IMIL at National Stock Exchange Limited in the two Weeks preceding December 09, 2010, the date of the Public Announcement is as under:

Sl.	date	High	low	Average
1	25-11-10	75.00	71.10	73.05
2	26-11-10	71.60	65.55	68.58
3	29-11-10	75.00	65.00	70.00
4	30-11-10	74.85	69.00	71.93
5	01-12-10	75	68.35	71.68
6	02-12-10	75.45	72.5	73.98
7	03-12-10	77.25	70.2	73.73
8	06-12-10	75.95	65.55	70.75
9	07-12-10	81	66.1	73.55
10	08-12-10	71.4	64.95	68.18
			Average Price	71.54

c. The Weekly High and Low of the closing prices of the Equity Shares of IMIL at National Stock Exchange Limited during the 26 Weeks preceding December 06, 2010, the date of the Board Meeting, where the Preferential Allotment (Reference Date) was considered is as under:

Sl.	Week Begin	Week End	Closing High	Closing Low	Average
1	7-Jun-10	11-Jun-10	59.65	57.10	58.38
2	14-Jun-10	18-Jun-10	67.15	61.05	64.10
3	21-Jun-10	25-Jun-10	75.50	67.60	71.55
4	28-Jun-10	2-Jul-10	77.65	71.35	74.50
5	5-Jul-10	9-Jul-10	76.05	71.00	73.53
6	12-Jul-10	16-Jul-10	74.75	67.85	71.30
7	19-Jul-10	23-Jul-10	78.20	73.40	75.80
8	26-Jul-10	30-Jul-10	71.00	68.90	69.95
9	2-Aug-10	6-Aug-10	72.80	66.00	69.40
10	9-Aug-10	13-Aug-10	70.95	69.90	70.43
11	16-Aug-10	20-Aug-10	70.40	69.10	69.75
12	23-Aug-10	27-Aug-10	70.65	66.35	68.50
13	30-Aug-10	3-Sep-10	71.35	64.65	68.00
14	6-Sep-10	10-Sep-10	77.85	72.40	75.13
15	13-Sep-10	17-Sep-10	87.45	78.05	82.75
16	20-Sep-10	24-Sep-10	85.65	81.25	83.45
17	27-Sep-10	1-Oct-10	84.25	79.90	82.08
18	4-Oct-10	8-Oct-10	83.15	81.75	82.45
19	11-Oct-10	15-Oct-10	85.70	80.80	83.25
20	18-Oct-10	22-Oct-10	94.20	90.10	92.15
21	25-Oct-10	29-Oct-10	98.00	88.00	93.00
22	1-Nov-10	5-Nov-10	90.15	87.90	89.03
23	8-Nov-10	12-Nov-10	88.55	84.95	86.75
24	15-Nov-10	19-Nov-10	82.35	78.40	80.38
25	22-Nov-10	26-Nov-10	77.20	68.25	72.73
26	29-Nov-10	3-Dec-10	74.45	67.85	71.15
	Average Price				76.13

6.1.6 This is not an indirect acquisition / control.

6.1.7 Non Compete Fee: There is no non-compete agreement for payment to any person.

6.1.8 The Offer price is justified in terms of Regulation 20 (11) of the SAST Regulations. The Offer Price of Rs. 76.30 per Equity Share(fully paid up) is equal to the price being paid for the preferential allotment by the Acquirer and is also higher than the average of the weekly high and low of the closing prices of the Equity Shares of IMIL as quoted at NSE in the 26 weeks preceding the date of the Board meeting which considered the preferential allotment and decided to convene the Extraordinary General meeting of members for the same and is also higher than the average of the weekly high and low of the closing prices of the equity shares of IMIL as quoted at NSE in the 26 weeks preceding the Public Announcement and the daily high and low prices as quoted at BSE during the 2 weeks preceding the PA. There are no partly paid Equity Shares outstanding in the books of IMIL.

6.1.9 In the event of any further acquisition of Equity Shares by the Acquirer upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition.

6.2 FINANCIAL ARRANGEMENTS

6.2.1 The Acquirer & PAC have adequate resources to meet the financial requirements of the Offer. The funds requirements will be met from Acquirer/PAC sources/Net Worth.

