



IGARASHI MOTORS INDIA LTD

25th Annual Report
2016-2017



OUR PHILOSOPHY ON CORPORATE GOVERNANCE



MISSION TO ENHANCE
CUSTOMERS
COMPETITIVENESS



GLOBAL VISION
THROUGH INDIAN DOORWAY



WEALTH FOR ALL
PARTNERS THROUGH
THE WHEEL OF ENGINEERING



TRANSPARENCY
AND COMPLIANCE



Igarashi Motors India Limited

BOARD OF DIRECTORS

Mr. K K NOHRIA (CHAIRMAN)
Mr. HEMANT M NERURKAR
Mr. KEIICHI IGARASHI
Mr. AKHIL AWASTHI
Mr. S RADHAKRISHNAN
Mrs. EVA MARIA ROSA SCHORK

MANAGING DIRECTOR

Mr. P MUKUND

CHIEF FINANCIAL OFFICER

Mr. R CHANDRASEKARAN

COMPANY SECRETARY

Mr. P DINAKARA BABU

AUDITORS

SHARP & TANNAN, CHARTERED ACCOUNTANTS
PARSN MANERE, A WING
3RD FLOOR, 602, ANNA SALAI
CHENNAI- 600 006
PHONE : +91-44-28274368
E-MAIL :chennai@sharpandtannan.com

BANKERS

AXIS BANK
STATE BANK OF INDIA

REGISTERED OFFICE

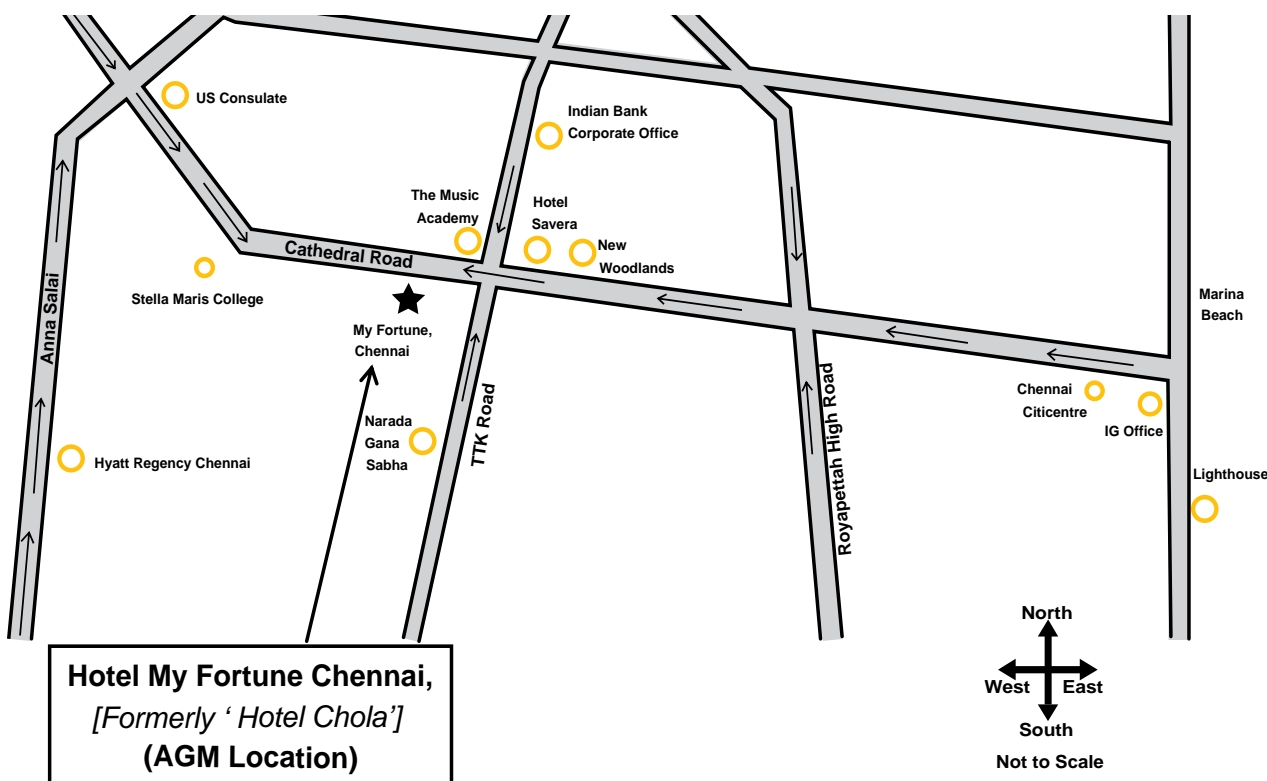
PLOT NO. B-12 TO B-15, PHASE II,
MEPZ-SEZ, TAMBARAM,
CHENNAI- 600 045
PHONE : +91-44-42298199/22628199,
FAX : +91-44-22628143
E-MAIL :investorservices@igarashimotors.co.in,
CIN : L29142TN1992PLC021997
WEBSITE : www.igarashimotors.com

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	2012-13	2013-14	2014-15	2015-16	2016-17
1. Revenue from Operations (₹ in Crores)	290.77	361.23	385.10	445.00	507.90
2. Operating Profit (₹ in Crores)	52.38	67.16	79.04	107.03	120.44
3. Operating Profit Margin %	18.00%	18.60%	20.50%	24.10%	23.71%
4. Net Profit (₹ in Crores)	21.36	46.14	48.95	63.64	73.77
5. Net worth (₹ in Crores)	122.74	219.27	250.95	294.41	370.35
6. Debt Equity Ratio	0.68	0.25	0.26	0.15	0.06
7. Earnings Per Share (₹)	10.46	15.16	16.01	20.79	24.10
8. Book Value per share (₹)	60.11	72.02	81.99	96.19	121.00
9. Dividend per share (₹)	-	3.00	4.44	5.50	6.61

Route Map to the Venue of the 25th Annual General Meeting (AGM)





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NOTICE

NOTICE IS HEREBY GIVEN THAT The Twenty Fifth Annual General Meeting ('AGM') of Igarashi Motors India Limited will be held on Wednesday, the August 02, 2017 at 3.00 pm at Hotel My Fortune Chennai (Formerly 'Hotel Chola'), Cathedral Road, Chennai – 600 086 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2017, and the Reports of the Board of Directors and Auditor's Report thereon.
2. To declare a dividend of ₹.6.61 per equity share for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mrs. Eva Maria Rosa Schork (DIN: 07159550) who retires at this meeting and is eligible for re-appointment
4. To confirm the appointment of auditors of the Company to hold office from conclusion of 25th Annual General Meeting until conclusion of 30th Annual General Meeting and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof :

"RESOLVED THAT pursuant to recommendations of the Audit Committee of the Board of Directors, M/s.B S R & Co. LLP, Chartered Accountants, Chennai (ICAI Firm Regn. No. 101248W/W-100022) be and are hereby appointed as Auditors of the Company (in place of M/s Sharp & Tannan, Chartered Accountants, the retiring Auditors) for the financial years 2017-18 to 2021-22 (five financial years) to hold office from the conclusion of 25th Annual General meeting until the conclusion of the 30th Annual General Meeting (subject to ratification by the members at every subsequent Annual General Meeting) and 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 consider and if thought fit to pass with or without modification the following resolution as a **Special Resolution** thereof :

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Hemant M Nerurkar (DIN : 00265887) a Director who was appointed as an Independent Director of the Company by the Board with effect from July 30, 2017 in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Hemant M Nerurkar as a candidate for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term upto July 29, 2020, not liable to retire by rotation."

6. To consider and if thought fit to pass with or without modification the following resolution as a **Special Resolution** thereof:

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. S. Radhakrishnan (DIN : 01246033) a Director who was appointed as an Independent Director of the Company by the Board with effect from July 30, 2017, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. S. Radhakrishnan as a candidate for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years until June 29,2017, not liable to retire by rotation."

7. To consider and if thought fit to pass with or without modification the following resolution as a **Special Resolution** thereof:

"RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013, rules made thereunder and all other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof),



Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI SBEB') the guidelines prescribed thereunder by SEBI and other SEBI Regulations as may be applicable in this regard and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and further subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee which the Board has authorized in this behalf including authorization of the powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to the "The Igarashi Motors Employees Stock Option Scheme 2017" (hereinafter referred to as 'ESOP 2017') and the Board be and is hereby authorized to grant directly Employee Stock Options (ESOPs), from time to time, in one or more tranches, to or for the benefit of such employees who are in the permanent employment of the Company and Holding Company(i.e. Agile Electric Sub Assembly Private Limited) (Other than Promoters of the Company, Independent Directors of the Company) as may be decided by the Board, exercisable into not more than (including any equity shares issued to employees, as defined in SEBI Regulations, of the Holding Company[i.e. Agile Electric Sub Assembly Private Limited] of the Company pursuant the resolution proposed under item no. 8) 6,00,000 (Six Lakhs) equity shares of face value ₹. 10/- each fully paid-up not being more than 1.96% of the issued equity shares of the Company, on such terms and in such manner as the Board may determine in accordance with the provisions of the applicable laws and the provisions of the ESOP 2017".

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division(s) of the Company or other similar events, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the Options granted earlier including issue of any additional equity shares by the Company to the Option grantees and the ceiling on the number of Options mentioned in the Resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT the maximum number of equity shares issued to any specific employee under the ESOP 2017 shall not exceed 1% of the issued and paid-up equity share capital of the Company in any financial year.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of equity shares under the ESOP 2017 on the Stock Exchanges where the equity shares of the Company are listed.

FURTHER RESOLVED that the Shares to be issued and allotted shall rank pari passu with the then existing Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2017 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2017 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT any Director of the Company or Company Secretary, be and are hereby severally authorised, to do all such acts, deeds, matters and things as may be necessary, expedient and usual for the purpose of giving effect to this resolution."

8. To consider and if thought fit to pass with or without modification the following resolution as a **Special Resolution** thereof:

"RESOLVED that, in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB") issued by the Securities and Exchange Board of India ("SEBI") and as amended from time to time and, pursuant to the provisions of Section 62 permissions and approvals as may be required and subject to such conditions and modifications as may be imposed by any of the authorities while

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granting such permissions and approvals and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee constituted by the Board to exercise its powers in relation hereto, including the powers conferred by this Resolution and/or such other persons who may be authorised by the Board or the Committee in this regard), which the Board be and is hereby authorised to accept on behalf of the Company and subject to such other conditions and modifications as may be imposed on or considered necessary by the Board, the approval of the members be and is hereby accorded to adopt the Share Based Employee Benefit Scheme under the name and style of 'Equity Option Scheme 2017' ("ESOP Scheme 2017") and the Board be and is hereby authorised to create, issue, offer and allot equity shares, from time to time, to employees of the holding Company of the Company, as defined in SEBI Regulations, selected on the basis of criteria prescribed by the Board, under the ESOP 2017, more particularly described in the Statement setting out the material facts of items of special business annexed hereto, such that the creation, issue, offer and allotment of such equity shares under the ESOP 2017 shall not exceed in aggregate (including any equity shares to be issued to employees, as defined in SEBI Regulations, of the holding company [i.e. Agile Electric Sub Assembly Private Limited] pursuant the resolution proposed under item no. 7) 6,00,000 (Six Lakhs only) equity shares of the Company of the face value of ₹. 10/- each for cash being not more than 1.96% of the issued equity shares of the Company as on March 31,2017 or such adjusted numbers of such face value, as may be determined by the Board and approved by the members, due to change in capital structure of the Company as a result of re-classification of shares, splitting up of the face value of shares, sub-division of shares, issue of bonus shares, conversion of shares into other shares or securities of the Company and any other change in the rights or obligations in respect of shares, inter alia, on the terms and conditions as detailed in the Statement setting out the material facts of items of special business annexed hereto and on such other terms and conditions and in such tranches as may be decided by the Board in its absolute discretion."

9. To consider and if thought fit to pass with or without modification the following resolution as a **Special Resolution** thereof:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the Articles of Association of the Company be and are hereby altered by replacing the existing Regulation 110 with the new Regulation 110 which is given below, be and is hereby adopted as new regulation of the Articles of Association of the Company.

110. "Subject to the IEWL Group directly or indirectly controlling at least 26% (Twenty Six percent) of the voting rights in the Company, the IEWL Group shall have the right to appoint a majority of directors on the Board of Directors of the Company."

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, any director or the Company Secretary of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Chennai."

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

P. Dinakara Babu
Company Secretary
Membership No. A14812

Place : Chennai
Date : May 11, 2017

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
Website : www.igarashimotors.com



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 hereto and forms part of this Notice.
- 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.
Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- c) Corporate members intending to send their authorised representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote on their behalf at the Annual General Meeting.
- d) The Register of Members of the Company will remain closed from July 27, 2017 to August 02, 2017 (both days inclusive) for the purpose of the dividend for the financial year ended March 31, 2017 and Annual General Meeting.
- 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 on or after August 09, 2017, to those members whose names appear on the register of members as on July 26, 2017.
- f) As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations], the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in demat mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their demat account and Members holding shares in physical mode are requested to submit the said bank details to the Company's Registrar & Transfer Agent.
- g) Members, Proxies and Authorised Representatives are requested to bring their Attendance Slips together with their copies of the Annual Reports to the Meeting. Copies of the Annual Report will not be provided at the AGM venue.
- h) 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 Registrar and Transfer Agents.
- i) 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.
- j) A Route map showing directions to reach the venue of the 25th Annual General Meeting is given along with this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings".
- k) Members who have not so far encashed dividend warrant(s) for the Financial Year 2013-14, 2014-15 and 2015-16 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, as per Section 124 of the Companies Act, 2013 will be transferred to the Investor Education and Protection Fund. Details of unclaimed dividend are available on the Company's website www.igarashimotors.com under the section 'Investor Relations'.
- l) All documents (including ESOP 2017) referred in the Notice will be available for inspection at the Company's registered office during all working days between 11.00 a.m. and 1.00 p.m till 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 Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its members the facility to cast their vote by electronic means (i.e. voting electronically from a place other than the venue of the general meeting) on all resolutions set forth in the Notice. The instructions for e-voting are given in Annexure A.

Igarashi Motors India Limited

- n) The remote e-voting period starts on Sunday, July 30, 2017, 9.00 a.m (IST) and ends on Tuesday, August 01, 2017, 5.00 p.m (IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of July 26, 2017 may cast their votes electronically.
- o) The Facility for voting through Ballot paper shall be made available at the 25th AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper.
- p) The members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote again.
- q) The Company's website is www.igarashimotors.com. Annual Reports of the Company, Un-claimed dividend list, and other shareholder communications are made available on the Company's website.
- r) All the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail id is investor@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.
- s) 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, 2017, 99.72% 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.

t) Re-appointment of Director

Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings, following information is furnished in respect of Director proposed to be reappointed

Name of the Director	Mrs. Eva Maria Rosa Schork (DIN: 07159550)
Date of Birth	May 01, 1964
Age	53 years
Brief Profile	Mrs. Eva Maria Rosa Schork has completed specialization in Business Management and Economics. She is the Managing Director of Igarashi Motoren GmbH, Germany for the past two decades. She gained deep technical experience on electrical motors for applications in automotive appliance & office equipment application. She has been working almost three decades in specific areas of motors business development, application engineering, customer relationship and organization building.
Date of appointment	January 28, 2016
No of Board Meetings attended during 2016-17	5
Directorship held in all other companies	Public Companies Nil Private Companies Nil
Memberships / Chairmanships of Committees of the Board of all companies	Nil
Number of Equity Shares held in the Company	Nil
Inter-se relationship with other Directors / Manager / KMP	Nil



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

Item No. 4

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act. Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s Sharp & Tannan, the present Auditors of the Company complete their term as Auditors.

In view of the above, M/s.B S R & Co. LLP, Chartered Accountants, Chennai (ICAI Firm Regn. No. 101248W/W-100022), have been appointed as Auditors of the Company for a term of five years commencing from the Company's financial year 2017 to hold office from the conclusion of the 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting, subject to ratification of their appointment by the Members at every intervening Annual General Meeting on a remuneration plus applicable taxes, out-of-pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors.

The Board commends the Resolution at Item No.4 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 4 of the Notice.

Item No. 5

Mr. Hemant M Nerurkar is an Independent Director of the Company. He was appointed as Independent Director for three year period until July 29, 2017. Based on Nomination & Remuneration Committee recommendation, the Board of Directors at their meeting held on May 11, 2017 re-appointed Mr. Hemant M Nerurkar as Independent Director, subject to the approval of shareholders, for a period of three years from July 30, 2017 to July 29, 2020.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹. 1,00,000/- proposing the candidature of Mr. Hemant M Nerurkar for the office of Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Hemant M Nerurkar (a) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (b) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

The resolution seeks the approval of members for appointment of Mr. Hemant M Nerurkar as an Independent Director of the Company upto July 29, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

Brief resume of Mr. Hemant M Nerurkar as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings is being furnished below:

Name of the Director	Mr. Hemant M Nerurkar (DIN 00265887)
Date of Birth	October 20, 1948
Age	68 years
Brief Profile	Mr. Hemant M Nerurkar is a Graduate in Metallurgical Engineering from University of Pune. He has over four decades of experience in Project Execution, Manufacturing, Quality Control, Supply Chain, Talent Management, Restructuring of Business and Marketing
Date of appointment	July 30, 2014
No of Board Meetings attended during 2016-17	5
Directorship held in all other companies	Public Companies 1. TRL Krosaki Refractories Limited 2. TEGA Industries Limited 3. NCC Limited 4. Tube Investments of India Limited 5. Om Besco Rail Products Limited 6. Crompton Greaves Consumer Electrical Limited 7. Centennial Steel Company Limited

Igarashi Motors India Limited

Memberships / Chairmanships of Committees of the Board of all companies	Memberships – 6 Chairmanships –3
Number of Equity Shares held in the Company	Nil
Inter-se relationship with other Directors / Manager / KMP	Nil

Copy of the draft letter for appointment of Mr. Hemant M Nerurkar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

No director, key managerial personnel or their relatives, except Mr. Hemant M Nerurkar, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of members.

Item No. 6

Mr. S. Radhakrishnan is an Independent Director of the Company. He was appointed as Independent Director for three year period until July 29, 2017. Based on Nomination & Remuneration Committee recommendation, the Board of Directors at their meeting held on May 11, 2017 re-appointed Mr. S. Radhakrishnan as Independent Director, subject to the approval of shareholders, for a period of three years from July 30, 2017 to July 29, 2020.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹. 1,00,000/- proposing the candidature of Mr. S. Radhakrishnan for the office of Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. S. Radhakrishnan (a) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (b) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

The resolution seeks the approval of members for appointment of Mr. S. Radhakrishnan as an Independent Director of the Company upto July 29, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

Brief resume of Mr. S. Radhakrishnan as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings is being furnished below :

Name of the Director	Mr. S. Radhakrishnan (DIN 01246033)
Date of Birth	July 18, 1962
Age	54 years
Brief Profile	Mr. S. Radhakrishnan is a Graduate in Mechanical Engineering from University of Madras with specialisation in Industrial Engineering & Welding Technology. He has also done Post Graduate Diploma in International Trade from Indian Institute of Material Management and Certificate in Strategic/ General Management from Beijing Modern Management Technology Exchange Centre. He has over three decades of experience in Global Sourcing, Business Development, and Management of Procurement & Quality Assurance
Date of appointment	July 30, 2014
No of Board Meetings attended during 2016-17	5
Directorship held in all other companies	Nil
Memberships / Chairmanships of Committees of the Board of all companies	Nil
Number of Equity Shares held in the Company	Nil
Inter-se relationship with other Directors / Manager / KMP	Nil



Copy of the draft letter for appointment of Mr. S. Radhakrishnan as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

No director, key managerial personnel or their relatives, except Mr. S. Radhakrishnan, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of members.

