



IGARASHI MOTORS INDIA LTD.

22ND ANNUAL REPORT

2013 - 2014



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

K.K. NOHRIA (CHAIRMAN)
K.IGARASHI
KEIICHI IGARASHI
AMIT DIXIT (w.e.f. 13/02/2014)
HEMANT MADHUSUDAN NERURKAR (w.e.f. 23/06/2014)
S. RADHAKRISHNAN (w.e.f. 23/06/2014)
SRINIVASAN RAVINDRAN (Until 23/06/2014)

MANAGING DIRECTOR

P.MUKUND

CHIEF FINANCIAL OFFICER

R.CHANDRASEKARAN

COMPANY SECRETARY

P.DINAKARA BABU

AUDITORS

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

BANKERS

AXIS BANK
STATE BANK OF INDIA

REGISTERED OFFICE

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

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

PAST 5 YEARS PERFORMANCE SUMMARY

Key Performance Indicators	2009-10	2010-11	2011-12	2012-13	2013-14
1. Revenue from Operations (Rs. in crores)	158.71	196.76	268.53	290.77	361.23
2. Operating Profit (Rs. in crores)	18.21	27.23	41.60	52.38	67.16
3. Operating profit margin %	11.5%	13.8%	15.5%	18.0%	18.6%
4. Net Profit (Rs. in crores)	2.73	7.58	16.54	21.36	46.14
5. Net worth (Rs. in crores)	25.38	83.38	101.22	122.74	219.27
6. Debt Equity Ratio	3.18	0.83	0.92	0.68	0.25
7. Earning Per Share (Rs.)	1.97	5.04	8.11	10.46	15.16*
8. Book Value per share (Rs.)	18.30	40.88	49.63	60.11	72.02
9. Dividend Per share (Rs.)	-	-	-	-	3.00

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



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NOTICE

NOTICE IS HEREBY GIVEN THAT The Twenty Second Annual General Meeting ('AGM') of Igarashi Motors India Limited will be held on Wednesday, the July 30, 2014, 3.00 p.m at Kamarajar Arangam, No 492, Near E 3 Police Station, Anna Salai, Teynampet West, Chennai – 600 006 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March 2014, Statement of Profit and Loss for the year ended 31st March 2014 and the Auditors' Report thereon.
2. To declare final dividend of Rs. 2/- per equity share and to confirm interim dividend of Rs. 1/- per share, already paid for the year ended March 31, 2014.
3. To appoint a Director in place of Mr. Keiichi Igarashi who retires at this meeting and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

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

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

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following resolution as on Ordinary Resolution:

"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. Amit Dixit (DIN: 01798942) a Director who was appointed as an Additional Director of the Company by the Board with effect from February 13, 2014 and who holds office until the date of AGM, 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. Amit Dixit as a candidate for the office of a Director of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit to pass with or without modification the following resolution as on Ordinary Resolution:

"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 Madhusudan Nerurkar (DIN: 00265887) a Director who was appointed as an Additional Director of the Company by the Board with effect from June 23, 2014 and who holds office until the date of AGM, 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 Madhusudan 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, 2017, not liable to retire by rotation."

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7. To consider and if thought fit to pass with or without modification the following resolution as on Ordinary Resolution:

“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 Additional Director of the Company by the Board with effect from June 23, 2014 and who holds office until the date of AGM, 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 July 29, 2017, not liable to retire by rotation.”

8. To approve the payment of remuneration to non-executive directors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the non-executive directors of the Company (i.e. directors other than the Managing Director and / or the Whole-time Directors) be paid, remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate 0.50 percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To authorise creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/ fully convertible or non-convertible and/or securities linked to equity shares and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs. 100 crore (Rupees One Hundred Crores).”

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board or any Committee thereof be and is hereby authorized to finalize, settle and execute such documents /deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid.”