6.2.2 Assuming full acceptance, the total funds requirements to meet this Offer is Rs 31,09,13,116 only (Rupees Thirty One Crores Nine Lakhs Thirteen Thousand One Hundred and Sixteen only). In accordance with Regulation 28 of the SAST Regulations, the Acquirer has created an Escrow Account for Rs. 9,36,00,000/- (Rupees Nine Crores Thirty Six Lakhs only) comprising 30.1% of the consideration payable to public shareholders by the following:

i) Bank Guarantee for Rs. 9,00,00,000/- (Rupees Nine Crores Only), being in excess of 25% of the Offer size, issued by State Bank Of India, Panjagutta Branch, Hyderabad, valid till May 6, 2011; and

ii) Cash Deposit of Rs. 36,00,000/- (Rupees Thirty Six Lakhs Only), being in excess of 1% of the Offer size, with The HongKong and Shanghai Banking Corporation Limited, Mylapore Branch, Chennai.

6.2.3 The Acquirer has authorized MAPE Advisory Group Private Limited, Manager to the Offer to realize the value of both accounts mentioned in 6.2.2. above in terms of Reg. 28 (5) of the SAST Regulations.

6.2.4 As per Certificate dated December 7, 2010 from Shri L. Vaidyanathan (Membership No: 16368), Partner of Sharp & Tannan, Parsn Manere, A Wing, 602 Anna Salai, Chennai – 600 006. (Tel: 91-44-28274368/28229534, Fax: 91-44-28266858, email: sharp@vsnl.com / chennai@sharptannan.com), the Statutory Auditors of the Acquirer, the Net worth of Agile as on November 30, 2010 is Rs. 71.81 Crore. The letter also certifies that Acquirer has received letter of undertaking of financial support from the PAC, HBL Power Systems Limited., for fulfilling its financial obligations under SAST regulations.

6.2.5 MAPE Advisory Group Private Limited, Manager to the Offer certifies and confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligations.

7 TERMS AND CONDITIONS OF THE OFFER

7.1 OPERATIONAL TERMS AND CONDITIONS

7.1.1 This Offer will open on Friday, February 18, 2011 and will close on Wednesday, March 09, 2011. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.

7.1.2 This is not a conditional Offer and there is no stipulation as to the minimum level of acceptance.

7.1.3 The Specified Date for this Offer is Monday, December 27, 2010.

7.1.4 Specified Date is only for the purpose of determining the names of the shareholders holding shares, as on such date, to whom the Letter of Offer would be sent and all owners (registered or unregistered) of shares of IMIL anytime before the closure of the Offer, are eligible to participate in the Offer.

7.1.5 The Acquirer will comply with the SAST Regulations and complete the formalities of the Offer irrespective of the compliance or fulfillment or outcome of the SPA for purchase of shares and change in control and its related conditions.

7.1.6 In case of non-compliance with any of the provisions of the SAST Regulations, terms of the SPA & change in control shall not be acted upon by IG Japan and Agile.

7.1.7 IMIL has signed agreements with NSDL and CDSL for offering Shares in dematerialized form and is traded in compulsory demat mode. The ISIN Number is INE188B01013. Of the total number of Equity Shares issued by the Target Company as on the date of the PA, 1,35,01,346 Equity Shares have been dematerialized. The Marketable lot for the Shares of IMIL is 1 (one only). Shareholders of Equity Shares are requested to note that the minimum acceptance to the Offer, for Equity Shares held either in physical mode or in the dematerialized mode, shall be one Equity Share.

7.2 **Locked in Shares:** There are no Equity Shares, which are subject to lock in.

7.3 Eligibility for accepting the Offer

7.3.1 The Letter of Offer shall be mailed to all Equity Shareholders /beneficial owners holding shares (except the Sellers, the Promoter shareholders, the Acquirer and the PAC) whose names appear in register of Target Company as on Monday, December 27, 2010, the specified date.

7.3.2 This Offer is also open to persons who own Equity Shares in IMIL but are not registered shareholders as on the “Specified Date”.

7.3.3 All equity shareholders / beneficial shareholders, who hold Equity Shares in the dematerialized form (except the present Promoters, parties to the Agreement and the Acquirer) who own equity shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.

7.3.4 The Form of acceptance and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer, M/s. Cameo Corporate Services Limited, Subramaniam Building, Road, No:1, Club House Road, Chennai – 600 002 (Tel: 91-44-28460390, Fax: 91-44-28460129, email: investors@cameoindia.com, Contact Person: Ms. Sreepriya K) between 10 a.m. to 4 p.m. on working days and between 10. a.m. to 2 p.m. on Saturdays, during the period, the Offer is open.

7.3.5 The Public Announcement, Letter of Offer, the Form of Acceptance and Form of Withdrawal will also be available on the website of SEBI at www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all shareholders including unregistered shareholders, if they so desire, may download the Letter of Offer, the

Form of Acceptance or Form of Withdrawal from the SEBI website for applying in the Offer or to withdraw from the Offer.