Item No. 7 & 8

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation scheme. Your Company believes in rewarding its employees including Directors of the Company as well as that of the Holding Company (i.e. Agile Electric Sub Assembly Private Limited) for their continuous hard work, dedication and support, which has led the Company on the growth path. The objective of the Employee Stock Option Scheme, 2017 is to provide an incentive to attract and retain the key employees by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Accordingly the Board of Directors ("the Board") of the Company at its meeting held on May 11, 2017 approved introduction of the ESOP 2017 subject to the Approval of the members and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time ("SEBI SBEB") and allotment of equity shares of the Company upon exercise of such Options to the Eligible Employees of the Company and its Holding Company as determined by the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include Nomination & Remuneration Committee or such other Committee that may be constituted by the Board for this purpose. Each Option will give the holder thereof, or other person entitled under the Plan, the right but not the obligation to subscribe for cash to one fully paid up equity share of ₹.10 each of the Company ('Share').

Approval of the members is being sought for issue of Stock Option to the eligible employees of the Company and its Holding Company.

The main features of the ESOP 2017 which is as under:

a) Brief description of the plan:

The proposed Plan shall be called "The Igarashi Motors Employees Stock Option Scheme 2017" ("ESOP 2017") and is intended to reward the Eligible Employees of the Company, its holding Company, for their performance and to motivate them to contribute to the growth and profitability of the Company.

The ESOP 2017 contemplates grant of Options to the eligible employees as may be determined in due compliance with the SEBI SBEB Regulations and provisions of the ESOP 2017. After vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercised period and can obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination & Remuneration Committee ('Committee') of the Board shall administer the ESOP 2017. All questions of interpretation of the ESOP 2017 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2017.

b) Total number of Options to be granted:

The total number of Options to be granted under the ESOP 2017 shall not exceed 6,00,000 (Six Lakhs only). Each Option when exercised would be converted in to one equity share of ₹.10/- each fully paid-up.

Further, the SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number and price of the Options granted in such a manner that the total value of the Options granted under the ESOP 2017 remain the same after any such corporate action. Accordingly, if any additional Options are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the ceiling of 6,00,000 (Six Lakhs only) shall be deemed to be increased to the extent of such additional Options issued.

c) Identification of classes of employees entitled to participate in the ESOP 2017:

All the permanent employees of the Company (Item No. 7) and its holding company (Item No. 8) shall be eligible to participate in the Plan. Provided however, the following persons shall not be eligible to participate in the ESOP 2017:

Igarashi Motors India Limited

1. an employee who is a Promoter or belongs to the Promoter Group;
2. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company; and
3. an Independent Director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as prescribed by SEBI, as applicable

d) Requirements of vesting and period of vesting:

Subject to Participant's continued employment with the Company or Group and Clause 13, the Unvested Options under this Scheme shall vest with the Participant automatically in accordance with the following schedule:

- (1) at the end of the first year from the Grant Date, 50% of the total Options granted shall vest and become Vested Options;
- (2) at the end of the second year from the Grant Date, balance 50% of the total Options granted shall vest and become Vested Options;

e) Maximum period within which the Options shall be vested :

All the Options granted on any date shall vest not later than a maximum of 2 (Two) years from the date of grant of Options as may be determined by the Committee.

f) Exercise price or pricing formula:

The Exercise Price shall be ₹. 650/- per share or any other price as decided by the Committee.

g) Exercise period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire on completion of 12 (Twelve) Months from the date of respective vesting.

The vested Options shall be exercisable by employees through a written application to the Company expressing their desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under the ESOP 2017:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic/operational growth, contribution to team building, cross-functional relationship, corporate governance etc.

i) Maximum number of Options to be issued per employee and in aggregate:

The total number of Options that may be granted to all the eligible employees of the Company under the ESOP 2017, in any financial year and in aggregate under the ESOP 2017 shall not exceed 6,00,000 Options. The maximum number of Options that may be granted to any specific employee shall not exceed 3,00,000 (Three Lakhs only) Options.

j) Maximum quantum of benefits to be provided per employee under the ESOP 2017:

The maximum quantum of benefits underlying the Options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of Options.

k) Route of ESOP 2017 implementation:

The ESOP 2017 shall be implemented and administered directly by the Company. In case Company wishes otherwise, it may be intimated to the Members in due course as per applicable laws.

l) Source of acquisition of shares under the ESOP 2017:

The ESOP 2017 contemplates fresh/new issue of shares by the Company.

m) Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under the present ESOP 2017.

n) Maximum percentage of secondary acquisition:

This is not relevant under the present ESOP 2017.



o) Accounting and Disclosure Policies:

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments ('Guidance Note') and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

p) Method of Option valuation:

The Company shall adopt 'fair value method' for valuation of Options as prescribed under the Guidance Note or under any relevant accounting standard notified by appropriate authorities from time to time.

In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Board's report.

As the ESOP 2017 provides for issue of equity shares to be offered to persons other than the existing Members of the Company, consent of the Members is being sought pursuant to Section 62 and all other application provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations. Pursuant to the provisions of the SEBI SBEB Regulations, a separate Resolution is required to be passed if the Plan envisages grant of Options, shares or other benefits, as the case may be, to employees of the Company's holding. Accordingly, the approval of the Members is sought in respect of Resolutions set out in the Notice as item nos. 7 & 8.

q) Declaration:

None of the Directors, Key Managerial Personnel of the Company and their relatives are interested or concerned in the Resolutions, except to the extent of their entitlements, if any, under the ESOP 2017.

The Board of Directors recommend the passing of the proposed Resolutions as stated in item nos. 7 & 8 as Special Resolutions.

Item No. 9

The Shareholders approved adoption of new set of Articles of Association ('AoA') for giving effect to the provisions of the Companies Act, 2013 by passing Special Resolution by way of Postal Ballot on March 28, 2016. Igarashi Electric Works Limited (IEWL), Japan is the Key Promoter of the Company, AoA had been amended by inserting Article 110 IEWL group right to appoint majority of directors on the Board when IEWL group maintains directly or indirectly at least 40% voting rights in the Company.

Your Directors propose to amend said Article 110 by replacing majority director appointment right provided IEWL Group owns directly or indirectly at least 26% voting rights in the Company.

Consent of the shareholders by passing a Special Resolution is required in this regard. The Board recommends the Special Resolution as set out in Resolution No. 9 of the Notice for approval by the Members.

Except Mr. Keiichi Igarashi, None of the other Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the said resolution.

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

Place : Chennai
Date : May 11, 2017

P. Dinakara Babu
Company Secretary
Membership No. A14812

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
Website : www.igarashimotors.com

ANNEXURE A

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins Sunday, July 30, 2017, 9.00 a.m (IST) and ends on Tuesday, August 01,2017, 5.00 p.m (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date July 26,2017 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
- (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 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:

	For Members holding shares in Demat Form and Physical Form
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"> • 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. • 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.
Dividend Bank Details OR 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"> • 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).

- (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.



- (xii) Click on the EVSN for the relevant **Igarashi Motors India Limited** 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) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) 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 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
 - ❖ 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 emailed to 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.
- (xxi) 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, under help section or write an email to helpdesk.evoting@cdslindia.com
- (xxii) Mr. S Bhaskar, Practising Company Secretary, Partner BP & Associates has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

DIRECTORS' REPORT

To

The Shareholders,

Your Directors have pleasure in presenting their Twenty Fifth Annual Report of your Company, together with the Audited Accounts for the year ended 31st March 2017.

FINANCIAL RESULTS

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

	(₹.in Lakhs)	
<u>Particulars</u>	<u>2016-17</u>	<u>2015-16</u>
Manufacturing Sales	50,789.43	44,498.37
Add : Other Income	1,467.02	1,430.30
Total Income	52,256.45	45,928.67
<u>Less :</u>		
(i) Materials & Manufacturing Expenses	31,858.21	28,205.54
(ii) Value Addition Cost	7,064.30	6,091.00
Profit before Depreciation, Amortization	13,333.94	11,632.13
<u>Less :</u>		
Depreciation & Amortization Expenses	2,203.08	1,896.28
Profit Before Tax	11,130.86	9,735.85

OPERATIONS

Your Company achieved a Revenue of ₹. 50,789.43 Lakhs an increase of about 14.14% over the previous year, Operating Profit before Depreciation & Amortization amounted to ₹. 13,333.94 Lakhs. Profit before Tax amounted to ₹. 11,130.86 Lakhs an increase of 14.33% about over the previous year. During the year, your Company acquired additional space of three plots on lease from MEPZ-SEZ for setting up of manufacturing lines and stores operations.

DIVIDEND

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. ("Listing Regulations"), your Company is appearing in Top Five Hundred listed entities based on the Market Capitalization (as on March 31, 2016) due to which your Company has formulated a Dividend Distribution Policy. The Board of Directors of the Company had approved the Dividend Distribution Policy on November 10, 2016 in line with the Listing Regulations.

The Policy has been hosted on the website of the Company at : http://www.igarashimotors.com/uploads/investor/pdf/14788383387IMIL-Dividend_Distribution_Policy.pdf

In line with the said Policy, your Directors are pleased to recommend a dividend of ₹. 6.61/- per Equity Share on Face value of ₹. 10/- each for the year ended March 31, 2017.

The Board has not recommended any transfer to general reserve from the profits of the year under review.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS/ SHARES TO IEPF

During the year, there are no unclaimed dividends/Shares which have to transferred to IEPF by the Company.

RESERVES

The Reserves at the end of the year 31st March, 2017 is at ₹. 33,974.39 Lakhs as against the Total Reserves of ₹. 26,380.58 Lakhs as at 31st March 2016.



MATERIAL CHANGES

No material changes or commitments have occurred between the end of the Financial Year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

MERGER

The Board of Directors is continuing the evaluation of business re-organization proposal, including amalgamation of group entities for taking advantage of operational synergies.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your Company is holding 9.88% stake in Joint Venture Company viz., Bosch Electrical Drives India Private Limited as on March 31, 2017. Disclosure in Form AOC - 1 annexed to this report.

Your Company has no Subsidiary Companies as on March 31, 2017.

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.

EMPLOYEE STOCK OPTION SCHEME

Your Company is proposes to launch a new Employees Stock Option Plan i.e., ESOP 2017 ('Plan') as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Accordingly two resolutions are being placed at the forthcoming Annual General meeting.

SHARE CAPITAL

Your Company's Paid-up equity share capital is ₹. 3,060.84 Lakhs as on March 31, 2017. There is no change in Share Capital during the year under review.

DIRECTORS

During the year, there is no change in the directorship. The shareholders at the 24th Annual General Meeting Regularized the appointment of Mr. Akhil Awasthi and Mrs. Eva Maria Rosa Schork as Non Executive Non Independent Director who is liable to retire by rotation.

Mrs. Eva Maria Rosa Schork, Director retires by rotation at forthcoming Annual General Meeting and being eligible, offers her for re-appointment. The brief resume and other details as required under the Listing Regulations are provided in the Notice of the 25th Annual General Meeting of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Mr. Hemant M Nerurkar and Mr. S Radhakrishnan were appointed as Independent Directors for 3 years upto July 29,2017 at the 22nd Annual General Meeting held on July 30,2014. Since, their term of office ending on July 29,2017, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 11, 2017 appointed Mr. Hemant M Nerurkar and Mr. S Radhakrishnan as Independent Directors for further 3 year period until July 29,2020 subject to approval of shareholders at the ensuing Annual General Meeting. The Notice under Section 160 of the Companies Act, 2013 has been received from member signifying the intention to propose Mr. Hemant M Nerurkar and Mr. S Radhakrishnan as a candidate for the office of Independent Director and accordingly two resolutions are being placed at the forthcoming Annual General Meeting.

Further, the details about the above directors are given in the Notice of the ensuing Annual General Meeting being sent to the shareholders along with the Annual Report.

The details of familiarization programmes to Independent Directors is put up on the website of the Company at the link: <http://www.igarashimotors.com/investor-list.php?invescatid=23>.

EVALUATION OF THE BOARD'S PERFORMANCE

Your Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive director. Pursuant to the provisions of Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Board and the Nomination and Remuneration Committee have carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Committee. Each Board member completed a questionnaire providing feedback on the functioning and overall engagement of the Board and its committees on various parameters such as the composition, execution of specific duties, quality, quantity and timelines of flow of information, deliberations at the meeting etc.,. Besides this, one –on-one meeting of the individual directors with the Chairman of the Board was also conducted as a part of self-appraisal and peer group evaluation. The Directors were also asked to provide their valuable feedback and suggestions about the overall functioning of the Board and its committees. In a separate meeting of Independent Directors, performance of non-Independent Directors and the board as a whole was evaluated. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees, and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

NUMBER OF MEETINGS OF THE BOARD

During the year, Five Board Meetings were held on May 19, 2016, August 04, 2016, November 10, 2016, December 26, 2016 and February 08, 2017. The Company's last year Annual General Meeting was held on August 04, 2016. The particulars of Directors, their attendance during the financial year 2016-2017 has been disclosed in the Corporate Governance Report forming part of this Annual Report.

For details of the Committees of the Board, please refer to the Corporate Governance Report.

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 for the financial year ended March 31,2017, 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, 2017 and of the profit of the Company for that period;
- c) Proper care has been taken for maintenance of adequate accounting for safe guarding 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;
- e) The annual accounts are prepared on a going concern basis;
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEMATERIALIZATION OF SHARES

99.72% of the Company's paid up Equity Share Capital is in dematerialized form and balance 0.28% is in physical form as on March 31, 2017. The Company's Registrars are Cameo Corporate Services Limited, No.1, Subramaniam Building, Club House Road, Chennai 600 002.

CREDIT RATING

During the year under view, CARE has given credit ratings of CARE A+ for long term debt, CARE A1+ for short term debt.



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 THE 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 the related party transactions entered during the year were in ordinary course of business and on arm's length basis. Your Company obtained shareholders' approval for material related party transactions though such transactions being entered during ordinary course of business and on arm's length basis as required under Listing Regulations. Your Company's Policy on Related Party Transactions which can be accessed through weblink : <http://www.igarashimotors.com/investor-list.php?invescatid=18>.

Your Company presents a statement of all related party transactions before the Audit Committee. Details of such transactions are given in the accompanying financial statements. Disclosure of Related Party transaction 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, 2017, the ICC has received no complaints pertaining to sexual harassment / discrimination at work place.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are Mr. P Mukund, Managing Director, Mr. R Chandrasekaran, Chief Financial Officer and Mr. P Dinakara Babu, Company Secretary. During the year, there has been no change in the KMP.

MANDATORY AUDITOR ROTATION

M/s. Sharp & Tannan, Chartered Accountants were appointed as Statutory Auditors of the Company at the 24th Annual General Meeting held on August 04, 2016 from the conclusion of that Annual General Meeting till the conclusion of 25th Annual General Meeting to be held in the year 2017. M/s. Sharp & Tannan, Chartered Accountants would vacate office as Auditors of the Company at the conclusion of ensuing Annual General Meeting pursuant to Section 139(2) (b) of the Companies Act, 2013 dealing with compulsory rotation of auditors. Thus, Sharp & Tannan, Chartered Accountants would be carrying out limited review of first quarter financial results of FY2017-18.

Pursuant to applicable provisions of the Companies Act, 2013, on the recommendation of the Audit Committee, it is proposed to appoint M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as

Igarashi Motors India Limited

Statutory Auditors of the Company to hold office from conclusion of the 25th Annual General Meeting of the Company until 30th Annual General Meeting. Necessary resolution for the appointment of M/s. B S R & Co. LLP as Statutory Auditors is included in the Notice of the Annual General Meeting.

The Board places on record its appreciation for the contribution of M/s. Sharp & Tannan, Chartered Accountants during their past 25 years tenure as Auditors of your Company.

AUDITOR'S REPORT

No qualification, adverse remarks or disclaimer made by the Statutory Auditors with regard to the financial statements for the financial year 2016-17.

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

INDIAN ACCOUNTING STANDARDS

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16,2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, your Company will adopt "IndAS" with effect from April 01,2017.

The implementation of IndAS is a major change process for which the Company had dedicated considerable resources. The impact of the Change on adoption of IndAS has been assessed and the Company is ready to adopt IndAS.

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, Partner, BP & Associates, Company Secretaries (CP No.:8315, ACS: 10798) to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is given in Annexure to this Report. The Report does not contain any qualification.

COST AUDITOR

As your Company has been operating from MEPZ-Special Economic Zone, appointment of Cost Auditor is exempted under Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014.

EXTRACT OF THE ANNUAL RETURN

Relevant extract of annual return to be filed with the Registrar of Companies for financial year 2016 –17 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. Your Company's Statutory Auditors have, in their report, confirmed the adequacy of the internal control procedures.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee. The CSR Committee comprises of four members and the Chairman of the Committee is an Independent Director. CSR Committee of the Board has developed a CSR Policy. The CSR Committee met three times during the year on May 19,2016, November 10,2016 & February 08,2017. The details of role and functioning of the Committee are 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 Regulation 17 of Listing Regulations 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.

BUSINESS RESPONSIBILITY REPORT

Your Company is one of the top 500 listed entities (by Market Capitalisation as on March 31,2016). Thus, Business Responsibility Report is forming part of the Annual Report for the financial year ended March 31,2017 as required under Regulation 34(2)(f) of Listing Regulations. Your Company has hosted Business Responsibility Report on the Company's website at : <http://www.igarashimotors.com/investor-list.php?invescatid=17>.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Act read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') in respect of remuneration and other details 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.

In terms of the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of Rules, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules should be provided in the Annual Report. None of the Company's employees were covered by the disclosure requirement.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

HUMAN RESOURCES

Your Company has 617 number of permanent employees on the rolls of the Company as on March 31, 2017. 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 Listing Regulations is annexed hereto.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has a vigil mechanism established Whistle Blower Policy, as per the requirement of the Companies Act, 2013 and the Listing Regulations, to enable all employees and the directors to report in good faith any violation of the Policy. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. Your Company has disclosed the details of Whistle Blower policy on its website: <http://www.igarashimotors.com/investor-list.php?invescatid=18>.

Igarashi Motors India Limited

CODE OF CONDUCT

Your Company has laid down a Code of Conduct Policy which can be accessed on the Company's website: <http://www.igarashimotors.com/investor-list.php?invescatid=18>.

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 2017-18.

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 11, 2017

K K Nohria
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

1) Energy Conservation Measures Taken

- i. BLDC Ceiling fans which consume 50% of conventional fans have been installed. 400 KWh/ month is being saved.
- ii. LED lights installed instead of T5 –TL in which 40% of energy is saved for the same lux requirement. 10461 KWh/ month is being saved.
- iii. Day lighting increased thereby reducing daytime lighting requirement. 600 KWh/ month is being saved.

