



**IGARASHI MOTORS INDIA LTD.**

**23<sup>rd</sup> ANNUAL REPORT**

**2014 - 2015**



# Igarashi Motors India Limited

## **BOARD OF DIRECTORS**

K.K. NOHRIA (Until July 31, 2014)  
HEMANT MADHUSUDAN NERURKAR (CHAIRMAN)  
KEIICHI IGARASHI  
AMIT DIXIT  
S. RADHAKRISHNAN  
K.IGARASHI (Until March 31, 2015)

## **MANAGING DIRECTOR**

P.MUKUND

## **CHIEF FINANCIAL OFFICER**

R.CHANDRASEKARAN

## **COMPANY SECRETARY**

P.DINAKARA BABU

## **AUDITORS**

SHARP & TANNAN  
CHARTERED ACCOUNTANTS  
PARSN MANERE, A-WING  
3RD FLOOR, 602, ANNA SALAI  
CHENNAI - 600 006  
PHONE: 044-28274368  
EMAIL: [chennai@sharpandtannan.com](mailto:chennai@sharpandtannan.com)

## **BANKERS**

AXIS BANK  
STATE BANK OF INDIA

## **REGISTERED OFFICE**

PLOTS NO. B-12 TO B-15 PHASE II  
MEPZ - SEZ, TAMBARAM  
CHENNAI - 600045  
CIN : L29142TN1992PLC021997

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

## PAST 5 YEARS PERFORMANCE SUMMARY

Key Performance Indicators	2010-11	2011-12	2012-13	2013-14	2014-15
1. Revenue from Operations (₹ in Crores)	196.76	268.53	290.78	361.23	385.08
2. Operating Profit (₹ in Crores)	27.23	41.60	52.38	67.16	79.04
3. Operating profit margin %	13.8%	15.5%	18.0%	18.6%	20.5%
4. Net Profit (₹ in Crores)	7.58	16.54	21.36	46.14	48.95
5. Net worth (₹ in Crores)	83.38	101.22	122.74	219.27	250.95
6. Debt Equity Ratio	0.83	0.92	0.68	0.25	0.25
7. Earning Per Share (₹)	5.04	8.11	10.46	15.16*	16.01
8. Book Value per share (₹)	40.88	49.63	60.11	72.02	81.99
9. Dividend Per share (₹)	-	-	-	3.00	4.44

\* Note: Earnings Per Share (EPS) is calculated based on number of shares outstanding at the end of the year.



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## NOTICE

NOTICE IS HEREBY GIVEN THAT The Twenty Third Annual General Meeting ('AGM') of Igarashi Motors India Limited will be held on Wednesday, the July 22, 2015, 3.00 p.m at Music Academy, Mini Hall, 314, TTK Road, Alwarpet, Chennai – 600 014 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March 2015, Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015 and the Auditors' Report thereon.
2. To declare dividend of ₹ 4.44/- per equity shares for the year ended March 31, 2015.
3. To appoint a Director in place of Mr. Keiichi Igarashi who retires at this meeting and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM and to fix their remuneration and to pass the following Ordinary Resolution thereof

"RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder and pursuant to recommendations of the Audit Committee of the Board of Directors, M/s. Sharp & Tannan, Chartered Accountants, Chennai (ICAI Firm Registration No. 003792S), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of the Meeting until the conclusion of the next AGM and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors and that such remuneration may be paid on progressive billing basis to be agreed upon between the Auditors and Board of Directors."

### SPECIAL BUSINESS

5. To authorise Board of Directors to enter into related party transactions, to consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Clause 49 of Listing Agreement and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be accorded to ratify, approve all existing contracts / agreements / arrangements with following related parties and authorise the Board of Directors of the Company to enter into contracts and/or agreements, arrangements with Related Parties with respect to sale, purchase of supply of any goods including capital goods or materials, selling or otherwise disposing of, or buying leasing of property any kind, availing or rendering of any services, appointment for purchase or sale of goods, materials, services or property or any other transaction of whatever nature with related parties given below and also given in the Explanatory Statement annexed hereto :

Description of contract	Name of Related Party	Period of Contract	Total Cumulative Value of transactions during contract period with related party (₹ Crores)
sale, purchase, of supply of any goods including capital goods or materials, selling or otherwise disposing of, or buying leasing of property any kind, availing or rendering of any services, appointment for purchase or sale of goods, materials, services or property or any other transaction	Igarashi Electric Works Ltd, Japan	April 01, 2014 to March 31, 2016	100
	Igarashi Electric Works (H.K) Ltd, Hong Kong	April 01, 2014 to March 31, 2016	100
	Igarashi Motor Sales USA LLC, USA	April 01, 2014 to March 31, 2016	300
	Igarashi Electric Works International Ltd, Hong Kong	April 01, 2014 to March 31, 2016	300
	Igarashi Motoren GmbH, Germany	April 01, 2014 to March 31, 2016	300

## Igarashi Motors India Limited

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents, writings, that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to approve transactions and the terms & conditions with any related party defined under the Act, and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient, or incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approvals of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution for the purpose of giving effect to this Resolution.”

By Order of the Board  
For **Igarashi Motors India Limited**

Place : Chennai  
Date : May 25, 2015

**P. Dinakara Babu**  
Company Secretary

Registered Office :  
Plot No. B-12 to B-15, Phase II,  
MEPZ-SEZ, Tambaram,  
CHENNAI- 600 045  
Phone : +91-44-42298199/22628199,  
Fax : +91-44-22628143  
e-mail :investorservices@igarashimotors.co.in,  
CIN : L29142TN1992PLC021997

### Notes:

- a) The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special business set out in the Notice is Annexed.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED MUST BE RETURNED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE COMMENCEMENT OF THE AFORESAID MEETING.
- c) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- d) The Register of Members of the Company will remain closed from July 16, 2015 to July 22, 2015 (both days inclusive) for the purpose of the dividend for the financial year ended March 31, 2015 and AGM.
- e) Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the register of members as on July 15, 2015.
- f) Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- g) Members are requested to notify Change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares to the Registered office of the Company.
- h) Shareholders desiring any information as regards the accounts are requested to write to the company at least 7 days in advance, so as to enable the company to keep the information ready.
- i) Members are requested to note that the dividend for the financial year 2007-2008 remaining un-claimed for 7 years from the date of declaration will be transferred to the Investor Education and Protection Fund established by the Government of India pursuant to Section 125 of the Companies Act, 2013. Consequently, no claim shall lie against the said Fund or the Company in respect of any amounts which were un-claimed and un-paid for a period of 7 years from the date they first become due for payment.



- j) Members who have not so far encashed dividend warrant(s) for the Financial Year 2013-14 are requested to seek to issue a duplicate warrant(s) by writing to the Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited immediately. Members are requested to note that dividends unclaimed within 7 years from the date of transfer to the Company's Un-paid Dividend Account, will as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund.
- k) Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Director seeking re-appointment at the AGM are furnished and forms part of Corporate Governance Report forming part of Annual Report. The Director have furnished requisite consents/declarations for their re-appointment.
- l) All documents referred in the Notice will be available for inspection at the Company's registered office during normal business hours on working days to the date of AGM.
- m) As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are given in Annexure A. The cut off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be July 15,2015.

The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.

- n) The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors. Report, Auditors. Report etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.
- o) All the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail id is cameo@cameoindia.com mentioning the Company's name i.e., Igarashi Motors India Limited so as to enable the company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.

A separate communication containing all necessary instructions and relevant information is being sent separately.

- p) Our Company's shares are tradable compulsorily in electronic form and through Cameo Corporate Services Limited, Registrars and Share Transfer Agents. We have established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The International Securities Identification Number (ISIN) allotted to your Company's shares under the Depository system is INE188B01013. As on March 31, 2015, over 99% of our Company's Shares were held in dematerialized form and the rest are in physical form.

To enable us to serve our investors better we request shareholders whose shares are in physical mode to dematerialize shares and to update their bank accounts with the respective Depository Participants.

## **STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013.**

### **Item No. 5**

Pursuant to Section 188 of the Companies Act, 2013, the Company can enter into transactions mentioned in aforesaid resolution, which are not in the ordinary course of business and / or are not arm's length basis, only with prior approval of the Shareholders accorded by way of special resolution.

Though, your Company always seeks to enter into transactions with related parties in the ordinary course of business and at arm's length basis, as per amended Listing Agreement Clause 49 pursuant to SEBI vide Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and amendments thereof, all related party transactions though they are exempted under Section 188(1) of the Companies Act, 2013, have to be approved /ratified by the members.

Nature of related interest of related parties given below:



## Igarashi Motors India Limited

Name of the related party	Name of the Director or Key Managerial Personnel who is related if any	Nature of relationship	Nature, material terms, monetary value and particulars of contract or arrangement	Any other information
Igarashi Electric Works Ltd, Japan	Mr. Keiichi Igarashi, Director	Mr. Keiichi Igarashi, President* & Director of Igarashi Electric Works Ltd, Japan (IEWL). IEWL is holding 3.16% in the Company	Refer Table given in Resolution 5	Mr. Keiichi Igarashi does not hold shares in the Company. He holds 70.30% stake in IEWL.
Igarashi Electric Works (H.K) Ltd, Hong Kong	Mr. Keiichi Igarashi, Director	Mr. Keiichi Igarashi Director of Igarashi Electric Works (H.K) Ltd, Hong Kong. Igarashi Electric Works (H.K) Ltd is holding 8.17% in the Company	-do-	IEWL holds 100% stake in Igarashi Electric Works (H.K) Ltd, Hong Kong.
Igarashi Motors Sales USA LLC, USA	Mr. Keiichi Igarashi, Director	Mr. Keiichi Igarashi President* & Director of IEWL	-do-	IEWL holds 92% stake in Igarashi Motors Sales USA LLC, USA.
Igarashi Electric Works International Ltd, Hong Kong	Mr. Keiichi Igarashi, Director	Mr. Keiichi Igarashi Director of Igarashi Electric Works International Ltd, Hong Kong	-do-	Mr. Keiichi Igarashi holds 100% stake in Igarashi Electric Works International Ltd.
Igarashi Motoren GmbH, Germany	Mr. Keiichi Igarashi, Director	Mr. Keiichi Igarashi Director of Igarashi Motoren GmbH, Germany	-do-	IEWL holds 31% stake in Igarashi Motoren GmbH, Germany. Mr. Keiichi Igarashi holds 10% stake in Igarashi Motoren GmbH, Germany.

\*Mr. Keiichi Igarashi became President of Igarashi Global Group in January, 2015

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

None of Director or Key Managerial Personnel or their relatives other than mentioned above, is concerned or interested in the said resolution.

By Order of the Board  
For **Igarashi Motors India Limited**

Place : Chennai  
Date : May 25, 2015

**P. Dinakara Babu**  
Company Secretary

Registered Office :  
Plot No. B-12 to B-15, Phase II,  
MEPZ-SEZ, Tambaram,  
CHENNAI- 600 045  
Phone : +91-44-42298199/22628199,  
Fax : +91-44-22628143  
e-mail :investorservices@igarashimotors.co.in,  
CIN : L29142TN1992PLC021997



## ANNEXURE A

### THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The e-voting period begins on July 18, 2015 (9.00 a.m) and ends on July 21, 2015 (5.00 p.m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 15,2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

## Igarashi Motors India Limited

- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - ❖ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - ❖ The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxi) Mr. S Bhaskar, Practising Company Secretary, Partner B&P Corporate Advisors LLP has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman or any other Director of the Company.
- xxiii) Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members on the cut-off date i.e. July 15, 2015.

By Order of the Board  
For **Igarashi Motors India Limited**

Place : Chennai  
Date : May 25, 2015

**P. Dinakara Babu**  
Company Secretary

Registered Office :  
Plot No. B-12 to B-15, Phase II,  
MEPZ-SEZ, Tambaram, CHENNAI- 600 045  
Phone : +91-44-42298199/22628199,  
Fax : +91-44-22628143  
E-mail : [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in),  
CIN : L29142TN1992PLC021997



## DIRECTORS' REPORT

To  
The Shareholders,

Your Directors have pleasure in presenting their Twenty Third Annual Report of your Company, together with the Audited Accounts for the year ended 31<sup>st</sup> March 2015.

### FINANCIAL RESULTS

Your Company's performance during the year as compared with that during the previous year is summarized below:

<b>Particulars</b>	(₹ in Lakhs)	
	<b>2014-15</b>	2013-14
Manufacturing Sales	38,507.83	36,122.78
Add : Other Income	1,714.37	967.56
<b>Total Income</b>	<b>40,222.20</b>	<b>37,090.35</b>
Less :		
(i) Materials & Manufacturing Expenses	25,940.35	24,643.87
(ii) Value Addition Cost	5,237.25	5870.98
<b>Profit before Depreciation, Amortization</b>	<b>9,044.60</b>	<b>6575.50</b>
Less :		
(i) Depreciation & Amortization Expenses	1,879.82	1561.36
Add : Exceptional Income	-	824.96
<b>Profit Before Tax</b>	<b>7,164.77</b>	<b>5,839.11</b>

### OPERATIONS

Your Company achieved a Revenue of ₹ 40,222.20 Lakhs, Operating profit before depreciation & amortization amounted to ₹ 9,044.60 Lakhs. Profit before Tax amounted to ₹ 7,164.77 Lakhs.

### DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 4.44/- per Equity Share on Face value of ₹ 10/- each for the year ended March 31, 2015.

### RESERVES

The Reserves at the end of the year 31<sup>st</sup> March, 2015 is at ₹ 22,034.41 Lakhs as against the Total Reserves of ₹ 18,882.00 Lakhs as at March 31, 2014.

### DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Agile Electric Sub Assembly Private Limited is holding 41.92% i.e (12,830,059 shares) in your Company as on March 31, 2015.

Your Company is holding 10.82% stake in Joint Venture Company viz., Bosch Electrical Drives India Pvt Ltd as on March 31, 2015.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of the financial statements of the Joint Venture Company in Form AOC-1 is given in Annexure to this report.

# Igarashi Motors India Limited

## DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public under Section 76 of the Companies Act, 2013 and Rules made there under.

## ESOP-2006

Your Company had introduced the Employees Stock Option Plan -2006 in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999. During the year 1,63,000 employee stock options were converted into equivalent number of equity shares. As required under SEBI (Share Based Employee Benefits) Regulations, 2014 a disclosure is annexed herewith.

## SHARE CAPITAL

Consequent to conversion of stock options into equity shares, your Company's Paid-Up equity share capital has gone upto ₹ 3,060.84 Lakhs from ₹ 3,044.54 Lakhs as on March 31, 2015.

## DIRECTORS

During the year, Mr. Srinivasan Ravindran and Mr. K K Nohria resigned from Directorship. Mr. K Igarashi has been ceased to be Director from April 01,2015 since he did not attend any meeting of the Board of Directors during April 01,2014 and March 31, 2015 as provided under Section 167(1)(b) of the Companies Act, 2013.

Your Directors wish to place on record their appreciation of the contribution of these Directors.

Mr. Keiichi Igarashi, Director retires by rotation at forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The brief resume/details relating to Director being re-appointed as stipulated under Clause 49 of the Listing Agreement is furnished in the Report on Corporate Governance.

At the 22<sup>nd</sup> Annual General Meeting of the company held on July 30, 2014 the Company had appointed Mr. Hemant M Nerurkar (DIN 00265887) and Mr. S. Radhakrishnan ( DIN 01246033) as independent directors under the Companies Act, 2013 for 3 consecutive years for a term upto July 29,2017.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Your Company has been taking steps to identify and appoint a woman director at the earliest.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration various aspects of Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of Independent Directors was completed. The Performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

## NUMBER OF MEETINGS OF THE BOARD

During the year, five Board Meetings were held on May 26, 2014, June 23, 2014, July 30, 2014, October 31, 2014, and January 20, 2015. The Company's last Annual General Meeting was held on July 30, 2014. The particulars of Directors, their attendance during the financial year 2014-2015 has been disclosed in the Corporate Governance Report forming part of this Annual Report.

## BOARD COMMITTEE

The Company has the following committees of the Board:

- i) Audit Committee



- ii) Nomination and Remuneration Committee
- iii) CSR Committee
- iv) Risk Management Committee

The Composition of each of the above Committees, their respective role and responsibility is as detailed in the report of Corporate Governance.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance of Section 134 (5) of the Companies Act, 2013 your directors, on the basis of information made available to them, confirm the following:

- a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed with explanation relating to material departures, if any;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the company for that period;
- c) Proper care has been taken for maintenance of adequate accounting for safeguarding the assets of the Company and detecting fraud and other irregularities;
- d) They have laid down Internal Financial Controls to be followed by the Company and the Audit Committee of the Board of Directors shall ensure that the internal control is adequate and robust;
- d) The annual accounts are prepared on a going concern basis;
- e) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DEMATERIALISATION OF SHARES**

99.15 % of the Company's paid up Equity Share Capital is in dematerialized form as on March 31, 2015 and balance 0.85% is in physical form. The Company's Registrars are Cameo Corporate Services Limited, No.1, Subramaniam Building, Club House Road, Chennai 600 002.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

The information required to be furnished pursuant to Section 134(3) (m) of the Companies Act, 2013, is appended hereto and forms part of this Report

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of expenditure and earnings in foreign currency are given as an annexure to this Report.

## **PARTICULARS OF LOANS & INVESTMENTS BY COMPANY**

Details of loans and investments by the Company, to other body corporate or persons are given in notes to the financial statements.

## **RELATED PARTY TRANSACTIONS**

All related party transactions, that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The Company presents a statement of all related party transactions before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of foreseen and repetitive nature. As required under Clause 49 of the Listing Agreement, Shareholders omnibus approval is being obtained for related party transaction though they are on arm's length basis and are in the ordinary course of business. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee. Further there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial



## Igarashi Motors India Limited

Personnel or designated persons which may have a potential conflict with the interest of the Company at a large.

Details of such transactions are given in the accompanying financial statements. Disclosure of Related Party transaction in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is annexed with the report as per the format prescribed.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at Work Place in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

An Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment and discrimination at work place.

During the year ended March 31, 2015, the ICC has received no complaints pertaining to sexual harassment / discrimination at work place.

### **AUDITORS**

M/s. Sharp & Tannan, Chartered Accountants, Chennai, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Sharp & Tannan, Chartered Accountants, Chennai as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the next AGM.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained a written Certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made, is in accordance with the conditions specified in the said section.

### **AUDITORS' REPORT**

No Qualification, adverse Remarks or disclaimer made by the statutory auditors with regard to the financial statements for the financial year 2014-15.

### **SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. S Bhaskar, Practising Company Secretary (CP No.:8315, ACS: 10798) to undertake the secretarial audit of the Company. The Secretarial Audit Report is given in Annexure to this Report.

### **EXTRACT OF THE ANNUAL RETURN**

Relevant extract of annual return to be filed with the Registrar of Companies for financial year 2014-15 is given in Annexure to this Report.

### **INTERNAL CONTROL SYSTEMS**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. Internal Audit is carried out in a programmed way and follow up actions were taken for all audit observations.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company have constituted a CSR Committee. CSR Committee of the Board has developed a CSR Policy which is given in Annexure to this Report.



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report of the Company for year under review as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate Statement in the Annual Report.

## **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

Your Company has adopted a Risk Management Policy and constituted a Risk Management Committee for monitoring the same. The Company has been addressing various risks impacting the Company which is provided elsewhere in this Annual Report in Management Discussion and Analysis Report.

## **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given as a separate Statement in the Annual Report.

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the Company.