7.3.6 Unregistered shareholders and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered shareholders.

7.3.7 The acceptance of this Offer by the equity shareholders of IMIL must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

7.3.8 The acceptance of this Offer is entirely at the discretion of the equity shareholders of IMIL.

7.3.9 The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of equity share certificates, Offer Acceptance Forms etc. during transit and the equity shareholders of IMIL are advised to adequately safeguard their interest in this regard.

7.3.10 The acceptance of shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.

7.3.11 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute part of the terms of the Offer.

7.3.12 The Manager to the Offer shall submit a final report to SEBI within 45 days of closure of the Offer in accordance with Regulation 24 (7) of the SAST Regulations.

7.3.13 For any assistance please contact MAPE Advisory Private Limited, Manager to the Offer or the Acquirer or the Registrar to the Offer.

7.4 Statutory Approvals

7.4.1 The Equity Shares that are tendered in the Offer may be those held by persons resident outside India, including Overseas Corporate Bodies, if any, holding shares in the Company who may be persons not covered by specific provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. The acceptance of Equity Shares in the Offer from aforesaid categories of shareholder is subject to the receipt of the approval, if any, of the Reserve Bank of India ('RBI") under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under ("FEMA") for the acquisition of Equity Shares by the Acquirer. The Acquirer, vide letter dated January 07, 2011 has made an application to RBI seeking the same. However, if the RBI refuses the aforesaid approval or the approval is not granted before the date of closure of the Offer, then the Acquirer may not acquire Equity Shares tendered in the Offer by persons resident outside India unless the Acquirer (at its sole discretion) seeks for an extension from SEBI for completion of the offer and such extension is granted by SEBI.

7.4.2 Preferential allotment of Equity Shares to the Acquirer is subject to the approval of the shareholders of IMIL under Section 81(A) of the Companies Act and Listing Approval from the Stock Exchanges.

The special resolution for allotment of Equity Shares was approved by the shareholders with requisite majority through postal ballot, the results of which were declared on January 08, 2011. In-principle approval from the designated stock exchange was received on January 11, 2011. The Allotment Committee of the Directors of the Target Company allotted 65,00,000 Equity Shares to the Acquirer on January 25, 2011.

7.4.3 Other than as mentioned in 7.4.1 above, any other approvals from the Reserve Bank of India, if required, shall be procured as and when required.

7.4.4 Approvals from BSE, NSE, MSE, NSDL, CDSL, MCX, NCDEX, NMCEIL, IPSTA, IRDA, AMFI, FMC, SEBI or any other regulatory bodies if required, shall be procured as and when required.

7.4.5 No approvals are required from FIPB (Foreign Investment Promotion Board) or any other statutory body for the acquisition of Equity Shares pursuant to this Offer.

7.4.6 Besides RBI's approval, as on the date of the PA, no other statutory approval is required to acquire the Equity Shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals.

7.4.7 The acquirer shall, within a period of 15 days from the date of the closure of the offer i.e. March 24, 2011, complete all procedures relating to the offer including payment of consideration to the shareholders who have accepted the offer and for the purpose open a special account as provided under Regulation 29 of the SAST Regulations. Provided that where the Acquirer is unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 fifteen days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any wilful default or neglect of the acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond fifteen days, as may be specified by SEBI from time to time.

Where the acquirer fails to obtain the requisite statutory approvals in time on account of wilful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be liable to be forfeited and dealt with in the manner provided in clause (e) of sub-regulation (12) of regulation 28 of the SAST Regulations, apart from the Acquirer being liable for penalty as provided in the SAST Regulations.

7.4.8 No consent is required from banks and financial institutions, pursuant to any outstanding loan agreements.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1.1 Name and Address of the Registrar to the Offer, to whom the Equity Shares along with documents are required to be submitted therewith, is as follows:

Registrars to the Offer	Working Days and Timings	Mode of Delivery
M/s. Cameo Corporate Services Limited, Subramaniam Building, Road, No:1, Club House Road, Chennai – 600 002 (Tel: 91-44-28460390, Fax: 91-44-28460129, email: investors@cameoindia.com), Contact Person: Ms. Sreepriya K	**Monday to Friday** 10.00 a. m to 4.00 p.m. **Saturday** 10.00 a. m to 2.00 p.m.	By Post / Courier / Hand delivery

8.1.2 Shareholders holding shares in physical form and wishing to tender their shares will be required to send their form of acceptance, original share certificates and transfer deeds to the Registrar to the Offer: M/s. Cameo Corporate Services Limited either by hand delivery or by Registered Post, to reach them on or before the closure of the Offer, i.e. Wednesday, March 09, 2011 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance. In case the Share Certificate(s) and Transfer Deeds are lodged with IMIL / its Share Transfer Agent for transfer and have not been received back, then the form of acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by IMIL / its transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of Bodies Corporate / Limited Companies, certified copy of the Memorandum & Articles of Association and copy of the Board Resolution authorizing the signatory to tender the shares, shall also be sent.