2) Steps taken by the Company for utilizing alternate sources of energy are

- i. Dialogue is in progress with WIND FARM energy sourcing at a tariff less than Tamil Nadu Electricity Board
- ii. Solar UPS and street lighting is being planned
- iii. Heat recovery system feasibility is under progress

3) The capital investment on energy conservation equipment's

- i. ₹.0.84 lakhs for BLDC Fans
- ii. ₹.2.2 lakhs for LED lighting

B. TECHNOLOGY ABSORPTION

- 1) the efforts made towards technology absorption : Nil
- 2) the benefits derived(like product improvement, cost reduction, product development or import substitution) : Nil
- 3) Information regarding imported technology (last three years): Not applicable
- 4) Expenditure on Research and Development :
 - a) Capital : ₹.88.21 lakhs (₹. 96.08 lakhs previous year)
 - b) Recurring : Nil
 - c) Total : ₹. 88.21 lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company is operating in MEPZ - SEZ; refer Management Discussion and Analysis Report;

Total Foreign exchange used and earned:

₹. Lakhs

Particulars	2016-17	2015-16
Total Foreign Exchange earned	48,594.56	42,190.88
Total Foreign Exchange used	29,913.26	25,970.01

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

a) **Section 197(12) 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 FY 2016-17 (₹.)	Remuneration paid FY 2015-16 (₹.)	Increase in remuneration from previous year (₹.)	Ratio/Times per Median of employee remuneration
1	Mr. P Mukund	Managing Director	88,35,447	87,22,943	1,12,504	9.52
2	Mr. K K Nohria	Director	12,00,000 #	9,60,000	2,40,000	1.65
3	Mr. Hemant M Nerurkar	Director	8,00,000 #	4,80,000	3,20,000	1.10
4	Mr. S.Radhakrishnan	Director	8,00,000 #	6,20,000	1,80,000	1.10
5	Mr. Keiichi Igarashi	Director	Nil	Nil	N.A	N.A
6	Mr. Akhil Awasthi	Director	Nil	Nil	N.A	N.A
7	Mrs. Eva Maria Rosa Schork	Director	Nil	Nil	N.A	N.A

Includes sitting fees paid for Board & Committee meetings and Remuneration for financial year 2016-17

ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Mr. K K Nohria, Director - 25%##

Mr. Hemant M Nerurkar, Director – 67%##

Mr. S. Radhakrishnan, Director – 29%##

Mr. P Mukund, Managing Director – 1%

Mr. R Chandrasekaran, Chief Financial Officer –9%\$

Mr. P Dinakara Babu, Company Secretary – 5%\$

During the year sitting fees were paid for Board & committee meetings and remuneration was paid for FY16-17

\$ Includes Performance incentive

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 : 12%

iv) The number of permanent employees on the rolls of Company : 617

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, 2017	March 31, 2016	% Change
Market Capitalization (₹. Crores)	2,466.89	1,682.55	46.62%
P/E Ratio	33.44	26.42	26.57%

- 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, 2017 (₹.)	IPO*	% Change
Market Price (BSE)	802.05	10	7920
Market Price (NSE)	805.95	10	7960

*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 FY17(₹.Lakhs)	88.35	77.52 ^{\$}	41.89 ^{\$}
Revenue (₹. Lakhs)	50,789.43		
Remuneration % of Revenue	0.17%	0.15%	0.08%
Profit Before Tax (PBT) (₹. Lakhs)	11,130.86		
Remuneration (as % of PBT)	0.79%	0.70%	0.38%

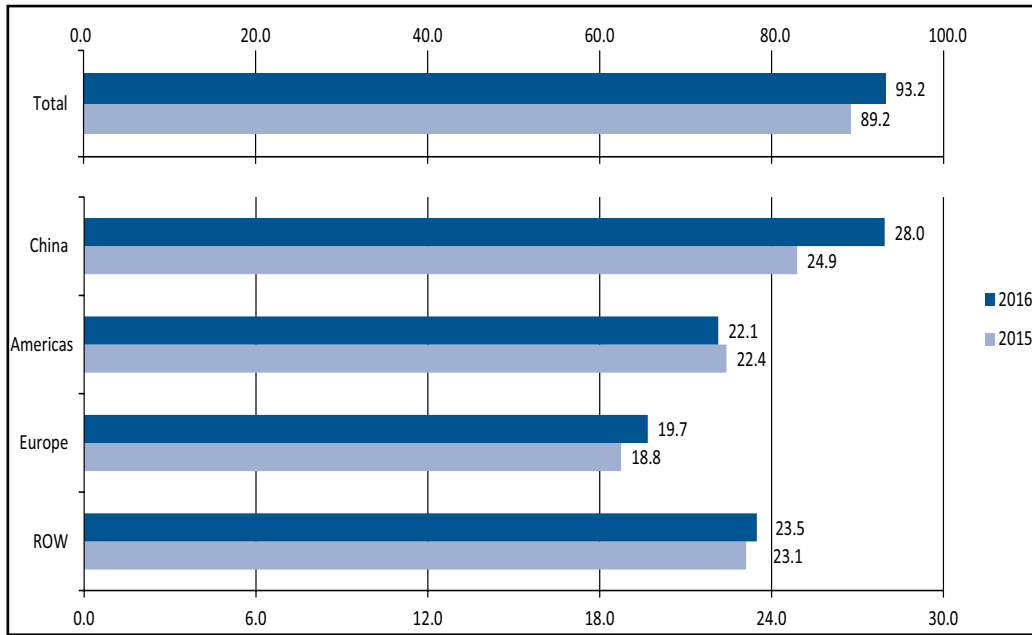
^{\$} Includes Performance incentive

- 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL AUTOMOTIVE MARKET – VEHICLE SALES & TRENDS

The Volume of Light Commercial Vehicles (LCVs - including Passenger Cars) in 2016 was at 93.2 Million as depicted in the chart. The Asia Pacific region holds the largest share in terms of vehicles sold (approx. 45%) followed by North America (approx. 23%). This volume is expected to be between 100 ~ 110 Million by 2020.



Source : LMC Automotive

Technology and consumer trends are driving the Automotive Industry towards connectivity, electro-mobility, automated driving, in addition to fuel efficiency, emission control, safety and comfort.

Increasing investment trends are visible in the electric vehicle space (Both All-Electric & Hybrid Electric Vehicles) which are driving the industry players to believe that by 2025 the share of All-electric vehicles could be between 8% to 10% of the total vehicle sales and the Hybrid Electric Vehicles could be between 10% and 15% of the total vehicle sales.

While Combustion Engines will still have good volumes, it is estimated that the technology pressure on improving Combustion Engine performances, increasing safety features and reducing size/weight will be top priority.

With the return to SUV mind-set among consumers in USA & China, in addition to core performance features, comfort features are beginning to penetrate significantly in vehicles. Independent reports indicate the key players in the actuator segment continue to be German and Japanese Tier-1s.



TOP DRIVERS FOR INCREASED ACTUATOR USAGE WITH MOTORS

Stringent Government Regulations	➔	Stringent government regulations for emissions have resulted in increasing demand of actuators in engine management systems.
Growing Demand for Fuel Efficient Vehicles	➔	Increased Fuel Efficiency Requirements combined with downsizing and increasing engine power are driving usage of Actuators for Air & Fuel Management.
Growing Demand for Comfort Features in Vehicles	➔	With increasing trend towards SUVs and more features in LCVs, features manifesting higher levels of comfort in vehicles are growing faster than the vehicle market growth.
Rise in Global Vehicle Production	➔	Growing Urbanization, increasing population, increasing number of OEMs and growth of developing economies have driven the demand for electric actuators.
Increasing Investments in Hybrid & Electric Vehicles Development	➔	Due to increasing investments in Hybrid and Electric Vehicle spaces, demand for Electric Actuators is expected to rise.

TORQUE ACTUATORS MOTORS ('TAM') – SEGMENT OPPORTUNITIES

The below chart indicates a brief about the specific applications for TAM which is the key focus of our Company today:

Electronic Throttle Control (ETC)	➔	It precisely controls the amount of air for air-fuel mixture entering into the combustion chamber of the engine for perfect combustion.
Waste Gate Actuator (WGA)	➔	Waste-gate is used to divert exhaust gas away from turbine wheel in a turbocharged engine system. It protects the engine by regulating boost pressure. In its resting position, a waste-gate is shut, and as the boost pressure builds, force is applied to the actuator. When the boost pressure exceeds the spring value, the actuator will progressively open the waste-gate, bypassing some of the exhaust gases therefore maintaining the boost pressure at the set level.
Exhaust Gas Recirculation (EGR)	➔	It is used in internal combustion engine to reduce the pollutant emissions. An actuator controlled EGR works by recirculating a portion of an engine's exhaust gas back to the cylinders. This dilutes the oxide in the incoming air stream and provides gases inert to combustion to act as absorbents of combustion heat to reduce peak in-cylinder temperatures.
Variable Geometry Turbine (VGT)	➔	It changes effective aspect ratio of the turbo with the changing conditions by controlling a set of guide vanes to control the flow of exhaust gases to the turbine, providing sufficient energy for the turbine to drive the compressor.
Coolant Control Valve (CCV)	➔	It controls the engine and other temperatures for better engine performance and comfort. Based on the heat levels in the various parts of the LCV (engine, seats, other under-hood parts), the CCV directs the required amount of coolant to the various locations. With need for cooling in the various elements of electric/ hybrid vehicles, such valves are proliferating into the coolant circuit of EV/ HEVs.
Air Intake Flap	➔	It is a small butterfly valve responsible for supplying fuel-air mixture in gasoline engines and air in diesel engine to the combustion cylinder.

Usage of Motors in above Applications are of the order of > 200 Million motors annually and continue to grow.

COMFORT ACTUATOR MOTORS ('CAM') – SEGMENT OPPORTUNITIES

The Comfort Actuator Motors used in Specific Applications below are of the order of > 600 Million motors per year and continue to grow. The below chart indicates a brief about the specific applications, which become relevant to our Company as the merger planned between Agile Electric Sub Assembly Private Ltd and our Company, will bring this into our Company :

<p>Body: These are the motors that are on the body of the vehicle ➡</p>	<ul style="list-style-type: none"> • Window regulator: It helps in opening-closing of the windows. • Power Tail Gate: It helps open/ close the back gate in SUVs. • Slide door: It helps open/ close sliding doors in cars/SUVs. • Trunk Opening & Closing Device: It helps in opening and closing the trunk. • Sunroof: It helps in opening and closing the sun-roof. • Door Opener: It helps opening the closing the car door.
<p>Seats: These are the motors for various movements in seats of the vehicle. ➡</p>	<ul style="list-style-type: none"> • Adjuster: It helps in up-down, left-right and front-back movements. • Recliner: It helps in movement of the upper part of the seat that supports the back. • Incliner: It helps in movement of the lower part of the seat that supports the legs. • Lumbar: It helps in movement to provide lumbar support. • Head-rest: It helps in movement of the head rest. • Belt presenter: It helps in easy access to seat belt. • Swivel: It helps to get in and out of your car more easily.
<p>Steering: These are the motors associated with the steering of the vehicle. ➡</p>	<ul style="list-style-type: none"> • Column Adjuster: It helps in adjusting position of the steering column. • Tilt Mechanism: It helps in adjusting the tilt of the steering column.

PLATFORM PROGRAMS

The experiences over the last 15 years in our ability to understand the application and technology trends in the Torque Actuator Motor segment, combined with the experience of having delivered more than 150 Million Motors globally have encouraged our Technology Desk to create core platforms with appropriate flexibilities for customers to choose from our platform offerings.

During the last 2 years, the Company added capacity of 8 Million Motors per year by a combination of setting up new lines and augmenting capacity of two running lines.

The Company is working with strategic customers to evolve manufacturing platforms for their designs in the Comfort Actuator Motor space as well.

INFRASTRUCTURE

Your Company has taken on lease 3 New Plots inside MEPZ-SEZ, Chennai for installing new manufacturing lines and logistics with total new plot area of 1,11,600 sq ft.

With the above, the Company’s overall plot area has increased to 3,35,236 sq ft, enabling our Company to add a capacity of ~20% every year for the next years depending upon customer program launches.

NIL SPILL

During the year, your Company has taken up multiple projects grouped under “NIL SPILL” to keep up with the stringent Customer quality specifications.

The intolerance levels of Customers to non-quality have increased significantly. Customers have moved on from tracking ppm as a measure of quality to tracking quality incidents reported.



Nil spill is the culmination of the value stream processes of all Manufacturing support functions providing flawless outputs to next customer thereby achieving NIL SPILL product.

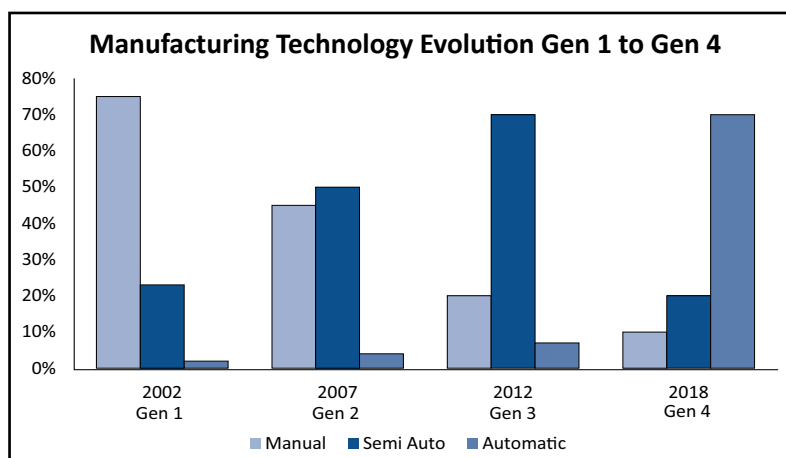
For new programs, the program teams works in unison with the Customer, the product design team and the process engineering team to finalise the PPAP of the designs and provide it to the Customer and, on approval, send it to the manufacturing team.

For existing programs, Nil Spill is ensured on all the inputs like raw materials, and resources so that quality products are ensured at the input level to manufacturing who produces and delivers a high quality product to the end Customer.

Quality systems, system processes, procedure formats, measurement & analysis, corrective actions and continuous improvements will be the pillars of these projects.

MANUFACTURING TECHNOLOGY UPGRADATION

As technology and employee skill levels have been increasing, the trend in our manufacturing is shifting from manual to semi-automatic to automation. Lines with higher capacity and higher Automation have been launched as indicated in below Chart.

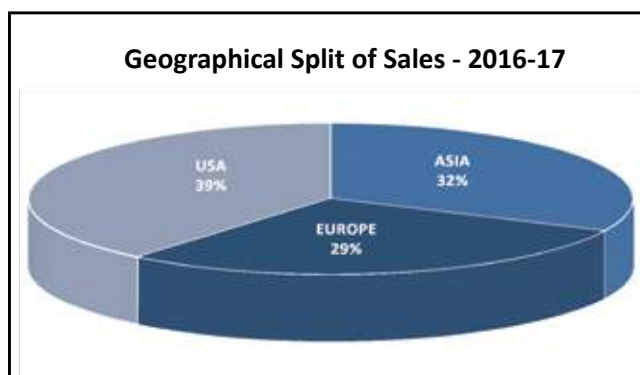
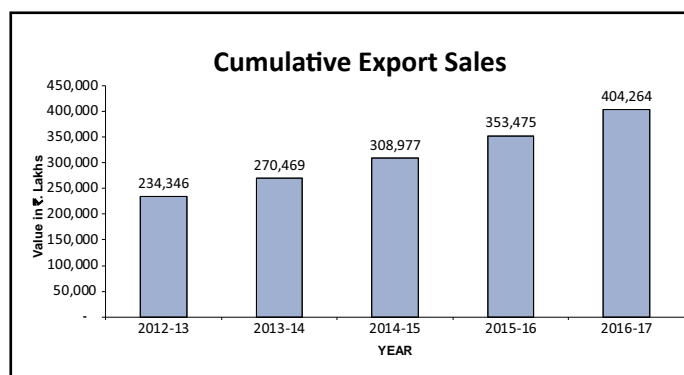


Individual Manufacturing Line Capacity			
1.3 Mio./Yr	1.8 Mio./Yr	3.2 Mio./Yr	5.4 Mio./Yr
Gen 1	Gen 2	Gen 3	Gen 4

Improved technology machines and tools are driving capacities and technologies in Tier-4 parts manufacturing facilities, which will increase the capacities of presses / moulding machines by > 75%.

This has also been possible due to the Competence Building and Employee Skill level upgradation through various workshops help in your Company offices inviting Customers and Suppliers and also attending various workshops hosted by Customers and Suppliers in many countries like China, Germany, Mexico, & Taiwan.

PERFORMANCE 2016-17



Igarashi Motors India Limited

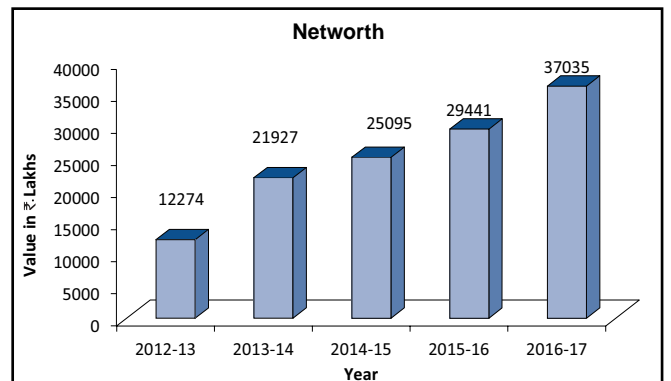
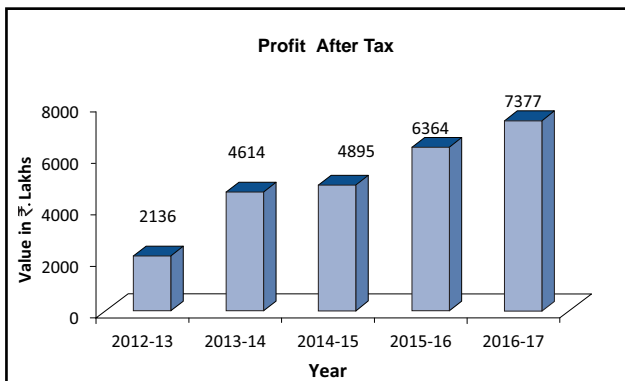
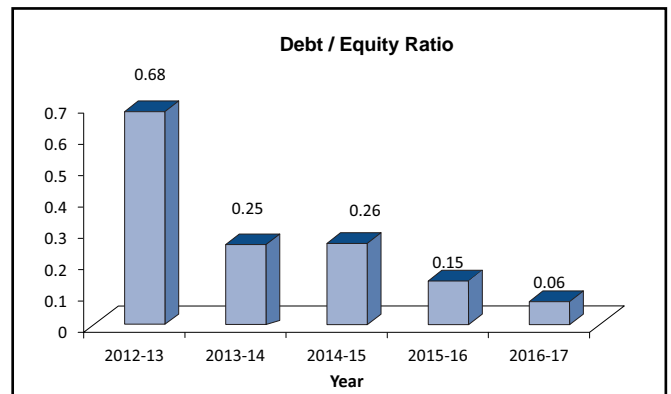
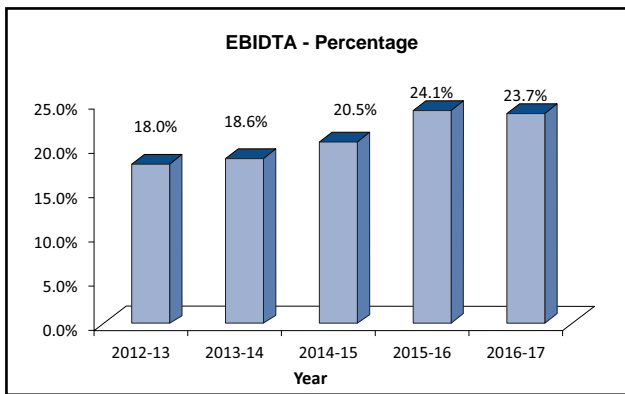
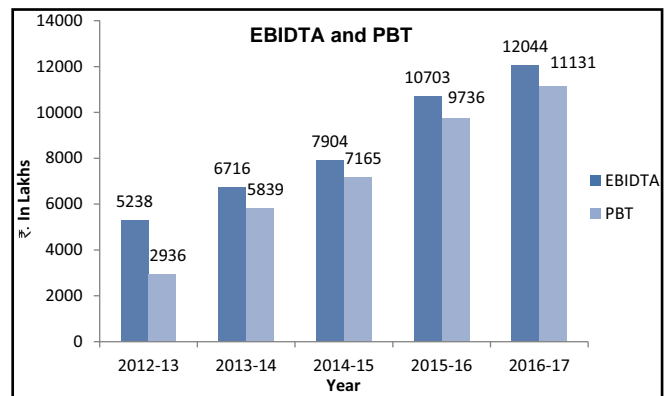
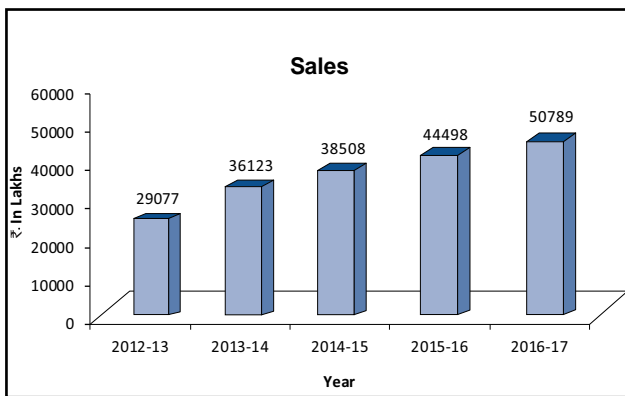
In the year 2016-17, the Company saw a better growth in volumes from 19.6 Million Motors in FY16 to 22.5 Million Motors in FY17 (15% growth) compared to the previous years due to the new programs /new market launches.