## **HUMAN RESOURCES**

Your Company has 383 number of permanent employees on the rolls of the Company as on March 31, 2015. The Board of Directors wishes to place on record their sincere appreciation to all the employees of the Company for their dedication, commitment and loyalty to the Company.

## **CORPORATE GOVERNANCE**

A Report on Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of the requirements of corporate governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.

## **LISTING**

The shares of your Company continued to be listed at National Stock Exchange Limited and Bombay Stock Exchange Limited. Listing fee has already been paid for the financial year 2015-16. During the year, Madras Stock Exchange has given de-listing approval w.e.f. August 25, 2014 vide their letter dt. August 25, 2014. Further, Annual Custody Fee has also been paid to NSDL and CDSL.

## **ACKNOWLEDGEMENT**

The Board places on record its sincere appreciation for the continued support from the relevant Government Authorities, Promoters, Shareholders, Suppliers, Customers and other business associates, for their strong support.

For and on behalf of the Board of Directors

Place : Chennai  
Date : May 25, 2015

**Hemant M Nerurkar**  
Chairman



## ANNEXURE TO THE DIRECTORS' REPORT

### A. CONSERVATION OF ENERGY

#### Energy Conservation Measures Taken:

- a) Lighting Energy Saver installed amounting 6000 units/ month
- b) Day lighting introduced in Warehouse, Tool Room reducing day consumption
- c) Process chilled water return utilised for main cooling in gel & varnish area

### B. TECHNOLOGY ABSORPTION

#### FORM B

#### Technology, absorption, adaptation and innovation

- a. Efforts, in brief, made towards technology absorption, adaptation and innovation :
  - Your Company based on the technology absorption over the past years, has taken a lead role to launch Motor Performance innovation and improvement programs with Car Makers directly and Tier-1 experts.
  - New thoughts in engineering of Manufacturing Processes were implemented, resulting in improvement in Quality and Capacity;
  - Concept outliners were laid for production lines with about 30% increased productivity;
- b. Benefits derived as a result of the above efforts:
  - During the year, clear visibility of the effect of the above was demonstrated by addition of new customers for new programs;
  - Acquired New Generation Electric Motor Business for leading OEM / Tier-1 combination for 5 years from existing customers;
  - Improved Capacity utilization and increased Productivity of Resources;
- c. Expenditure on New Product Development

	(₹ Lakhs)	
	<b>2014-15</b>	2013-14
Program Expenditure incurred during the year	-	271.05
Program Expenditure Amortized during the year	<b>111.57</b>	29.84

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- ❖ Activities relating to Exports; initiatives taken to increase exports; development of new export markets for products & export plans;
- ❖ Your Company is 100% export unit; refer Management Discussion and Analysis Report;

Total Foreign exchange used and earned:

Particulars	2014-15 ₹ Lakhs	2013-14 ₹ Lakhs
Total Foreign Exchange earned	<b>37,090.80</b>	34,984.15
Total Foreign Exchange used	<b>23,320.76</b>	21,468.94



## ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

- a) Section 197 read with Rule, 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:
- i) Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year

S.No.	Name	Designation	Remuneration paid FY2014-15 (₹)	Remuneration paid FY2013-14 (₹)	Increase in remuneration from previous year (₹)	Ratio/Times per Median of employee remuneration
1	Mr. P Mukund	Managing Director	87,26,206	84,95,115	2,31,091*	13
2	Mr. Hemant Madhusudan Nerurkar**	Director	60,000	-	N.A	0.09
3	Mr. S.Radhakrishnan**	Director	60,000	-	N.A	0.09
4	Mr. Amit Dixit	Director	Nil	Nil	N.A	N.A
5	Mr. Keiichi Igarashi	Director	Nil	Nil	N.A	N.A
6	Mr. K Igarashi	Director	Nil	Nil	N.A	N.A

\* Includes value of perquisite for full year

\*\* Appointed w.e.f. June 23,2014

- ii) The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Mr. P Mukund, Managing Director :- Nil  
 Mr. R Chandrasekaran, Chief Financial Officer – Nil  
 Mr. P Dinakara Babu, Company Secretary – Nil

Note: This does not include variable pay which was paid based on individual performance vis-à-vis Company's performance.

- iii) The percentage increase in the median remuneration of employees in the financial year: Nil
- iv) The number of permanent employees on the rolls of Company : 383
- v) The explanation on the relationship between average increase in remuneration and Company performance: Not Applicable.
- vi) Comparison of the remuneration of the key managerial personnel against the performance of the Company:  
 During the year, the Company has not done any fixed remuneration revision to employees and compensated employees through variable earnings based on individual performance vis-à-vis Company performance.
- vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalization (₹ Crores)	1,186.69	518.79	129%
P/E Ratio	24.22	11.24	115%

## Igarashi Motors India Limited

- viii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2015	IPO*	% Change
Market Price (BSE) (₹)	387.70	10	3,777
Market Price (NSE) (₹)	384.40	10	3,744

\*During the year 1993-94

- ix) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable
- x) Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Mr. P Mukund, Managing Director	Mr. R Chandrasekaran, Chief Financial Officer	Mr. P Dinakara Babu, Company Secretary
Remuneration in FY15 (₹ Lakhs)	87.26	56.10*	35.78
Revenue (₹ Lakhs)	38,507.82		
Remuneration % of Revenue	0.22%	0.15%	0.09%
Profit before Tax (PBT) (₹ Lakhs)	7,164.77		
Remuneration (as % of PBT)	1.22%	0.78%	0.50%

\* Excluding perquisite value of stock options exercised during the year ended March 31, 2015

- xi) The key parameters for any variable component of remuneration availed by the directors - Not Applicable.
- xii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None
- xiii) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

**b) Information as per Section 197 of the Companies Act, 2013 read with Rule 5(2) & 5(3) Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2015.**

Sl. No	Name	Age (yrs)	Nature of employment	Designation	Date of commencement of Employment	Remuneration Received (₹.)	Professional Qualification	Total Experience (Yrs)	Last Employment & Designation	Whether he is a relative of Director / Manager	% of equity shares held within Rule 5(2) & 5(3)
1	Mr. P Mukund	55	Contractual	Managing Director	10-Jan-1992	87,26,206	B. Tech, PGDBM	32	Crompton Greaves Ltd & Project Manager	Nil	32.60

For and on behalf of the Board of Directors

Place : Chennai  
Date : May 25, 2015

**Hemant M Nerurkar**  
Chairman



## DETAILS OF STOCK OPTIONS PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATION, 2014

	Description	ESOP Scheme- 2006
	No. of Options available under ESOP Scheme-2006	12,50,000
A)	No. of Options Granted during FY 2014-15	Nil
B)	The Pricing Formula	The exercise price for the purposes of the grant of options as decided by the ESOP Compensation Committee is ₹ 40.15, the price being not less than the Par value of the equity share of the Company and not more than the market price as on 17 <sup>th</sup> Annual General Meeting date (i.e September 30, 2009) being relevant date subject to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
C)	Options vested during FY2014-15	Nil
D)	Options Exercised during FY2014-15	1,63,000
E)	The total number of shares arising as a result of exercise of option	1,63,000
F)	Options lapsed FY2014-15	9,000
G)	Variation Terms of Options	Nil
H)	Money Realized by exercise of options	₹ 65,44,450/-
I)	Total Number of Options in Force as on March 31,2015	Nil
J)	Employee-wise details of options granted to	Details as under :
	Senior Managerial Personnel	
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	Nil Nil
	iii) Identified employees who were granted option , during any one year , equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
K)	Diluted Earnings Per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earnings Per Share"	₹ 16.01
L)	i) the Method of calculation of Employee Compensation Cost	Fair Value Method Black-Scholes-Merton

## Igarashi Motors India Limited

	ii) Difference between the employee compensation cost so computed at (i) above and the employee Compensation Cost that shall have been reorganized if it had used the fair value of options	₹ (12,726,195)
	iii) The impact of the difference on profits and on EPS of the Company	₹ (12,726,195) or ₹ (0.41) per share
M)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price	Exercise Price ₹ 40.15 Fair value ₹ 131.17
N)	A description of the method and significant assumptions used during the year to estimate the fair values of options , including the following weighted average information : 1) Risk-free interest rate 2) Expected life; 3) Expected volatility; 4) Expected dividends and 5) The price of underlying share in market at the time of option grant	Fair Value Method – Black-Scholes-Merton 1) 7.98% 2) 5 yrs 3) 0.03% 4) 0.62% yield 5) ₹ 176.50

For and on behalf of the Board of Directors

Place : Chennai  
Date : May 25, 2015

**Hemant M Nerurkar**  
Chairman



# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## GLOBAL AUTOMOTIVE INDUSTRY

Strategic discussions with our Key Global Customers who are large players in the Global Automotive Industry highlight the following salient points:

- The vehicle volume from the current 75 Million vehicles per annum is expected to cross 110 Million by 2022.
- The share of automotive production in Asia was 33% in 2000 which went upto 50% in 2012 and is likely to be upwards of 55% by 2020. Vehicle sales in Europe are expected to remain stagnant between 15 to 18 Million annually and the main growth is expected in Asia pacific and to an extent, in Americas.
- The fixed investments in automotive capacity in Asia pacific is estimated to be 60% of the total global investment
- Out of the 110 Million vehicles estimated for 2022, approximately 90% is expected to be pure ICE vehicles ('Internal Combustion Engine') while the balance 10% will be a combination of electric vehicles and hybrid electrical vehicles.

Intensely analyzing the macro trends and the drivers for performance of vehicles, it still remains clear that fuel efficiency, emission control, safety, and comfort are the four prioritized performance features in any vehicle platform development initiative.

## ELECTRIC MOTORS

Actuators to manifest the aforementioned performance drivers in vehicles continue to remain a priority and discussions with Key customers indicate that the average number of electric motors per global vehicle will move up from 20 ~25 Electric motors per car to 35~40 Electric Motors per car in the next three to four years.

Power train space continues to remain important for introduction of electric & electronic version of actuators in the areas of engine, exhaust, turbocharger. Thermal management space is also gaining momentum.

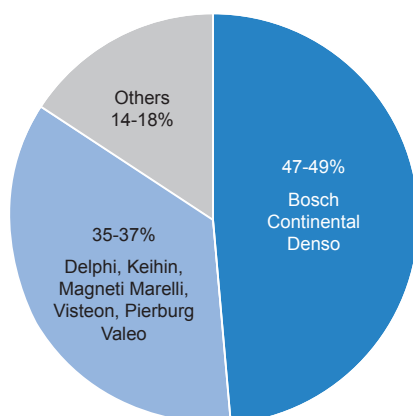
Dynamics in development of electric motors for these actuators continue to remain Electric motor performance parameters, specifically related to New Technologies resulting in lower weight, smaller volume, lesser current consumption and favourable overall cost.

Due to stringency of fuel efficiency and emission norms, electric motors for aforementioned actuators is likely to go up steadily over the next years from the present level of 1~ 2 motors average per global vehicle to 3 ~ 4 motors average per global vehicle.

The key applications, in this space continue to be Electronic Throttle Control valves in engines including air control valves, Exhaust gas recirculation valves, Waste gate actuators and Bypass valves in Turbo chargers & fluid control valves for thermal management applications. The market for these motors is estimated to grow at more than twice the rate of the vehicle growth.

The relevant players in Power Train Actuator space are given below:

**Market Distribution Estimate Power Train Actuator**



# Igarashi Motors India Limited

## YEAR 2014-15

Since 2013, your company had launched new customer and new platform applications for introduction in the American, European and Asian Geographies. Between 2014~16 your company launched the engineering and developmental activities on several projects with key customers and these projects will start adding to your company's revenue from calendar year 2016 onwards.

Since, the average product life cycle of each of these new motors is between 8~10 years, the volumes are expected to rise to more than double over a four year period, following the introduction calendar across various platforms and geographies.

Over the past 3 years, significant engineering investments together with new customer programs have been initiated and three key projects will be launched in calendar year 2016.

While noteworthy focus was accorded to new program development, the Company embarked on strong operational improvement measures which have substantially contributed to quality, productivity and innovation, which are reflected in the improved growth and profitability.

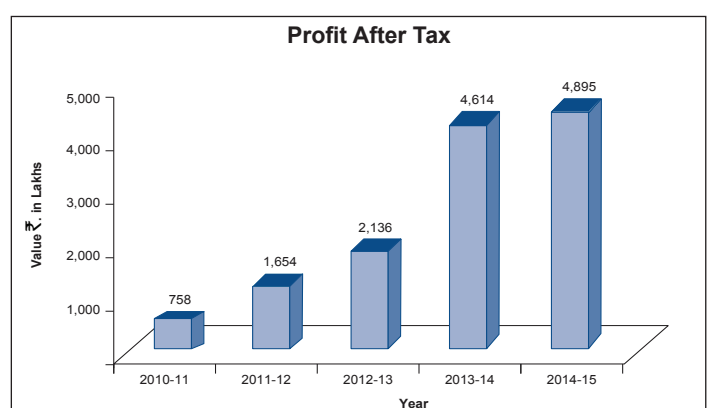
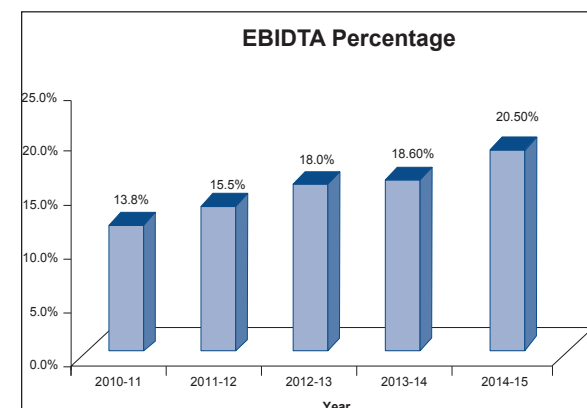
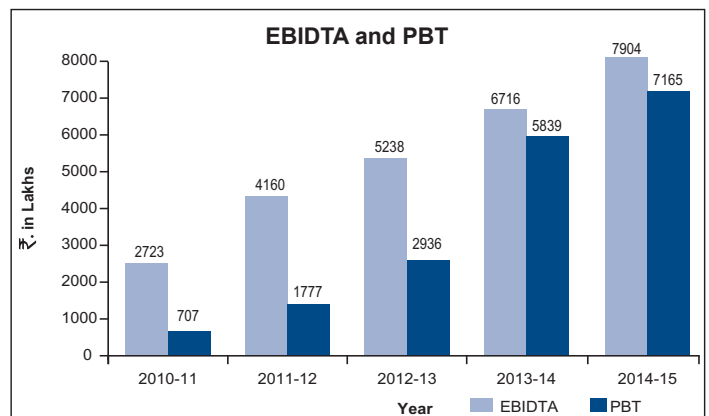
Deploying the dual levers of growth by increasing the new products and strengthening the operational efficiencies continuously, the Company expects to continue progressing on both the paths of growth and profitability.

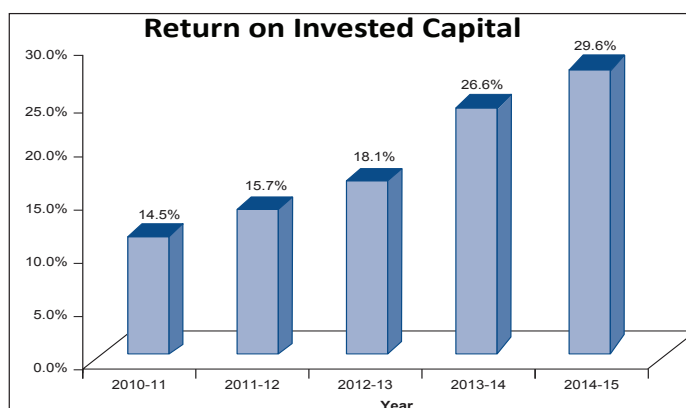
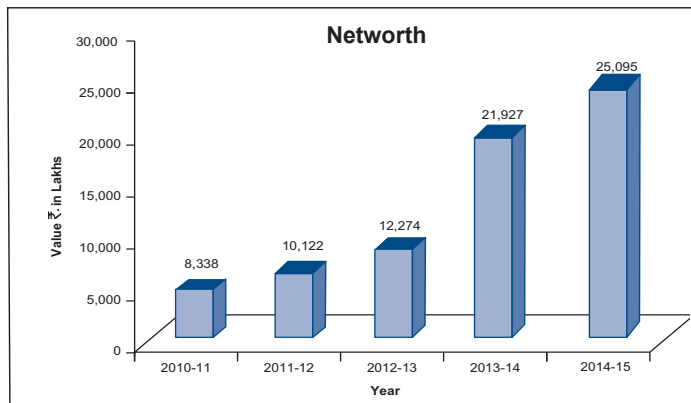
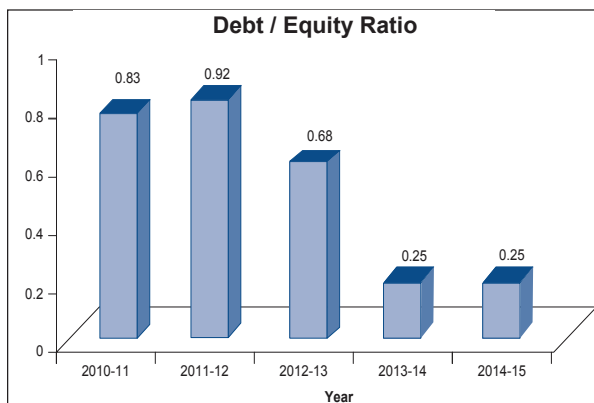
With the clear demonstration of being a Full Service Electric Motor Supplier to the Power Train Actuator application, our Technology desk is now reviewing new applications such as Motors for Automated Manual Transmission(AMT), Active Accelerator Pedal Module (APM), Electric Parking Brake(EPB) & Motor assemblies for Fuel pump .

Trend in Technology movement of Motors is also being studied carefully and a visible trend of growth in Brushless DC Motors is observed. We are launching Pilot programs in this space to be prepared for the future.

## PERFORMANCE TRENDS:

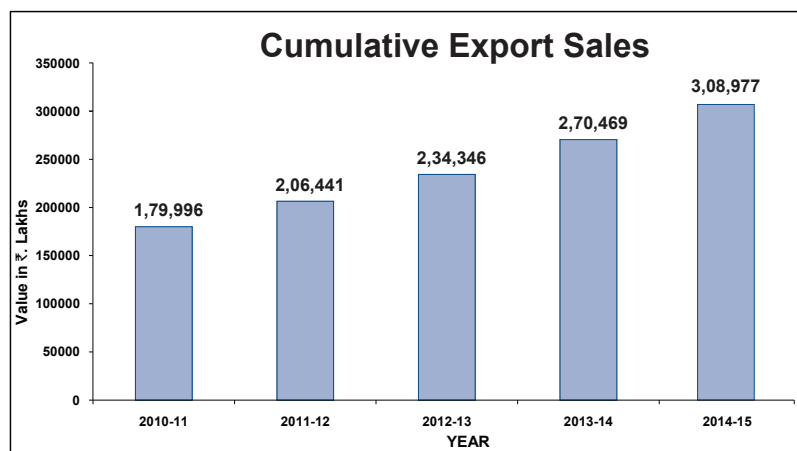
The charts below indicate the results over the last years:





## EXPORT SALES AND GEOGRAPHICAL DISTRIBUTION

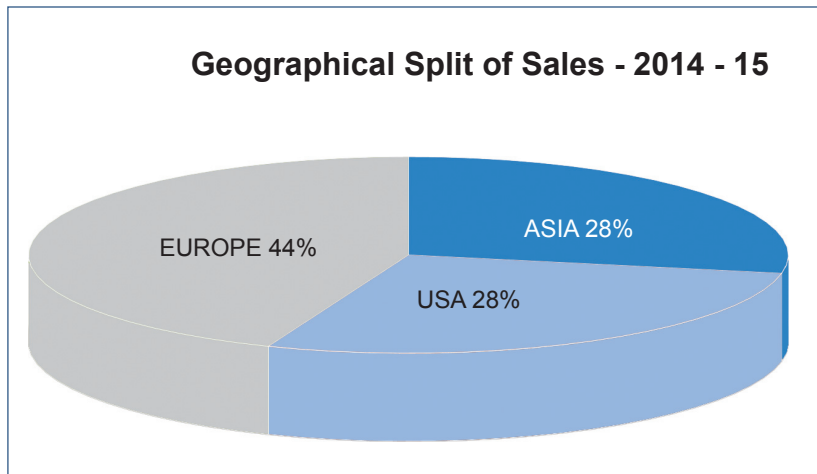
Your Company has populated over 4,881 Lakh pieces since inception in Global Automotive Component Industry valued at over ₹. 308,977 Lakhs as seen in the chart below :





# Igarashi Motors India Limited

The geographical split of sales of your Company during the period 2014-15 is represented in chart below.