8.1.3 Beneficial owners (holders of Equity Shares in Dematerialized Form) who wish to tender their Equity Shares will be required to send their Form of Acceptance-cum-acknowledgement along with a photocopy of the delivery instructions in "Off –market" mode or counterfoil of the delivery instruction in "Off – market" mode, duly acknowledged by the Depository Participant (DP) in favor of the Special Depository Account opened by the Registrar to the Offer, in accordance with instructions specified in this Letter of Offer and in the Form of Acceptance-cum-acknowledgement. The details of the Special Depository Account is given below:

Depository Name	NSDL
DP Name	Stock Holding Corporation of India Limited
DP ID Number	IN301080
Beneficiary Account Number / Client ID	22785386

Shareholders having their beneficiary account in CDSL have to use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.

8.1.4 The Acceptance Form along with Share Certificates/copy of delivery instruction to DP and other relevant documents shall be sent to the Registrars only at the collection centres as mentioned below **(The same shall not be sent to the Acquirer, Target Company or Manager to the Offer):**

City	Contact Person	Address	Tel No	Fax No	Email Id	Mode of Delivery
Chennai	Ms. Sreepriya K	Cameo Corporate Services Limited, Subramaniam Building, Road No. 1, Club House Road, Chennai – 600 002	Tel: 91-44-28460390	Fax: 91-44-28460129	investors@cameoindia.com	Hand Delivery & Registered Post
Mumbai	Mr. Ashish Binsale	Cameo Corporate Services Limited 304, Sai Sadan, 76-78 Mody Street Fort, Mumbai – 400 001	Tel: 022-2264 4325 /2264 2979	Fax: 022-2264 4325	ashish@cameoindia.com	Hand Delivery only
Ahmedabad	Mr. M Bala Subramanian	Cameo Corporate Services Limited C/o.Shree Vidya Consultancy, 101, Shatadal Complex, Opp Bata Show Room, Ashram Road Ahmedabad – 380 009	Tel: 079-65220996	Fax facility not available	bhavani0811@gmail.com	Hand delivery only
Bangalore	Mr. A Ranjith Kumar	Cameo Corporate Services Limited, No.9, P C Pallaya Main Road Akshay Nagar, Ramamoorthy Nagar Bangalore - 560016	Tel: 9964345929	Fax facility not available	ranjith@cameoindia.com	Hand delivery only
New Delhi	Mr. R Sridhar	Cameo Corporate Services Limited, C/o.Sterling Services, F-63, 1st Floor, Bhagat Singh Market, Near Gole Market, Opp SBI ATM, Cannaught Place, New Delhi – 110 001	Tel: 011-4353 3256	Fax facility not available	sterlingservices@in.com	Hand delivery only

8.2 Procedure for acceptance of the Offer by unregistered shareholders / owners of Equity Shares who have sent them for transfer or those who did not receive the Letter of Offer

8.2.1 Accidental omission to dispatch the Letter of Offer to any person will not invalidate the Offer in any way.

8.2.2 In case of non-receipt of the Letter of Offer the eligible person(s), holding equity shares in physical form may send his / her / their consent on plain paper stating the name, address, number of Shares held, distinctive numbers, certificate numbers and the number of equity shares Offered along with the Share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of closure of the Offer.

8.2.3 In case of non receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares Offered, DP Name, DP ID, Beneficiary Account Number and Photocopy of the Delivery Instruction in “Off-market”, or Counterfoil of the Delivery Instruction in “Off-market” mode, duly acknowledged by the DP, in favor of the Special Depository account, so as to reach the Registrar to the Offer on or before the date of closure of the Offer.

8.2.4 In case the Share Certificate(s) and Transfer Deeds are lodged with IMIL / its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by IMIL / its Share Transfer Agent, for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate / limited Companies, certified copy of Memorandum & Articles of Association shall also be sent.