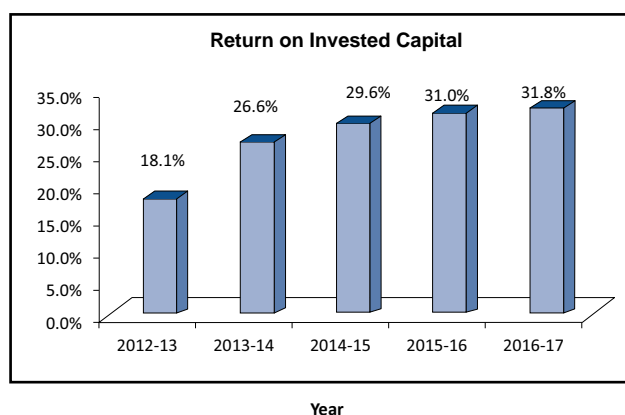
Your Company is in close discussions with Customers for higher volume growth over next 3 years than what was experienced over the last three years. With the return of Igarashi Electric Works Ltd,('Igarashi Japan') Japan as Promoters an acceleration in new opportunities is expected.

Your Company's efficient operations and business chain management, have contributed to the improved financial performance and plans are being put-in place to utilize the existing assets more efficiently, while new investments are judiciously made, keeping in mind the ramp-up time as 3~4 years.

New applications and new growth strategies are constantly under discussion with Customers and parent Company Igarashi Japan.

PAST 5 YEARS PERFORMANCE





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 key risks that the business faces are enumerated as follows:

a) Raw Material Prices & Foreign Exchange Rates:

Changes / fluctuations in commodity prices (steel , copper & plastic) will impact your Company's product cost. Your Company had agreed on commodity variation pass through with customers with an agreed lag to cover the risk arising from fluctuations in raw material prices.

Your Company, being an Exporter, will have an impact due to foreign exchange fluctuation. Your Company has been importing most of raw materials which acts as auto hedge mechanism for exchange rate fluctuation. Your Company has got currency hedging policy and practices in place which are regularly reviewed to mitigate foreign exchange risk.

b) Quality Risk:

Increasing quality requirements across business chain in the Global Automotive Industry have become a norm and the quality measurement standards have migrated from PPM ('Parts Per Million') measurement to PPB ('Parts Per Billion') measurement and field quality incidents.

Keeping pace with the customer expectations, your Company has launched a Company wide "NIL SPILL" program to increase the standards of all processes in the APQP and Value Stream pipeline to deliver higher quality.

c) Insurance Risk :

The product liability insurances taken against warranty claims as specified by the Customer, provide only limited coverage of the actual exposure and hence some part of the exposure's liability continues to remain with the manufacturer and this could impact the business. Your Company is carefully tracking all directly and indirectly related information together with parent Company in Japan to continuously calibrate the insurance policy based on actuality of the situation.

d) Geo-Political risks/ Economic Slowdowns:

9/11 tragedy and the 2008-09 economic slowdown led to significant postponement of planned roll-outs by automobile manufacturers which in turn had a cascading effect on component makers who had already made significant capital investments for the projected business. Thus, any future event of this scale can adversely impact the industry and other fundamentals.

e) Probable Substitutes in the Future:

Brushless DC Motors and Nano-technology are possible substitutes for the Brushed DC Motor. The brushless motors is presently costing 3~5 times the traditional motors with brushes. A brushless motor is being used when high reliability, long life and high speeds are required. Hence it is used only in those applications where sophisticated control of the motor's operation is required. Nanotech is still in the nascent stage of the technology

Igarashi Motors India Limited

adoption cycle & is not strong enough for major tasks such as powering windows and seats. 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.

f) Pricing Pressures:

Your Company is being exposed to downward price pressures from Global Tier-1 customers due to typical characteristic of Global Automotive Industry. Your Company has taken various steps including technology intervention in both production and process development, reducing operating costs, sourcing improvements, customer negotiations and other actions to offset customer price reduction.

g) Logistic Risk:

Your company being exporter of motors to locations all over the World, it is continuously exposed to Supply Chain risks such as shipment delivery due to usage of sea freight for most of the deliveries. With the parents global network, there are five points of warehouses created in various regions of the Globe with a continuously reviewed inventory policy to make sure that no supply shortages occurred to the Customer.

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.

INTERNAL CONTROL SYSTEMS & ADEQUACY

Your Company has an adequate system of internal controls to ensure that transactions are properly authorised, recorded, and reported, apart from safeguarding its assets. The internal control system is supplemented by well documented policies and procedures and reviews carried out by the Company's Internal Auditor which submits reports periodically to the Management and the Audit Committee of the Board.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your Company recognizes importance of leadership, technical and behavioural development for employees across the Company. Your Company has launched continuous improvement & training programs aimed for increasing knowledge level of employees and offer rewards to those employees who performed well in such programs. Apart from this, your Company has devised training plans and executed for each employee based on their skills, roles and aspirations.

Your Company has total employee strength of 617 out of which majority are women employees.

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 depending on the circumstances.

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

Place : Chennai
Date : May 11, 2017

P.Mukund
Managing Director



BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

Sl. No	General Information	Details
1	Corporate Identity Number (CIN) of the Company	L29142TN1992PLC021997
2	Name of the Company	IGARASHI MOTORS INDIA LIMITED
3	Registered address	Plot No.B-12 to B-15,Phase-II,MEPZ -SEZ, Tambaram, Chennai – 600 045
4	Website	www.igarashimotors.com
5	E-mail id	investorservices@igarashimotors.co.in
6	Financial Year Reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Electric Micro Motors – 2710 Stamping and Motor Components – 2591
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Electric Micro Motors Stamping and Motor Components
9	Total number of locations where business activity is undertaken by the Company	One
a	Number of International Locations (Provide details of major 5)	Nil
b	Number of National Locations	Plot No.B-12 to B-15,Phase-II,MEPZ -SEZ, Tambaram, Chennai – 600 045 Plots No.8,9,10, Phase I, MEPZ-SEZ, Tambaram, Chennai - 600045
10	Markets served by the Company: Local/State/ National/International	India, USA, Europe, China And Asia.

Section B: Financial Details of the Company:

Sl. No		Amount (₹)
1	Paid up Capital	30,60,84,440
2	Total Turnover (in Lakhs)	50,789.43
3	Total profit after taxes (in Lakhs)	7,376.98
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5	List of activities in which expenditure in 4 above has been incurred	1) Promoting Civic Learning among children 2) Cancer Awareness Project 3) Prime Ministers National Relief Fund (PMNRF)

Igarashi Motors India Limited

Section C: Other Details

Sl. No	Particulars	Details
1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	All our customers are Global Tier I and as per our understanding & information, all of them have their own BR initiatives.

Section D: BR Information

1. Details of Director/Directors Responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN	00007788
Name	Mr. P. Mukund
Designation	Managing Director

b. Details of the BR head

DIN (if applicable)	00007788
Name	Mr. P. Mukund
Designation	Managing Director
Telephone Number	+91 44 42298199/22628199
e-mail id	investorservices@igarashimotors.co.in

List of Principles:

Principle - 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle - 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle - 3	Businesses should promote the wellbeing of all employees
Principle - 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized



Principle - 5	Businesses should respect and promote human rights
Principle - 6	Business should respect, protect and make efforts to restore the environment
Principle - 7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle - 8	Businesses should support inclusive growth and equitable development
Principle - 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

2. Principle - Wise (As per National Voluntary Guidelines) Business Responsibility Policy/ Policies (Reply in Y/N)

S I . No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (The policies conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, SA 8000, UNGC guidelines and ILO principles and meet the regulatory requirements such as SEBI listing Regulations. The policies reflect IMIL commitment to improve the quality of life of the communities it serves and practice of returning to society what it earns)	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all its internal stakeholders and external stakeholders based on their relevance.								
7	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the Company has an internal persons to evaluated the workings of this Policy								

Igarashi Motors India Limited

2A. If answer to Sl. No 1 against any principle, is 'No', Please explain why:

(Tick Up to 2 Options)

Sl. No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR:

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Your Company's Board of Directors and Audit Committee reviews the performance on quarterly basis. The action points emerged from the discussion at the meetings is reviewed in the subsequent meeting for their closure.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Your Company is one of the top 500 listed entities (by Market Capitalization as on March 31, 2016). Thus, Business Responsibility Report is forming part of the Annual Report for the Financial year ended March 31, 2017 as required under Regulation 34(2)(f) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Your Company has hosted Business Responsibility Report on the Company's website: <http://www.igarashimotors.com/investor-list.php?investcatid=17>.

Section E: Principle wise Performance

Principle -1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company has adopted Whistle Blower Policy in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior in consonance with Code of Conduct.

The Company in order to attain the highest legal and ethical standard has adopted Anti-Corruption Compliance Policy. The policy covers instances pertaining to bribery, kickbacks, or corruption of any kind directly or through third parties, whether or not explicitly prohibited by this policy or law. The policy applies to all the stakeholders involved in the business environment.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof

Stakeholders Complaint Received – 11

Stakeholders Complaint Resolved – 11

Stakeholders Complaint Pending – Nil

Percentage of Stakeholders Complaint Resolved - 100 %



Principle – 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

Given below is a list of products whose design has incorporated social or environmental concerns:

- a. Electric DC Micro Motor
- b. Stamping and Motor Components

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

Steel is the major raw material in all these products. All the resources used in the production of these products are used efficiently and hence it reduces the impacts on the environment.

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
 - i. BLDC Ceiling fans which consume 50% of conventional fans have been installed. 400 Kwh/month is being saved.
 - ii. LED lights installed instead of T5 –TL in which 40% of energy is saved for the same lux requirement. 10461 KWh/ month is being saved.
 - iii. Day lighting increased thereby reducing daytime lighting requirement. 650 KWh/ month is being saved.
- a. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company adopts the latest Tier - II technology in its products to provide high fuel efficiency, better emission control and stronger engine dynamics.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes

- a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so

Your Company, being a major exporter to Global Tier I customers, has to meet the huge demands of the customers by providing timely delivery and international standard quality products, hence to meet the demand it has to obtain its inputs from global market. As such ~93% of raw material, components, stores and spares are being imported. The Company continuously works with its vendors and suppliers to reduce the environmental impact of sourcing.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Your Company has to sustain the global market competition and to the meet the demands of the Global Tier I customers. In this capacity, many local and small communities including communities surrounding their place of work are encouraged and utilized for their products and services. These local firms are given adequate quality and safety standards, including guidance, to achieve and they are also rewarded for their performance.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%) Also, provide details thereof, in about 50 words or so
Your Company efficiently uses its raw material and products. In the process of continuous learning and effective usage of resources, 100% of waste materials are being given to identified recycle suppliers.

Principle – 3: Businesses should promote the well being of all employees

1. Please indicate the Total number of employees.

The total number of employees was 617 as on 31st March, 2017 in the Company.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis

The total contractual/temporary manpower employed was 847 as on 31st March, 2017 in the Company.

3. Please indicate the Number of permanent women employees

There were 359 permanent female employees as on 31st March, 2017 in the Company.

Igarashi Motors India Limited

4. Please indicate the Number of permanent employees with disabilities

There were no employees with disabilities as on 31st March, 2017

5. Do you have an employee association that is recognized by management

No

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

Sl. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child Labour/Forced Labour/Involuntary Labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sl. No	Particulars	Percentage
a	Permanent Employees	56
b	Permanent Women Employees	43
c	Casual/Temporary/Contractual Employees	15
d	Employees with Disabilities	N.A

Principle – 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company has mapped all its internal stakeholders and external stakeholders based on their relevance. Individual Departments within the Company have their own roles and responsibilities to be identified with its stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so:

Yes, your Company has implemented the following three CSR initiatives

- a. Promoting Civic Learning among children:

Your Company along with Bala Janaagraha (NGO) have promoted civic learning among children's through different classroom sessions given by different faculties in schools covered in Chennai, Tamilnadu. The students will be divided into groups for this project and are encouraged to come-up with creative solutions to the problems/shortcomings identified by them during the Project work. They will get an opportunity to present their work at various levels of Civic Fests conducted in the months of November, December & February.



b. Cancer awareness Project:

Your Company has joined hands with Indian Cancer Society (ICS) and created smoking awareness programs among school children's between the ages 12 – 16 years across the entire country. It has also developed an anti-smoking film starring Bollywood star in different regional languages.

ICS has also developed an aggressive social media strategy by increasing activities on Facebook, Instagram and Twitter by creating atleast a minimum of 10 informative posts presented in an interesting manner along with ¾ I can videos every month will help increase awareness about cancer.

c. Prime Ministers National Relief Fund (PMNRF):

The Company has contributed the Prime Ministers National Relief Fund for medical assistance, floods, drought, terrorist violence and other such unforeseen occurrences, with a reserve for emergencies.

Principle – 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGO's / others?

Yes the policy extends to its suppliers and contractors also.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any stakeholder complaint regarding Human Rights in the year 2016-17.

Principle – 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others

The Company has adopted Environment Policy and it extends to all the personnel under the control of the organization.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.

The Company has taken several initiatives to reduce the consumption of power. Refer Directors Report for details in Conservation of Energy, Technology and Absorption.

3. Does the company identify and assess potential environmental risks?

Yes, potential environmental risks are identified as part of the Company's risk management policy. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The company has adopted ISO/TS 16949:2009 certification by DQS UL Management Solutions for their design, development and manufacture.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc

The Company has taken several initiatives to reduce the consumption of power by taking initiatives of Wind Power sourcing. Refer Directors Report for details in Conservation of Energy, Technology and Absorption.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all the emission/waste generated by the company is within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year

There were no show cause/ legal notices received during the year 2016-17.

Igarashi Motors India Limited

Principle – 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, member of Export Promotion Council for EOUs & SEZs

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

Principle – 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified program/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. The Company has initiated projects like Janaagraha Centre for Citizenship and Democracy, Indian Cancer Society, Prime Ministers National Relief Fund.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The CSR programs of the Company are run through NGO and other organizations having experience.

3. Have you done any impact assessment of your initiative?

The CSR programs and their impacts/ outcomes are monitored and reviewed by the CSR Committee periodically.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

a. Janaagraha Centre for Citizenship & Democracy - ₹. 19.29 Lakhs

b. Indian Cancer Society - ₹. 30.39 Lakhs

c. Prime Ministers National Relief Fund – ₹. 197.16 Lakhs

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

Yes, Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits gained by the community through CSR Committee.

Principle – 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year

During the year 2016-17 there were no customer complaints or cases received.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Not applicable as the company's product is not directly visible to the end user.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

There were no cases filed by any stakeholder against the Company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Not Applicable.



FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[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

We 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 us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Igarashi Motors India Limited's 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 authorised representatives during the conduct of Secretarial Audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Igarashi Motors India Limited for the financial year ended on 31st March, 2017 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Special Economic Zone Act, 2005
- (vii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (viii) Other laws applicable to the Company as per the representations made by the Management.

Igarashi Motors India Limited

With respect to Fiscal laws such as Income Tax, Value Added Tax, Central Excise Act and Service Tax Rules, we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various Acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

- i Secretarial Standards issued by The Institute of Company Secretaries of India have been generally complied with.
- 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.

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 and Listing of Debt Securities) Regulations, 2008;
- ii. the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

WE 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.

We 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.

For BP & Associates
Company Secretaries

S. Bhaskar
Partner

Place: Chennai
Date : May 11, 2017

M No: 10798, CP No: 8315



'ANNEXURE A'

To

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BP & Associates
Company Secretaries

S. Bhaskar
Partner

Place: Chennai
Date : May 11, 2017

M No: 10798, CP No: 8315

Annexures forming Part of Secretarial Audit Report **Significant Events held during the Financial Year 2016-17**

SI No	Category	Description	Companies Act 2013	LODR	OTHERS
1	Share Capital	Increase in Public Shareholding	-	Regulation 30-Part A of Schedule III	-
2	Dividend	Declaration of 15% Dividend	Section 123 of the Companies Act, 2013	Regulation 29(1) (e),30(6), 68(2)	FEMA: Filing of Form RCD-1 & RCD 2

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has constituted a 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:

Our Corporate Social Responsibility program is based on to promote women skill development, Environment protection and other activities covered under Schedule VII of the Companies Act, 2013.

The Company's CSR policy has been uploaded on the website of the Company under the web link; http://www.igarashimotors.com/uploads/investor/pdf/14531240404IMIL-CSR_Policy.

2. The Composition of the CSR Committee

The composition of the CSR Committee comprises following directors as members:

- Mr. K K Nohria, (Chairman), Non-Executive, Independent Director
- Mr. Hemant M Nerurkar, Member, Non-Executive, Independent Director
- Mr. S. Radhakrishnan, Member, Non-Executive, Independent Director
- Mr. P. Mukund, Member, Executive, Managing Director

3. Average profit (PBT) of the company for last three financial years:

₹. 7,303 Lakhs (2013-14, 2014-15, 2015-16)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹.146.08 Lakhs

5. Details of CSR spent during the financial year 2016-17

- Total amount to be spent for the financial year: ₹. 246.80 Lakhs\$
- Amount unspent, if any; - Nil
- 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 (₹. Lakhs)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads - (₹. Lakhs)	Cumulative expenditure upto to the reporting period -	Amount spent : Direct or through implementing agency
1	Promoting Civic Learning among children	Education	21 schools in Chennai & Tamil Nadu	19.29	19.29	19.29	Through Janagraha Centre for Citizenship and Democracy



(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 (₹. Lakhs)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads - (₹. Lakhs)	Cumulative expenditure upto to the reporting period -	Amount spent : Direct or through implementing agency
2	Cancer awareness Project	Health	All over India	30.39	30.39	30.39	Through Indian Cancer Society
3	Prime Ministers National Relief Fund (PMNRF)	For medical assistance, floods, drought, terrorist violence and other such unforeseen occurrences, with a reserve for emergencies.	All over India	96.38	96.41	NIL	Direct (PMNRF)
4	PMNRF	- do-	All over India	100.74 *	100.75*	Nil	Direct(PMNRF)
	TOTAL			246.80\$	246.84\$		

\$ Includes carry forwarded CSR un-spent FY15-16 ₹. 100.74 Lakhs.

* un-spent CSR amount of FY15-16

6. Reasons for not spending the prescribed amount

Not applicable

7. Responsibility statement of the CSR Committee

We hereby affirm that the implementation and monitoring of CSR activities is in compliance with CSR objectives and CSR Policy of the Company.