The above indicate a fair presence by the Company across geographies.

## RISKS & CONCERNS

Your company has formulated a Risk Management Policy which will guide the Risk Management Committee and the Internal Risk Management team to effectively manage the risks that the business faces. The risks that the business faces are enumerated as follows:

### i) **Global Auto Industry:**

The year 2014 was a period of relatively strong growth and profitability for the Global Automotive Industry. The annual sales of most countries have reached the pre-2009 economic crisis levels. The main risk factors in the period are the unevenness in the market and the macro-economic concerns. The outlook for the US Markets seems robust while that in European markets seem to be slightly weak but improving. In the growing economies, Russia and South America reported lower sales growth while the Indian market is inconsistent but improving. The Automotive market in the World's largest economy, China, was marginally down. The major change drivers in the industry are expanded availability of information and data attributes, regulatory requirements focusing on safety and environmental pollution, shifts in consumer demand, and technological breakthroughs relying more on electronics and software which has led to entry of Information Technology firms and autonomous automotive vehicles in the industry.

Although, the growth of applications using Company's electric motors is expected to continue to grow, geographical shift towards China and the pressure on companies to localize manufacturing in countries like in Mexico and Eastern Europe are beginning to gain momentum.

During the time, this will not have any negative impact in the next three to four years; we may need to keep this as a key risk assessment point.

### ii) **Insurance:**

As your Company addresses Global Automotive Component Industry, it is exposed to various risks such as Fire Risk, Machinery Break Down Risk, Product Liability Risk, Marine Risk etc. Your Company regularly reviews and wherever possible, uses the instrument of insurance to mitigate these risks.

### iii) **Interest rates:**

Your Company continued to depend on foreign currency borrowings thereby resulting reduction in interest cost. However, a careful tracking of the global interest rates would be important to keep this risk at a low level.

### iv) **Commodity and Exchange Risk :**

Your Company is exposed to the fluctuations in foreign exchange rates on Exports and Imports. Since about 2/3<sup>rd</sup> the Materials purchased are imported, there is an Auto hedge mechanism. Based on the past experiences, the Company is quoting prices to all customers with a Commodity variation clause and currency denomination,



wherever applicable, to de-risk itself from these variations. Also, the company uses Forward Contract to hedge the Exposure using the Hedging Policy.

**v) Product Liability, Warranty Claims and Product Recall Risks :**

Your Company, being automotive component suppliers, faces the inherent business risk of exposure to warranty and product liability claims in the event that its products fail to perform as expected or such failure results in bodily injury or property damage. Though, your Company has insurance coverage, any claim in excess of available insurance coverage would have adverse effects on Company's business.

**SEGMENT WISE/ PRODUCT WISE PERFORMANCE**

Your Company is engaged in the business of auto components for automobiles. This is only one segment, hence there is no segment wise reporting.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

Intense and engaging leadership development programs have been conducted during the year to grow the set of 100 people identified as leaders across areas / functions to prepare the organization for growth.

The culture and character of the team in the Company continues to remain one of the most significant strengths and appropriate energies are being accorded to maintain and improve this by organizing generic people development and people engagement programs wherein all employees have participated to gain a balanced work-life.

**CAUTIONARY STATEMENT**

This report contains forward-looking statements. All such statements are subject to risks and un-certainties. Actual results could differ materially from those expressed or implied.

**For Igarashi Motors India Limited**

Place: Chennai  
Date : May 25, 2015

**P.Mukund**  
Managing Director

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,  
Igarashi Motors India Limited,  
Plot No.B-12,B-15,Phase-II,MEPZ,  
Tambaram,Chennai-45

I, S. Bhaskar, Company Secretary in Practice, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IGARASHI MOTORS INDIA LIMITED. (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided by me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the IGARASHI MOTORS INDIA LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by IGARASHI MOTORS INDIA LIMITED for the financial year ended on 31<sup>st</sup>March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
- (v) The payment of gratuity act 1972;
- (vi) The Payment of Bonus Act, 1965;
- (vii) Payment of Wages Act, 1936;
- (viii) The Employees Provident Funds and Miscellaneous Provisions Act, 1952;
- (ix) The Employees' State Insurance Act, 1948;
- (x) The Factories Act, 1948;
- (xi) The Water (Prevention & Control of Pollution) Act, 1974
- (xii) The Air (Prevention & Control of Pollution) Act, 1981



- (xiii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (xiv) The Contract Labour (Regulation and Abolition) Act, 1970
- (xv) The Special Economic Zones Act, 2005

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

## 1. APPOINTMENT OF WOMAN DIRECTOR :

- ❖ The Company has not appointed woman director, hence the compliance as per Section 149(1) and Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 has not complied.

## 2. VACATION OF OFFICE OF DIRECTOR:

- ❖ Mr.K. Igarashi was not present in all the meetings of the Board of Directors of the Company held during the financial 2014-15. As per section 167(1)(b) of the Companies Act 2013, he has to vacate his office of Directorship.

During the period under review there were no events which required specific compliance of the provisions of

- (i) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iv) the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (v) the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

## I FURTHER REPORT THAT

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Chennai  
Date : May 03, 2015

**S. Bhaskar**  
Practicing Company Secretary  
ACS No: 10798, CP No: 8315.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year Company constituted Corporate Social Responsibility committee (CSR) pursuant to provisions of Section 135 of The Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy ) Rules, 2014 are provided herein below

1. A brief outline of the Company's CSR policy :

To promote women skill development, Environment protection and other activities covered under Schedule VII of the Companies Act, 2013

2. The Composition of the CSR Committee :

Mr. Amit Dixit (Chairman), Mr. Hemant M Nerurkar, Mr. S. Radhakrishnan and Mr. P. Mukund

3. Average profit (PBT) of the company for last three financial years : ₹ 3,517 Lakhs (2011-12, 2012-13, 2013-14)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 70.34 Lakhs

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year : ₹ 4.80 Lakhs

(b) Amount unspent, if any; - ₹ 65.54 Lakhs

(c) Manner in which the amount spent during the financial year is detailed below:-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) local area or other area  (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs  <b>Sub – heads:</b> (1) Direct expenditure on projects or programs (2) Overheads -	Cumulative expenditure upto to the reporting period -	Amount spent : Direct or through implementing agency
1	Protection of water body	Environment protection	MEPZ-SEZ, Tambaram, Chennai	₹ 4.80 Lakhs	₹ 4.80 Lakhs	₹ 4.80 Lakhs	MEPZ-SEZ Manufacturers Association
	<b>Total</b>			₹ 4.80 Lakhs	₹ 4.80 Lakhs	₹ 4.80 Lakhs	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company has not spent entire three years average profit as CSR implementation came into effect during the financial year under review.

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Amit Dixit**  
Chairman CSR Committee

**P. Mukund**  
Managing Director



**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31,2015**

**[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]**

**I. REGISTRATION AND OTHER DETAILS**

I	CIN	L29142TN1992PLC021997
II	Registration date	January 10, 1992
III	Name of the Company	Igarashi Motors India Limited
IV	Category/ sub category of the Company	Manufacturing / Automotive
V	Address of the Registered office & contact details	Registered Office :Plot No. B-12 to B-15, Phase II, MEPZ-SEZ, Tambaram,CHENNAI- 600 045 Phone : +91-44-42298199/22628199, Fax : +91-44-22628143 e-mail :investorservices@igarashimotors.co.in,
VI	Whether Listed Company	Yes
VII	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Ltd "Subramanian Building" 1, Club House Road, Chennai – 600002 Phone: + 91-44-28460390 Fax No. : +91-44-28460129 E-mail: cameo@cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

S.NO	Name & Description of main products/services	NIC Code of theProduct /service	% to total turnoverof the company
1	Electric Micro Motors & Motor Components	85013301	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY**

S.no	Name & address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Agile Electric Sub Assembly Private Limited. Plot Nos.A-33 & A-36,phase I, MEPZ Tambaram, Chennai 600045 -, Tamil Nadu, India	U34300TN2005PTC057151	Holding Company	41.92%	Section 2(6)

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**

A) CATAGORY WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year 01-Apr-14				No. of Shares held at the end of the year 31-Mar-15				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Total	% of Total Shares
<b>A. Promoters</b>										
(1) Indian	99,78,384	0	99,78,384	32.77	99,78,384	0	99,78,384	32.60	0	0
a) Individual/HUF	0	0	0	0	0	0	0	0	0	0
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	128,25,859	4,200	128,30,059	42.14	128,30,059	0	128,30,059	41.92	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>228,04,243</b>	<b>4,200</b>	<b>228,08,443</b>	<b>74.91</b>	<b>228,08,443</b>	<b>0</b>	<b>228,08,443</b>	<b>74.52</b>	<b>0</b>	<b>0</b>
<b>(2) Foreign</b>										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>228,04,243</b>	<b>4,200</b>	<b>228,08,443</b>	<b>74.91</b>	<b>228,08,443</b>	<b>0</b>	<b>228,08,443</b>	<b>74.52</b>	<b>0</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	0	0	0	0	6,20,917	0	6,20,917	2.03	6,20,917	2.03
b) Banks/FI	0	0	0	0	8,205	0	8,205	0.03	8,205	0.03
c) Central govt	0	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	1,72,702	0	1,72,702	0.56	1,72,702	0.56
h) Foreign Venture Capital Funds	0	0	0	0	72,128	0	72,128	0.24	72,128	0.24
i) Others (specify) (Foreign Portfolio Investor)	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,73,952</b>	<b>0</b>	<b>8,73,952</b>	<b>2.86</b>	<b>8,73,952</b>	<b>2.86</b>



Category of Shareholders	No. of Shares held at the beginning of the year 01-Apr-14				No. of Shares held at the end of the year 31-Mar-15				% change during the year	
<b>(2) Non Institutions</b>										
a) Bodies corporates										
i) Indian	5,58,533	1,100	5,59,633	1.84	5,22,838	1,100	5,23,938	1.71	35,695	0.12
ii) Overseas	34,67,641	0	34,67,641	11.39	34,67,641	0	34,67,641	11.33		
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	21,70,001	2,73,943	24,43,944	8.03	21,63,937	2,59,344	24,23,281	7.92	20,633	0.11
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	10,69,483	96,300	11,65,783	3.83	5,11,189	0	5,11,189	1.67	6,54,594	2.15
c) Others (specify)										
<b>SUB TOTAL (B)(2):</b>	<b>72,65,658</b>	<b>3,71,343</b>	<b>76,37,001</b>	<b>25.09</b>	<b>66,65,605</b>	<b>2,60,444</b>	<b>69,26,049</b>	<b>22.63</b>	<b>7,10,922</b>	<b>2.38</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>72,65,658</b>	<b>3,71,343</b>	<b>76,37,001</b>	<b>25.09</b>	<b>75,39,557</b>	<b>2,60,444</b>	<b>7,80,0001</b>	<b>25.48</b>	<b>1,63,000</b>	<b>0.39</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>300,69,901</b>	<b>3,75,543</b>	<b>304,45,444</b>	<b>100.00</b>	<b>303,48,000</b>	<b>2,60,444</b>	<b>306,08,444</b>	<b>100.00</b>	<b>163000</b>	<b>0.005</b>



## Igarashi Motors India Limited

### B) SHARE HOLDING OF PROMOTER

S. No	Shareholder's Name	Shareholder's at the beginning of the year- 01-Apr-14			Shareholder's at the end of the year 31- Mar-15			% change in share holding during the year
		No of Shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1.	Agile Electric Sub Assembly Pvt Ltd	12,830,059	42.14	0	12,830,059	41.92	0	0.22
2.	Mr. P Mukund	9,978,384	32.77	0	9,978,384	32.60	0	0.17

### C) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	No changes in Promoters shareholding during the year			
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No changes in Promoters shareholding during the year			
3	At the end of the year	No changes in Promoters shareholding during the year			

### D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDER'S OF GDR'S AND ADR'S)

Sl. No	Top 10 Shareholders	Shareholding at the beginning of the year 01-Apr-14		Shareholding at the end of the year 31-Mar-15	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Igarashi Electric Works (H.K) Ltd, Hong Kong	24,99,993	8.21	24,99,993	8.17
2	Igarashi Electric Works Ltd, Japan	9,67,648	3.18	9,67,648	3.16
3	Mr K K Nohria	4,50,000	1.48	50,000	0.16
4	VLS Finance Ltd	2,00,000	0.66	0	0
5	Mr Vimal Sagarmal Jain	92,700	0.30	0	0
6	Mr. Kamalakar Baburao Suryavanshi	62,350	0.20	0	0
7	Roopa Corporate Services Pvt Ltd	49,000	0.16	49,000	0.16
8	Mr. Sharad Kanayalal Shah	45,000	0.15	45,000	0.15
9	Mr. Kewal Kumar Vohra	35,237	0.12	0	0
10	Angel Broking Pvt.Ltd.	32,011	0.11	0	0



E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year 01-Apr-14		Cumulative Shareholding during the year 31-Mar-15	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Mr. Hemant M Nerurkar	0	0	0	0
	At the beginning of the year	0	0	0	0
2	Mr. Amit Dixit	0	0	0	0
	At the beginning of the year	0	0	0	0
3	Mr. S Radhakrishnan	0	0	0	0
	At the beginning of the year	0	0	0	0
4	Mr. Keiichi Igarashi	0	0	0	0
	At the beginning of the year	0	0	0	0
5	Mr. K Igarashi	0	0	0	0
	At the beginning of the year	0	0	0	0
6	Mr. P Mukund , Managing Director	99,78,384	32.77	99,78,384	32.77
	At the beginning of the year	99,78,384	32.60	99,78,384	32.60
7	Mr. R Chandrasekaran, Chief Financial Officer	100	0	100	0
	At the beginning of the year	100	0	100	0
8	Mr. P Dinakara Babu, Company Secretary	0	0	0	0
	At the beginning of the year	0	0	0	0

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ Lakhs)				
	Secured Loans excluding deposits (a)	Unsecured Loans (b)	Deposits (c)	Total Indebtedness (a+b+c)
<b>Indebtness at the beginning of the financial year- 01-Apr-14</b>				
i) Principal Amount	4,474.64	373.53	-	4,848.17
ii) Interest due but not paid	0.58	-	-	0.58
iii) Interest accrued but not due	13.92	-	-	13.92
<b>Total (i+ii+iii)</b>	<b>4,489.14</b>	<b>373.53</b>	<b>-</b>	<b>4,862.67</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	1,840.33	-	-	1,840.33
Reduction	(821.63)	(115.35)	-	(936.98)
<b>Net Change</b>	<b>1,018.70</b>	<b>(115.35)</b>	<b>-</b>	<b>903.65</b>
<b>Indebtedness at the end of the financial year- 31-Mar-15</b>				
i) Principal Amount	5,493.34	258.19	-	5,751.53
ii) Interest due but not paid	3.21	-	-	3.21
iii) Interest accrued but not due	19.73	-	-	19.73
<b>Total (i+ii+iii)</b>	<b>5,516.28</b>	<b>258.19</b>	<b>-</b>	<b>5,774.47</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR/ MANAGER:

S.NO	Particulars of Remuneration	Mr. P Mukund, Managing Director (₹ Lakhs)	Total Amount (₹ Lakhs)
<b>1.</b>	<b>Gross Salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	60.00	60.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	27.26	27.26
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2.	Stock option	0	0
3.	Sweat Equity	0	0
4.	Commission as % of profit	0	0
5.	Others, please specify	0	0
	<b>Total (A)</b>	<b>87.26</b>	<b>87.26</b>



**B. REMUNERATION TO OTHER DIRECTORS:**

S.NO	Particulars of Remuneration	Name of the Directors		Total Amount (₹ Lakhs)
		Mr. Hemant M Nerurkar (₹ Lakhs)	Mr. S Radhakrishnan (₹ Lakhs)	
1.	Independent Directors			
	(a) Fee for attending board & Committee Meetings	0.60	0.60	1.20
	(b) Commission	0	0	0
	(c ) Others, Please Specify	0	0	0
	<b>Total (1)</b>	0.60	0.60	1.20
2.	Other Non Executive Directors			
	(a) Fee for attending board & Committee Meetings	0	0	0
	(b) Commission	0	0	0
	(c ) Others, Please Specify	0	0	0
	<b>Total (2)</b>	0	0	0
	<b>Total (B) = (1+2)</b>	0.60	0.60	1.20
	<b>Total Managerial Remuneration (A+B)</b>	<b>0.60</b>	<b>0.60</b>	<b>1.20</b>

Mr. Amit Dixit, Mr. Keiichi Igarashi and Mr. K.Igarashi have not been paid sitting fees during April 1, 2014 to March 31, 2015

**C. REMUNERTATION TO KEY MANAGERIAL REMUNERATION OTHER THAN MD/WTD/MANAGER**

S.NO	Particulars of Remuneration	Mr. R Chandrasekaran, Chief Financial Officer (₹ Lakhs)	Mr. P Dinakara Babu, Company Secretary (₹ Lakhs)	Total Amount (₹ Lakhs)
1.	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	51.80	32.84	84.64
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	4.30*	2.93	7.23
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock option	26.93 <sup>§</sup>	-	26.93
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>83.03</b>	<b>35.77</b>	<b>118.80</b>

\* Excluding Stock option disclosed in Sl. No. 2 above

§ Includes perquisite value of stock option exercised during the year ended March 31, 2015

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



## FORM AOC-1

### (PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

Statement containing salient features of the financial  
statement of Subsidiaries/Associate Companies/Joint Ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹.....)

S.No	Particulars	
1	Name of the Subsidiary	NIL
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	
4	Share capital	
5	Reserves & surplus	
6	Total assets	
7	Total Liabilities	
8	Investments	
9	Turnover	
10	Profit before taxation	
11	Provision for taxation	
12	Profit after taxation	
13	Proposed Dividend	
14	% of shareholding	

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S.No	Name of the Associates / Joint Venture	Bosch Electrical Drives India Pvt Ltd
1	Latest audited Balance Sheet Date	December 31, 2013*
2	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	26,12,649
	Amount of investment in Associates / Joint Venture	₹ 261,264,900/-
	Extent of holding %	10.82%
3	Description of how there is significant influence	N.A
4	Reason why the associate / joint venture is not consolidated	Since, Company is holding 10.82% stake in Bosch Electrical Drives India Pvt Ltd
5	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 22,951,498
6	Profit / Loss for the year	
	i) Considered in consolidation	-
	ii) Not considered in consolidation	₹ (57,035,208)

\* Due to change in financial year, the audited Balance sheet for the year ended March 31, 2015 is not yet available.

