

//CERTIFIED TRUE COPY//



Date: August 01, 2017

To,  
**The Board of Directors,**  
 Igarashi Motors India limited  
 Plot No. B12 to B-15,  
 Phase II,MEPZ-SEZ Tambaram,  
 Chennai – 600 045

Dear Sirs/Madams,

**Subject: Fairness Opinion Report on the Swap Ratio of the Merging Entities (Igarashi Motors India Limited and Agile Electric Sub Assembly Private Limited) in the Proposed Scheme of Merger**

We, SBI Capital Markets Limited (hereinafter referred to as "SBICAP"), understand that Igarashi Motors India Limited (hereinafter referred to as "Igarashi" or the "Company") is contemplating a merger of Igarashi and Agile Electric Sub Assembly Private Limited (hereinafter referred to as "Agile", the holding company of Igarashi) and has initiated a valuation exercise by appointing S. R. Batliboi & Co. LLP (hereinafter referred to as "SRBC") to determine the Swap Ratio. In this regard, the Company seeks Fairness Opinion Report from SBICAP on the Swap Ratio recommended by the Valuer.

We refer to the communication received by IMIL on July 10, 2017 from the National Stock Exchange wherein the stock exchange has requested for a revised report based on certain observations on report submitted by SRBC to the Company on May 26, 2017. We have accordingly revised our earlier fairness opinion report taking into account the observations of the stock exchange and the revised report submitted by SRBC to the Company on July 31, 2017. This report supersedes the previous reports and all other communications.

SBICAP has not undertaken the valuation of Igarashi and Agile. The valuation exercise for the Proposed Scheme of Merger has been done by SRBC. We have examined the Valuation Report dated July 31, 2017 submitted by SRBC to the Company. We have not independently checked or verified the assumptions made by SRBC. We have reviewed the historical financial and business information of the Company and certain comparable companies and their valuation multiples, and other relevant information from publicly available sources, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions.

Sources of Information:-

- I. The draft Proposed Scheme of Merger and Arrangement
- II. The valuation report based upon which the Valuer has arrived at the Swap Ratio
- III. The financial information relating to Igarashi and Agile for the year ended March 31, 2017 included in the annual reports provided by the Management
- IV. The shareholding of Igarashi and Agile as on March 31, 2017

SBI CAPITAL MARKETS LIMITED

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A Subsidiary of State Bank of India

IGARASHI MOTORS INDIA LIMITED

  
 P. DINAKARA BABU  
 COMPANY SECRETARY



V. Management representation provided by Igarashi

In addition to the above, we have had discussions with the Company officials on the past and current business operations of the businesses concerned.

Further, we have had discussions with SRBC on such matters which we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, express or implied, is or will be made, and no responsibility or liability is or will be accepted by SBICAP and its affiliates, its directors, employees, agents or representatives, or in relation to, the accuracy or adequacy of information, contained in the Fairness Opinion Report or any other written or oral information made available to any party or their advisors. We do not accept any liability to any third party in relation to the issuance of this Fairness Opinion Report.

We are aware of the correspondence going on between Agile, Delphi, Ford and Henkel and we have relied on the opinion of Shardul Amarchand Mangaldas' 'Memorandum of Advice' dated December 16, 2016, assuming no liability on account of on-going discussion.

We have not conducted any evaluation of the solvency or fair value of the Company, under any laws relating to bankruptcy, insolvency or similar matters. In addition we have not assumed any obligation to conduct any physical inspection of the properties or facilities of Igarashi or Agile. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or publicly available; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of Igarashi and Agile.

Our Fairness Opinion Report does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on the business of Igarashi and Agile.



We express no view as to, and our Fairness Opinion Report does not address, the underlying business decision of any company to effect the Proposed Scheme of Merger or the merits of the Proposed Scheme of Merger nor does it constitute any kind of recommendation to any shareholder or creditor of Igarashi or Agile as regards to the Proposed Scheme of Merger or any matter related thereto. In addition, this Fairness Opinion Report does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of Igarashi or Agile. We are not expressing any suggestion or opinion herein as to the price at which the shares of Igarashi will trade following the announcement of consummation of the Proposed Scheme of Merger.

Our Fairness Opinion Report is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or securities actually could be ideally bought or sold by any party and is not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated, and any investment decision shall not be based solely on this Fairness Opinion Report and the buyer shall carry out their own due diligence.

Our Fairness Opinion Report is not necessarily based on economic, market and other conditions as in effect on the date of issuing this Fairness Opinion Report, and the information made available to us as of, the date hereof. It should be understood that in case of any subsequent developments we do not have any obligation to update, revise, or reaffirm this Fairness Opinion Report.

To the extent that the conclusions are based on projections, SBICAP expresses no opinion on the achievability of those forecasts.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of the company that may be the subject matter of this transaction for our own account or for the account of our customers and accordingly, may at any time hold long or short position in such securities.

This Fairness Opinion Report is provided solely for the benefit of the Board of Directors of Igarashi and shall not confer rights or remedies upon, any shareholder of Igarashi or any other person other than the members of the Board of Directors of Igarashi or be used for any other purpose.

This Fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by SBICAP to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.

Disputes, if any, regarding this Fairness Opinion Report will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, India shall have exclusive jurisdiction in this regard.



On the basis of and subject to the foregoing, to the best of our knowledge and belief, it is our view that, as of the date hereof, the Swap Ratio in relation to the Proposed Scheme of Merger is fair, from a financial point of view.

Thanking you,

Yours faithfully,  
For SBI Capital Markets Limited



Name: Ramnish Kochgave

Designation: Vice President

### Disclaimer

This fairness opinion certificate ("Certificate" or "This certificate" or "this certificate") contains proprietary and confidential information regarding Igarashi Motors India Limited and Agile Sub Electric Assembly Private Limited ("Merging Entities"). This certificate is issued for the exclusive use and benefit of the Company as per the Engagement letter dated December 23, 2016. This certificate has been issued by SBI Capital Markets Limited ("SBICAP"), on the basis of the information available in the public domain and sources believed to be reliable and the information provided by the Merging Entities, Valuer and for the purpose to facilitate the Company to comply with, if applicable, The SEBI Listing Obligations and Disclosure Regulations 2015 as amended, ("Listing Regulations") and it shall not be valid for any other purpose or as at any other date. This Certificate is issued by SBICAP in the capacity of an Independent merchant banker, on the swap ratio of the Merging Entities done by S. R. Batliboi & Co. LLP ("SRBC").

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**SBICAP has not carried out any due – diligence independently in verifying the accuracy or veracity of data provided by the Company and/or Valuer and SBICAP assumes no liability for the accuracy, authenticity, completeness or fairness of the data provided by the Company and/or Valuer. SBICAP has also assumed that the business continues normally without any disruptions.**

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representation regarding the historic or current position or performance of the Company or any future events or performance of the Company.

This certificate may be divided into chapters & sub-sections only for the purpose of reading convenience. Any partial reading of this certificate may lead to inferences, which may be at divergence with the conclusions and opinions based on the entirety of this certificate.

The opinion of SBICAP ["Opinion"] under this Certificate is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the proposed business transaction or any matter related therein. The opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed business transaction with the provisions of any law including company law, taxation and capital market related laws or as regards any legal implications or issues arising thereon. SBICAP assumes no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. SBICAP does not express any opinion as to the price at which shares of the Igarashi may trade at any time, including subsequent to the date of this opinion. In rendering the Opinion, SBICAP has assumed, that the proposed business transaction will be implemented on the terms described in the Merger Agreement, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the business transfer, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders.

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