On behalf of the CSR Committee of the Board

K K Nohria
Chairman CSR Committee

P. Mukund
Managing Director

Place: Chennai

Date : May 11, 2017

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31,2017
[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/No)	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: investor@cameoindia.com / investor3@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 the Product /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(46)



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

A) CATEGORY WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year 01-April-16				No. of Shares held at the end of the year 31-March-17				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	99,78,384	0	99,78,384	32.60	66,58,033	0	66,58,033	21.75	(10.85)#
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	1,28,30,659	0	1,28,30,659	41.92	1,28,30,659	0	1,28,30,659	41.92	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	2,28,09,043	0	2,28,09,043	74.52	1,94,88,692	0	1,94,88,692	63.67	(10.85)
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	34,67,641	0	34,67,641	11.33	34,67,641	0	34,67,641	11.33	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	34,67,641	0	34,67,641	11.33	34,67,641	0	34,67,641	11.33	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2,62,76,684	0	2,62,76,684	85.85	2,29,56,333	0	2,29,56,333	75.00	(10.85)
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	6,53,320	0	6,53,320	2.13	21,64,934	0	21,64,934	7.07	4.94
b) Banks/FI	0	0	0	0	1,597	0	1,597	0.01	0.01
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	1,31,774	0	1,31,774	0.43	4,918	0	4,918	0.02	(0.41)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify) (Foreign Portfolio Investor)	1,39,759	0	1,39,759	0.46	14,72,616	0	14,72,616	4.81	4.35
SUB TOTAL (B)(1):	9,24,853	0	9,24,853	3.02	36,44,065	0	36,44,065	11.91	8.89

Igarashi Motors India Limited

Category of Shareholders	No. of Shares held at the beginning of the year 01-April-16				No. of Shares held at the end of the year 31-March-17				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	4,68,694	1,100	4,69,794	1.53	7,18,243	1,100	7,19,343	2.34	0.81
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	19,59,480	2,44,244	22,03,724	7.21	23,34,831	2,34,674	25,69,505	8.40	1.20
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	4,66,403	0	4,66,403	1.52	5,89,272	0	5,89,272	1.93	(0.41)
c) Others (specify)									0
NRI	72,647	0	72,647	0.24	1,17,277	0	1,17,277	0.38	0.14
HUF	1,72,280	0	1,72,280	0.56	0	0	0	0	(0.56)
Clearing Member	22,059	0	22,059	0.07	12,649	0	12,649	0.04	(0.03)
SUB TOTAL (B)(2):	31,61,563	2,45,344	34,06,907	11.13	37,72,272	2,35,774	40,08,046	13.09	1.96
Total Public Shareholding (B)= (B)(1)+(B)(2)	40,86,416	2,45,344	43,31,760	14.15	74,16,337	2,35,774	76,52,111	25.00	10.85
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3,03,63,100	2,45,344	3,06,08,444	100.00	3,03,72,670	2,35,774	3,06,08,444	100.00	0

In order to maintain Minimum Public Shareholding as per Rule 19 of Securities Contracts (Regulation) Rules, 1957 Mr.P Mukund, one of the Promoters of the Company diluted 10.85 % stake through Offer For Sale of shares through Stock Exchange Mechanism on July 12 & 13, 2016.



B) SHARE HOLDING OF PROMOTERS

S. No	Shareholder's Name	Shareholder's at the beginning of the year 01 - April - 16			Shareholder's at the end of the year 31 - March -17			% 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.	1,28,30,659	41.92%	0	1,28,30,659	41.92%	0	0
2.	Mr. P Mukund	9,978,384	32.60%	0	66,58,033	21.75%	0	(10.85%)
3.	Igarashi Electric Works Limited, Japan	24,99,993	8.17 %	0	24,99,993	8.17 %	0	0
4.	Igarashi Electric Works, (H.K) Ltd., Hong Kong	9,67,648	3.16 %	0	9,67,648	3.16 %	0	0

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	2,62,76,684	85.85%	2,62,76,684	85.85%
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease	Mr. P Mukund, one of the Promoters of the Company diluted 10.85% stake through Offer For Sale of Shares Stock Exchange Mechanism on July 12 & 13, 2016 in order to maintain minimum public shareholding as required under the Securities Contracts (Regulation) Rules, 1957			
3	At the end of the year	2,29,56,333	75.00%	2,29,56,333	75.00%

D) SHAREHOLDING PATTERN OF TOP 10 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 April, 2016		Shareholding at the end of the year 31 March, 2017	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Pinebridge Investments GF Mauritius Limited	0	0%	9,57,040	3.13%
2	DSP Blackrock Micro Cap Fund	0	0%	7,05,074	2.30%
3	Axis Mutual Fund Trustee Limited	0	0%	2,95,000	0.96%
4	UTI – MNC Fund	0	0%	2,90,000	0.95%

Igarashi Motors India Limited

Sl. N	Top 10 Shareholders	Shareholding at the beginning of the year 01 April, 2016		Shareholding at the end of the year 31 March, 2017	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
5	IDFC Sterling Equity Fund	2,83,209	0.92%	2,80,120	0.92%
6	Indus India Fund (SV) Limited	0	0%	1,74,544	0.57%
7	India Emerging Opportunities Fund Limited	88,049	0.28%	1,72,859	0.56%
8	UTI Transportation and Logistics Fund	0	0%	1,54,000	0.50%
9	DSP Blackrock Small and Mid cap Fund	0	0%	1,47,059	0.48%
10	IDFC Tax Advantage (ELSS) Fund	74,800	0.24%	1,00,000	0.32%

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year 01 April, 2016		Cumulative Shareholding during the year 31 March, 2017	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Mr. K K Nohria	0	0	0	0
	At the beginning of the year	0	0	0	0
2	Mr. Hemant M Nerurkar	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. Akhil Awasthi	0	0	0	0
	At the beginning of the year	0	0	0	0
6	Mrs. Eva Maria Rosa Schork	0	0	0	0
	At the beginning of the year	0	0	0	0
7	Mr. P Mukund , Managing Director	99,78,384	32.60		
	At the beginning of the year			66,58,033	21.75



Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year 01 April, 2016		Cumulative Shareholding during the year 31 March, 2017	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
8	Mr. R Chandrasekaran, Chief Financial Officer	0	0	0	0
	At the beginning of the year	0	0	0	0
9	Mr. P Dinakara Babu, Company Secretary	0	0	0	0
	At the end of the year	0	0	0	0

V. INDEBTEDNESS

(₹ Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits (a)	Unsecured Loans (b)	Deposits (c)	Total Indebtedness (a+b+c)
Indebtedness at the beginning of the financial year- 01-Apr-16				
i) Principal Amount	4,284.51	128.23	-	4,412.74
ii) Interest due but not paid	0.68	-	-	0.68
iii) Interest accrued but not due	20.54	-	-	20.54
Total (i+ii+iii)	4,305.73	128.23	-	4,433.96
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	2,103.63	128.23	-	2,231.86
Net Change	-2,103.63	-128.23	-	-2,231.86
Indebtedness at the end of the financial year- 31-Mar-2017				
i) Principal Amount	2,190.86	-	-	2,190.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.24	-	-	11.24
Total (i+ii+iii)	2,202.10	-	-	2,202.10

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR / MANAGER: (₹ Lakhs)

S.NO	Particulars of Remuneration	Mr. P Mukund, Managing Director	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	60.00	60.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	28.35	28.35
	(c) Profits in lieu of salary u/s 17(3) of the Income Act, 1961	-	-
2.	Stock option	-	-
3.	Sweat Equity	-	-
4.	Commission as % of profit	-	-
5.	Others, please specify	-	-
	Total (A)	88.35	88.35
	Ceiling as per the Act	10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013	

B. REMUNERATION TO OTHER DIRECTORS:

S.NO	Particulars of Remuneration	Name of the Directors			Total Amount (₹ Lakhs)
		Mr. K K Nohria	Mr. Hemant M Nerurkar	Mr S. Radha krishnan	
1.	Independent Directors	Mr. K K Nohria	Mr. Hemant M Nerurkar	Mr S. Radha krishnan	
	-Fee for attending board & committee meetings	4.00	4.00	4.00	12.00
	- Commission	8.00	4.00	4.00	16.00
	- Others please specify	-	-	-	-
	Total (1)	12.00	8.00	8.00	28.00
2	Other Non Executive Directors	Mr Keiichi Igarashi	Mr Akhil Awasthi	Mrs. Eva Maria Rosa Schork	
	(a) Fee for attending board & Committee Meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, Please Specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	12.00	8.00	8.00	28.00
	Total Managerial Remuneration (A+B)				116.35
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil



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

(₹ Lakhs)

S.NO	Particulars of Remuneration	Mr. R Chandrasekaran, Chief Financial Officer	Mr. P Dinakara Babu, Company Secretary	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	57.32	32.40	89.72
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	3.52	2.37	5.89
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5.	Others, please specify (Performance Incentives)	16.68	7.12	23.80
	Total	77.52	41.89	119.41

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
A. COMPANY					
Penalty Punishment Compounding	149	Delay in appointment of Women Director	₹. 50,000	Regional Director	N.A
B. DIRECTORS					
Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding	149	Delay in appointment of Women Director	₹. 50,000 each for Managing Director and Company Secretary	Regional Director	N.A

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	March 31, 2016*
2	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	3,370,049
	Amount of investment in Associates / Joint Venture	₹.337,004,900/-
	Extent of holding %	9.88%
3	Description of how there is significant influence	N.A
4	Reason why the associate / joint venture is not consolidated	Since, Company is holding 9.88% stake in Bosch Electrical Drives India Pvt Ltd
5	Net worth attributable to shareholding as per latest audited Balance Sheet	₹. 23,548,954/-
6	Profit / Loss for the year	
	i) Considered in consolidation	-
	ii) Not considered in consolidation	₹. (54,059,712)

* The audited Balance sheet for the year ended March 31, 2017 is not yet available.

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

Note: This Form is certified in the same manner in which the Balance Sheet is 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 arms 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 and nature of relationship	Nil
B	Nature of contracts/arrangements/transactions	Nil
C	Duration of the contracts/arrangements/transactions	Nil
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
E	Date(s) of approval by the Board	Nil
F	Amount paid as advances, if any	Nil

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

For and on behalf of the Board of Directors

K K Nohria
Chairman

Place: Chennai
Date : May 11, 2017

Igarashi Motors India Limited

Particulars of Loans , Guarantees, or investments Pursuant to Section 134(g) of the Companies Act, 2013

A. Amount Outstanding as on March 31,2017

Particulars	Total Amount (₹ Lakhs)	Details
Loans given	Nil	Nil
Guarantees Given	Nil	Nil
Investments made	Nil	Nil

B. Loans , Guarantees, Investments made during financial year 2016-17

Name of the entity	Relation	Total Amount (₹ Lakhs)	Particulars of Loans , Guarantees given or investments made	Purpose for which the loans, Guarantees and investments are proposed to be utilised
-	-	-	-	-

For and on behalf of the Board of Directors

K K Nohria
Chairman

Place: Chennai

Date : May 11, 2017



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 Under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 [Listing Regulations] but follows it in spirit also.

During the year ended 31st March, 2017, your Company had complied with the provisions set out on Corporate Governance Practices required under Listing Regulations.

2. BOARD OF DIRECTORS

As on 31st March, 2017 the Board of Directors comprised the Managing Director and 6 Non-Executive Directors.

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors, which is in conformity with the Listing Regulations as of the year ended 31st March 2017, the Board consists of 7 Directors comprising of One Executive Director, Three Non-Executive -Non Independent and Three Independent Directors. The Chairman of the Board is a Non-Executive Independent Director.

During the year, Five Board Meetings were held on 19th May 2016, 04th August 2016, 10th November 2016, 26th December 2016, and 08th February 2017. The Company's last Annual General Meeting was held on 04th August 2016.

The particulars of Directors, their attendance during the financial year 2016-2017 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 in Indian Public Companies	Committees (Member / Chairman)\$
Mr. K.K.Nohria Chairman	Non-Executive Independent	5	Yes	8	6 (Member) 1 (Chairperson)
Mr. P.Mukund Managing Director	Promoter-Executive	5	Yes	Nil	1 (Member)
Mr. Hemant M Nerurkar	Non-Executive Independent	5	No	9	6 (Member) 3 (Chairperson)
Mr. S.Radhakrishnan	Non-Executive Independent	5	Yes	Nil	1 (Member) 1 (Chairperson)
Mr. Keiichi Igarashi *	Promoter - Non-Executive Non-Independent	4	Yes	1	Nil
Mr. Akhil Awasthi **	Non-Executive Non-Independent	5	No	Nil	Nil
Mrs. Eva Maria Rosa Schork **	Non-Executive Non Independent	4	Yes	Nil	Nil

*Re-appointed as Non Executive and Non Independent Director with effect from August 04, 2016

** Appointed as Non Executive and Non Independent Director with effect from August 04, 2016

Igarashi Motors India Limited

\$ Committees considered are Audit Committee & Stakeholders' Relationship Committee including that of Igarashi Motors India Limited.

None of the Non-executive Directors held any equity shares or convertible instruments of the Company during the financial year ended 31st March, 2017. None of the Directors had any relationships inter-se.

During the year, separate meeting of the Independent Directors was held on 19th May 2016 without the attendance of non-independent directors and members of the management. All Independent Directors attended the said meeting.

Our company has imparted familiarization programme to Non Executive – Independent Directors and the web link of the same is as under:

http://www.igarashimotors.com/uploads/investor/pdf/14605431993Independent_Director-_Familiarization_Programme.pdf

3. AUDIT COMMITTEE : MANDATORY COMMITTEE

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors.

The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, reappointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by Statutory Auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; internal audit reports; review and monitor the auditor's independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of Internal Financial Controls and risk management system; Review of Statutory Compliances and reviewing the functioning of the whistle blower mechanism.

Mr. Hemant M Nerurkar, an Independent Non-Executive Director, is the Chairman of Audit Committee. Mr.S. Radhakrishnan and Mr. K K Nohria, Independent Non-Executive Directors are members of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

During the year, the Audit Committee met five times on 19th May 2016, 04th August 2016, 10th November 2016, 26th December 2016 and 08th February 2017.

The details of attendance of each member of the Committee are as follows

Name of the Director	No of Meetings Attended
Mr. Hemant M Nerurkar (Chairman)	5
Mr. S. Radhakrishnan	5
Mr. K K Nohria	5

4. NOMINATION AND REMUNERATION COMMITTEE : MANDATORY COMMITTEE

Pursuant to Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013 the Company has constituted a Nomination and Remuneration Committee.

The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of their appointment/ noting and removal.

Mr. S. Radhakrishnan, Independent Non-Executive Director, is the Chairman of the Committee. Mr. Hemant M Nerurkar and Mr. K K Nohria, Independent Non-Executive Directors, are the members of Committee.

During the year, the Nomination and Remuneration Committee met once on 19th May 2016.



The details of attendance of each member of the Committee are as follows

Name of the Director	No of Meetings Attended
Mr. S. Radhakrishnan	1
Mr. Hemant M Nerurkar (Chairman)	1
Mr. K K Nohria	1

Performance Evaluation

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors who are subject to evaluation had not participated.

5. REMUNERATION OF DIRECTORS

a) Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings and Commission as approved by members for their invaluable services to the Company.

b) Details of Remuneration paid to Directors

Name of the Director	Sitting Fee*(₹)	Salary (₹)	Perquisites (₹)	Performance Incentive / Commission (₹)	Other Allowances (₹)	Total (₹)
Mr. P Mukund, Managing Director	N.A	60,00,000	28,35,447	-	-	88,35,447
Mr. K K Nohria, Independent Director	4,00,000	N.A	N.A	8,00,000#	N.A	12,00,000
Mr. Hemant M Nerurkar, Independent Director	4,00,000	N.A	N.A	4,00,000#	N.A	8,00,000
Mr. S Radhakrishnan, Independent Director	4,00,000	N.A	N.A	4,00,000#	N.A	8,00,000

*includes sitting fees paid for Board & Committee meetings.

Represents Commission for the year ended March 31, 2017.

The Payment of remuneration to the Managing Director is governed by the resolution recommended by the Board and approved by the Shareholders. Mr. P Mukund, Managing Director, was re-appointed by the shareholders for further 3 years. The notice period is three months and the severance fee is the sum equivalent to remuneration for the notice period.

The Non-executive directors are paid remuneration based on their contribution and current trends. Sitting fees is paid for attending each meeting of the Board and Committees thereof. Additionally, the Non-Executive Directors are entitled to remuneration up to an aggregate limit of 0.50% per annum of the net profits of the Company as approved by the members at the 22nd Annual General Meeting held on July 30,2014. Within the aforesaid limit, the commission payable is determined by the Board payable to Independent Non-Executive Directors.

The Company does not have any stock option scheme.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE- MANDATORY COMMITTEE

The Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor grievances, transfer/ transmission of shares, issue of duplicate shares, exchange of new design share certificates, recording dematerialisation/ rematerialization of shares and related matters.

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Mr. S. Radhakrishnan, Independent Non-Executive Director, is the Chairman of the Committee. Mr. P Mukund, Managing Director and two Non-Executive Independent Directors Mr. Hemant M Nerurkar and Mr. K K Nohria are the members of Committee.

Mr. P Dinakara Babu, Company Secretary, acts as the Compliance Officer to the Committee.

During the year, the Stakeholders Relationship Committee met four times on 19th May 2016, 04th August 2016, 10th November 2016 and 08th February 2017.

The details of attendance of each member of the Committee are as follows :

Name of the Director	No of Meetings Attended
Mr. S. Radhakrishnan (Chairman)	4
Mr. Hemant M Nerurkar	4
Mr. P. Mukund	4
Mr. K K Nohria	4

During the year 2016-2017, the Company received 11 complaints from the investors. As on 31st March 2017, there were no investor grievances pending and no transfers were pending for approval.

7. GENERAL BODY MEETINGS

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

Financial Year	Date	Venue	Time	Special Resolutions Passed
2015-16	04 th August 2016	Hotel Savera, 146, Dr. Radhakrishnan Road, Chennai – 600 004	3.00P.M	Nil
2014-15	22 nd July 2015	Music Academy, Mini Hall 306, T.T.K Road, Alwarpet, Chennai – 6000146	3.00P.M	Approval of Material Transactions with Related Parties
2013-14	30 th July 2014	Kamarajar Arangam, No 492, Anna Salai, Teynampet West, Chennai – 600 006	3.00P.M	a) Approval for Managerial Remuneration b) Authorize Creation of charges in excess of the Limit specified under Section 180 c) Authorize Board of Directors to enter into Related Party Transactions

B) Extra Ordinary General Meeting held during the year- None

C) Details of Special Resolutions passed last year through Postal Ballot- None

D) Person who conducted the Postal Ballot exercise – None

E) Details of Special Resolution is proposed to be conducted through postal ballot – None

8. 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 (English) and The Tamil Hindu (Tamil). These were not sent individually to the shareholders. The quarterly and the annual results of the company are made online filing to the stock exchanges on which the Company's shares are listed, immediately of closure of meeting of the Board of Directors. The said results were also posted on the website of the Company viz. www.igarashimotors.com. The management's discussion and analysis forms part of the Annual Report. During the year, no presentations were made to institutional investors or to the Analysts.



9. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting (AGM):

Date : Wednesday, August 02,2017
 Venue : Hotel My Fortune Chennai (Formerly 'Hotel Chola'), Cathedral Road, Chennai – 600 086
 Time : 3.00 P.M

ii) Financial Calendar : 1st April 2016 to 31st March 2017

a) First Quarter Results : August 04, 2016
 b) Second Quarter Results : November 10, 2016
 c) Third Quarter Results : February 08, 2017
 d) Last quarter Results and Annual : May 11, 2017

iii) Date of Book Closure : July 27,2017 to August 02,2017

iv) Dividend payment date : on or after August 09,2017

v) Listing on Stock Exchanges : The Company's shares are listed on:

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

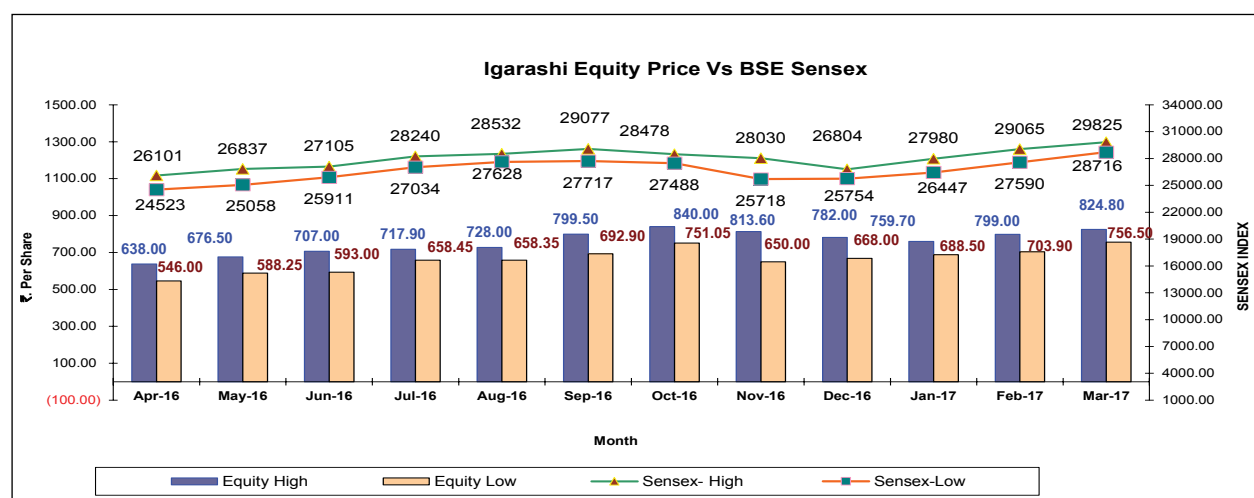
vi) Listing Fees: The Listing fee of all the stock exchanges for the year 2017-18 has already been paid.

vii) Stock Codes

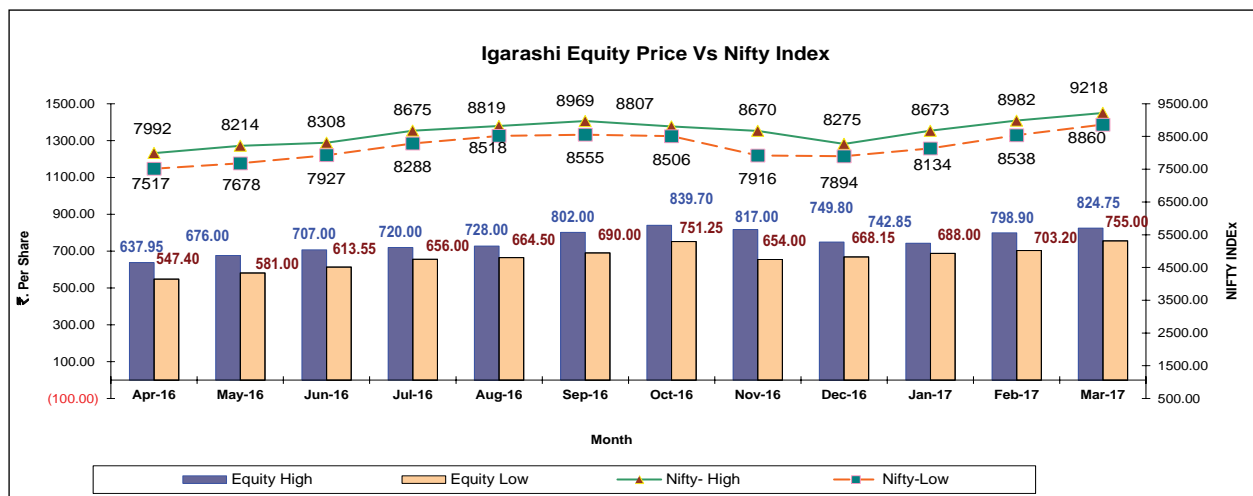
SI No	Name of the Stock Exchange	Stock Code
1	NSE	IGARASHI
2	BSE	517380

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

ix) 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 2016-2017:

Equity Price

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	638.00	546.00	637.95	547.40
May 2016	676.50	588.25	676.00	581.00
June 2016	707.00	593.00	707.00	613.55
July 2016	717.90	658.45	720.00	656.00
August 2016	728.00	658.35	728.00	664.50
September 2016	799.50	692.90	802.00	690.00
October 2016	840.00	751.05	839.70	751.25
November 2016	813.60	650.00	817.00	654.00
December 2016	782.00	668.00	749.80	668.15
January 2017	759.70	688.50	742.85	688.00
February 2017	799.00	703.90	798.90	703.20
March 2017	824.80	756.50	824.75	755.00

x) 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 : investor@cameoindia.com
 investor3@cameoindia.com

xi) 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. All requests for dematerialisation of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.



xii) Distribution schedule as on 31st March 2017:

Category	No of Shareholders	Percentage	No of Shares	Percentage
Upto 5000	13,510	92.31	11,897,820	3.89
5001 – 10000	543	3.71	41,94,090	1.37
10001 – 20000	276	1.89	40,61,080	1.33
20001 – 30000	102	0.70	26,05,540	0.85
30001 – 40000	48	0.33	16,81,790	0.55
40001 – 50000	34	0.23	15,46,110	0.51
50001 – 100000	60	0.41	43,30,400	1.41
100001 & above	63	0.43	275,767,610	90.10
Total	14,636	100.00	306,084,440	100.00

Shareholding Pattern as on 31st March 2017

Category	No of Shareholders	No of Shares	Percentage of holding
Promoters and Promoter Group	4	2,29,56,333	75.00
Body Corporate	337	7,19,343	2.35
Mutual Funds	16	21,64,934	7.07
NRI/ FII /Clearing Members	314	16,09,057	5.26
General Public	13,965	31,58,777	10.32
Total	14,636	3,06,08,444	100.00

Top 10 Shareholders as on 31st March 2017

Serial No	Shareholders	No of Shares	Percentage of Holding
1	Agile Electric Sub Assembly Private Limited	1,28,30,659	41.92
2	Mr. P. Mukund	66,58,033	21.75
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	Pinebridge Investments Gf Mauritius Limited	9,57,040	3.13
6	Dsp Blackrock Micro Cap Fund	7,05,074	2.30
7	Axis Mutual Fund Trustee Limited	2,95,000	0.96
8	UTI – MNC FUND	2,90,000	0.95
9	IDFC Sterling Equity Fund	2,80,120	0.92
10	Indus India Fund (Sv) Limited.	1,74,544	0.57

xiii) Dematerialization of Shares

99.72% of equity shares have been 31st March 2017, Trading in your Company's shares is Permitted only in the dematerialized form as per Notifications issued by SEBI.

xiv) Outstanding GDRs/ADRs/Warrants or any convertible Instruments : Not Applicable

Igarashi Motors India Limited

- xv) Plant Locations : 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.
- xvi) Investor Correspondence : The Company Secretary
Igarashi Motors India Ltd
Plots B-12 to 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

10. DISCLOSURES

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the financial year ended March 31, 2017. Transactions with related parties are disclosed in Notes to the Annual Accounts.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years

Nil

- c) The Company has no Subsidiary Company.

- d) Policy on dealing with related parties is displayed on the Companies website (Web link):

http://www.igarashimotors.com/uploads/investor/pdf/14531242482IMIL-Related_Party_Transaction_Policy_051115.pdf

- e) The Company has complied with Secretarial Standards viz. SS-1 and SS-2 with respect to General and Board Meetings issued by the Institute of Company Secretaries of India.

- f) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 regarding Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee etc., and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations pertaining to certain data on the Company's website.

- g) Commodity price risk or foreign exchange risk and hedging activities

During the year 2016-17, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports as per Hedging Policy.

11. WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Board has established a Vigilance Mechanism to report concerns about unethical behaviour, 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.



12. COMPLIANCE WITH MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

During the financial year 2016-17, the Company has complied with Corporate Governance requirements specified in the Listing Regulations.

13. COMPLIANCE WITH NON- MANDATORY CORPORATE GOVERNANCE 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 The 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.

14. CODE OF CONDUCT & INSIDER TRADING CODE

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and the same have been posted on the web-site of the Company viz. www.igarashimotors.com. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2017.

The Company also has in place a prevention of Insider Trading Code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. 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.

15. MAINTENANCE OF A WEBSITE

In order to ensure / enhance public dissemination of all basic information about the Company, we have been maintaining functional website containing basic information about the Company with duly updated all statutory filings. The Website of the Company is www.igarashimotors.com.

16. COMPLIANCE CERTIFICATE

As on March 31, 2017, Mr. P Mukund, Managing Director and Mr. R Chandrasekaran, CFO have certified to the Board with respect to the Financial Statements, Internal Controls and other matters as required by the Regulation 17(8) read with Schedule II of the Listing Regulations and said Certificate is contained in this Annual Report.

17. AUDITOR'S 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 Listing Regulations, which is attached herewith.

18. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As on March 31, 2017 there are no shares lying in the demat suspense account or unclaimed suspense account.

17. DECLARATION

As provided under Listing Regulations, the Board of Directors and select employees have confirmed Compliance with the Code of Conduct.

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

To
The Board of Directors,
Igarashi Motors India Limited

We, P Mukund, Managing Director and R Chandrasekaran, Chief Financial Officer, hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2017 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, 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 for Financial Reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated wherever applicable, to the auditors and the Audit committee
- (1) significant changes in Internal Control over Financial Reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai
Date : May 11, 2017

P.Mukund
Managing Director

R.Chandrasekaran
Chief Financial Officer



AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The members of Igarashi Motors India Limited,

We have examined all relevant records of Igarashi Motors India Limited ("the Company") for the purpose of certifying compliance of conditions of Corporate Governance under Chapter IV read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the financial year ended on March 31, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause / Regulations.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We further state that this certificate is neither an assurance as to 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)

V.Viswanathan

Partner

Membership No. 215565

Place: Chennai

Date : May 11, 2017

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 31 March 2017, 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 of 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. 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 aforesaid 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 31 March 2017, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in Annexure 'A' to this Report, a statement on the matters specified in para 3 and 4 of the said Order.



- 2) As required by Section 143 (3) of the Act, we report that:
- (a) 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;
 - (b) 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.
 - (c) 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;
 - (d) 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;
 - (e) on the basis of the written representations received from the Directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; and
 - (g) 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) (i) and (ii) accompanying the financial statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management.

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

V.Viswanathan
Partner
Membership No. 215565

Place: Chennai
Date : May 11, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

With reference to Annexure 'A' 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 on the financial statements for the year ended 31 March 2017, we report that:

- (i). (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We are informed that the Company has formulated a programme for physical verification of all the fixed assets over a period of three years which, in our opinion is reasonable considering the size of the Company and the nature of its assets. Accordingly, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noted on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly reporting on clause (iii) (a), (b) and (c) of the Order does not arise.
- (iv) According to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185 of the Companies Act, 2013. According to the information and explanations given to us, and the records of the Company examined by us, the provisions of Section 186 of the Companies Act, 2013 have been complied with, in respect of the investment made by the Company.
- (v) According to the information and explanations given to us, 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. Accordingly, 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, service tax, duty of customs, duty of excise, value added tax and other statutory dues applicable to it during the year with 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, service tax, duty of customs, duty of excise, value added tax and other material statutory dues outstanding as at 31 March 2017 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 31 March 2017, which has not been deposited on account of disputes pending is as under:



(₹)

Name of the statute	Nature of disputed dues	Total demand	Amount deposited	Amount not deposited	Period to which the dispute relates	Forum where disputes are pending
Income-tax Act, 1961	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	1,000,000	661,180	Assessment Year 2012-13 (Financial Year 2011-12)	Commissioner of Income Tax (Appeals)
	Disallowance under Section 14A (Read with Rule 8D), Section 40(a)(ii), TDS credit mismatch and set off of losses.	1,218,030	--	1,218,030	Assessment Year 2013-14 (Financial Year 2012-13)	
	Total	2,879,210	1,000,000	1,879,210		

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, service tax, duty of customs, duty of excise, or value added tax as at 31 March 2017 which have not been deposited on account of any dispute.

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank during the year. The Company has not issued any debentures during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. 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 purposes for which they were obtained.
- (x) 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 fraud by the Company, or any instances of frauds on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of such cases by the management.
- (xi) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, managerial remuneration has been paid / provided for, in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order does not arise.
- (xiii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under clause 3 (xiv) of the Order does not arise.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with the directors during the year. Accordingly, reporting under clause 3 (xv) of the Order does not arise.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3 (xvi) of the Order does not arise.

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

V.Viswanathan
Partner
Membership No. 215565

Place: Chennai
Date : May 11, 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) of our Report of even date]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

We have audited the internal financial controls over financial reporting of Igarashi Motors India Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and



not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

V.Viswanathan
Partner
Membership No. 215565

Place: Chennai
Date : May 11, 2017

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	As at 31.03.2017		As at 31.03.2016	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	2	306,084,440		306,084,440	
(b) Reserves and surplus	3	<u>3,397,438,834</u>		<u>2,638,058,320</u>	
			3,703,523,274		2,944,142,760
Non-current liabilities					
(a) Long-term borrowings	4	85,194,375		223,642,611	
(b) Deferred tax liabilities (net)	5	<u>106,781,988</u>		<u>91,520,636</u>	
			191,976,363		315,163,247
Current liabilities					
(a) Trade payables	6				
“(i) Total outstanding dues of micro enterprises and small enterprises”		-		-	
“(ii) Total outstanding dues of creditors other than microenterprises and small enterprises”		847,382,732		682,529,915	
(b) Other current liabilities	7	296,692,541		366,576,686	
(c) Short-term provisions	8	<u>363,963,113</u>	1,508,038,386	<u>403,110,718</u>	1,452,217,319
			<u>5,403,538,023</u>		<u>4,711,523,326</u>
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets	9				
(i) Tangible assets		1,568,529,194		1,368,089,493	
(ii) Intangible assets		10,893,870		9,849,229	
(iii) Capital work-in-progress		25,710,617		110,718,491	
(iv) Intangible assets under development		-		6,466,944	
			1,605,133,681		1,495,124,157
(b) Non-current investments	10		337,004,900		337,004,900
(c) Long-term loans and advances	11		66,947,647		20,082,358
Current assets					
(a) Current investments	12	1,413,067,198		-	
(b) Inventories	13	443,547,247		342,426,509	
(c) Trade receivables	14	1,032,565,295		859,275,095	
(d) Cash and bank balances	15	102,558,091		1,260,331,677	
(e) Short-term loans and advances	16	<u>402,713,964</u>		<u>397,278,630</u>	
			<u>3,394,451,795</u>		<u>2,859,311,911</u>
			<u>5,403,538,023</u>		<u>4,711,523,326</u>
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

K K Nohria
Chairman

Keiichi Igarashi
Director

V.Viswanathan
Partner
Membership No. 215565
Place: Chennai
Date : May 11, 2017

Hemant M Nerurkar **S. Radhakrishnan**
Director Director

Akhil Awasthi **Eva Maria Rosa Schork**
Director Director

R. Chandrasekaran
Chief Financial Officer

P. Dinakara Babu
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note	2016 - 17		2015 - 16	
		₹	₹	₹	₹
REVENUE					
Revenue from operations	18	5,107,648,262		4,476,243,720	
Less: Excise duty		<u>28,705,451</u>		<u>26,407,126</u>	
			5,078,942,811		4,449,836,594
Other income	19		<u>146,702,197</u>		<u>143,030,560</u>
III. Total Revenue (I+II)			<u>5,225,645,008</u>		<u>4,592,867,154</u>
IV. EXPENSES					
Manufacturing and operating expenses	20				
a) Cost of materials consumed		3,014,521,706		2,651,370,983	
b) Changes in inventories of finished goods and work-in-progress		(12,381,542)		3,511,001	
c) Other manufacturing and operating expenses		<u>183,680,593</u>		<u>165,672,183</u>	
			3,185,820,757		2,820,554,167
Employee benefits expense	21		390,716,837		318,458,146
Finance costs	22		17,695,699		50,076,181
Depreciation and amortisation expense	9(vi)		220,308,244		189,628,340
Selling, administration and other expenses	23		<u>298,017,423</u>		<u>240,565,501</u>
Total Expenses			<u>4,112,558,960</u>		<u>3,619,282,335</u>
V. Profit before tax (III-IV)			1,113,086,048		973,584,819
VI. Tax expense:					
(1) Current tax	8(a)	360,126,345		335,000,000	
(2) Deferred tax	5	<u>15,261,352</u>		<u>2,174,300</u>	
			375,387,697		337,174,300
VII. Profit for the year (V-VI)			<u>737,698,351</u>		<u>636,410,519</u>
VIII. Earnings per equity share					
Basic and Diluted	33		24.10		20.79
Face value per equity share			10.00		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

K K Nohria
Chairman

Keiichi Igarashi
Director

V.Viswanathan
Partner
Membership No. 215565
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Hemant M Nerurkar
Director

S. Radhakrishnan
Director

Akhil Awasthi
Director

Eva Maria Rosa Schork
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 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 recognized at the applicable interest 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 fixed 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 fixed 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 ₹.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 based on the useful life prescribed under Schedule II to the Companies Act, 2013.

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.

Igarashi Motors India Limited

g) Impairment of assets

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

- 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.

Current investments are valued at lower of cost and fair value.

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

The Carrying Amount for Current investments is the lower of cost and Fair Value.

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. The amount recognized as expense each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognized as expense in respect of such grant is transferred to the General Reserve.



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 on the 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 Guidance note on Accounting for Derivative Contracts issued by ICAI Vide GN(A) 33 (Issued 2015) for accounting of such derivative contracts.

Accordingly, the resultant gains or losses on fair valuation / settlement of the derivative contracts covered under Guidance note on Accounting for Derivative Contracts 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.

Igarashi Motors India Limited

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 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 past events, 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.

s) Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for; and
- (ii) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

t) Cash Flow Statement

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of :

- (i) transactions of a non-cash nature
- (ii) any deferrals or accruals of past or future operating cash receipts or payments and
- (iii) items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents are reflected as such in the Cash Flow Statement.

Igarashi Motors India Limited

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

2. SHARE CAPITAL

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

	As at 31.03.2017		As at 31.03.2016	
	Numbers	₹	Numbers	₹
Authorised Capital				
Equity shares of ₹ 10/- each	<u>35,000,000</u>	<u>350,000,000</u>	<u>35,000,000</u>	<u>350,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of ₹ 10/- each	<u>30,608,444</u>	<u>306,084,440</u>	<u>30,608,444</u>	<u>306,084,440</u>
	<u>30,608,444</u>	<u>306,084,440</u>	<u>30,608,444</u>	<u>306,084,440</u>

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

	As at 31.03.2017		As at 31.03.2016	
	Numbers	₹	Numbers	₹
At the beginning of the year	<u>30,608,444</u>	<u>306,084,440</u>	<u>30,608,444</u>	<u>306,084,440</u>
Issued during the year	-	-	-	-
At the end of the year	<u>30,608,444</u>	<u>306,084,440</u>	<u>30,608,444</u>	<u>306,084,440</u>

c) Terms / rights / restrictions attached to equity shares

- 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.
- All shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached to any of the shares.
- 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/ ultimate holding company / their subsidiaries or associates

	As at 31.03.2017		As at 31.03.2016	
	Numbers	₹	Numbers	₹
Equity shares of ₹ 10/- each, fully paid up				
Agile Electric Sub Assembly Private Limited, the holding company	<u>12,830,659</u>	<u>128,306,590</u>	<u>12,830,659</u>	<u>128,306,590</u>
Igarashi Electric Works Limited, Japan, the ultimate holding company	<u>967,648</u>	<u>9,676,480</u>	<u>967,648</u>	<u>9,676,480</u>
Igarashi Electric Works (H.K) Limited, Hong Kong, the subsidiary of the ultimate holding company	<u>2,499,993</u>	<u>24,999,930</u>	<u>2,499,993</u>	<u>24,999,930</u>

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

Name of shareholder	As at 31.03.2017		As at 31.03.2016	
	Numbers	% holding	Numbers	% holding
Agile Electric Sub Assembly Private Limited	<u>12,830,659</u>	<u>41.92</u>	<u>12,830,659</u>	<u>41.92</u>
P. Mukund (Person acting in concert)	<u>6,658,033</u>	<u>21.75</u>	<u>9,978,384</u>	<u>32.60</u>
Igarashi Electric Works (H.K) Limited, Hong Kong	<u>2,499,993</u>	<u>8.17</u>	<u>2,499,993</u>	<u>8.17</u>

f) The Company has not bought back any shares or issued shares for consideration other than cash or issued bonus shares during the five years immediately preceding 31 March 2017 (Five years immediately preceding 31 March 2016 - Nil)

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

h) The Directors recommend payment of dividend of ₹ 6.61/- (Previous year ₹ 5.50/-) per equity share of ₹ 10/- each on the number of shares outstanding as on the record date.