1. Names of subsidiaries which are yet to commence operations N.A
2. Names of subsidiaries which have been liquidated or sold during the year N.A.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

## FORM NO. AOC-2

**(PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

## 1. Details of contracts or arrangements or transactions not at arm's length basis

S.No	Particulars	Details
A	Name (s) of the related party & nature of relationship	Nil
B	Nature of contracts/arrangements/transaction	Nil
C	Duration of the contracts/arrangements /transaction	Nil
D	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
E	Justification for entering into such contracts or arrangements or transactions	Nil
F	Date of approval by the Board	Nil
G	Amount paid as advances, if any	Nil
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

## 2. Details of material contracts or arrangement or transactions at arm's length basis :

S.No	Particulars	Details
A	Name (s) of the related party	Bosch Electrical Drives India Pvt. Ltd.
B	Nature of Relation ship	Joint Venture Company
C	Nature of contracts / arrangements /transaction	Investment in equity shares
D	Duration of the contracts/ arrangements / transaction	Not applicable
E	Salient terms of the contracts or arrangements or transaction	Not applicable
F	Justification for entering into such contracts or arrangements or transactions	Investment in Joint Venture Company
G	Date of approval by the Board, if any	May 26,2014
H	Amount incurred/ received during the year (₹. Lakhs)	494

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to adopt the best global practices of Corporate Governance. Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability and equity with the ultimate objective of increasing long-term shareholder value, keeping in view the needs and interests of all other stakeholders.

Your Company also believes that good Corporate Governance makes good business sense. As such your Company not only complies with all requirements of Corporate Governance laid by various bodies, but follows it in spirit also.

During the year ended 31<sup>st</sup> March, 2015, your Company had complied with the code provisions set out in the code of Corporate Governance Practices contained in the Listing Agreement entered into with NSE, BSE.

### 2. BOARD OF DIRECTORS

As on 31<sup>st</sup> March, 2015 the Board of Directors comprised the Managing Director and 5 Non-Executive Directors.

During the year, five Board Meetings were held on 26<sup>th</sup> May 2014, 23<sup>rd</sup> June 2014, 30<sup>th</sup> July 2014, 31<sup>st</sup> October 2014, and 20<sup>th</sup> January 2015. The Company's last Annual General Meeting was held on 30<sup>th</sup> July 2014. The particulars of Directors, their attendance during the financial year 2014-2015 and also other Directorships and Board Committee Representations of Public Limited Companies are as under:

Name of director & designation	Category	Attendance		Other Board Representations	
		Board Meetings	Last AGM	Directorship	Committees
Mr. K.K.Nohria Chairman @	Non-Executive Independent	2	Yes	--	--
Mr. P.Mukund Managing Director	Executive	5	Yes	2	Nil
Mr. Hemant M Nerurkar*** Chairman	Non-Executive Independent	3	Yes	4	Nil
Mr. S.Radhakrishnan***	Non-Executive Independent	3	Yes	Nil	Nil
Mr. K.Igarashi	Non-Executive Non-Independent	Nil	No	Nil	Nil
Mr. Keiichi Igarashi	Non-Executive Non-Independent	2	No	Nil	Nil
Mr. Amit Dixit	Non-Executive Non-Independent	5	Yes	11	4
Mr. Srinivasan Ravindran **	Non-Executive Independent	1	NA	--	--

@ Resigned from board as director w.e.f 31<sup>st</sup> July 2014

\*\* Resigned from board as director w.e.f 23<sup>rd</sup> June 2014

\*\*\* Appointed as additional Director w.e.f 23<sup>rd</sup> June 2014 and appointed as Independent Director w.e.f July 30, 2014



## Igarashi Motors India Limited

### INFORMATION ABOUT DIRECTOR SEEKING RE-APPOINTMENT

- 1) Mr. Keiichi Igarashi, age 49 years, is a Technical graduate from Japan, has over 21 years of experience. He has worked intensely in the Quality Management in Matsushita, Japan before moving to Igarashi Electric Works (H.K.) Limited. He is the President and Director of Igarashi Electric Works Ltd., Japan & Director of Igarashi Electric Works (H.K.) Ltd. and is responsible for Globalising Igarashi to the next level.

Mr. Keiichi Igarashi does not hold any shares in his individual name but Igarashi Electric Works (H.K.) Limited, Hong Kong (Subsidiary of Igarashi Electric Works Limited, Japan) holds 2,499,993 shares in the Company and Igarashi Electric Works Limited, Japan holds 967,648 shares in the Company as on March 31, 2015.

Mr. Keiichi Igarashi does not hold Directorships in Indian Companies.

### 3. AUDIT COMMITTEE : Particulars of the Audit Committee

S.No	Particulars	Details	
1.	Date of formation	22 <sup>nd</sup> October 2000	
2.	No of directors	3	
3.	Particulars of Members	Mr. Hemant M Nerurkar (Chairman) Mr. S. Radhakrishnan Mr. Amit Dixit	
4.	No of meetings held	During the financial year 2014-2015 four meetings were held on 26 <sup>th</sup> May 2014, 30 <sup>th</sup> July 2014, 31 <sup>st</sup> October 2014, and 20 <sup>th</sup> January 2015.	
5.	Meeting & Attendance During the Year	Name of the Director	No of meetings attended
		Mr. Hemant Madhusudan Nerurkar	3
		Mr. S. Radhakrishnan	3
		Mr. Amit Dixit	4
		Mr. K K Nohria@	2
		Mr. Srinivasan Ravindran **	1
6.	Functions of the audit committee	Overseeing financial reporting process and disclosure to ensure that it is correct, sufficient and credible Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval Reviewing of quarterly financial statements before submission to the board. Adequacy of Internal Audit Function and systems Review of Compliance with Accounting Standards Approval or modification in Related Party Transactions Reviewing the functioning of Whistle Blower Mechanism Review of risk management policies and practices Review of statutory compliance	

@ Resigned from board with effect from 31<sup>st</sup> July, 2014

\*\* Resigned From board with effect from 23<sup>rd</sup> June, 2014

The Company Secretary acts as the Secretary to the Committee.



During the year, besides the regular review of the financial reporting processes, financial statements, internal control systems of the Company and compliance with regulatory guidelines were reviewed. The Committee held regular interaction with Statutory Auditors and Internal Auditors to benefit from their professional perspective on the Company's Accounts.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Clause 49(IV) of the Listing Agreement and Section 178 of the Companies Act, 2013 the Company has constituted a Nomination and Remuneration Committee

The details of the Nomination and Remuneration Committee are hereunder:

S.No	Particulars	Details	
1.	No of Directors	3	
2.	Particulars of Members	Mr. S. Radhakrishnan (Chairman) Mr. Hemant M Nerurkar Mr. Amit Dixit	
3.	No of Meetings held	During the financial year 2014-2015, only one meeting was held on 26 <sup>th</sup> May 2014	
4.	Meeting & Attendance During the Year	Name of the Director	No of Meetings Attended
		Mr. S. Radhakrishnan	Nil
		Mr. Hemant Madhusudan Nerurkar	Nil
		Mr. Amit Dixit	1
		Mr. K K Nohria@	1
		Mr. Srinivasan Ravindran **	1
5.	Function of the Nomination & Remuneration Committee	Identifying persons who are qualified to become directors. Formulate criteria for evaluation of Independent Directors and Board as whole Identifying persons who may be appointed in the senior management in accordance with the criteria laid down. Recommend to the Board a Policy, relating to the remuneration of the directors, Key managerial personnel and other employees.	

@ Resigned from board with effect from 31<sup>st</sup> July, 2014

\*\* Resigned From board with effect from 23<sup>rd</sup> June, 2014

#### Managing Director Remuneration:

Managerial Remuneration is paid as per the Remuneration Policy adopted by the Nomination and Remuneration Committee

Details of Managerial Remuneration for the Financial Year 2014-15 is as under:

Name	Salary	Perquisites	Retirement Benefits	Performance Incentive/ Commission	Other allowances	Total
	₹	₹	₹	₹	₹	₹
Mr. P. Mukund Managing Director	6,000,000	2,726,206	-	-	-	8,726,206

#### Remuneration Policy:

Payment of remuneration to the Managing Director is governed by the resolution recommended by the Board and approved by the Shareholders. The remuneration structure comprises of salary, commission, perquisites and other allowances. The Independent Non-Executive Directors did not draw any remuneration from the Company other than sitting fees.

## Igarashi Motors India Limited

The details of sitting fees paid to the Non-Executive Independent Directors for the financial year 2014-2015 is as under:

S.No	Name of the Director	Sitting Fees Paid ₹
1	Mr. K.K.Nohria @	25,000
2	Mr. Hemant M Nerurkar	60,000
3	Mr. S.Radhakrishnan	60,000
4	Mr. Srinivasan Ravindran**	5,000
	Total	1,50,000

Mr. Amit Dixit, Mr. Keiichi Igarashi and Mr. K.Igarashi have not been paid sitting fees during April 1, 2014 to March 31, 2015

@ Resigned from board with effect from 31<sup>st</sup> July, 2014

\*\* Resigned From board with effect from 23<sup>rd</sup> June, 2014

Name of directors	No. of Shares held as on 31 <sup>st</sup> March 2015	Percentage as on 31 <sup>st</sup> March 2015
Mr. Hemant M Nerurkar	Nil	Nil
Mr. S.Radhakrishnan	Nil	Nil
Mr. Amit Dixit	Nil	Nil
Mr. K.Igarashi	Nil	Nil
Mr. Keiichi Igarashi	Nil	Nil
Mr. P Mukund	99,78,384	32.60

### 5. STAKEHOLDER'S GRIEVANCES COMMITTEE

Particulars of the Stakeholder's Grievance Committee:

S.NO	Particulars	Details	
1.	Date of Formation	22 <sup>nd</sup> October 2000	
2.	No of Directors	3	
3.	Name & designation of Compliance officer	Mr. P. Dinakara Babu, Company Secretary	
4.	Particulars of Members	Mr. S. Radhakrishnan (Chairman) Mr. Hemant M Nerurkar Mr. P. Mukund	
5.	No of Meetings held	During the financial year 2014-2015, four meetings were held on 26 <sup>th</sup> May 2014, 30 <sup>th</sup> July 2014, 31 <sup>st</sup> October 2014 and 10 <sup>th</sup> January 2015.	
6.	Meeting & Attendance During the Year	Name of the Director	No of Meetings Attended
		Mr. S. Radhakrishnan	3
		Mr. Hemant M Nerurkar	3
		Mr. P. Mukund	3
		Mr. K K Nohria@	2
	Mr. Srinivasan Ravindran **	1	
7.	Functions of the Stakeholder's Grievance Committee	Transfer / Transmission of shares Issue of duplicate share certificates Review of share dematerialization and rematerialization Monitoring the expeditious redressel of investor grievances Monitoring the performance of Company's Register and Transfer Agent All other matters related to shares	



@ Resigned from board with effect from 31<sup>st</sup> July, 2014

\*\* Resigned From board with effect from 23<sup>rd</sup> June, 2014

During the year 2014-2015, the Company received four complaints from the investors. As on 31<sup>st</sup> March 2015, there were no investor grievances pending and no transfers were pending for approval.

## 6. INDEPENDENT DIRECTORS MEETING

S.No	Particulars	Details	
1.	No of Directors	2	
2.	Particulars of Members	Mr. Hemant M Nerurkar Mr. S.Radhakrishnan	
3.	No of Meetings held	During the financial year 2014-2015, only one meeting was held on 20 <sup>th</sup> January 2015	
4.	Meeting & Attendance During the Year	Name of the Director	No of Meetings Attended
		Mr. Hemant Madhusudan Nerurkar	1
		Mr. S. Radhakrishnan	1
5.	Terms	Review the performance of the non independent directors and Board as a wholeAs a whole the review the performance of the Chair person of the Company Assess the Quality, Quantity and timely less of flow information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties	

## 7. GENERAL BODY MEETINGS

A) Particulars of Annual General Meetings (AGM) held during last three years:

Financial Year	Date	Venue	Time	Special Resolutions Passed
2013-14	30 <sup>th</sup> July 2014	Kamarajar Arangam, No 492, Anna Salai, Teynampet West, Chennai – 600 006	3.00P.M	a) Approval for non executive director Remuneration b) Authorize Creation of charges in excess of the Limit specified under Section 180 c) Creation of mortgage on movable and immovable property d) Authorize Board of Directors to enter into Related Party Transactions
2012-13	23 <sup>rd</sup> September 2013	Music Academy, Mini Hall 306, T.T.K Road, Chennai – 600014	3.00P.M	None
2011-12	15 <sup>th</sup> September 2012	Music Academy, Mini Hall 306, T.T.K Road Chennai – 600014	3.00P.M	None

B) Details of Extra-ordinary General Meeting held during the year- None

C) Details of special resolutions passed last year through Postal Ballot- None

D) Details of special resolution is proposed to be conducted through postal ballot – None

# Igarashi Motors India Limited

## 8. DISCLOSURES

- a) Transaction with related parties, as per accounting standard 18, are disclosed in notes to the accounts annexed to the financial statements.
- b) The Company has complied with all requirements of the listing agreement with Stock Exchanges as well as the applicable Regulations and guidelines prescribed by SEBI. During the last three years, there were no penalties imposed on the Company by any statutory authorities for non-Compliance on any matter related to Capital Market.
- c) The Company has no Subsidiary Company

## 9. WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and Listing agreement the Board has established a Vigilance Mechanism to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics policy. It also provides for adequate safeguards against victimization of employees who avail of the mechanism and also allows direct access to the Chairperson of the audit committee in exceptional cases. We further affirm that no employee has been denied access to the Audit Committee.

## 10. MEANS OF COMMUNICATION

During the year under reference, quarterly results were published in widely circulating national and local daily newspapers such as the Business Standard and Tamil Hindu. These were not sent individually to the shareholders. The quarterly and the annual results of the Company are e-mailed/online filing/and mailed to the stock exchanges on which the Company's shares are listed, immediately of closure of meeting of the Board of Directors.

The Management Discussion & Analysis forms part of Annual Report

## 11. COMPLIANCE WITH NON- MANDATORY REQUIREMENTS

- i) The Board :  
The Company does not maintain a separate office for non executive chairman.  
The independent directors are having requisite qualification and experience to act as director on the Board.
- ii) Shareholders rights:  
Quarterly results were published in widely circulating national and local daily newspapers such as the Business Standard and Tamil Hindu. These were not sent individually to the shareholders.
- iii) Audit Qualifications:  
The auditors report does not contain any qualification.
- iv) Separate post of Chairman and Chief Executive Officer:  
The Company has separate person to the post of Chairman and Managing Director.
- v) Reporting of Internal Auditor:  
The internal auditor reports to the Audit Committee.

## 12. GENERAL SHAREHOLDER INFORMATION

- i) Annual General Meeting (AGM):  
Date : 22<sup>nd</sup> July 2015  
Venue : The Music Academy, Mini Hall, 314, T T K Road, Chennai 600014  
Time : 3.00 P.M
- ii) Financial Calendar : 1<sup>st</sup> April 2014 to 31st March 2015
  - a) First Quarter Results : 30<sup>th</sup> July 2014



- b) Second Quarter Results : 31<sup>st</sup> October 2014
- c) Third Quarter Results : 20<sup>th</sup> January 2015
- d) Last quarter Results and Annual : 25<sup>th</sup> May 2015

**Audited Results**

- iii) Date of Book Closure : 16<sup>th</sup> July 2015 to 22<sup>nd</sup> July 2015
- iv) Dividend payment date : On or after 30<sup>th</sup> July 2015
- v) (A) Listing on Stock Exchanges : The Company's shares are listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange Limited (NSE).

During the year the Company received delisting approval from Madras Stock Exchange vide letter dated 25th August 2014

1. Bombay Stock Exchange Limited (BSE)  
PhirozeJeejeebhoy Towers  
Dalal Street, Mumbai – 400023

2. National Stock Exchange of India Limited (NSE)  
Exchange Plaza, 5th Floor,  
G-Block, BandraKurla Complex  
Bandra(west), Mumbai – 400051

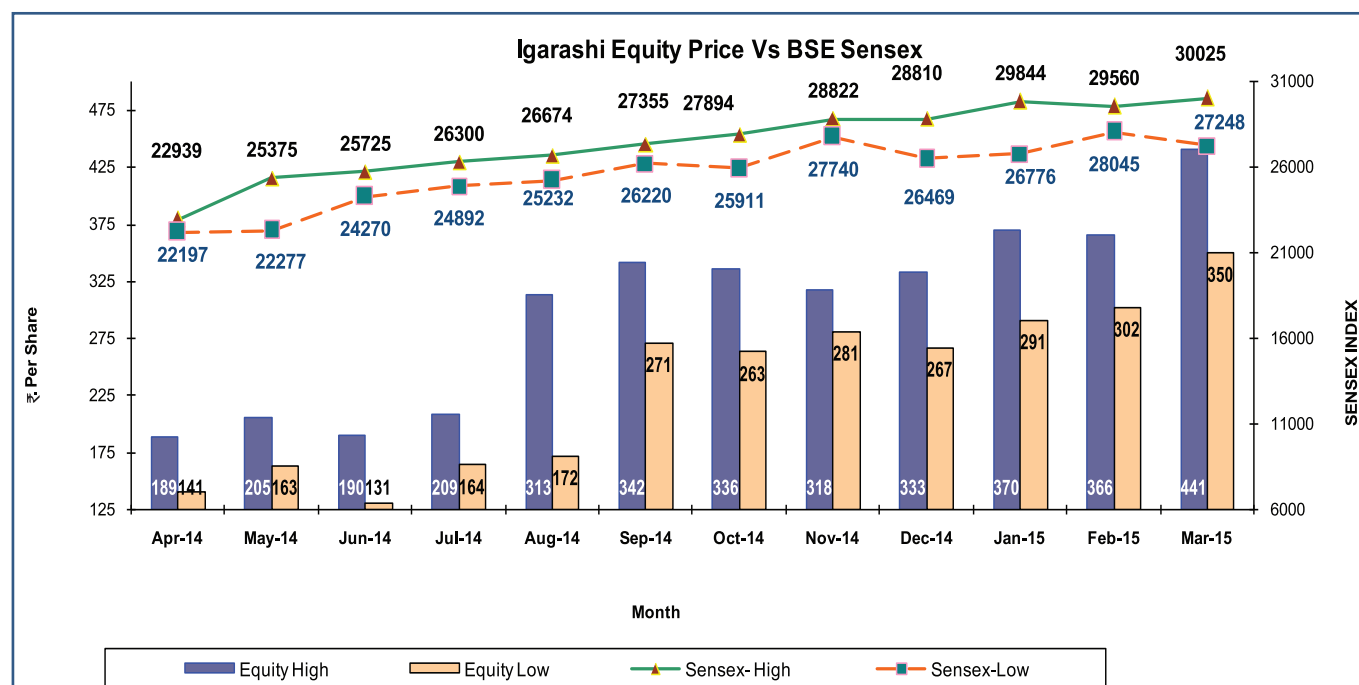
- (B) Listing Fees: The Listing fee of all the stock exchanges for the year 2015-16 has already been paid.