Unregistered owners holding Shares in physical form should enclose

(a) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with instructions contained therein, by all shareholders whose names appear on the share certificates

(b) Original share certificates.

(c) Original broker contract note of a registered broker of a recognized Stock Exchange

(d) Valid share transfer form as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Offer. All other requirements for valid transfer will be pre-conditions for acceptance.

8.3 The Acquirer shall accept all valid shares tendered (except those which are withdrawn, within the date specified for withdrawal).

8.4 If the number of equity shares offered by the shareholders is more than the Offer size, then the acquisition from each shareholder will be as per Regulation 21 (6) of the SEBI (SAST) Regulations, on proportionate basis.

8.5 IMIL has signed agreements with NSDL and CDSL for offering Equity Shares in dematerialized form and Equity Shares are traded in compulsory demat mode. The Marketable lot for the Equity Shares is 1. However, shareholders of Equity Shares are requested to note that the minimum acceptance to the Offer, for Equity Shares held either in physical mode or in the dematerialized mode, shall be one Equity Share.

8.6 Consideration for Equity Shares accepted will be paid by Crossed Account Payee Cheque drawn at Mumbai and sent by Registered Post / Under Certificate of Posting, unless the shareholder(s) have opted to get payment consideration through electric transfer of funds by using ECS, RTGS or NEFT.

8.7 The equity shares certificate(s) and the transfer form (s) together with the Acceptance Form submitted by the acceptors of the Offer will be held by the Registrars in trust for the acceptors of the Offer until the Acquirer pays the Offer Price.

8.8 In terms of Regulation 22(12) of the SAST Regulations, in case of non receipt of statutory approvals, SEBI has the power to grant extension of time beyond 15 days from the date of closure of the Offer, for the purpose of making payment, subject to, the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days from date of closure of the Offer.

8.9 In case of acceptance on proportionate basis/or rejection for any reason, the unaccepted share certificates, transfer deeds and other documents, if any, will be returned by Registered Post at the share holder's / unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement.

8.10 Shareholders who are desirous of withdrawing their acceptances tendered in the Offer can do so upto three working days prior to the date of closure of the Offer, in terms of Regulation 22(5A) of the SAST Regulations.

8.11 The Withdrawal option can be exercised by submitting the Form of Withdrawal attached to the Letter of Offer duly filled in, with relevant particulars, so as to reach the Registrar to the Offer on or before Friday, March 04, 2011.

8.12 The Withdrawal option can also be exercised by making an application on plain paper along with the following details:

- Name, Address, Distinctive numbers, Folio nos., No. of Shares tendered / withdrawn, if held in physical form
- Name, Address, DP Name, DP ID, Beneficiary Account/Client ID No. of the Account from where Equity Shares were tendered, photocopy of the delivery instruction in "Off Market Mode" duly acknowledged by the DP in favor of the Special Depository Account in the name of Registrar and number of Shares tendered /withdrawn.

8.13 The Equity Shares withdrawn by Shareholders, which are in physical form, will be returned by Registered Post. Shares tendered in dematerialized form and withdrawn will be returned by credit to the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.

8.14 SETTLEMENT / PAYMENT OF CONSIDERATION

8.14.1 The Acquirer shall arrange to pay the consideration on or before Thursday, March 24, 2011. Payment will be made to the sole / first holder as provided in the relevant box in the Form of Acceptance-cum-Acknowledgement and the same will be sent by Registered Post / Certificate of Posting to the Sole / First holder at their registered address at the Equity Share holder's own risk.

8.14.2 Dispatches involving payment of a value in excess of Rs. 1,500/- will be made by registered post/speed post at the shareholder's sole risk.

8.14.3 Shareholders may also opt to get payment consideration through electronic transfer of funds by using ECS (Electronic Clearing Service), RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer). In case they wish to opt for any of the electronic transfer methods mentioned here, they should indicate their preference in the appropriate field in the Form of Acceptance-cum-Acknowledgement.

In the case of shareholders residing in any of the centers specified by SEBI and those who have opted to get payment consideration through electronic transfer of funds by using ECS (Electronic Clearing Service), RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India, they should provides all the necessary Bank details including

MICR code or RTGS code or IFSC code in Form of Acceptance-cum-Acknowledgement and the payment intimation will be sent to the sole / first named shareholder of IMIL whose Equity Shares are accepted by the Acquirer at his address registered with GPIL.

8.14.4 For shareholders, who do not opt for electronic mode of transfer and for those shareholders, whose payment consideration is rejected / not credited through ECS / RTGS / NEFT, due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post / Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that the same can be incorporated in the cheque/demand draft/pay order. It will be the responsibility of the tendering shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance cum Acknowledgment.

