



February 9, 2023

Listing Department

National Stock Exchange of India Ltd.

Exchange Plaza, Plot No. C/1, G Block,

Bandra Kurla Complex, Bandra (East),

Mumbai – 400 051

ISIN No. INE526E01018

Company Symbol: SHRIPISTON

Sub.: Shriram Pistons & Rings Limited (“SPRL”) to acquire 75% shareholding in Takahata Precision India Private Limited (ultimate subsidiary of Takahata Precision Co. Ltd., Japan), a precision injection moulded component design and manufacturing specialist company, through its wholly owned subsidiary SPR Engenious Limited (“SEL”).

Ref.: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Madam/Sir,

With reference to the captioned subject, we are pleased to inform that the Board of Directors of SPRL and SEL in their meeting(s) held on February 8, 2023, has approved the acquisition of 75% shareholding in Takahata Precision India Private Limited.

In this regard, please find enclosed the following:

1. Details required to be disclosed pursuant to Regulation 30 of the Listing Regulations read with the SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015 in **Annexure 1** and
2. Press Release on the said acquisition in **Annexure 2**.

We request you to kindly take the same on record.

Thanking You,

Yours Faithfully

(Pankaj Gupta)

Company Secretary

Encl.: As above



Annexure 1

S No.	Particulars	Details
1	Name of the Target entity, details in brief such as size, turnover etc.;	Takahata Precision India Private Limited (TPIL) Authorised Capital: INR 95,00,00,000/- Paid up Share Capital: INR 93,50,00,000/- Turnover of TPIL for 2021-22 - INR 1,674 Mn.
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	No
3	Industry to which the entity being acquired belongs;	Commercial and Industrial (Manufacturing - Plastic Products, Non-Metallic Mineral Products, Rubber Products, Fabricated Metal Products)
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	<p>In order to meet the Company's vision for diversification and growth in areas agnostic to Powertrain, Shriram Pistons & Rings Ltd. (SPRL) has taken a strategic call to diversify its existing product portfolio into the new areas in automotive and other Industrial segment.</p> <p>Takahata Precision India Private Limited (TPIL) comes across as a strategic initiative which SPRL has been pursuing for the reasons given below:</p> <ol style="list-style-type: none"> i. TPIL's existing portfolio of precision moulded parts, precision metal moulds parts, assembled parts having a variety of functional products for the automotive and other Industrial applications, fits into SPRL's strategy of inorganic growth alongside de-risking its current business model. ii. TPIL offers a suitable investment opportunity with sizeable market share in the segment in which it operates. The market opportunity, technology edge and profile of TPIL are key to SPRL's interest in this Proposed Transaction.



5	Brief details of any governmental or regulatory approvals required for the acquisition	The proposed transaction is subject to fulfilment of customary conditions as set out in the definitive documents
6	Indicative time period for completion of the acquisition	Subject to satisfactory completion of all conditions precedent, the transaction is expected to be closed on or before May 31, 2023.
7	Nature of consideration - whether cash consideration or share swap and details of the same	Nature of Consideration will be Cash
8	Cost of acquisition or the price at which the shares are acquired	<p>INR 2,220 Mn. in Enterprise Value with adjustments for debt, debt like items and working capital to be calculated as on closing date.</p> <p>Purchase Price per equity share will be determined at closing from the Enterprise Value after making necessary adjustments for debt/debt like items, cash and cash equivalents, working capital surplus/deficit.</p>
9	Percentage of shareholding / control acquired and / or number of shares acquired	SEL will acquire 75% shareholding (on a fully diluted basis) of TPIL through purchase of equity shares from existing shareholders with the right to appoint majority of directors on the board of the TPIL.
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information	<p>TPIL is an ultimate subsidiary of Takahata Precision Co. Ltd., Japan (Takahata Japan) incorporated on August 19, 2010 under the Companies Act, 2013 (CIN: U29220RJ2010FTC046888) having its registered office at SP2-41 RIICO New Space Industrial Complex, Phase III, Neemrana, Alwar Rajasthan – 301 705 (India).</p> <p>TPIL is backed by Takahata Group, Japan which is a leading group that serves a wide range of products such as automotive parts, office automation equipment parts, optical equipment parts, residential facilities parts and medical equipment parts.</p> <p><u>TPIL Turnover:</u> FY 2021-22 - INR 1,674 Mn. FY 2020-21 - INR 1,597 Mn. FY 2019-20 – INR 1,003 Mn.</p>



PRESS RELEASE

Shriram Pistons & Rings Limited to acquire (through its subsidiary, SEL) 75% shareholding in Takahata Precision India Pvt. Ltd. (ultimate subsidiary of Takahata Precision Co. Ltd., Japan) engaged in the manufacturing of precision moulded/assembled parts and precision metal moulds

New Delhi, February 9, 2023: Shriram Pistons & Rings Limited (“SPRL”), one of India’s most recognised auto component manufacturing company, has announced to acquire 75% shareholding in **Takahata Precision India Private Limited** (“TPIL”) through its wholly owned subsidiary, SPR Engenious Limited (“SEL”). This will mark SPRL’s foray into the manufacturing of the precision injection moulded components.

Takahata Precision Co. Ltd., Japan (“Takahata Japan”) is a leading precision injection moulded parts manufacturing company with a wide range of products in automotive space. Takahata Japan is also present in Industrial products/parts such as office automation equipment, optical equipment, residential facilities, medical equipment and accurate measuring instruments.

TPIL is an ultimate subsidiary of Takahata Japan incorporated in 2010 and has its manufacturing facility at Neemrana, Rajasthan. TPIL is well equipped with design and development of high technology precision moulds, automated assemblies, internal tool manufacturing and state-of-the-art injection moulding component manufacturing facilities.

Commenting on the proposed investment, Krishnakumar Srinivasan, MD & CEO SPRL said, *“with this strategic investment, SPRL aims to diversify its product portfolio beyond the current pistons, rings, engine valves and EV components to precision plastic injection moulded parts. With the operations & technology support of Takahata Japan to TPIL, we will be able to service the domestic and global customers requiring precision moulded parts both for automotive & industrial applications. Takahata brings in their high technology expertise to develop complex parts for these applications”*

Mr. Krishnakumar added *“this acquisition combines two strong, technology-led manufacturing teams, allied in their pursuit of excellence to deliver world class manufacturing and moulding technology, which will enhance relationships with existing customers while creating additional opportunities for growth and expansion.”*

The acquisition is subject to customary approvals and conditions. EY acted as the exclusive financial advisor to SPRL on this transaction.

Recently SPRL had also completed the acquisition of EMFI, manufacturers of Electric Vehicle Motors & Controllers based at Coimbatore, Tamil Nadu (India).