- vi) Stock Codes

Sl No	Name of the Stock Exchange	Stock Code
1	National Stock Exchange	IGARASHI
2	Bombay Stock Exchange	517380

- vii) International Securities identification :INE188B01013 (NSDL & CDSL)  
Number (ISIN)

- viii) Market Price Data :



## Igarashi Motors India Limited

Monthly highs and lows of market prices of the company's shares on Bombay Stock Exchange (BSE) & (NSE) National Stock Exchange during the year 2014-2015:

### Equity price

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2014	189.00	141.00	189.00	142.00
May 2014	205.00	163.00	206.00	164.00
June 2014	190.00	131.00	190.00	143.00
July 2014	209.00	164.00	209.00	164.00
August 2014	313.00	172.00	313.00	172.00
September 2014	342.00	271.00	342.00	272.00
October 2014	336.00	263.00	336.00	263.00
November 2014	318.00	281.00	318.00	281.00
December 2014	333.00	267.00	333.00	266.00
January 2015	370.00	291.00	365.00	289.00
February 2015	336.00	302.00	365.00	280.00
March 2015	441.00	350.00	441.00	348.00

- ix) Registrar and Transfer Agents : Cameo Corporate Services Ltd  
 "Subramanian Building"  
 1, Club House Road, Chennai – 600002  
 Phone :+ 91-44-28460390  
 Fax No.: +91-44-28460129  
 e-mail : cameo@cameoindia.com

- x) Share Transfer System:

The Company's shares are in compulsory Dematerialization Segment. Transfers in physical form are registered within a period of 15 days from the date of receipt, provided the documents are complete and the shares under transfer are not in dispute. The share certificates duly endorsed are being immediately dispatched after effecting transfer. The total number of equity shares in physical form transferred during the year was 26,600.

A qualified practicing Company Secretary has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

- xi) Distribution schedule as on 31st March 2015:

Category	No of Shareholders	Percentage	No of Shares	Percentage
Upto 5000	10,132	90.91	1,098,854	3.59
5001 – 10000	504	4.52	403,219	1.32
10001 – 20000	258	2.31	383,915	1.25
20001 – 30000	84	0.75	213,764	0.70
30001 – 40000	43	0.39	153,482	0.50
40001 – 50000	36	0.32	165,396	0.54
50001 – 100000	48	0.43	348,398	1.14
100001 & above	41	0.37	27,841,416	90.96
<b>Total</b>	<b>11,146</b>	<b>100.00</b>	<b>3,06,08,444</b>	<b>100.00</b>



## Shareholding Pattern as on 31st March 2015

Category	No of Shareholders	No of Shares	Percentage of holding
Promoters	2	2,28,08,443	74.52
Body Corporate	330	39,91,579	13.04
Directors holding	Nil	Nil	Nil
Public	10,814	38,08,422	12.44
<b>Total</b>	<b>11,146</b>	<b>306,08,444</b>	<b>100.00</b>

## Top 10 Shareholders as on 31st March 2015

Serial No	Category	No of Shares	Percentage of Holding
1	Agile Electric Sub Assembly Private Limited	1,28,30,059	41.92
2	Mr. P. Mukund	99,78,384	32.60
3	Igarashi Electric Works (H.K) Ltd, Hong Kong	24,99,993	8.17
4	Igarashi Electric Works Limited, Japan	9,67,648	3.16
5	IDFC Equity Opportunity	6,14,417	2.00
6	Pine bridge Investments Asia Limited	1,10,000	0.36
7	Pine bridge India Equity Fund	72,128	0.24
8	Roopa Corporate Services Private Limited	49,000	0.16
9	Synergy Synthetics Private Limited	47,856	0.15
10	Mr. Niteshkumar A Thakkar	47,000	0.15

- xii) Dematerialization of Shares : 99.15% of equity shares have been dematerialized upto 31st March 2015, Trading in your Company's shares is Permitted only in the dematerialized form as per Notifications issued by SEBI
- xiii) Outstanding GDRs/ADRs/Warrants or any convertible Instruments : Not Applicable
- xiv) Plant Location : 1.Plots B-12 to B –15,Phase II  
MEPZ-SEZ, Tambaram,  
Chennai 600 045.  
2. Plots 8,9,10 ,Phase I  
MEPZ-SEZ, Tambaram,  
Chennai 600 045.
- xv) Investor Correspondence : The Company Secretary  
Igarashi Motors India Ltd  
Plots B-12 – B –15,Phase II  
MEPZ-SEZ, Tambaram,  
Chennai 600 045.  
Phone No.: +91-44-42298199  
Fax No. : +91-44-22628143  
e-mail : investorservices@igarashimotors.co.in



## 13. CODE OF CONDUCT

The Company's Code of Conduct had been complied by all the members of the Board and select employees of the Company.

The Company has in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

## 14. MAINTENANCE OF A WEBSITE

In order to ensure / enhance public dissemination of all basic information about the Company, it has been decided to maintain functional website containing basic information about the Company with duly updated all statutory filings. Presently the website is under construction.

## 15. MANAGING DIRECTOR AND CFO CERTIFICATION

As on March 31, 2015, Mr. P Mukund, Managing Director and Mr. R Chandrasekaran, CFO have certified to the Board that with respect to the Financial Statements, Internal Controls and other matters as required by the Clause 49 of the Listing Agreement with Stock Exchanges and said Certificate is contained in this Annual Report.

## 16. AUDITORS CERTIFICATION ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance prescribed by Clause 49 of the Listing Agreement with Stock Exchanges, which is attached herewith.

## 17. DECLARATION

As provided under the Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and select employees have confirmed Compliance with the Code of Conduct.

For Igarashi Motors India Limited

Place: Chennai  
Date : May 25, 2015

**P.Mukund**  
Managing Director



## CERTIFICATE ON CORPORATE GOVERNANCE

To

The Board of Directors,  
Igarashi Motors India Limited

We have reviewed the financial statements and the cash flow statements of Igarashi Motors India Limited (the Company) for the financial year ended 31<sup>st</sup> March, 2015 and certify that:

- a. These statements, to the best of our knowledge and belief :
  - i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, of which we are aware and the steps taken and proposed to be taken to rectify these deficiencies.
- d. We have also indicated to the auditors and the Audit committee:
  - (i) significant changes in the internal controls with respect to financial reporting during the year and the achievement of adequate internal controls within the Company's ERP systems;
  - (ii) significant changes in accounting policies during the year and these have been disclosed in the notes to the financial statements;
- e. To the best of our knowledge and belief, there are no instances of significant fraud involving either the Management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

Place : Chennai  
Date : May 25,2015

**P.Mukund**  
Managing Director

**R.Chandrasekaran**  
Chief Financial Officer

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## AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members of Igarashi Motors India Limited,

We have examined the compliance of conditions of Corporate Governance by M/s Igarashi Motors India Limited for the year ended 31<sup>st</sup> March 2015, as stipulated in Clause 49 of the Listing agreement entered into by the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Guarantee. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as per the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

**for SHARP & TANNAN**  
Chartered Accountants  
(Firm's Registration No.003792S)

Place: Chennai  
Date : May 25, 2015

**V.Viswanathan**  
Partner  
Membership No. 215565

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF IGARASHI MOTORS INDIA LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Igarashi Motors India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in para 3 and 4 of the said Order.



As required by Section 143 (3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note 17(a) (ii) and (iii) to the financial statements;
- ii) The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**for SHARP & TANNAN**  
Chartered Accountants  
(Firm's Registration No.003792S)

**V.Viswanathan**  
Partner  
Membership No. 215565

Place: Chennai

Date : May 25, 2015

### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Igarashi Motors India Limited ("the Company") on the financial statements for the year ended March 31, 2015, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted an unsecured loan to a company covered in the register maintained under section 189 of the Act. The principal amount has not become due during the year and hence reporting on the regularity of receipt of principal does not arise. The receipt of interest has been regular.
- (b) There is no overdue amount more than rupees one lakh for the loan granted and hence reporting under clause 3(iii) (b) of the Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with respect to purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Hence, reporting under clause 3 (v) of the Order does not arise.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, the contents of these records have not been examined by us.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, dues in respect of income-tax as at March 31, 2015, which have not been deposited on account of disputes pending is as under :



Name of the statute	Nature of the disputed dues	Amount ₹	Period to which the amount relates	Forum where disputes are pending
Income-tax Act, 1961	Disallowance under Section 14A (Read with Rule 8D), disallowance of additional depreciation on certain machinery, addition under Section 2(24)(x) read with Section 36(1)(va) and TDS credit mismatch	4,470	Assessment Year 2011-12 (Financial year 2010-11)	Commissioner of Income Tax (Appeals)
	Disallowance under Section 14A (Read with Rule 8D), addition under Section 2(24)(x) read with section 36(1)(va) and TDS credit mismatch	1,661,180	Assessment Year 2012-13 (Financial year 2011-12)	
	<b>Total</b>	<b>1,665,650</b>		

According to the information and explanations given to us and the records of the Company examined by us, there are no dues in respect of sales tax, wealth tax, service tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute.

- (c) The amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses as at March 31, 2015. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of dues to a financial institution or bank during the year. The Company has not issued any debentures during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, reporting under clause 3 (x) of the Order does not arise.
- (xi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on the Company or any instances of fraud by the Company noticed or reported during the year, nor have we been informed of such cases by the management.

**for SHARP & TANNAN**  
Chartered Accountants  
(Firm's Registration No.003792S)

Place: Chennai  
Date : May 25, 2015

**V.Viswanathan**  
Partner  
Membership No. 215565

**BALANCE SHEET AS AT MARCH 31, 2015**

	Note	As at 31.03.2015		As at 31.03.2014	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
(a) Share capital	2	306,084,440		304,454,440	
(b) Reserves and surplus	3	<u>2,203,440,857</u>		<u>1,888,200,562</u>	
			<b>2,509,525,297</b>		<b>2,192,655,002</b>
<b>Non-current liabilities</b>					
(a) Long-term borrowings	4	416,993,218		373,297,253	
(b) Deferred tax liabilities (net)	5	<u>89,346,336</u>		<u>102,324,243</u>	
			<b>506,339,554</b>		<b>475,621,496</b>
<b>Current liabilities</b>					
(a) Short-term borrowings	6	13,327		29,975,957	
(b) Trade payables	7	682,323,045		430,604,027	
(c) Other current liabilities	8	299,882,134		262,675,504	
(d) Short-term provisions	9	<u>406,063,930</u>	<u>1,388,282,436</u>	<u>205,692,441</u>	<u>928,947,929</u>
			<b>4,404,147,287</b>		<b>3,597,224,427</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Fixed assets	10				
(i) Tangible assets		1,191,760,162		1,227,736,839	
(ii) Intangible assets		18,792,198		29,047,335	
(iii) Capital work-in-progress		5,630,492		11,419,293	
(iv) Intangible assets under development		<u>6,466,944</u>		<u>-</u>	
			<b>1,222,649,796</b>		<b>1,268,203,467</b>
(b) Non-current investments	11		<b>261,264,900</b>		<b>211,864,900</b>
(c) Long-term loans and advances	12		<b>33,817,376</b>		<b>34,995,661</b>
<b>Current assets</b>					
(a) Inventories	13	330,615,328		246,509,897	
(b) Trade receivables	14	785,177,267		696,382,516	
(c) Cash and bank balances	15	911,428,928		401,305,829	
(d) Short-term loans and advances	16	<u>859,193,692</u>		<u>737,962,157</u>	
			<b>2,886,415,215</b>		<b>2,082,160,399</b>
			<b>4,404,147,287</b>		<b>3,597,224,427</b>
Contingent liabilities and commitments	17				
Significant accounting policies	1				

The accompanying notes form an integral part of the financial statements

As per our report attached of even date

**for SHARP & TANNAN**

Chartered Accountants

(Firm's Registration No.003792S)

**P. Mukund**  
Managing Director

**Hemant M Nerurkar**  
Chairman

**V.Viswanathan**

Partner

Membership No. 215565

Place: Chennai

Date : May 25, 2015

**Keiichi Igarashi**  
Director

**S. Radhakrishnan**  
Director

**Amit Dixit**  
Director

**R. Chandrasekaran**  
Chief Financial Officer

**P. Dinakara Babu**  
Company Secretary





## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note	2014 - 15		2013 - 14	
		₹	₹	₹	₹
<b>REVENUE</b>					
Revenue from operations	18	3,864,228,277		3,632,105,956	
Less: Excise duty		<u>13,445,698</u>		<u>19,827,290</u>	
			<b>3,850,782,579</b>		3,612,278,666
Other income	19		<b>171,437,039</b>		96,756,407
<b>Total Revenue</b>			<b><u>4,022,219,618</u></b>		<b><u>3,709,035,073</u></b>
<b>EXPENSES</b>					
Manufacturing and operating expenses	20				
a) Cost of materials consumed		<b>2,468,650,909</b>		2,358,089,058	
b) Changes in inventories of finished goods and work-in-progress		<b>(9,482,132)</b>		(8,850,099)	
c) Other manufacturing and operating expenses		<u>134,866,253</u>		<u>115,147,821</u>	
			<b>2,594,035,030</b>		2,464,386,780
Employee benefits expense	21		<b>276,833,712</b>		256,495,278
Finance costs	22		<b>57,423,169</b>		110,796,412
Depreciation and amortisation expense	10(vi)		<b>187,982,475</b>		156,136,117
Selling, administration and other expenses	23		<u>189,468,086</u>		<u>219,806,705</u>
<b>Total Expenses</b>			<b><u>3,305,742,472</u></b>		<b><u>3,207,621,292</u></b>
Profit before exceptional items and taxes			<b>716,477,146</b>		501,413,781
<b>Exceptional items</b>			-		82,496,337
Profit before taxes			<b>716,477,146</b>		583,910,118
<b>Tax expense</b>					
Current tax	9(a)	<b>232,000,000</b>		122,600,000	
Deferred tax	5	<u>(5,039,720)</u>		<u>(127,769)</u>	
			<b>226,960,280</b>		122,472,231
<b>Profit for the year</b>			<b><u>489,516,866</u></b>		<b><u>461,437,887</u></b>
<b>Earnings per equity share</b>	33				
Basic			<b>16.01</b>		20.22
Diluted			<b>16.01</b>		20.14
Face value per equity share			<b>10.00</b>		10.00
Significant accounting policies	1				

The accompanying notes form an integral part of the financial statements

As per our report attached of even date

### for SHARP & TANNAN

Chartered Accountants  
(Firm's Registration No.003792S)

**P. Mukund**  
Managing Director

**Hemant M Nerurkar**  
Chairman

**V.Viswanathan**  
Partner  
Membership No. 215565  
Place: Chennai  
Date : May 25, 2015

**Keiichi Igarashi**  
Director

**S. Radhakrishnan**  
Director

**Amit Dixit**  
Director

**R. Chandrasekaran**  
Chief Financial Officer

**P. Dinakara Babu**  
Company Secretary



## Note 1 Significant Accounting Policies

### a) Basis of presentation

The Company maintains its accounts on accrual basis following the historical cost convention, in accordance with the accounting principles generally accepted in India, ["GAAP"], and in compliance with the provisions of Companies Act, 2013 ("the Act"), including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines override the same requiring a different treatment.

### b) Use of estimates

The preparation of financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

### c) Revenue recognition

Revenue is recognized based on nature of activity when consideration can be reliably measured and there exists reasonable certainty of its recovery.

- (i) Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products are transferred to the customer under the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products. Sales include excise duty and adjustments made towards liquidated damages and price variation, if any. Sales exclude sales tax / value added tax. Escalation and other claims, which are not ascertainable/ acknowledged by customers, are accounted in the period in which they are ascertained / acknowledged.
- (ii) Interest income on deposits and loans is recognised at the agreed rate on time proportion basis.
- (iii) Other items of income are accounted as and when the right to receive arises.

### d) Tangible fixed assets

- (i) Tangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation and cumulative impairment.
- (ii) Administrative and other general overhead expenses that are specifically attributable to the construction or acquisition of a fixed asset or bringing the fixed asset to its working condition are allocated and capitalized as part of cost of the fixed asset.
- (iii) Tangible assets which are not ready for the intended use as on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

### e) Depreciation

- (i) Owned assets

Depreciation on assets including buildings constructed on leasehold land is provided for under the straight line method based on the useful lives prescribed in Schedule II to the Act. However, in respect of the following fixed assets, the Company has reviewed and revised the useful lives based on internal technical evaluation.

Asset category	Useful life as per Schedule II (in years)	Revised Useful life adopted based on internal technical evaluation (in years)
Plant and equipment - Tools	15	5
Furniture and fixtures – Welfare assets used by the employees	10	5



The Company has carried out an assessment of useful lives of the above assets and based on technical justification, different useful lives have been arrived at in respect of the above assets.

The justification for adopting different useful life compared to the useful life of assets provided in Schedule II is based on the consumption pattern and performance of the assets duly supported by internal technical assessment.

Assets costing less than Rs.5,000/- are depreciated fully in the year of purchase. Extra shift depreciation is provided on a location basis.

Depreciation charge for impaired assets is adjusted in the future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

(ii) Leased assets

Assets acquired under finance leases are depreciated on straight line method over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated over their useful lives adopted by the Company.

**f) Intangible assets and amortisation**

Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated amortisation and cumulative impairment.

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the asset can be measured reliably.

Product development expenses on new products are capitalised as intangible assets, if all of the following can be demonstrated:

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) The Company has intention to complete the intangible asset and use or sell it;
- iii) The Company has ability to use or sell the intangible asset;
- (iv) The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (v) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) The Company has ability to measure the expenditure attributable to the intangible asset during its development reliably.

Other development costs that do not meet above criteria are expensed in the period in which they are incurred.

Intangible assets are amortised over their useful lives on straight line basis in the following manner:

- i) Product development expenses on new products are amortized over a period of 60 months from the date of commencement of commercial production of the relevant product.
- ii) Product design expenses in respect of future products are amortized over a period of 36 months from the date of approval of design by the customer.
- iii) Specialised software are amortised over a period of 6 years from the date of capitalisation.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

Amortisation charge for impaired assets is adjusted in the future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

**g) Impairment of assets**

As at each Balance Sheet date, the carrying amount of asset is tested for impairment so as to determine:

## Igarashi Motors India Limited

- i) the provision for impairment loss, if any; and
- ii) the reversal of impairment loss recognized in previous periods, if any,

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

### h) Investments

Trade investments comprise investments in entities in which the Company has strategic business interest.

Investments, which are readily realisable and are intended to be held for not more than one year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature.

The determination of carrying value of such investments is done on the basis of weighted average cost of each individual investment.

### i) Inventories

Inventories are valued after providing for obsolescence as under:

Raw materials and components, packing materials, stores, spares and tools	At lower of weighted average cost and net realizable value. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost of such finished products.
Work-in-progress	At lower of cost of raw material and components including related overheads and net realizable value.
Finished goods	At lower of cost and net realizable value. Cost includes raw materials, components and related overheads.

### j) Cash and cash equivalents

Cash and cash equivalents represents cash on hand and demand deposits with banks and include short-term and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### k) Employee stock options schemes

In respect of stock options granted pursuant to the Company's Stock Option Schemes, the intrinsic value of the options (excess of market price of the share over the exercise price of the option), is treated as discount and accounted as employee compensation cost over the vesting period.

### l) Leases

The determination of whether the agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

#### (i) Finance leases

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.