8.14.5 Rejected documents will be sent by registered post/speed post. All other despatches will be made by ordinary post at the shareholder's sole risk. All cheques / demand drafts will be crossed Account Payee and will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque / demand draft.

9. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the Equity Shareholders of IMIL at the Office of MAPE Advisory Group Private Limited at 7C, P M. Towers, 37, Greams Road, Chennai – 600 006, from Monday to Friday (except bank holidays), from 11.00 a.m. to 4.00 p.m, till the date of closure of the Offer, being March 09, 2011.

9.1 Certificate dated December 07, 2010 from Shri L. Vaidyanathan, Partner of Sharp & Tannan, the statutory auditor of the Acquirer, stating that the Net worth of the Acquirer as on November 30, 2010 is Rs. 71.81 Crore and that the Acquirer has received undertaking of financial support from the PAC for fulfilling the financial obligations under the Offer.

9.2 Audited Financial Statements of IMIL for the financial years ending March 31, 2008, 2009 and 2010 respectively.

9.3 Copy of Share Purchase Agreement dated December 06, 2010 between the Acquirer & Igarashi Electric Works Limited Japan, present Promoters of IMIL for purchase of shares and change in control of IMIL

9.4 Memorandum & Articles of Association, Certificate of Incorporation and Certificate for Commencement of Business of the Acquirer.

9.5 Published Copies of the Public Announcement dated December 09, 2010 made in relation to the Offer.

9.6 Copy of Bank Guarantee in favour of the Merchant Banker for Rs. 900 lakhs (Rupees Nine Hundred Lakhs Only) from State Bank of India and copy of letter from The HongKong and Shanghai Banking Corporation Limited confirming cash deposit of Rs. 36 lakhs (Rs. Thirty lakhs Only).

9.7 Memorandum of Understanding dated December 06, 2010 between the Acquirer and MAPE Advisory Group Private Limited.

9.8 Undertaking from the Acquirers that if they acquire any Equity Shares of the Target Company after the date of the Public Announcement till the date of closure of the Offer, they shall inform the Stock Exchanges where the Equity Shares of the Target Company are listed, and the Manager to the Offer, within 24 hours.

9.9 Undertaking from the Acquirer for unconditional payment of the considerations within 15 days of closure to all the Shareholders of the Target Company whose applications are accepted in the Offer.

9.10 Document evidencing opening of demat escrow account for receiving shares tendered under the offer.

9.12 A copy of letter bearing reference number CFD/DCR/SKS/SG/OW/4143/2011 dated February 03, 2011 received from SEBI in terms of proviso to Regulation 18(2) of the SAST Regulations.

10. DECLARATION

1) The Acquirer, the PAC, and each of the Directors of the Acquirer and PAC, jointly and severally accept full responsibility for the information contained in this Letter of Offer and Form of Acceptance, except the information pertaining to the Target Company which has been obtained from the Target Company.

2) All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

3) Each of the Acquirer and the Person Acting in Concert shall be, severally and jointly, responsible for ensuring compliance with the provisions of the SAST Regulations and for their obligations laid down in the SAST Regulations.

On behalf of the Acquirer
Agile Electric Drives Technologies and Holdings Private Limited

Sd/-
Dr. A. J. Prasad
Director

On behalf of the Person Acting in Concert
HBL Power Systems Limited

Sd/-
Dr. A. J. Prasad
Director

Place: Hyderabad
Date: February 09, 2011

Encl.:

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Transfer deed for Shareholders holding Equity Shares in physical form

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

FORM OF ACCEPTANCE – CUM – ACKNOWLEDGEMENT

OFFER	
OFFER OPENS ON	**FEBRUARY 18, 2011**
OFFER CLOSES ON	**MARCH 09, 2011**

Status: Resident [ ] Non-Resident [ ] [Tick whichever is applicable]

From: -

Name

Folio No.: Sr. No: No of Shares Held:

Tel: Fax: E-Mail:

To,
Cameo Corporate Services Limited
Subramaniam Building, Road No. 1,
Club House Road, Chennai – 600 002

Dear Sir,

Sub. : Offer for purchase of 40,74,877 Equity Shares of Igarashi Motors India Limited, representing 20% of the Equity Share Capital at a price of Rs. 76.30/- (Rupees Seventy Six and Paise Thirty Only) per Equity Share by Agile Electric Drives Technologies and Holdings Private Limited

Dear Sir,

I/We refer to the Letter of Offer dated February 09, 2011 for acquiring the Equity Shares held by me/us in Igarashi Motors India Limited.