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

3 RESERVES AND SURPLUS

	As at 31.03.2017		As at 31.03.2016	
	₹	₹	₹	₹
Securities premium account				
As per last Balance Sheet		1,351,901,331		1,351,901,331
Hedging Reserve				
As per last Balance Sheet	-		(825,842)	
Add: Transfer to statement of Profit & Loss	-		825,842	
Add: Additions during the year	21,682,163		-	
		21,682,163		-
General Reserve				
As per last Balance Sheet		46,442,370	-	46,442,370
Surplus				
As per last Balance Sheet	1,239,714,619		805,922,998	
Add: Profit for the year	737,698,351		636,410,519	
Less: Interim dividend paid	-		(122,433,776)	
Less: Proposed dividend	-		(45,912,666)	
Less: Additional tax on dividend	-		(34,272,456)	
		1,977,412,970		1,239,714,619
		3,397,438,834		2,638,058,320

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

4 LONG-TERM BORROWINGS

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Secured		
Term loans from banks		
(i) External commercial borrowings	85,194,375	223,642,611
	85,194,375	223,642,611

Terms and conditions of long-term borrowings

(a) Secured loans

Terms of repayment

- (i) External Commercial Borrowing (ECB-I) is repayable in two unequal quarterly installments ending in August 2017.
- (ii) External Commercial Borrowing (ECB-III) is repayable in eleven equal quarterly installments ending in November 2019.
- (iii) Foreign Currency term loan was fully repaid 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 second ranking pari-passu charge on all the current assets of the Company, both present and future.
- (iii) Foreign Currency Term Loan was secured by first ranking pari-passu charge on all movable 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 were fully repaid in September 2016.

5 DEFERRED TAX LIABILITIES (NET)

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

	As at 31.03.2017 (₹)		As at 31.03.2016 (₹)	
	Deferred Tax Assets (a)	Deferred Tax Liabilities (b)	Deferred Tax Assets (a)	Deferred Tax Liabilities (b)
Difference between book depreciation and tax depreciation		108,723,549		92,327,638
Provision for unpaid bonus, gratuity and leave encashment debited to the Statement of Profit and Loss	1,941,561		807,002	
Total	1,941,561	108,723,549	807,002	92,327,638
Deferred tax liability (net) [(b) - (a)]		106,781,988		91,520,636
Net increase / (decrease) in deferred tax liability charged / (credited) to Statement of Profit and Loss		15,261,352		



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

6 TRADE PAYABLES

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
(i) Total outstanding dues of micro enterprises and small enterprises”	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises”	847,382,732	682,529,915
	<u>847,382,732</u>	<u>682,529,915</u>

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

	2016 -17 ₹	2015 -16 ₹
Principal amount due to suppliers under MSMED Act, 2006	-	-
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
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 31,2017

7 OTHER CURRENT LIABILITIES

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Current maturities of long-term borrowings [Refer note 4 <i>supra</i> for terms and conditions]		
Secured		
Term loans from banks		
External commercial borrowings	133,891,674	186,568,547
Foreign currency term loan	-	18,239,602
Unsecured		
Finance lease obligations	-	12,823,062
	133,891,674	217,631,211
Interest accrued and due on borrowings	-	68,105
Interest accrued but not due on borrowings	1,123,799	2,053,700
Advance received from customers	42,441,876	10,454,856
Unpaid dividend	2,579,241	1,638,943
Liability for capital goods	53,753,180	61,228,975
Liability for expenses	53,077,383	61,752,548
Statutory liabilities	9,825,388	11,748,348
	296,692,541	366,576,686

8 SHORT-TERM PROVISIONS

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Employee benefits [Refer Note 28 <i>infra</i>]		
Gratuity	988,198	494,423
Leave encashment	2,848,570	1,574,112
	3,836,768	2,068,535
Provision for Income taxes		
- Current year [Refer Note (a) below]	360,126,345	335,000,000
- Earlier years [Net of advance tax]	-	10,781,698
	360,126,345	345,781,698
Proposed dividend	-	45,912,666
Additional tax on dividend	-	9,347,819
	363,963,113	403,110,718

(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, 2017

(Figures in ₹)

9 FIXED ASSETS

(i)	Tangible assets	GROSS BLOCK			DEPRECIATION / OBSOLESCENCE			NET BLOCK			
		As at 01.04.2016	Additions	Deductions	As at 31.03.2017	Up to 31.03.2016	For the year	On deductions	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
	Buildings										
	Owned [Refer Note (v)]	233,752,628	70,689,963	-	304,442,591	70,292,109	8,331,614	-	78,623,723	225,818,868	163,460,519
	Plant and equipment										
	Owned	2,198,881,850	333,848,498	3,185,445	2,529,544,903	1,004,969,263	199,309,201	3,026,173	1,201,252,291	1,328,292,612	1,193,912,587
	Taken on lease	-	-	-	-	-	-	-	-	-	39,348,851
	Office equipment										
	Owned	11,137,497	2,567,983	-	13,705,480	8,501,707	909,425	-	9,411,132	4,294,348	2,635,790
	Furniture and fixtures										
	Owned	32,898,474	905,958	-	33,804,432	26,642,766	1,657,807	-	28,300,573	5,503,859	6,255,708
	Vehicles										
	Owned	3,719,663	3,413,978	-	7,133,641	1,894,774	619,360	-	2,514,134	4,619,507	1,824,889
	Total tangible assets	2,480,390,112	411,426,380	3,185,445	2,888,631,047	1,112,300,619	210,827,407	3,026,173	1,320,101,853	1,568,529,194	1,368,089,493
	Previous year	2,150,508,210	357,502,207	27,620,305	2,480,390,112	958,748,048	179,785,371	26,232,800	1,112,300,619	-	-

Note: The assets are owned by the company from October 2016, as the Finance lease Obligations were fully repaid by September 2016.

(ii)	Intangible assets	COST			AMORTISATION / OBSOLESCENCE			NET BLOCK			
		As at 01.04.2016	Additions	Deductions	As at 31.03.2017	Up to 31.03.2016	For the year	On deductions	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
	Particulars										
	Product development expenses	53,429,466	-	-	53,429,466	53,429,466	-	-	53,429,466	-	-
	Product design expenses	27,105,126	6,466,941	-	33,572,067	18,823,010	8,821,028	-	27,644,038	5,928,029	8,282,116
	Specialised software	1,915,000	4,058,537	-	5,973,537	347,887	659,809	-	1,007,696	4,965,841	1,567,113
	Total intangible assets	82,449,592	10,525,478	-	92,975,070	72,600,363	9,480,837	-	82,081,200	10,893,870	-
	Previous year	81,549,592	900,000	-	82,449,592	62,757,394	9,842,969	-	72,600,363	-	9,849,229

(iii)	Particulars	As at 31.03.2017	As at 31.03.2016
(iv)	Capital work-in-progress	25,710,617	110,718,491
	Intangible assets under development	-	6,466,944

(v) Factory buildings have been constructed on land taken on lease for a period of five 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 agreement has been renewed during the current financial year which expires in December 2022 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 on factory buildings has been provided based on the useful lives prescribed in Schedule II to the Companies Act, 2013.

(vi) Depreciation and amortisation expense

Particulars	2016-17 ₹	2015-16 ₹
Depreciation	210,827,407	179,785,371
Amortisation	9,480,837	9,842,969
Total	220,308,244	189,628,340



Igarashi Motors India Limited

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

(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.

(viii) Borrowing cost capitalised during the year ₹ Nil (Previous year ₹ Nil)

10 NON -CURRENT INVESTMENTS

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
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 (3,370,049 Equity Shares of ₹ 100/- each) (Previous year 3,370,049 Equity Shares of ₹ 100/- each)	337,004,900	337,004,900
	337,004,900	337,004,900
a) Aggregate amount of unquoted non-current investments Book value	337,004,900	337,004,900

11 LONG-TERM LOANS AND ADVANCES

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
(Unsecured, considered good)		
Capital advances	12,351,390	6,166,814
Security deposits	31,497,241	8,751,374
Employee advances	10,395,276	5,164,170
Prepaid expenses	3,638,515	-
Forward contract receivable	9,065,225	-
	66,947,647	20,082,358

12 CURRENT INVESTMENTS

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Trade Investments		
Investments in mutual funds	1,413,067,198	-
	1,413,067,198	-



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

Other particulars in respect of current investments metioned in Note 12 are as follows:

	Face value Per unit ₹	As at 31.03.2017 ₹
ICICI Prudential Mutual fund - Flexible Income Plan	312.57	501,212,517
ICICI Prudential Mutual fund - Ultra Short Term Growth Plan	17.11	740,884,721
ICICI Prudential Mutual fund - Savings fund	251.78	196,797,048
		<u>1,438,894,286</u>
Aggregate Market value of current investments		<u>1,438,894,286</u>

13 INVENTORIES

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Raw materials and components [includes goods-in-transit ₹ 121,695,126 /- (Previous year ₹ 89,110,792/-)]	298,436,972	238,559,390
Work-in-progress	28,366,486	22,723,537
Finished goods	14,159,395	7,420,802
Stores and spares [includes goods-in-transit ₹ 3,412,603 /- (Previous year ₹ 101,990/-)]	31,932,218	26,208,708
Tools	70,652,176	47,514,072
	<u>443,547,247</u>	<u>342,426,509</u>

Refer Note 1 for mode of valuation

14 TRADE RECEIVABLES

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Unsecured, considered good		
Outstanding for a period of more than six months	-	-
Others	1,032,565,295	859,275,095
	<u>1,032,565,295</u>	<u>859,275,095</u>

15 CASH AND BANK BALANCES

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
(i) Cash and cash equivalents		
Balances with banks		
on current accounts	15,955,465	130,742,764
on fixed deposit accounts with maturity of less than 3 months [including interest accrued thereon ₹ 632,696/- (previous year ₹ 7,296,219/-)]	20,632,696	968,454,383
Cash on hand	-	-
Sub total - Cash and cash equivalents	<u>36,588,161</u>	<u>1,099,197,147</u>

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

(ii) Other bank balances

Fixed deposits with maturity of more than 3 months and less than 12 months [including interest accrued of ₹ Nil (Previous year ₹ 79,673/-)]	-	100,079,673
Margin money deposits [including interest accrued thereon ₹ 1,738,230/- (previous year ₹ 1,843,923/-)] [Refer note below]	63,390,689	59,415,914
Earmarked balances - Unpaid dividend accounts	2,579,241	1,638,943
Sub total - Other bank balances	65,969,930	161,134,530
	102,558,091	1,260,331,677

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

Bank deposits with maturity more than 12 months - -

Disclosure of Specified Bank Notes(SBN) as per MCA notification dated 30 March 2017

	SBNs ₹	Other denomination notes ₹	TOTAL ₹
Closing cash in hand as on 08 November 2016	150,000	13,628	163,628
(+) Permitted receipts	-	184,000	184,000
(-) Permitted payments	-	197,020	197,020
(-) Amount deposited in banks	150,000	-	150,000
Closing cash in hand as on 30 December 2016	-	608	608

16 SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Unsecured, considered good		
Advance income taxes - current year	356,084,702	329,249,717
Advance income taxes - earlier years (net of provisions) [Refer Note below]	11,517,671	20,683,975
Security deposits	1,200,000	25,036,319
Advances to employees	2,687,616	6,533,074
Balance with customs and excise authorities	1,075,592	441,283
Other advances recoverable in cash or kind	30,148,383	15,334,262
	402,713,964	397,278,630

Note: includes income tax paid under protest ₹ 3,470,574/- (previous year ₹ 13,534,828/-)



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

17 CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
i) Income tax liability that may arise in respect of matters for which the Company is under appeal	5,349,784	15,538,283
ii) 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 31.03.2017 ₹	As at 31.03.2016 ₹
1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	213,181,412	53,550,798

18 REVENUE FROM OPERATIONS

	2016 - 17		2015 - 16	
	₹	₹	₹	₹
Sale of products				
Finished goods				
Exports [including deemed exports of ₹ 298,869,611/- (previous year ₹ 301,749,490/-)]		4,944,681,568		4,290,310,926
Domestic	162,966,694		185,932,794	
Less: Excise duty	28,705,451		26,407,126	
		<u>134,261,243</u>		159,525,668
		<u>5,078,942,811</u>		<u>4,449,836,594</u>

Details of products sold

	2016 - 17		2015 - 16	
	₹	₹	₹	₹
1) Electric Micro Motors		4,531,061,721		3,920,830,732
2) Stamping and motor components		547,872,090		529,005,862
		<u>5,078,933,811</u>		<u>4,449,836,594</u>

19 OTHER INCOME

	2016 - 17		2015 - 16	
	₹	₹	₹	₹
Interest income on				
Bank deposits		60,545,995		59,500,424
Electricity deposits		581,867		581,802
Inter-corporate deposits		-		53,245,902
		<u>61,127,862</u>		113,328,128
Exchange gain (net)		42,953,993		1,174,499
Profit on sale of short-term investments		8,105,513		-
Profit on sale of fixed assets (net)		165,615		-
Lease rental income		18,633,830		22,360,596
Miscellaneous receipts		15,715,384		6,167,337
		<u>146,702,197</u>		<u>143,030,560</u>

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

20 MANUFACTURING AND OPERATING EXPENSES

	2016 - 17		2015 -16	
	₹	₹	₹	₹
(a) Cost of materials consumed				
Raw materials and components consumed				
Opening stock	238,559,390		242,104,676	
Add: Purchases	3,015,470,472		2,617,422,104	
	<u>3,254,029,862</u>		<u>2,859,526,780</u>	
Less : Closing stock	<u>298,436,972</u>		<u>238,559,390</u>	
		2,955,592,890		2,620,967,390
Less: Scrap sales		<u>83,541,661</u>		<u>68,912,536</u>
		2,872,051,229		<u>2,552,054,854</u>
Stores, spares and tools consumed				
Opening stock	73,722,780		54,855,312	
Add: Purchases	171,332,091		118,183,597	
	<u>245,054,871</u>		<u>173,038,909</u>	
Less : Closing stock	<u>102,584,394</u>		<u>73,722,780</u>	
		142,470,477		99,316,129
		3,014,521,706		<u>2,651,370,983</u>
(b) Changes in inventories of finished goods and work-in-progress				
Closing stock :				
Finished goods	14,159,395		7,420,802	
Work-in-progress	28,366,486		22,723,537	
	<u>42,525,881</u>		<u>30,144,339</u>	
Less: Opening stock :				
Finished goods	7,420,802		17,085,363	
Work-in-progress	22,723,537		16,569,977	
	<u>30,144,339</u>		<u>33,655,340</u>	
		(12,381,542)		3,511,001
(c) Other manufacturing and operating expenses				
Direct expenses			-	-
Power and fuel	66,428,203		55,375,127	
Repairs to				
Plant and machinery	106,615,577		99,197,162	
Building	<u>10,636,813</u>		<u>11,099,894</u>	
		183,680,593		165,672,183
		3,185,820,757		<u>2,820,554,167</u>



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

(d) Disclosure of materials consumed

	2016 - 17 ₹	2015 - 16 ₹
(i) Ferrous materials	955,181,593	898,287,682
(ii) Non-ferrous materials	318,985,246	279,057,565
(iii) Commutator	230,114,977	218,767,413
(iv) Magnet	240,725,443	199,038,721
(v) Brush	161,021,616	136,214,379
(vi) Ball bearing	259,003,900	206,492,305
(vii) Sintered parts	277,484,215	234,911,300
(viii) Others	572,004,716	478,601,618
	3,014,521,706	2,651,370,983

(e) Analysis of materials consumed

Category	2016 - 17		2015 - 16	
	% of total consumption	Value (₹)	% of total consumption	Value (₹)
Imported	91.16	2,748,059,803	87.83	2,328,648,570
Indigenous	8.84	266,461,903	12.17	322,722,413
Total	100.00	3,014,521,706	100.00	2,651,370,983

(f) Details of inventory

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
1) Raw materials and components		
(i) Ferrous materials	88,218,316	57,330,447
(ii) Non-ferrous materials	21,345,025	16,989,331
(iii) Commutator	29,721,232	18,895,934
(iv) Magnet	28,991,974	28,849,039
(v) Brush	12,858,711	15,471,538
(vi) Ball bearing	27,321,357	25,308,706
(vii) Sintered parts	52,320,194	42,929,710
(viii) Others	37,660,163	32,784,685
	298,436,972	238,559,390
2) Stores, spares and tools		
(i) Tools	70,652,176	47,552,965
(ii) Spares	23,682,477	20,488,171
(iii) Consumables and others	8,249,741	5,681,644
	102,584,394	73,722,780
3) Work-in-progress		
(i) Electric Micro Motors	17,015,194	13,776,809
(ii) Stamping and motor components	11,351,292	8,946,728
	28,366,486	22,723,537
4) Finished goods		
(i) Electric Micro Motors	14,159,395	7,420,802

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

21 EMPLOYEE BENEFITS EXPENSE

	2016 - 17 ₹	2015 - 16 ₹
Salaries, wages and bonus	327,273,493	265,521,541
Contribution to and provision for provident fund and gratuity fund (Refer note 28 infra)	11,245,185	10,203,743
Welfare and other expenses	52,198,159	42,732,862
	<u>390,716,837</u>	<u>318,458,146</u>

22 FINANCE COSTS

Interest		
On term loans	13,983,455	20,182,649
On working capital loans	-	851,684
On finance lease	216,614	1,937,926
Others	328,264	344,471
	<u>14,528,333</u>	<u>23,316,730</u>
Other borrowing costs	3,167,366	4,628,818
Exchange loss on borrowings (net)	-	22,130,633
	<u>17,695,699</u>	<u>50,076,181</u>

23 SELLING, ADMINISTRATION AND OTHER EXPENSES

Rent	30,629,538	23,572,836
Rates, taxes and fees	3,612,593	3,774,750
Insurance	6,250,806	4,469,217
Travel and conveyance	53,488,982	45,487,609
Communication expenses	4,216,037	5,078,018
Recruitment and training	9,614,640	4,999,054
Printing and stationery	3,917,497	4,869,912
Bank charges	13,142,074	12,550,975
Professional charges [Refer Note (a) below]	41,238,643	27,531,478
“Expenditure on Corporate Social responsibility (CSR) activities [Refer Note (b) below]”	24,683,731	7,550,000
Selling and forwarding expenses	52,304,681	50,119,066
Loss on sale of fixed assets (net)	-	636,552
Quality cost	16,472,403	17,582,127
Miscellaneous expenses	38,445,798	32,343,907
	<u>298,017,423</u>	<u>240,565,501</u>

(a) Includes Auditor’s remuneration (excluding service tax) as detailed below:

Statutory audit fees	1,400,000	1,400,000
Tax audit fees	125,000	125,000
Limited review certification fees	360,000	360,000
Certification fees	970,000	170,000
Reimbursement of expenses	72,752	44,938
	<u>2,927,752</u>	<u>2,099,938</u>



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(b) Expenditure towards Corporate Social Responsibility (CSR) activities:

(i) Amount required to be spent by the Company on CSR related activities for 2016-17 is ₹ 14,607,716/- (₹ 10,074,350 for 2015-16)

(ii) The amount recognised as expense in the Statement of Profit & Loss on CSR related activities is ₹ 24,683,731/-, which comprises of:

	In cash ₹	Yet to be paid in cash ₹	Total ₹
(i) Construction/Acquisition of assets charged to the Statement of Profit and Loss	-	-	-
(ii) For purposes other than (i) above	24,683,731	-	24,683,731
Total	24,683,731	-	24,683,731

24 VALUE OF IMPORTS (ON C.I.F.BASIS)

	2016 - 17 ₹	2015 -16 ₹
(i) Raw materials [includes purchases from units in SEZ of ₹. Nil (previous year ₹. Nil)]	774,353,453	647,255,515
(ii) Components, stores and spares [includes purchases from units in SEZ of ₹. 538,528,221/- (previous year ₹. 529,137,846/-)]	2,173,297,128	1,906,601,365
(iii) Capital goods [includes purchases from units in SEZ of ₹. 8,420,000/- (previous year ₹. 19,163,920/-)]	112,981,547	243,838,318