(ii) Operating leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

**m) Foreign currency transactions, forward contracts and derivatives**

- (i) The reporting currency of the Company is Indian Rupee.
- (ii) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (iii) Exchange differences that arise on settlement of monetary items or on reporting of the Company's monetary items at each balance sheet date at the closing rate are recognised as income or expense in the period in which they arise.
- (iv) Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Exchange differences arising on such contracts are recognized in the period in which they arise. Gains and losses arising on account of roll over/ cancellation of forward contracts are recognized as income/expenses of the period in which such roll over/ cancellation takes place.
- (v) All the other derivative contracts, including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions, are recognized in the financial statements at fair value as at Balance Sheet date, in pursuance of the announcement of the Institute of Chartered Accountants of India (ICAI) dated March 29, 2008 on accounting of derivatives. The Company has adopted Accounting Standard (AS) 30 "Financial Instruments : Recognition and Measurement" for accounting of such derivative contracts, not covered under Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates", as mandated by the ICAI in the aforesaid announcement.

Accordingly, the resultant gains or losses on fair valuation / settlement of the derivative contracts covered under Accounting Standard (AS) 30 "Financial instruments : Recognition and Measurement" are recognized in the Statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the hedge in respect of off-balance sheet items is effective, the gains or losses are recognised in the "Hedging Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet.

The amount recognised in the "Hedging Reserve" is transferred to the Statement of Profit and Loss in the period in which the underlying hedged item affects the Statement of Profit and Loss. Gains or losses in respect of ineffective hedges are recognised in the Statement of Profit and Loss in the period in which such gains or losses are incurred.

- (vi) Premium paid / received on a foreign currency forward contract is accounted as expense / income over the life of the contract.

**n) Employee benefits**

- (i) Short-term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short-term compensated absences, etc. and the expected cost of bonus and ex-gratia are recognized in the period in which the employee renders the related service.

- (ii) Post-employment benefits:

1) *Defined contribution plans*

The Company's state governed provident fund scheme, employees' state insurance scheme and employee pension scheme are the defined contribution plans. The contribution paid/ payable under

## Igarashi Motors India Limited

the schemes is recognized during the period in which the employee renders the related service.

### 2) *Defined benefit plans*

The Company's obligation towards gratuity is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities having maturity periods approximating to the terms of related obligations as at the balance sheet date.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss, and gains or losses on the curtailment or settlement of the defined benefit plan are recognized when the curtailment or settlement occurs.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

### (iii) Long-term employee benefits

The obligation for long-term employee benefits such as long-term compensated absences is recognized in the similar manner as in the case of defined benefit plans as mentioned in (ii) (2) above.

## o) **Borrowing costs**

- (i) Borrowing costs include interest, commitment charges, amortization of ancillary costs, amortization of discounts/ premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.
- (ii) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (ordinarily, a period of twelve months) to get ready for its intended use or sale.
- (iii) All other borrowing costs are recognised as an expense in the period in which they are incurred.

## p) **Taxes on income**

- (i) Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.
- (ii) Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- (iii) Deferred tax assets relating to unabsorbed depreciation/business losses are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- (iv) Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



**q) Operating cycle for current/ non-current classification**

Operating cycle for the business activities of the Company is taken as twelve months for classification of its assets and liabilities into current/ non-current.

**r) Provisions, contingent liabilities and contingent assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- i) the Company has a present obligation as a result of a past event,
- ii) a probable outflow of resources is expected to settle the obligation; and
- iii) the amount of obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- i) present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii) a present obligation arising from past events, when no reliable estimate is possible;
- iii) a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

# Igarashi Motors India Limited

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 2. SHARE CAPITAL

#### a) Authorised, issued, subscribed and paid up share capital

	As at 31.03.2015		As at 31.03.2014	
	Numbers	₹	Numbers	₹
<b>Authorised Capital</b>				
Equity shares of ₹ 10/- each	<b>35,000,000</b>	<b>350,000,000</b>	35,000,000	350,000,000
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each	<b>30,608,444</b>	<b>306,084,440</b>	30,445,444	304,454,440
	<b>30,608,444</b>	<b>306,084,440</b>	30,445,444	304,454,440

#### b) Reconciliation of shares outstanding at the beginning and at the end of the year

	2014-15		2013-14	
	Numbers	₹	Numbers	₹
At the beginning of the year	<b>30,445,444</b>	<b>304,454,440</b>	20,419,382	204,193,820
Issued during the year - on exercise of employees stock options [Refer Note (g) (II)]	<b>163,000</b>	<b>1,630,000</b>	793,700	7,937,000
Issued during the year - Optionally Convertible Redeemable Debentures converted to equity shares	-	-	9,232,362	92,323,620
At the end of the year	<b>30,608,444</b>	<b>306,084,440</b>	30,445,444	304,454,440

#### c) Terms / rights / restrictions attached to equity shares

- (i) The Company has only one class of equity shares having a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share.
- (ii) All shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached to any of the shares.
- (iii) The Company has not issued any securities with the right / option to convert the same into equity shares at a later date.

#### d) Shares held by the holding company

	As at 31.03.2015		As at 31.03.2014	
	Numbers	₹	Numbers	₹
Agile Electric Sub Assembly Private Limited, the holding company				
Equity shares of ₹ 10/- each fully paid up	<b>12,830,059</b>	<b>128,300,590</b>	12,830,059	128,300,590

#### e) Details of share holders holding more than 5% of equity shares in the Company

Name of shareholder	As at 31.03.2015		As at 31.03.2014	
	Numbers	% holding	Numbers	% holding
Agile Electric Sub Assembly Private Limited	<b>12,830,059</b>	<b>41.92</b>	12,830,059	42.14
P. Mukund (Person acting in concert)	<b>9,978,384</b>	<b>32.60</b>	9,978,384	32.77
Igarashi Electric Works (H.K) Limited, Hong Kong	<b>2,499,993</b>	<b>8.17</b>	2,499,993	8.21

#### f) The Company has not bought back any shares or issued shares for consideration other than cash or issued





## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

bonus shares during the five years immediately preceding the date of Balance Sheet.

### g) Shares reserved for issue under options outstanding as at the end of the year on unissued share capital

	As at 31.03.2015		As at 31.03.2014	
	Number of equity shares to be issued as fully paid	₹ (at face value)	Number of equity shares to be issued as fully paid	₹ (at face value)
Employee stock options granted and outstanding	-	-	172,000	1,720,000

### Employee Stock Option Plan [ESOP]:

#### (I) Terms

- (i) The Company has obtained approval of share holders through postal ballot on January 08, 2011 for grant of 1,250,000 options under the Employees Stock Option Plan, 2006 to its employees and Directors. The options have a vesting period of one year from the date of grant of the option. The exercise period is five years from the date of grant of option.
- (ii) The grant of options to the employees under the employee stock option scheme is on the basis of their performance and other eligibility criteria. The options are vested equally over a period of one year, subject to the discretion of the management and fulfillment of certain conditions.

#### (II) The details of grants under the aforesaid scheme are summarized below -

S.No Particulars	ESOP, 2006	
	2014 - 15	2013 - 14
1 Grant Price - ₹	40.15	40.15
2 Grant dates	27-Aug-10 onwards	
3 Vesting commences on	27-Aug-11 onwards	
4 Options granted and outstanding at the beginning of the year	172,000	940,700
5 Options lapsed / withdrawn during the year	9,000	-
6 Options granted during the year	-	25,000
7 Options exercised during the year	163,000	793,700
8 Options granted and outstanding at the end of the year of which -	-	172,000
Options vested	-	147,000
Options yet to vest	-	25,000

(III) During the year, the Company has amortised proportionate employee stock based compensation expense amounting to ₹ 90,466/- (previous year ₹ 544,534/-) which has been included in Note 21 "Employee benefits expense".

h) There are no other shares reserved for issue under options and contract / commitments for sale of share or disinvestment.

i) The Directors recommend payment of dividend of ₹ 4.44 per equity share of ₹ 10/- each on the number of shares outstanding as on the record date. Provision for dividend has been made in the books of account for 30,608,444 equity shares outstanding as at March 31, 2015 amounting to ₹ 135,901,491/-



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**3 RESERVES AND SURPLUS**

	As at 31.03.2015		As at 31.03.2014	
	₹	₹	₹	₹
<b>Securities premium account</b>				
As per last Balance Sheet	1,342,635,541		816,913,540	
Add: Additions on conversion of Optionally Convertible Debentures	-		507,779,910	
Add: Additions on ESOPs exercised	4,914,450		23,930,055	
Add: Transferred from Employee Stock options outstanding	4,351,340		15,828,320	
Less: Debenture issue expenses	-		(21,816,284)	
		<u>1,351,901,331</u>		<u>1,342,635,541</u>
<b>Share options outstanding account</b>				
<i>Employees stock options outstanding</i>				
As per last Balance Sheet	4,593,710		19,787,030	
Add: Additions during the year	-		635,000	
Less: Allotment of shares during the year	(4,351,340)		(15,828,320)	
Less: Stock options lapsed during the year transferred to General Reserve	(242,370)		-	
				4,593,710
<i>Deferred employee compensation expense</i>				
As per last Balance Sheet	(90,466)		-	
Add: Additions during the year	-		(635,000)	
Less: Amortisation during the year	90,466		544,534	
				(90,466)
<b>Hedging Reserve</b>				
As per last Balance Sheet	-		-	
Add: Additions during the year (net)	(825,842)		-	
		(825,842)		-
<b>General Reserve</b>				
As per last Balance Sheet	-		-	
Add: Transferred from Surplus	46,200,000		-	
Add: Transferred from Employee Stock Options Outstanding pursuant to Options lapsed	242,370		-	
		46,442,370		-
<b>Surplus</b>				
As per last Balance Sheet	541,061,777		186,482,831	
Add: Profit for the year	489,516,866		461,437,887	
Less: Transferred to General Reserve	(46,200,000)		-	
Less: Depreciation charged against retained earnings pursuant to Schedule II to the Act (net of tax) [Refer Note 10 (vii) infra]	(14,999,247)		-	
Less: Interim dividend	-		(30,445,444)	
Less: Final dividend paid	(326,000)		-	
Less: Proposed dividend	(135,901,491)		(60,890,888)	
Less: Additional tax on dividend	(27,228,907)		(15,522,609)	
		<u>805,922,998</u>		<u>541,061,777</u>
		<u>2,203,440,857</u>		<u>1,888,200,562</u>



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**4 LONG-TERM BORROWINGS**

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
<b>Secured</b>		
Term loans from banks		
(i) External commercial borrowings	386,964,205	264,383,818
(ii) Foreign currency term loan	17,205,951	-
(iii) Rupee term loan	-	82,812,500
<b>Unsecured</b>		
(i) Finance lease obligations [Refer Note 31 (a) infra]	12,823,062	25,818,789
(ii) Vehicle loan	-	282,146
	<u>416,993,218</u>	<u>373,297,253</u>

**Terms and conditions of long-term borrowings**

**(a) Secured loans**

Terms of repayment as at March 31, 2015

- (i) External commercial borrowing (ECB-I) is repayable in ten unequal quarterly installments ending in August 2017.
- (ii) External commercial borrowing (ECB-III) is repayable in sixteen equal quarterly installments ending in November 2019.
- (iii) Foreign currency term loan is repayable in five equal quarterly installments ending in April 2016.

Nature of security

- (i) External commercial borrowing (ECB-I) is secured by first exclusive charge on the fixed assets of the Company created out of the ECB facility funded by the bank, both present and future, an equitable mortgage over the superstructures constructed by the Company and second ranking pari-passu charge on all the current assets of the Company, both present and future.
- (ii) External commercial borrowing (ECB-III) is secured by first ranking pari-passu charge on the entire fixed assets, all right, title, interest, benefit, claims and demand of the Company, both present and future, an equitable mortgage over the superstructures constructed by the Company and a second ranking pari-passu charge on all the current assets of the Company, both present and future.
- (iii) Foreign currency term loan is secured by first ranking pari-passu charge on all moveable fixed assets of the Company, both present and future, an equitable mortgage over the superstructures constructed by the Company and second ranking pari-passu charge on all the current assets of the Company, both present and future.

**(b) Unsecured loan**

- (i) Finance lease obligations are repayable in sixty equated monthly installments from the date of respective lease finance.

**5 DEFERRED TAX LIABILITIES (NET)**

Major components of deferred tax liabilities and deferred tax assets are as follows :

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
	<u>Deferred Tax Assets (a)</u>	<u>Deferred Tax Liabilities (b)</u>
Difference between book depreciation and tax depreciation		103,082,225
Tax effect of depreciation charged against opening balance of retained earnings [Refer Note 10 (vii) infra]	(7,938,187)	-
Provision for unpaid bonus, gratuity and leave encashment debited to the Statement of Profit and Loss	479,715	757,982
Total	<u>479,715</u>	<u>757,982</u>
Deferred tax liability (net) [(b) - (a)]	<u>89,346,336</u>	<u>102,324,243</u>

# Igarashi Motors India Limited

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹		As at 31.03.2014 ₹	
	Deferred Tax Assets (a)	Deferred Tax Liabilities (b)	Deferred Tax Assets (a)	Deferred Tax Liabilities (b)
Net increase / (decrease) in deferred tax liability		(12,977,907)		
Less: Charged against retained earnings		(7,938,187)		
Net increase / (decrease) in deferred tax liability charged / (credited) to Statement of Profit and Loss		(5,039,720)		

### 6 SHORT-TERM BORROWINGS

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
<b>Secured</b>		
Working Capital Loans		
Packing Credit / Buyers' Credit from banks [Note (a) below]	13,327	29,975,957
	<u>13,327</u>	<u>29,975,957</u>

- (a) Working capital loans in the nature of packing credit and buyers' credit are repayable within one year. They are secured by first ranking pari-passu charge on all current assets of the Company, both present and future, and a second ranking pari-passu on all fixed assets of the Company, both present and future after term loans from banks. The charge also extends to bills discounted amounting to ₹ 72,638,834/- (Previous year ₹ 38,330,811/-)

### 7 TRADE PAYABLES

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Due to:		
Micro and small enterprises [Note (a) below]	-	2,916,538
Other than micro and small enterprises	682,323,045	427,687,489
	<u>682,323,045</u>	<u>430,604,027</u>

- (a) The disclosures pursuant to The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] is as under:

	2014-15 ₹	2013-14 ₹
Principal amount due to suppliers under MSMED Act, 2006	-	2,916,538
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	28
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	4,268,890
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	99,657	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	99,629
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	99,657
Amount of further interest due and payable even in the succeeding year until such date when the interest dues, as above, are actually paid to the small enterprise	-	-



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**8 OTHER CURRENT LIABILITIES**

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Current maturities of long-term borrowings [Refer note 4 <i>supra</i> for terms and conditions]		
<b>Secured</b>		
Term loans from banks		
External commercial borrowings	76,340,357	34,017,782
Foreign currency term loan	68,823,804	-
Rupee term loan	-	66,250,000
<b>Unsecured</b>		
Finance lease obligations	12,995,727	10,897,550
Vehicle loan	-	354,964
	<b>158,159,888</b>	<b>111,520,296</b>
Interest accrued and due on borrowings	320,772	58,196
Interest accrued but not due on borrowings	1,973,031	1,391,671
Advance received from customers	72,940,375	58,296,344
Unpaid dividend	810,423	690,548
Liability for capital goods	8,309,435	48,067,946
Liability for expenses	47,773,723	31,778,515
Statutory liabilities	9,594,487	9,995,816
Other payables	-	876,172
	<b>299,882,134</b>	<b>262,675,504</b>

**9 SHORT-TERM PROVISIONS**

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Employee benefits [Refer Note 28 <i>infra</i> ]		
Gratuity	-	1,071,449
Leave encashment	207,238	-
	<b>207,238</b>	<b>1,071,449</b>
Income taxes		
Current year [Refer Note (a) below]	232,000,000	122,600,000
Earlier years [net of advance tax ₹ 20,685,453/- (Previous year ₹ 20,685,453/-)]	10,781,698	10,781,698
	<b>242,781,698</b>	<b>133,381,698</b>
Proposed dividend	135,901,491	60,890,888
Additional tax on dividend	27,173,503	10,348,406
	<b>406,063,930</b>	<b>205,692,441</b>

(a) Provision for current tax has been determined in accordance with the applicable provisions of the Income Tax Act, 1961.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

10 FIXED ASSETS

(Figures in ₹)

Particulars	GROSS BLOCK			DEPRECIATION / OBSOLESCENCE				NET BLOCK			
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Up to 31.03.2014	Charged against retained earnings	For the year	On deductions	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
(i) <b>Tangible assets</b>											
<b>Buildings</b>											
Owned [Refer Note (v)]	222,356,440	6,571,092	-	228,927,532	48,011,909	6,200,353	8,792,723	-	63,004,985	165,922,547	174,344,531
<b>Plant and equipment</b>											
Owned	1,658,803,642	158,379,642	6,296,260	1,810,887,024	678,448,661	12,027,450	157,111,312	4,681,025	842,906,398	967,980,626	980,354,981
Taken on lease	65,257,731	-	-	65,257,731	14,297,842	-	5,939,981	-	20,237,823	45,019,908	50,959,889
<b>Office equipment</b>											
Owned	9,147,508	274,342	-	9,421,850	3,718,060	3,679,191	525,975	-	7,923,226	1,498,624	5,429,448
<b>Furniture and fixtures</b>											
Owned	32,231,154	63,256	-	32,294,410	18,375,319	1,023,586	3,862,142	-	23,261,047	9,033,363	13,855,835
<b>Vehicles</b>											
Owned	4,471,494	-	751,831	3,719,663	1,679,339	6,854	480,205	751,829	1,414,569	2,305,094	2,792,155
<b>Total tangible assets</b>	1,992,267,969	165,288,332	7,048,091	2,150,508,210	764,531,130	22,937,434	176,712,338	5,432,854	958,748,048	1,191,760,162	-
Previous year	1,827,721,766	168,449,433	3,903,230	1,992,267,969	612,649,432	-	153,152,014	1,270,316	764,531,130	-	1,227,736,839

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Particulars	COST			AMORTISATION / OBSOLESCENCE				NET BLOCK			
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Up to 31.03.2014	Charged against retained earnings	For the year	On deductions	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
(ii) <b>Intangible assets</b>											
Product development expenses	53,429,466	-	-	53,429,466	50,734,336	-	2,121,939	-	52,856,275	573,191	2,695,130
Product design expenses	27,105,126	-	-	27,105,126	752,921	-	9,035,042	-	9,787,963	17,317,163	26,352,205
Specialised software	-	1,015,000	-	1,015,000	-	-	113,156	-	113,156	901,844	-
<b>Total Intangible assets</b>	80,534,592	1,015,000	-	81,549,592	51,487,257	-	11,270,137	-	62,757,394	18,792,198	-
Previous year	53,429,466	27,105,126	-	80,534,592	48,503,154	-	2,984,103	-	51,487,257	-	29,047,335
(iii) <b>Capital work-in-progress</b>	-	-	-	-	-	-	-	-	-	5,630,492	11,419,293
(iv) <b>Intangible assets under development</b>	-	-	-	-	-	-	-	-	-	6,466,944	-

(v) Factory building has been constructed on land taken on lease from May 1, 1991 for a period of fifteen years from Madras Export Processing Zone (MEPZ) and monthly rent paid has been recognized as an expense in the Statement of Profit and Loss. The Company has not paid any advance towards the lease. The said lease has since been renewed for a further period of five years from May 2, 2011 and is renewable further thereafter at the option of the Company on mutually agreed terms with MEPZ. In the event of the Company deciding to vacate the premises, the lessor (MEPZ) will compensate the Company a mutually agreed consideration for the sale of the factory building. Accordingly, depreciation has been provided based on the useful lives prescribed in Schedule II to the Companies Act, 2013.