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

FOR SHARES HELD IN PHYSICAL FORM

I/We accept the Offer and encloses the original Share certificate (s) and duly signed transfer deed (s) in respect of my/our Equity Shares as detailed below:

Sr. No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
		From	To	
Total Number of Equity Shares				

(In case of insufficient space, please use additional sheet and authenticate the same)

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

FOR SHARES HELD IN DEMATERIALISED FORM

I/We holding shares in dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in “Off-Market” mode, duly acknowledged by the Depository Participant (“DP) in respect of my/our Equity Shares as detailed below:

DP name	DP ID	Client ID	No of Equity Shares	ISIN No.

I /We have done an off market transaction for crediting the Equity Shares to the special account opened for the purposes of the offer, for which necessary instructions have been given to my/our DP.

Depository Name	NSDL
DP Name	Stock Holding Corporation of India Limited
DP ID Number	IN301080
Beneficiary Account Number / Client ID	22785386

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ACKNOWLEDGEMENT SLIP

Folio No.: Serial No.	Signature of Official and Date of Receipt	Stamp of Registrar to the Offer
Received from Shri / Ms. ______________________ Address: ______________________ ______________________ Number of certificate(s) enclosed ______________________ Certificate Number(s) ______________________ Total number of Share(s) enclosed ______________________		

Note: All future correspondence, if any should be addressed to Registrar to the Offer at the address mentioned behind in this form. The documents referred to above should be sent to any of the collection centers mentioned in the Letter of Offer

(Shareholders having their beneficiary account in CDSL have to use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL)

I/We note and understand that the Equity Shares would lie in the Escrow Account opened for the purpose of this offer, until the time the Acquirer accepts the Equity Shares and make payment of purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the Equity Shares of IMIL, which are being tendered herewith by me/us under the Offer, are free from lien, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirers to accept the Equity Shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity Share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the offer to send by Registered Post or under UCP as may be applicable, at my/our risk, the cheque / warrant, in full and final settlement of the amount due to me/us, and/or other documents or papers or correspondence to the sole / first holder at the address mentioned below,:

I/We authorize the Acquirer to accept the shares so offered or such lesser number of shares that they may decide to accept, in terms of the Letter of Offer and I/We authorize the Acquirer to split /consolidate the share certificate comprising the shares that are not acquired to be returned to me/us and for the aforesaid purposes, the Acquirer are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,

Signed and Delivered:

	FULL NAME (S)	**SIGNATURE (S)**
First / Sole Shareholder		
Second Shareholder		
Third Shareholder		

Note: In case of joint holdings, all holders must sign. A corporation / Company must affix its common seal and enclose necessary certified corporate authorizations. Non-Resident Shareholders with repatriable benefits must enclose appropriate documentation. Enclose duly attested Power of Attorney, if any person apart from the shareholder has signed acceptance form or transfer deed (s).

Address of First/Sole Shareholder ____

____

Place : ____________________

Date : ____________________

So as to avoid fraudulent encashment in transit, Shareholder(s) may provide details of bank account of the first / sole Shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank ______________________________ Branch ____________________

Account Number ______________________________ Savings/Current/Others

(Please Specify)______________________________

I/We want to receive the payment through ECS ☐ RTGS ☐ NEFT ☐

In case of ECS, 9- digit code number of the Bank & Branch ☐☐☐☐☐☐☐☐☐

(Appearing on the MICR Cheque issued by the Bank

In the case of RTGS/NEFT, please provide the IFSC code of your branch ☐☐☐☐☐☐☐☐☐☐☐

Business Hours: Monday to Friday: 11.00 a.m. to 4.00 p.m.; Saturday: 11.00 a.m. to 2.00 p.m.

All queries in this regard to be addressed to the Registrar to the Offer quoting your Folio No.

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All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your reference Folio No/DP ID/Client ID:

CAMEO CORPORATE SERVICES LIMITED

SEBI Regn NO: INR 000003763

Subramaniam Building, Road No. 1, Club House Road, Chennai – 600 002

Tel: 91-44-28460390, **Fax:** 91-44-28460129

email: investor@cameoindia.com, **Contact Person :** Sreepriya K

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to this Offer any time upto three working days prior to the date of closure of Offer. In case you wish to withdraw your acceptance please use this form.