25 EXPENDITURE IN FOREIGN CURRENCY

(i) Foreign travel	4,953,393	3,369,597
(ii) Professional fees	8,209,595	2,045,344
(iii) Sub-contract charges	16,528,737	17,546,608
(iv) Interest	13,983,454	20,182,649

26 DIVIDEND REMITTED IN FOREIGN CURRENCY

Final dividend for the year 2015-16 remitted to two non-resident shareholders on 3,467,641 equity shares (previous year final dividend for the year 2014-15 and interim dividend for the year 2015-16 remitted to two non-resident shareholders on 3,467,641 equity shares)	5,201,462	29,266,890
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27 EARNINGS IN FOREIGN CURRENCY

Export of goods calculated on F.O.B. basis [Including earnings in foreign currency on account of deemed exports of ₹. 298,869,611/- (Previous year ₹. 301,749,490/-)]	4,859,455,997	4,219,088,041
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28 EMPLOYEE BENEFITS

Disclosure of employee benefits pursuant to Accounting Standard (AS) 15 "Employee Benefits"

(i) **Defined benefit plans and long-term employee benefits**

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

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

Particulars	Gratuity Plan		Leave Encashment	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
A. Present Value of Defined Benefit Obligation				
- Wholly funded	22,331,997	19,028,873	14,051,721	12,148,478
- Wholly Unfunded	-	-	-	-
Less: Fair value of plan assets:	(21,343,799)	(18,534,450)	(11,203,151)	(10,574,366)
Unrecognised past service costs	-	-	-	-
Amount to be recognised as liability / (asset)	988,198	494,423	2,848,570	1,574,112
B. Amounts reflected in the Balance Sheet				
Liabilities	22,331,997	19,028,873	14,051,721	12,148,478
Assets	(21,343,799)	(18,534,450)	(11,203,151)	(10,574,366)
Net liability / (asset)	988,198	494,423	2,848,570	1,574,112

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	
	2016 -17	2015 -16	2016 -17	2015 -16
Current service cost	2,019,461	1,933,294	773,834	673,444
Interest Cost	1,406,107	1,207,339	916,707	695,001
Less: Expected return on plan assets	(1,596,884)	(1,395,241)	(872,606)	(780,564)
Actuarial losses / (gains)	1,616,024	1,537,290	848,514	2,514,570
Past service cost	-	-	-	-
Effect of any curtailment or settlement	-	-	-	-
Actuarial gain not recognised in books	-	-	-	-
Total included in "Employee benefit expenses"	3,444,708	3,282,682	1,666,449	3,102,451
Actual Return on Plan assets	1,629,519	1,495,391	876,783	856,435

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	
	2016 -17	2015 -16	2016 -17	2015 -16
Balance of the present value of defined benefit obligation as at the beginning of the year	19,028,873	15,932,670	12,148,478	9,185,446
Add: Current service cost	2,019,461	1,933,294	773,834	673,444
Add: Interest Cost	1,406,107	1,207,339	916,707	695,001
Add / Less : Actuarial losses / (gains)	1,648,660	1,637,440	852,690	2,590,441
Less: Benefits paid	(1,771,104)	(1,681,870)	(639,988)	(995,854)
Add: Past service cost	-	-	-	-
Balance of the present value of Defined benefit obligation as at the end of the year	22,331,997	19,028,873	14,051,721	12,148,478



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

- 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	
	2016-17	2015-16	2016-17	2015-16
Fair value of the plan assets as at the beginning of the year	18,534,450	16,379,880	10,574,366	8,978,208
Add: Expected return on plan assets	1,596,884	1,395,241	872,606	780,564
Add/(less) : Actuarial gains/(losses)	32,635	100,150	4,177	75,871
Add: Contribution by the employer	2,950,934	2,341,049	391,990	1,735,577
Less : Benefits paid during the year	(1,771,104)	(1,681,870)	(639,988)	(995,854)
Fair value of the plan assets as at the end of the year:	21,343,799	18,534,450	11,203,151	10,574,366

- 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	2016 -17	2015-16
Discount rate as at year end	7.00%	7.75%
Expected return on plan assets as at year end		
a) Gratuity Scheme	8.00%	8.35%
b) Leave Encashment Scheme	8.25%	8.35%
Salary growth rate:		
a) Gratuity Scheme	8.00%	8.00%
b) Leave Encashment Scheme	8.00%	8.00%

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.

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

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
1) Gratuity plan (funded)					
Defined benefit obligation	22,331,997	19,028,873	15,932,669	12,559,221	12,000,980
Plan assets	21,343,799	18,534,450	16,379,880	11,487,772	11,418,581
Surplus / (deficit)	(988,198)	(494,423)	447,211	(1,071,449)	(582,399)
Experience adjustment on plan liabilities	(621,775)	980,073	(782,212)	1,409,568	1,370,953
Experience adjustment on plan assets	32,635	100,150	154,546	(22,877)	892,280
2) Leave Encashment (funded)					
Defined benefit obligation	14,051,721	12,148,478	9,185,446	6,253,129	6,709,239
Plan assets	11,203,151	10,574,366	8,978,208	7,301,862	7,616,362
Surplus / (deficit)	(2,848,570)	(1,574,112)	(207,238)	1,048,733	907,123
Experience adjustment on plan liabilities	(174,487)	2,299,651	1,707,246	262,161	(915,534)
Experience adjustment on plan assets	4,177	75,871	206,603	(199,657)	50,072

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(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 ₹ 7,800,476/- (previous year ₹ 6,921,061/-) Contribution to Employee State Insurance is made to the Employees' State Insurance Corporation. Expense recognised in the Statement of Profit and Loss is ₹ 2,930,179/- (previous year ₹ 2,176,616/-)

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	
	2016 -17	2015 -16	2016 -17	2015 -16	2016 -17	2015 -16
External revenue by location of customers	508,210,472	532,498,042	4,570,732,338	3,917,338,552	5,078,942,810	4,449,836,594
Carrying amount of segment assets by location of assets	2,359,648,237	3,303,872,225	926,215,315	720,712,510	3,285,863,552	424,584,735

- (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.

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

- (i) Names of related parties and related party relationship

(a) Related parties where control exists

- Igarashi Electric Works Limited, Japan - Ultimate Holding Company
- Agile Electric Sub Assembly Private Limited - Holding Company

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

- Igarashi Electric Works Limited, Japan - Ultimate Holding Company
- Agile Electric Sub Assembly Private Limited - Holding Company
- Mr P. Mukund, Managing Director - Key Management Personnel
- Igarashi Electric Works International Ltd, Hong Kong - Fellow Subsidiary
- Igarashi Motor Sales USA LLC, USA - Fellow Subsidiary
- Igarashi Motoren GmbH, Germany - Fellow Subsidiary



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

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

(₹)

SI No	Nature of relationship / transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
1	Purchase of goods	61,583,993 (29,894,664)	540,412,031 (540,690,438)	- (80,925)	- -	601,996,024 (570,666,026)
2	Sale of goods	-	326,133,628 (338,621,046)	4,196,285,682 (2,480,871,042)	-	4,522,419,310 (2,819,492,088)
3	Purchase of fixed assets	697,313	11,006,631 (19,163,920)	-	-	11,703,944 (19,163,920)
4	Receipt of Inter corporate deposits given	-	- (580,000,000)	-	-	- (580,000,000)
5	Interest income on Inter corporate deposits	-	- (53,245,902)	-	-	- (53,245,902)
6	Reimbursement of expenses received from	-	3,660,995 (2,424,955)	-	-	3,660,995 (2,424,955)
7	Cost of services charged to	-	4,372,961 (14,103,600)	-	-	4,372,961 (14,103,600)
8	Dividend paid	1,451,472 (8,166,949)	19,245,989 (108,288,098)	3,749,990	14,967,576 (84,217,561)	39,415,027 (200,672,608)
9	Remuneration to Managing Director	-	-	-	8,835,447 (8,722,943)	8,835,447 (8,722,943)
10	Advance received	-	-	- (5,241,181)	-	- (5,241,181)
11	Discount received	-	3,343,148 (3,981,997)	-	-	3,343,148 (3,981,997)

(iii) Amount due to / from related parties

(₹)

SI No.	Nature of transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
1	Due from related parties	16,277,807	82,298,441 (123,145,762)	821,353,815 (618,064,689)	-	919,930,063 (741,210,451)
2	Due to related parties	- (17,739,820)	137,282,865 (78,663,750)	- (81,694)	-	137,282,865 (96,485,264)

(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.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

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, 2017 is as follows:

	Minimum Lease payments		Present value of Minimum Lease payments	
	As at	As at	As at	As at
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1 Payable not later than 1 year	-	12,970,798	-	12,823,062
2 Payable later than 1 year and not later than five years	-	-	-	-
3 Payable later than five years	-	-	-	-
Total	-	12,970,798	-	12,823,062
Less: Future finance charges	-	147,736	-	-
Present Value of Minimum Lease payable	-	12,823,062	-	-

- (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 had taken certain plant and equipment on non-cancellable operating lease. During the current year, the operating lease was pre - closed on mutually agreed terms with no further financial liability for the Company. There were 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 31 March 2017 is as follows:

	Minimum Lease payments	
	As at	As at
	31.03.2017	31.03.2016
1 Payable not later than 1 year	-	20,067,048
2 Payable later than 1 year and not later than five years	-	21,293,368
3 Payable later than five years	-	-
	-	41,360,416

- (iii) “Lease payments recognised as expenses in the Statement of Profit and Loss for the year is ₹ 16,411,976/- (Previous year ₹ 22,619,605/-)”

- (iv) Contingent rent recognised in the Statement of Profit and Loss ₹ Nil (Previous year ₹ Nil)

- (v) “The Company had 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 ₹ 18,633,830/- (Previous year ₹ 22,360,596/-). There were 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 31 March 2017 is ₹ Nil (As at 31 March 2016 is ₹ 46,120,704/-).



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

32 DERIVATIVE CONTRACTS

- (a) “The Company is exposed to foreign currency risk principally out of INR appreciating against USD as the majority of its sales and purchases are in USD

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. Hedge exposure is calculated based on highly probable forecast transactions received from each customer. Hedging Strategy on the net exposure is limited to the 40%, 30%, 20% rule as below:

- 40% coverage of hedge exposure of current year
- 30% coverage of hedge exposure of next year
- 20% coverage of hedge exposure of third year

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”.

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 on the Balance Sheet date. This is as per the cash flow hedge accounting model prescribed in the Guidance Note on Accounting for Derivative Contracts (Issued 2015).

This treatment has resulted in a net gain of ₹ 21,682,163/- arising out of fair valuation of outstanding derivative contracts which has been recognised in Hedging reserve.

The Company has designated the highly probable forecast transactions with respect to sales as hedging instrument and their fair value as at 31 March 2017 is ₹ 344,505,942/-. These transactions are expected to affect the Statement of Profit and Loss in the financial years 2017-18 and 2018-19.

- (b) The particulars of exposure in foreign currency and derivative contracts entered into for hedging foreign currency exchange risks, which are outstanding as at 31 March 2017 are as under :

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017

Particulars	FC	2016-17			2015-16		
		Exchange Rate	Amount in FC	Amount in ₹	Exchange Rate	Amount in FC	Amount in ₹
I. Assets							
Receivables (trade & other)	USD	64.90	15,246,694	991,376,828	66.25	12,672,057	839,523,807
Other Monetary assets		-	-	-		-	-
Total Receivables (A)			15,246,694	991,376,828		12,672,057	839,523,807
Hedges by derivative contracts (B)			900,000	58,410,000		951,000	63,003,750
Unhedged receivables (C=A-B)			14,346,694	932,966,828		11,721,057	776,520,057
II. Liabilities							
Payables (trade & other)	USD	65.14	10,203,095	664,629,978	66.51	7,140,585	474,923,317
	JPY	0.58	79,962,464	46,380,556	0.59	67,845,492	40,028,840
	HK\$	8.37	1,882,421	15,756,060	8.55	1,463,146	12,509,894
	Euro	69.37	764,891	53,064,169	75.44	542,701	40,941,330
Borrowings	USD	64.91	3,392,541	220,209,830	66.26	6,498,228	430,572,561
Total Payables (D)	USD		13,595,636	1,000,040,593		13,638,812	998,975,942
	JPY		79,962,464			67,845,492	
	HK\$		1,882,421			1,463,146	
	Euro		764,891			542,701	
Hedges by derivative contracts (E)			-	-		-	-
Unhedged Payables (F=D-E)	USD		13,595,636	1,000,040,593		13,638,812	998,975,942
	JPY		79,962,464			67,845,492	
	HK\$		1,882,421			1,463,146	
	Euro		764,891			542,701	
III. Contingent Liabilities and Commitments							
Contingent Liabilities			-	-		-	-
Commitments	USD	64.91	1,004,914	65,228,942	66.26	35,000	2,319,100
	Euro	69.33	24,394	1,691,206	75.44	22,127	1,669,273
	JPY	0.58	104,085,700	60,369,706	0.59	19,350,000	11,416,500
Total (G)	USD		1,004,914	127,289,854		35,000	15,404,873
	Euro		24,394			22,127	
	JPY		104,085,700			19,350,000	
Hedges by derivative contracts (H)			-	-		-	-
Unhedged Payables (I=G-H)	USD		1,004,914	127,289,854		35,000	15,404,873
	Euro		24,394			22,127	
	JPY		104,085,700			19,350,000	
Total unhedged FC Exposures (J=C+F+I)	USD		28,947,244	2,060,297,275		25,394,870	1,790,900,872
	Euro		789,285			564,828	
	JPY		184,048,164			87,195,492	
	HK\$		1,882,421			1,463,146	



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

		2016 - 17	2015 - 16
Basic			
(a) Profit after tax as per Statement of Profit and Loss	₹	737,698,351	636,410,519
(b) Number of equity shares outstanding	Nos	30,608,444	30,608,444
(c) Weighted average number of equity shares outstanding	Nos	30,608,444	30,608,444
Basic and Diluted Earnings per Share [(a) / (c)]	₹	24.10	20.79
Face value of an equity share	₹	10.00	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

K K Nohria
Chairman

Keiichi Igarashi
Director

V.Viswanathan
Partner
Membership No. 215565
Place: Chennai
Date : May 11, 2017

Hemant M Nerurkar **S. Radhakrishnan**
Director Director

Akhil Awasthi **Eva Maria Rosa Schork**
Director Director

R. Chandrasekaran
Chief Financial Officer

P. Dinakara Babu
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	2016 - 17		2015 - 16	
	₹	₹	₹	₹
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before exceptional items and taxes		1,113,086,048		973,584,819
Adjustments for:				
Depreciation and amortisation expense	220,308,244		189,628,340	
Loss / (profit) on sale of fixed assets (net)	(165,615)		636,552	
Profit on sale of investments	(8,105,513)		-	
Exchange (gain) / loss on borrowings (net)	(5,191,715)		22,130,633	
Discount received	(3,343,148)		(3,981,997)	
Fringe benefit taxes written off	834,323		-	
Interest expenses	17,695,699		27,945,548	
Interest income	(60,545,995)		(113,328,128)	
Premium and exchange difference on forward contracts	(3,747,891)		(31,407,868)	
Net exchange (gain) / loss on working capital (net)	(309,484)		3,460,129	
		157,428,905		95,083,209
Operating profit before working capital changes		1,270,514,953		1,068,668,028
Adjustments for				
(Increase) / decrease in trade receivables	(191,009,612)		(83,858,441)	
(Increase) / decrease in loans and advances	341,824,087		263,664,961	
(Increase) / decrease in inventories	(101,120,738)		(11,811,181)	
Increase / (decrease) in trade and other payables	(136,399,709)		(269,158,340)	
		(86,705,972)		(101,163,001)
Cash generated from operations		1,183,808,981		967,505,027
Less: Direct taxes paid		(358,213,420)		(331,005,864)
Net cash from operating activities (A)		825,595,561		636,499,163
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(344,137,411)		(416,084,980)
Proceeds from sale of fixed assets		324,887		750,953
Purchase / sale of trade investments (net)		(1,404,961,685)		(75,740,000)
Interest received		54,660,079		113,507,661
Fixed deposits placed/refunded (net)		95,919,532		-
Intercompany deposits repaid by holding company		-		580,000,000
Net cash from / (used in) investing activities (B)		(1,598,194,598)		202,433,634
C) CASH FLOW FROM FINANCING ACTIVITIES				
Dividend paid		(44,972,368)		(258,335,267)
Additional tax on dividend paid		(9,347,819)		(52,098,140)
Repayment of long-term borrowings		(217,273,177)		(154,420,793)
Repayment of short-term borrowings (net)		-		(13,327)
Exchange gain / (loss) on repayment of borrowings (net)		277,120		(1,589,124)
Interest paid		(18,693,705)		(28,117,546)
Net cash from / (used in) financing activities (C)		(290,009,949)		(494,574,197)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(1,062,608,986)		344,358,600
Cash and cash equivalents as at the beginning of the year		1,099,197,147		754,838,547
Cash and cash equivalents as at the end of the year		36,588,161		1,099,197,147



Cash flow statement for the year ended March 31, 2017 (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 three months and exclude unpaid dividend accounts, fixed deposits with maturity period greater than three months 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)

P. Mukund
Managing Director

K K Nohria
Chairman

Keiichi Igarashi
Director

V.Viswanathan
Partner
Membership No. 215565
Place: Chennai
Date : May 11, 2017

Hemant M Nerurkar **S. Radhakrishnan** **Akhil Awasthi** **Eva Maria Rosa Schork**
Director Director Director Director

R. Chandrasekaran
Chief Financial Officer

P. Dinakara Babu
Company Secretary

**IGARASHI MOTORS INDIA 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,

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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.

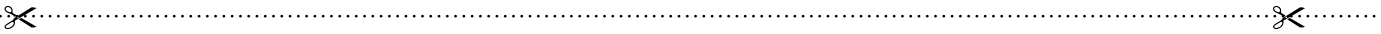
Name of the attending Member(s) :	Folio/DP ID-Client ID No. :
No. of Shares held :	

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company to be held at Hotel My Fortune Chennai (Formerly 'Hotel Chola'), Cathedral Road, Chennai - 600 086 on Wednesday, the 2th August, 2017 at 3.00 P.M.

NAME OF PROXY IN BLOCK LETTERS

SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike out whichever is not applicable.

**IGARASHI MOTORS INDIA 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, Website: www.igarashimotors.com

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 Igarashi Motors India Limited, 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 25th Annual General Meeting of the Company to be held at Hotel My Fortune Chennai (Formerly 'Hotel Chola'), Cathedral Road, Chennai - 600 086 on Wednesday, the 2th August, 2017 at 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**
Ordinary Business				
1	Adoption of Audited Financial Statement for the financial year ended March 31, 2017, and the Reports of the Board of Directors and Auditors' Report thereon.			
2	Approval for payment of Dividend of ₹ 6.61/- per equity share.			
3	Appointment of Mrs. Eva Maria Rosa Schork (DIN: 07159550) who retires by rotation and being eligible, seeks re-appointment			
4	Appointment of M/s. B S R & Co. LLP, as Auditors of the Company for 5 years from financial year 2017-18 to 2021-22			
Special Business				
5	Re-Appointment of Mr. Hemant M Nerurkar (DIN: 00265887) as an Independent Director			
6	Re-Appointment of Mr S Radhakrishnan (DIN: 01246033) as an Independent Director			
7	Approval for ESOP 2017			
8	Approval for Granting of ESOP 2017 to the Employees of the Holding Company			
9	Approval for amendment of Articles of Association of the Company			

Signed this day of, 2017.

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

Signature of Proxyholder(s).....

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.

Affix a ₹. 1 Revenue Stamp

GLOBAL IGARASHI MOTOR APPLICATIONS





Registered Office

IGARASHI MOTORS INDIA LTD.
Plots B-12 to B-15, Phase II, MPEZ - SEZ,
Tambaram, Chennai - 600 045, Tamil Nadu, India.
Tel: +91-44-2262 8199 / 4229 8199 Fax: +91 -44-2262 8143
Email : investorservices@igarashimotors.co.in