(vi) Depreciation and amortisation expense

Particulars	2014-15 ₹	2013-14 ₹
Depreciation	176,712,338	153,152,014
Amortisation	11,270,137	2,984,103
<b>Total</b>	<b>187,982,475</b>	<b>156,136,117</b>



## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Pursuant to the applicability of Companies Act, 2013 ("the Act") with effect from April 1, 2014, depreciation on fixed assets for the year has been calculated based on the useful life of the assets as required by Schedule II to the Act. [Refer Note 1 (e) supra]. Accordingly, the carrying amount of the assets as on April 1, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Consequently, the depreciation for the year ended March 31, 2015 is higher and the profit before tax is lower to the extent of ₹ 19,623,864/-

Further, an amount of ₹ 22,937,434/- representing the carrying amount of fixed assets with remaining useful life as Nil, has been charged to the opening balance of retained earnings as on April 1, 2014 as required by Schedule II to the Act.

### (vii) Depreciation charged to opening balance of retained earnings

Particulars	2014-15 ₹
Carrying amount of fixed assets whose remaining useful life is Nil as per Schedule II	22,937,434
Less : Deferred tax impact on the above	7,938,187
<b>Amount charged to retained earnings</b>	<b>14,999,247</b>

### (vii) Impairment of assets

The Company has reviewed the future cash flows on the basis of value-in-use of its assets and has satisfied that the estimated recoverable amount of fixed assets is more than the carrying amount as per the books. Accordingly, no provision for impairment loss is required to be made in these financial statements.

## 11 NON -CURRENT INVESTMENTS

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Long-term investments at cost		
Unquoted Trade Investments		
Investments in equity instruments		
Fully paid equity shares of other Companies: Bosch Electrical Drives India Private Limited (2,612,649 Equity Shares of ₹ 100/- each) (Previous year 2,118,649 Equity Shares of ₹ 100/- each)	261,264,900	211,864,900
	<u>261,264,900</u>	<u>211,864,900</u>
a) Aggregate amount of unquoted non-current investments Book value	<u>261,264,900</u>	<u>211,864,900</u>

## 12 LONG-TERM LOANS AND ADVANCES

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
(Unsecured, considered good)		
Capital advances	652,500	1,904,335
Security deposits	32,912,861	32,816,186
Prepaid expenses	252,015	275,140
	<u>33,817,376</u>	<u>34,995,661</u>

# Igarashi Motors India Limited

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 13 INVENTORIES

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Raw materials and components [includes goods-in-transit ₹ 92,332,536/- (Previous year ₹ 47,028,091/-)]	242,104,676	189,649,951
Stores and spares [includes goods-in-transit ₹ 433,522/- (Previous year ₹ 774,410/-)]	25,914,972	26,936,201
Tools	28,940,340	5,750,537
Work-in-progress	16,569,977	17,341,215
Finished goods	17,085,363	6,831,993
	<u>330,615,328</u>	<u>246,509,897</u>

Refer Note 1(i) for mode of valuation

### 14 TRADE RECEIVABLES

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Unsecured, considered good		
Outstanding for a period of more than six months	3,252,969	1,174,679
Others	781,924,298	695,207,837
	<u>785,177,267</u>	<u>696,382,516</u>

### 15 CASH AND BANK BALANCES

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
<b>(i) Cash and cash equivalents</b>		
Balances with banks		
on current accounts	70,825,218	36,669,732
on fixed deposit accounts with maturity of less than 3 months [including interest accrued thereon ₹ 12,487,522/- (previous year ₹ 283,759/-)]	684,013,329	330,283,759
Cash on hand	-	-
<b>Sub total - Cash and cash equivalents</b>	<u>754,838,547</u>	366,953,491
<b>(ii) Other bank balances</b>		
Fixed deposits with maturity of more than 3 months and less than 12 months [including interest accrued of ₹ 596,035/- (Previous year ₹ Nil)]	105,596,035	-
Margin money deposits [including interest accrued thereon ₹ 1,507,094/- (previous year ₹ 638,832/-)] [Refer note below]	50,183,923	33,661,790
Earmarked balances - Unpaid dividend accounts	810,423	690,548
<b>Sub total - Other bank balances</b>	<u>156,590,381</u>	34,352,338
	<u>911,428,928</u>	<u>401,305,829</u>

Note : Margin money deposits have been pledged towards credit facilities availed from banks.

Bank deposits with maturity more than 12 months





NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**16 SHORT-TERM LOANS AND ADVANCES**

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Unsecured, considered good		
Inter-corporate deposit with Holding Company [Refer Note (a) below]	580,000,000	580,000,000
Advances to Holding Company	-	1,624,318
Advance income taxes - current year	229,473,636	123,675,388
Advance income taxes - earlier years (net of provisions) [Refer Note (b) below]	20,960,870	19,885,482
Balance with customs and excise	704,430	750,982
Other advances recoverable in cash or kind	28,054,756	12,025,987
	<u>859,193,692</u>	<u>737,962,157</u>

Note

- (a) Inter-corporate deposit (ICD) with holding company carries an interest rate of 10.50% p.a. The ICD shall be used for the business operations of the holding company, including but not limited to capital expenditure and operating expenses.
- (b) Includes Income tax paid under protest ₹ 10,164,183/- (Previous year ₹ 10,164,183/-)

**17 CONTINGENT LIABILITIES AND COMMITMENTS**

**a) Contingent liabilities**

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
i) Bills discounted with banks	72,638,834	38,330,811
ii) Income tax liability that may arise in respect of matters for which the Company is under appeal	11,829,833	10,164,183
iii) Employees State Insurance demand on dues for trainees	2,434,404	2,434,404

**b) Other details regarding contingent liabilities**

The Company does not expect any reimbursement in respect of the above contingent liabilities except bills discounted. It is not practicable to estimate the timing of outflows, if any, in respect of matters pertaining to (ii) and (iii) above, pending resolution of the appellate proceedings.

**c) Commitments**

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	23,267,859	40,307,928

**18 REVENUE FROM OPERATIONS**

	2014 - 15		2013 - 14	
	₹	₹	₹	₹
Sale of products				
Finished goods				
Exports [including deemed exports of ₹ 177,359,667/- (previous year ₹ 152,039,864/-)]		3,709,080,018		3,509,300,795
Domestic	155,148,259		122,805,161	
Less: Excise duty	13,445,698		19,827,290	
		<u>141,702,561</u>		<u>102,977,871</u>
		<u>3,850,782,579</u>		<u>3,612,278,666</u>



# Igarashi Motors India Limited

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	2014 - 15		2013 - 14	
	₹	₹	₹	₹
<b>Details of products sold</b>				
1) Electric Micro Motors		<b>3,606,277,607</b>		3,335,122,182
2) Stamping and motor components		<b>244,504,972</b>		277,156,484
		<b><u>3,850,782,579</u></b>		<b><u>3,612,278,666</u></b>

### 19 OTHER INCOME

	2014 - 15		2013 - 14	
	₹	₹	₹	₹
Interest income on				
Bank deposits	<b>51,784,361</b>		25,491,736	
Electricity deposits	<b>575,951</b>		743,053	
Inter-corporate deposits	<b>60,900,000</b>		46,840,275	
		<b><u>113,260,312</u></b>		73,075,064
Exchange gain (net)		<b>34,494,947</b>		-
Profit on sale of fixed assets		-		1,588,666
Lease rental income		<b>22,360,596</b>		21,002,930
Miscellaneous receipts		<b>1,321,184</b>		1,089,747
		<b><u>171,437,039</u></b>		<b><u>96,756,407</u></b>

### 20 MANUFACTURING AND OPERATING EXPENSES

	2014 - 15		2013-14	
	₹	₹	₹	₹
<b>(a) Cost of materials consumed</b>				
Raw materials and components consumed				
Opening stock	<b>189,649,951</b>		184,057,314	
Add: Purchases	<b>2,491,862,081</b>		2,328,649,362	
	<b>2,681,512,032</b>		2,512,706,676	
Less : Closing stock	<b>242,104,676</b>		189,649,951	
		<b><u>2,439,407,356</u></b>		2,323,056,725
Less: Scrap sales		<b>67,567,517</b>		52,588,654
		<b><u>2,371,839,839</u></b>		<b><u>2,270,468,071</u></b>
Stores, spares and tools consumed				
Opening stock	<b>32,686,738</b>		22,377,048	
Add: Purchases	<b>118,979,644</b>		97,930,677	
	<b>151,666,382</b>		120,307,725	
Less : Closing stock	<b>54,855,312</b>		32,686,738	
		<b><u>96,811,070</u></b>		87,620,987
		<b><u>2,468,650,909</u></b>		<b><u>2,358,089,058</u></b>
<b>(b) Changes in inventories of finished goods and work-in-progress</b>				
Closing stock :				
Finished goods	<b>17,085,363</b>		6,831,993	
Work-in-progress	<b>16,569,977</b>		17,341,215	
	<b>33,655,340</b>		24,173,208	
Less: Opening stock :				
Finished goods	<b>6,831,993</b>		2,207,636	
Work-in-progress	<b>17,341,215</b>		13,115,473	
	<b>24,173,208</b>		15,323,109	
		<b><u>(9,482,132)</u></b>		<b><u>(8,850,099)</u></b>



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	2014 - 15		2013 - 14	
	₹	₹	₹	₹
<b>(c) Other manufacturing and operating expenses</b>				
Power and fuel	47,488,765		43,897,329	
Repairs to				
Plant and machinery	74,708,057		62,814,431	
Building	12,669,431		8,436,061	
		<b>134,866,253</b>		115,147,821
		<b>2,594,035,030</b>		<b>2,464,386,780</b>

**(d) Disclosure of materials consumed**

	2014 - 15	2013 - 14
	₹	₹
(i) Ferrous materials	782,780,314	768,129,057
(ii) Non-ferrous materials	283,329,832	279,455,897
(iii) Commutator	229,988,289	225,805,742
(iv) Magnet	175,949,515	163,129,259
(v) Brush	139,777,929	135,963,533
(vi) Ball bearing	206,195,275	200,073,670
(vii) Sintered parts	233,987,826	213,768,744
(viii) Others	416,641,929	371,763,156
	<b>2,468,650,909</b>	<b>2,358,089,058</b>

**(e) Analysis of materials consumed**

Category	2014 - 15		2013 - 14	
	% of total consumption	Value (₹)	% of total consumption	Value (₹)
Imported	86.21	2,128,125,804	86.33	2,035,826,971
Indigenous	13.79	340,525,105	13.67	322,262,087
<b>Total</b>	<b>100.00</b>	<b>2,468,650,909</b>	<b>100.00</b>	<b>2,358,089,058</b>

(f) Details of inventory	As at	As at
	31.03.2015	31.03.2014
	₹	₹
1) Raw materials and components		
(i) Ferrous materials	65,873,877	57,669,777
(ii) Non-ferrous materials	16,250,685	16,949,056
(iii) Commutator	25,849,958	14,046,894
(iv) Magnet	21,902,238	12,458,639
(v) Brush	14,784,125	11,157,245
(vi) Ball bearing	17,238,478	15,504,706
(vii) Sintered parts	43,642,795	35,458,849
(viii) Others	36,562,520	26,404,785
	<b>242,104,676</b>	<b>189,649,951</b>
2) Stores, spares and tools		
(i) Tools	28,940,340	5,750,537
(ii) Spares	19,167,900	17,666,163
(iii) Consumables and others	6,747,072	9,270,038
	<b>54,855,312</b>	<b>32,686,738</b>

# Igarashi Motors India Limited

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
3) Work-in-progress		
(i) Electric Micro Motors	11,383,872	9,608,160
(ii) Stamping and motor components	5,186,105	7,733,055
	<u>16,569,977</u>	<u>17,341,215</u>
4) Finished goods		
(i) Electric Micro Motors	17,085,363	6,831,993
<b>21 EMPLOYEE BENEFITS EXPENSE</b>		
	2014 - 15 ₹	2013 - 14 ₹
Salaries, wages and bonus	232,160,684	217,358,723
Contribution to and provision for provident fund and gratuity fund	8,774,696	6,288,969
Expenses on Employee Stock Option Scheme	90,466	544,534
Welfare and other expenses	35,807,866	32,303,052
	<u>276,833,712</u>	<u>256,495,278</u>
<b>22 FINANCE COSTS</b>		
Interest		
On term loans	19,735,243	49,845,498
On working capital loans	3,013,661	6,418,846
On finance lease	2,919,158	3,870,901
Others	1,548,112	532,847
	<u>27,216,174</u>	60,668,092
Other borrowing costs	6,801,257	15,028,525
Exchange loss on borrowings (net)	23,405,738	35,099,795
	<u>57,423,169</u>	<u>110,796,412</u>
<b>23 SELLING, ADMINISTRATION AND OTHER EXPENSES</b>		
Rent	23,450,221	22,930,980
Rates, taxes and fees	2,330,495	3,903,065
Insurance	4,536,240	4,635,528
Travel and conveyance	47,680,786	48,619,005
Communication expenses	2,492,425	2,170,662
Recruitment and training	5,805,593	3,079,133
Printing and stationery	3,874,186	3,731,305
Bank charges	13,401,708	18,377,961
Professional charges [Refer Note below]	16,422,898	38,647,315
Selling and forwarding expenses	26,453,516	21,518,804
Loss on sale of fixed assets (net)	402,584	-
Exchange loss (net)	-	98,182
Quality cost	19,088,498	23,236,985
Miscellaneous expenses	23,528,936	28,857,780
	<u>189,468,086</u>	<u>219,806,705</u>



## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	2014 - 15 ₹	2013 - 14 ₹
Note: Includes Auditor's remuneration (excluding service tax) as detailed below:		
Statutory audit fees	900,000	750,000
Tax audit fees	105,000	100,000
Limited review certification fees	360,000	300,000
Certification fees	125,000	170,500
Reimbursement of expenses	91,423	23,342
	<b>1,581,423</b>	<b>1,343,842</b>
<b>24 VALUE OF IMPORTS (ON C.I.F.BASIS)</b>		
(i) Raw materials [includes purchases from units in SEZ of ₹ Nil (previous year ₹ 332,914/-)]	<b>430,654,601</b>	346,933,545
(ii) Components, stores and spares [includes purchases from units in SEZ of ₹ 494,631,628/- (previous year ₹ 514,434,254/-)]	<b>1,855,452,402</b>	1,755,003,063
(iii) Capital goods [includes purchases from units in SEZ of ₹ 37,954,595/- (previous year ₹ 40,031,296/-)]	<b>104,955,934</b>	116,210,558
<b>25 EXPENDITURE IN FOREIGN CURRENCY</b>		
(i) Foreign travel	<b>2,151,595</b>	1,875,488
(ii) Professional fees	<b>3,004,831</b>	6,192,799
(iii) Sub-contract charges	<b>19,063,202</b>	23,236,985
(iv) Interest expense	<b>21,749,085</b>	13,653,048
<b>26 DIVIDEND REMITTED IN FOREIGN CURRENCY</b>		
Final dividend for the year 2013-14 remitted to two non-resident shareholders on 3,467,641 equity shares (previous year interim dividend for the year 2013-14 remitted to two non-resident shareholders on 3,467,641 equity shares)	<b>6,935,282</b>	3,467,641
<b>27 EARNINGS IN FOREIGN CURRENCY</b>		
Export of goods calculated on F.O.B. basis [Including earnings in foreign currency on account of deemed exports of ₹ 177,359,667/- (Previous year ₹ 141,810,804/-)]	<b>3,709,080,018</b>	3,498,415,012

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**28 EMPLOYEE BENEFITS**

**Disclosure of employee benefits pursuant to Accounting Standard (AS) 15 “Employee Benefits”**

**(i) Defined benefit plans**

Provision for Gratuity (defined benefit plan) and Leave encashment (Long-term employee benefit) represents provision made as per Actuarial valuation report.

a) The amounts recognised in the balance sheet are as follows: (₹)

Particulars	Gratuity Plan		Leave Encashment	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
A. Present Value of Defined Benefit Obligation				
- Wholly funded	<b>15,932,670</b>	12,559,221	<b>9,185,446</b>	6,253,129
- Wholly Unfunded	-	-	-	-
<i>Less: Fair value of plan assets:</i>	<b>(16,379,880)</b>	(11,487,772)	<b>(8,978,208)</b>	(7,301,862)
Unrecognised past service costs	-	-	-	-
Amount to be recognised as liability / (asset)	<b>(447,210)</b>	1,071,449	<b>207,238</b>	(1,048,733)
B. Amounts reflected in the Balance Sheet				
Liabilities	<b>15,932,670</b>	12,559,221	<b>9,185,446</b>	6,253,129
Assets	<b>(16,379,880)</b>	(11,487,772)	<b>(8,978,208)</b>	(7,301,862)
<b>Net liability / (asset)</b>	<b>(447,210)</b>	1,071,449	<b>207,238</b>	(1,048,733)

Note: Assets are not recognised in the Balance Sheet

b) The amounts recognised in the Statement of Profit and Loss are as follows : (₹)

Particulars	Gratuity Plan		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Current service cost	<b>1,436,184</b>	1,642,174	<b>157,233</b>	146,868
Interest Cost	<b>1,111,103</b>	900,372	<b>555,601</b>	505,276
<i>Less: Expected return on plan assets</i>	<b>(1,161,627)</b>	(1,013,598)	<b>(524,769)</b>	(671,745)
Actuarial losses / (gains)	<b>1,098,897</b>	(468,780)	<b>2,172,438</b>	(122,009)
Past service cost	-	-	-	-
Effect of any curtailment or settlement	-	-	-	-
Actuarial gain not recognised in books	-	-	-	-
Total included in “Employee benefit expenses”	<b>2,484,557</b>	1,060,168	<b>2,360,503</b>	(141,610)
Actual Return on Plan assets	<b>1,316,173</b>	990,721	<b>731,372</b>	472,088



**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**28 EMPLOYEE BENEFITS (CONT.,)**

- c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹)

Particulars	Gratuity Plan		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Balance of the present value of defined benefit obligation as at the beginning of the year	<b>12,559,221</b>	12,000,980	<b>6,253,129</b>	6,709,239
Add: Current service cost	<b>1,436,184</b>	1,642,174	<b>157,233</b>	146,868
Add: Interest Cost	<b>1,111,103</b>	900,372	<b>555,601</b>	505,276
Add / Less : Actuarial losses / (gains)	<b>1,253,443</b>	(491,657)	<b>2,379,041</b>	(321,666)
Less: Benefits paid	<b>(427,281)</b>	(1,492,648)	<b>(159,558)</b>	(786,588)
Add: Past service cost	-	-	-	-
Balance of the present value of Defined benefit obligation as at the end of the year	<b>15,932,670</b>	12,559,221	<b>9,185,446</b>	6,253,129

- d) Change in fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹)

Particulars	Gratuity Plan		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Fair value of the plan assets as at the beginning of the year	<b>11,487,772</b>	11,418,581	<b>7,301,862</b>	7,616,362
Add: Expected return on plan assets	<b>1,161,627</b>	1,013,598	<b>524,769</b>	671,745
Add/(less) : Actuarial gains/(losses)	<b>154,546</b>	(22,877)	<b>206,603</b>	(199,657)
Add: Contribution by the employer	<b>4,003,216</b>	571,118	<b>1,104,532</b>	-
Less : Benefits paid during the year	<b>(427,281)</b>	(1,492,648)	<b>(159,558)</b>	(786,588)
Fair value of the plan assets as at the end of the year:	<b>16,379,880</b>	11,487,772	<b>8,978,208</b>	7,301,862

- e) All Investments in plan assets are managed by the Life Insurance Corporation of India.