OFFER SCHEDULE	
OFFER OPENS ON	**FEBRUARY 18, 2011**
LAST DATE OF WITHDRAWAL	**MARCH 04, 2011**
OFFER CLOSES ON	**MARCH 09, 2011**

Status: Resident [ ] Non-Resident [ ] [Tick whichever is applicable]

From: -

Name

Folio No.: Sr. No: No of Shares Held:

Tel: Fax: E-Mail:

To,
Cameo Corporate Services Limited
Subramaniam Building, Road No. 1,
Club House Road, Chennai – 600 002

Dear Sir,

Sub. : Offer for purchase of 40,74,877 Equity Shares of Igarashi Motors India Limited, representing 20% of the Equity Share Capital at a price of Rs. 76.30/- (Rupees Seventy Six and Paise Thirty Only) per Equity Share by Agile Electric Drives Technologies and Holdings Private Limited

Dear Sir,

I/We refer to the Letter of Offer dated February 09, 2011 for acquiring the Equity Shares held by me/us in Igarashi Motors India Limited.

I/We, the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions as mentioned therein.

I/We have read the procedure for withdrawal of Equity Shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Equity Shares from the Offer and I/We further authorize the Acquirer to return to me/us the tendered equity Share certificate(s)/Share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Equity Shares from the Offer, no claim or liability shall lie against the Acquirer /Manager to the Offer/Registrar to the Offer.

I/We note that this form of withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. March 04, 2011.

I/We note that the Acquirer / Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Equity Shares held in physical form and also for non-receipt of Equity Shares held in dematerialized form in the DP account, due to inaccurate/incomplete particulars/instructions.

I/We also note that and understand that the Acquirer will return the original Share certificate(s), Share transfer deeds(s) and or credit back the shares to my/our Beneficiary Account for shares held in dematerialized form, only on completion of verification of the documents.

SHARES HELD IN PHYSICAL FORM

The particulars of tendered original Share certificate(s) and duly signed transfer deed(s) and the Equity Shares we withdraw are detailed below.

Folio No. :

(Please enclose the photo copy of Acknowledgement received for 'Form of Acceptance')

Folio No. :		**Distinctive No(s).**		**No. of Equity Shares**
Sr. No.	**Certificate No(s).**	**From**	**To**	
	Tendered			
1.				
2.				
3.				
	Withdrawn			
1.				
2.				
3.				
Total Number of Equity Shares				

Tear along this line

ACKNOWLEDGEMENT SLIP

Folio No.: Serial No.	Signature of Official and Date of Receipt	Stamp of Registrar to the Offer
Received from Shri / Ms. ______ Address: ______ ______ Number of certificate(s) enclosed ______ Certificate Number(s) ______ Total number of Share(s) enclosed ______		

Note: All future correspondence, if any should be addressed to Registrar to the Offer at the address mentioned behind in this form. The documents referred to above should be sent to any of the collection centers mentioned in the Letter of Offer.

FOR SHARES HELD IN DEMATERIALISED FORM

I/We have tendered the shares in the offer, which was done in an off market transaction for crediting the shares to the "Cameo Corporate Services Limited Escrow A/c IMIL Open Offer" as per the following particulars:

Depository Name	NSDL
DP Name	Stock Holding Corporation of India Limited
DP ID Number	IN301080
Beneficiary Account Number / Client ID	22785386

(Shareholders having their beneficiary account in CDSL have to use the inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL)

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by the DP. The particulars of the account from which my/our Equity Shares have been tendered are as detailed below:

DP name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I /We note that the Equity Shares will be credited back only to that depository account, from which the Equity Shares have been tendered and necessary standing instructions have been issued in this regard. I/We confirm that the particulars given above are true and correct. In case of dematerialized Equity Shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

I/We note and understand the terms of withdrawal of acceptance and request you to return the original Share certificate(s) and valid Share transfer deed(s) will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer to reject the Shares so offered which it may decide in consultation with the Registrar to the Offer and in terms of the Letter of Offer.

Yours faithfully,

Signed

	Full Name (s)	Signature (s)
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Address of First/Sole Shareholder ______________________________

____

Place : ____________________

Date : ____________________

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.

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All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your reference Folio No/DP ID/Client ID:

CAMEO CORPORATE SERVICES LIMITED

SEBI Regn NO: INR 000003763

Subramaniam Building, Road No. 1, Club House Road, Chennai – 600 002

Tel: 91-44-28460390, **Fax:** 91-44-28460129

email: investor@cameoindia.com, **Contact Person :** Sreepriya K

SAP Print Solutions Pvt. Ltd., Ph. : 4074 1000