- f) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

Particulars	2014-15	2013-14
Discount rate as at year end	<b>8.00%</b>	9.00%
Expected return on plan assets as at year end		
a) Gratuity Scheme	<b>9.00%</b>	8.75%
b) Leave Encashment Scheme	<b>9.00%</b>	6.75%
Salary growth rate:		
a) Gratuity Scheme	<b>8.00%</b>	8.00%
b) Leave Encashment Scheme	<b>8.00%</b>	6.00%

Attrition rate: 1-3% per annum, assumed to be independent of age and service.

Mortality rate : IALM (2006-08) Ultimate Table.

The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factors such as supply and demand in the employment market.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

g) The amounts pertaining to defined benefit plans and long-term employee benefits are as follows: (₹)

Particulars		As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
1)	Gratuity plan (funded)					
	Defined benefit obligation	<b>15,932,669</b>	12,559,221	12,000,980	11,617,474	9,123,550
	Plan assets	<b>16,379,880</b>	11,487,772	11,418,581	8,905,200	6,096,689
	Surplus / (deficit)	<b>447,211</b>	(1,071,449)	(582,399)	(2,712,274)	(3,026,861)
	Experience adjustment on plan liabilities	<b>(782,212)</b>	1,409,568	1,370,953	507,850	2,774,646
	Experience adjustment on plan assets	<b>154,546</b>	(22,877)	892,280	(1,090,563)	-
2)	Leave Encashment (funded)					
	Defined benefit obligation	<b>9,185,446</b>	6,253,129	6,709,239	6,681,443	4,502,070
	Plan assets	<b>8,978,208</b>	7,301,862	7,616,362	5,187,608	4,759,274
	Surplus / (deficit)	<b>(207,238)</b>	1,048,733	907,123	(1,493,835)	257,204
	Experience adjustment on plan liabilities	<b>1,707,246</b>	262,161	(915,534)	838,838	(147,840)
	Experience adjustment on plan assets	<b>206,603</b>	(199,657)	50,072	(20,807)	-

(h) General description of the defined benefit plan

The Company operates a funded defined benefit gratuity plan wherein every employee is entitled to a benefit equivalent to fifteen days last drawn salary for each completed year of service, subject to the maximum limit specified under the Payment of Gratuity Act, 1972, as amended from time to time. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

(ii) **Defined contribution plans**

Contribution to provident funds are made to the Regional Provident Fund office. Expenses recognised in the Statement of Profit and Loss is ₹ 6,290,139/- (previous year ₹ 5,228,801/-) Contribution to Employee State Insurance is made to the Employees' State Insurance Corporation. Expense recognised in the Statement of Profit and Loss is ₹ 2,025,648/- (previous year ₹ 2,172,269/-)

**29 SEGMENT REPORTING PURSUANT TO ACCOUNTING STANDARD (AS) 17**

(i) The Company is engaged in single segment of production of Micro motors and its accessories mainly for the Automotive sector. Hence disclosure of primary segment under Accounting Standard (AS) 17 "Segment Reporting" does not arise. The details of secondary segment being "geographical segments" are given below. (₹)

Segment	Domestic		Overseas		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
External revenue by location of customers	<b>319,062,228</b>	255,017,735	<b>3,531,720,351</b>	3,357,260,931	<b>3,850,782,579</b>	3,612,278,666
Carrying amount of segment assets by location of assets	<b>2,664,419,834</b>	2,052,167,201	<b>648,028,047</b>	609,631,456	<b>3,312,447,881</b>	2,661,798,657

(ii) Segment identification, reportable segments and definition of each reportable segment

(a) Secondary Segment reporting format

In respect of secondary segment information, the Company has identified its geographical segments as (1) Domestic and (2) Overseas. The secondary segment information has been disclosed accordingly.

(b) Reportable segments

Reportable segments have been identified as per the criteria specified in AS 17 - "Segment Reporting".

(iii) All fixed assets of the Company are located within India.





NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**30 RELATED PARTY DISCLOSURES PURSUANT TO ACCOUNTING STANDARD (AS) 18**

(i) Names of related parties and related party relationship

(a). *Related parties where control exists*

1. Blackstone Capital Partners (Singapore)  
VI FDI Three Pte.Limited - Ultimate Holding Company from 26.08.2013
2. Agile Electric Sub Assembly Private Limited - Holding Company

(b) *Related parties with whom transactions have taken place during the year*

1. Agile Electric Sub Assembly Private Limited - Holding Company
2. Mr. P. Mukund, Managing Director - Key Management Personnel

(ii) The following transactions were carried out with the related parties in the ordinary course of business.

(₹)

SI No	Nature of relationship / transaction	Holding Company	Key Management Personnel	Total
1	Purchase of goods	499,075,492 (516,570,666)	- -	499,075,492 (516,570,666)
2	Sale of goods	217,421,617 (223,179,935)	- -	217,421,617 (223,179,935)
3	Services received	6,249,180 (15,606,733)	- -	6,249,180 (15,606,733)
4	Purchase of fixed assets	51,897,539 (67,076,296)	- -	51,897,539 (67,076,296)
5	Sale of fixed assets	785,356 (82,423)	- -	785,356 (82,423)
6	Inter corporate deposits given	- (422,000,000)	- -	- (422,000,000)
7	Receipt of Inter corporate deposits given	- (24,000,000)	- -	- (24,000,000)
8	Interest income on Inter corporate deposits	60,900,000 (46,840,275)	- -	60,900,000 (46,840,275)
9	Reimbursement of expenses received from	2,282,398 (9,248,835)	- -	2,282,398 (9,248,835)
10	Reimbursement of expenses paid to	- (9,679,214)	- -	- (9,679,214)
11	Cost of services charged to	20,368,194 (20,122,114)	- -	20,368,194 (20,122,114)
12	Dividend paid	25,660,118 (12,830,059)	19,956,768 (9,978,384)	45,616,886 (22,808,443)
13	Remuneration to Managing Director	- -	8,726,206 (8,495,115)	8,726,206 (8,495,115)
14	Allotment of Optionally Convertible Redeemable Debentures (OCD)	- -	- (600,103,530)	- (600,103,530)
15	Allotment of equity shares pursuant to conversion of OCD	- -	- (600,103,530)	- (600,103,530)



# Igarashi Motors India Limited

## NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(iii) Amount due to / from related parties

(₹)

Sl No.	Nature of transaction	Holding Company	Key Management Personnel	Total
1	Due from related parties	89,525,373 (64,862,360)	- -	89,525,373 (64,862,360)
2	Due to related parties	130,408,526 (42,984,934)	- -	130,408,526 (42,984,934)
3	Inter corporate deposits receivable	580,000,000 (580,000,000)	- -	580,000,000 (580,000,000)

(Note: Figures in brackets represent corresponding amounts of the previous year).

(iv) The Company has not written off or written back any amounts due from or due to related parties during the current or previous year.

### 31 DISCLOSURES PURSUANT TO ACCOUNTING STANDARD (AS) 19 “LEASES”

#### (a) Finance Lease

- (i) The Company has acquired certain plant and equipment on finance lease. The lease has a primary period which is fixed and non-cancellable. There are no exceptional / restrictive covenants in the lease agreement.
- (ii) The minimum lease payments and the present value of minimum lease payments in respect of assets acquired under finance lease as at March 31, 2015 is as follows:

(₹)

	Minimum Lease payments		Present value of Minimum Lease payments	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
1 Payable not later than 1 year	<b>14,866,564</b>	13,816,708	<b>12,995,727</b>	10,897,550
2 Payable later than 1 year and not later than five years	<b>12,970,798</b>	27,837,360	<b>12,823,062</b>	25,818,789
3 Payable later than five years	-	-	-	-
Total	<b>27,837,362</b>	41,654,068	<b>25,818,789</b>	36,716,339
Less: Future finance charges	<b>2,018,573</b>	4,937,729	-	-
Present Value of Minimum Lease payable	<b>25,818,789</b>	36,716,339	-	-

- (iii) Contingent rent recognised / (adjusted) in the Statement of Profit and Loss in respect of finance leases is ₹ Nil (Previous year ₹ Nil).

#### (b) Operating Lease

- (i) The Company has taken certain premises and cars on cancellable operating lease. These lease agreements are normally renewed on expiry. There are no exceptional / restrictive covenants in these lease agreements.
- (ii) (a) The Company has taken certain plant and equipment on non-cancellable operating lease. There are no exceptional/ restrictive covenants in the lease agreement.
- (b) The minimum lease payments in respect of assets taken under non-cancellable operating lease as at March 31, 2015 is as follows:



(₹)

	Minimum Lease payments	
	As at 31.03.2015	As at 31.03.2014
1 Payable not later than 1 year	20,067,048	20,067,048
2 Payable later than 1 year and not later than five years	41,360,416	61,427,464
3 Payable later than five years	-	-
	<b>61,427,464</b>	<b>81,494,512</b>

- (iii) Lease payments recognised as expenses in the Statement of Profit and Loss for the year is ₹ 22,741,067/- (Previous year ₹ 21,992,724/-)
- (iv) Contingent rent recognised in the Statement of Profit and Loss ₹ Nil (Previous year ₹ Nil)
- (v) The Company has sub-leased the plant and equipment mentioned in (ii) (a) above on non-cancellable operating lease. The sub-lease rental income for the year is ₹ 22,360,596 /- (Previous year ₹ 21,002,930/-). There are no exceptional / restrictive covenants in the lease agreement.
- (vi) Total of future minimum sub-lease rent expected to be received under non-cancellable sub-lease as on March 31, 2015 is ₹ 68,481,300/- (As at March 31, 2014 is ₹ 90,841,896/-)

## 32 DERIVATIVE CONTRACTS

- (a) "In line with the Company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using forward contracts, besides natural hedges. The Company has adopted, during the year under review, the principles of hedge accounting as per the Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" in respect of those derivative transactions which are not covered by the existing Accounting Standard (AS) 11. This treatment has resulted in a net gain of ₹ 1,270,000/- arising out of fair valuation of outstanding derivative contracts which has been recognised in Statement of Profit and Loss. Consequently, profit before tax is higher by the same amount."
- (b) The particulars of derivative contracts entered into for hedging foreign currency exchange risks, which are outstanding as at March 31, 2015 are as under :

Category of derivative instruments	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Forward contracts for receivables including firm commitments and highly probable forecasted transactions	184,335,950	-

- (c) Un-hedged foreign currency exposures as at March 31, 2015 are as under:

Unhedged foreign currency exposures	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Receivables, including firm commitments and highly probable forecasted transactions	634,321,970	653,020,584
Borrowings	551,641,447	329,753,271
Payables, including firm commitments and highly probable forecasted transactions	656,438,379	412,027,042

**33 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 20 “EARNINGS PER SHARE”**

		2014-15	2013-14
<b>Basic</b>			
(a) Profit after tax as per Statement of Profit and Loss	₹	<b>489,516,866</b>	461,437,887
(b) Number of equity shares outstanding	Nos	<b>30,608,444</b>	30,445,444
(c) Weighted average number of equity shares outstanding	Nos	<b>30,583,882</b>	22,818,757
<b>Basic EPS [(a) / (c)]</b>	₹	<b>16.01</b>	20.22
<b>Diluted</b>			
(a) Profit after tax as per Statement of Profit and Loss	₹	<b>489,516,866</b>	461,437,887
(b) Weighted average number of equity shares outstanding	Nos	<b>30,583,882</b>	22,818,757
(c) Add: Weighted average number of potential equity shares on account of employee stock options	Nos	-	92,195
(d) Weighted average number of equity shares outstanding for diluted EPS	Nos	<b>30,583,882</b>	22,910,952
<b>Diluted EPS [(a) / (d)]</b>	₹	<b>16.01</b>	20.14
Face value of an equity share	₹	<b>10.00</b>	10.00

**34** Figures for the previous year have been regrouped / reclassified wherever necessary.

As per our report attached of even date

**for SHARP & TANNAN**

Chartered Accountants

(Firm's Registration No.003792S)

**P. Mukund**

Managing Director

**Hemant M Nerurkar**

Chairman

**V.Viswanathan**

Partner

Membership No. 215565

Place: Chennai

Date : May 25, 2015

**Keiichi Igarashi**

Director

**S. Radhakrishnan**

Director

**Amit Dixit**

Director

**R. Chandrasekaran**

Chief Financial Officer

**P. Dinakara Babu**

Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	2014 - 15		2013 - 14	
	₹	₹	₹	₹
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before exceptional items and taxes		716,477,146		501,413,781
Adjustments for:				
Depreciation and amortisation expense	187,982,475		156,136,117	
Loss / (profit) on sale of fixed assets (net)	402,584		(1,588,666)	
Amortisation of employee stock option expenses	90,466		544,534	
Exchange (gain) / loss on borrowings (net)	23,405,738		35,099,795	
Interest expenses	34,017,431		75,696,617	
Interest income	(113,260,312)		(73,075,064)	
Net exchange (gain) / loss on working capital (net)	(6,208,959)		3,209,160	
		<u>126,429,423</u>		<u>196,022,493</u>
Operating profit before working capital changes		842,906,569		697,436,274
Adjustments for:				
(Increase) / decrease in trade receivables	(84,671,438)		(91,495,284)	
(Increase) / decrease in loans and advances	(135,085,320)		47,180,509	
(Increase) / decrease in inventories	(84,105,431)		(24,752,426)	
Increase / (decrease) in trade and other payables	281,476,349		(31,768,470)	
		<u>(22,385,840)</u>		<u>(100,835,671)</u>
Cash generated from operations		820,520,729		596,600,603
Less: Direct taxes paid		229,473,636		145,244,201
<b>Net cash from operating activities (A)</b>		<u>591,047,093</u>		<u>451,356,402</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets		(205,488,151)		(140,780,444)
Proceeds from sale of fixed assets		1,212,653		4,221,580
Purchase of non-current investments		(49,400,000)		-
Proceeds from Sale of non-current investments		-		156,796,337
Interest received		111,796,015		73,268,100
Intercompany deposits placed with holding company		-		(422,000,000)
Intercompany deposits repaid by holding company		-		24,000,000
<b>Net cash from / (used in) investing activities (B)</b>		<u>(141,879,483)</u>		<u>(304,494,427)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of share capital		6,544,450		31,867,055
Proceeds from issue of Optionally Convertible Debentures		-		600,103,530
Debenture issue expenses paid		-		(21,816,284)
Dividend paid		(61,216,888)		(30,445,444)
Additional tax on dividend paid		(10,403,810)		(5,174,203)
Proceeds from long-term borrowings		184,033,527		136,513,927
Repayment of long-term borrowings		(88,996,044)		(230,704,770)
Repayment of short-term borrowings (net)		(29,962,630)		(182,588,051)
Exchange gain / (loss) on repayment of borrowings (net)		(28,107,664)		(21,820,483)
Interest paid		(33,173,495)		(76,524,955)
		<u>(61,282,554)</u>		<u>199,410,322</u>
<b>Net cash from / (used in) financing activities (C)</b>		<u>(61,282,554)</u>		<u>199,410,322</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		387,885,056		346,272,297
Cash and cash equivalents as at the beginning of the year		366,953,491		20,681,194
Cash and cash equivalents as at the end of the year		<u>754,838,547</u>		<u>366,953,491</u>

# Igarashi Motors India Limited

## Cash flow statement for the year ended March 31, 2015 (contd.)

### Notes to the Cash flow statement

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) -3 "Cash Flow Statements" as specified in section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
  2. Purchase of fixed assets includes movement of capital work-in-progress, capital advances and liability for capital goods during the year.
  3. Cash and cash equivalents comprise cash on hand and balance with banks on current accounts and fixed deposit accounts with maturity of less than 3 months and exclude unpaid dividend accounts, fixed deposits with more than 3 months maturity and margin money deposits. Refer Note 15 (i) for components of cash and cash equivalents.
  4. Figures for the previous year have been regrouped/reclassified wherever applicable.
- 

As per our report attached of even date

### for SHARP & TANNAN

Chartered Accountants

(Firm's Registration No.003792S)

### V.Viswanathan

Partner

Membership No. 215565

Place: Chennai

Date : May 25, 2015

### P. Mukund

Managing Director

### Hemant M Nerurkar

Chairman

### Keiichi Igarashi

Director

### S. Radhakrishnan

Director

### Amit Dixit

Director

### R. Chandrasekaran

Chief Financial Officer

### P. Dinakara Babu

Company Secretary





**IGARASHI MOTORS INIDA LIMITED**

CIN : L29142TN1992PLC021997

Regd.Office: Plot No. B-12 to B-15, Phase II, MEPZ- SEZ, Tambaram, Chennai 600 045,

Phone : +91-44-42298199/22628199, Fax : +91-44-22628143, e-mail :investorservices@igarashimotors.co.in

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

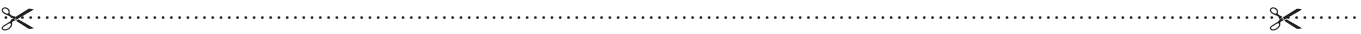
Name of the attending Member(s) :	Folio/DP ID-Client ID No. :
No. of Shares held :	

I hereby record my presence at the 23<sup>rd</sup> ANNUAL GENERAL MEETING of the Company held at Music Academy, Mini Hall, 314, T.T.K Road, Alwarpet, Chennai - 600 014 at 3.00 P.M. on Wednesday, the 22<sup>nd</sup> July, 2015.

NAME OF PROXY IN BLOCK LETTERS
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SIGNATURE OF THE SHAREHOLDER/PROXY*
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\* Strike out whichever is not applicable.

**IGARASHI MOTORS INIDA LIMITED**

CIN : L29142TN1992PLC021997

Regd.Office: Plot No. B-12 to B-15, Phase II, MEPZ- SEZ, Tambaram, Chennai 600 045,

Phone : +91-44-42298199/22628199, Fax : +91-44-22628143, e-mail :investorservices@igarashimotors.co.in

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Members :	
Registered Address :	
E-mail ID :	
Folio/DP ID-Client ID No. :	

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint:

(1)Name .....	Address .....	.....
Email Id.....	Signature .....	or failing him/her;
(2)Name.....	Address .....	.....
Email Id.....	Signature .....	or failing him/her;
(3)Name.....	Address .....	.....
Email Id.....	Signature .....	or failing him/her;

my /our Proxy to vote for me /us on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company to be held at Music Academy, Mini Hall, 314, TTK Road, Alwarpet, Chennai - 600014 on Wednesday, the July 22, 2015, 3.00 p.m and at any adjournment thereof in respect of such resolutions as are indicated below :

\*\* I wish my above proxy to vote in the manner as indicated in the box below:

No.	Resolutions	For**	Against**	Abstain**
<b>Ordinary Business</b>				
1	Adoption of Balance Sheet , Statement of Profit and Loss, Report of Board of Directors and Auditors for the financial year ended March 31, 2015			
2	Approval for payment of dividend of Rs.4.44/- per equity share.			
3	Appointment of Mr. Keiichi Igarashi, who retires by rotation and being eligible, seeks re-appointment			
4	Appoint M/s. Sharp & Tannan as Auditors of the Company			
<b>Special Business</b>				
5	Approval for related party transactions			

Signed this ..... day of ....., 2015.

Member's Folio/DP ID-Client ID No.....Signature of Shareholder(s).....

Signature of Proxyholder(s).....

Affix a Re. 1 Revenue Stamp
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**Notes:**

- i. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- ii. A Proxy need not be a member of the Company.
- iii. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- iv. \*\* This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- v. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- vi. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