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

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Listing Agreement and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be accorded to ratify, approve all existing contracts / agreements / arrangements with following related parties and authorise the Board of Directors of the Company to enter into contracts and/or agreements, arrangements with Related Parties with



respect to sale, purchase, of supply of any goods including capital goods, or materials, selling or otherwise disposing of, or buying, leasing of property any kind, availing or rendering of any services, appointment for purchase or sale of goods, materials, services or property or any other transaction of whatever nature with related parties given below and also given in the Explanatory Statement annexed hereto:

Description of contract	Name of Related Party	Period of Contract	Total Cumulative Value of transactions during contract period with related party (Rs. Crores)
sale, purchase, of supply of any goods including capital goods, or materials, selling or otherwise disposing of, or buying leasing of property any kind, availing or rendering of any services, appointment for purchase or sale of goods, materials, services or property or any other transaction	Agile Electric Sub Assembly Private Limited	April 01, 2014 to March 31, 2017	450
	Bosch Electrical Drives India Private Limited	April 01, 2014 to March 31, 2017	30
	Any other related party as defined under the Act	April 01, 2014 to March 31, 2017	90

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

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

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

Place : Chennai
Date : June 23, 2014

P. Dinakara Babu
Company Secretary

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

Notes:

- 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
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICER OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

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A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT 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.

- c) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- d) The Register of Members of the Company will remain closed from July 21, 2014 to July 30, 2014 (both days inclusive) for the purpose of the final dividend for the financial year ended March 31, 2014 and AGM.
- e) Subject to the provisions of the Companies Act, 2013, final dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the register of members as on July 20, 2014.
- f) Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- g) Members are requested to notify Change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares to the Registrar and Share transfer agent at Cameo Corporate Services Ltd, "Subramanian Building", 1, Club House Road, Chennai – 600002.
- h) Shareholders desiring any information as regards the accounts are requested to write to the company at least 7 days in advance, so as to enable the company to keep the information ready.
- i) Members are requested to note that the dividend for the financial year 2006-2007 remaining un-claimed for 7 years from the date of declaration has been transferred to the Investor Education and Protection Fund established by the Government of India pursuant to Section 205C of the erstwhile Companies Act, 1956. Consequently, no claim shall lie against the said Fund or the Company in respect of any amounts which were un-claimed and un-paid for a period of 7 years from the date they first become due for payment.
- j) Members who have not so far encashed dividend warrant(s) for the Financial Year 2007-08 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' Un-paid Dividend Account, will as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956) be transferred to the Investor Education and Protection Fund.
- k) Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/ re-appointment at the AGM are furnished and forms part of Corporate Governance Report forming part of Annual Report. The Directors have furnished requisite consents/declarations for their appointment /re-appointment.
- l) All documents referred in the Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of AGM.
- m) As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. The instructions for e-voting are given in Annexure A.
- n) 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 (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to your Company's shares under the Depository system is INE188B01013. As on March 31, 2014, over 98% of our Company's Shares were held in dematerialized form and the rest are in physical form.

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



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

Item No 5 :

Mr. Amit Dixit was appointed as an Additional Director and Non Executive by the Board with effect from February 13, 2014 pursuant to Section 161 of the Companies Act, 2013, read with Article 97 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013, Mr. Amit Dixit will hold office upto the date of ensuing AGM. 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 Rs. 1,00,000/- proposing the candidature of Mr. Amit Dixit 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. Amit Dixit (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. Amit Dixit as Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is liable to retire by rotation.

Brief resume of Mr. Amit Dixit as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the Corporate Governance Report forming part of the Annual Report.

No Director, Key Managerial Personnel or their relatives, except Mr. Amit Dixit, 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. Hemant Madhusudan Nerurkar is a Non-Executive and Independent Director of the Company. He joined the Board of Directors as an Additional Director of the Company with effect from June 23, 2014 pursuant to Section 161 of the Companies Act, 2013 read with Article 97 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Hemant Madhusudan Nerurkar will hold office upto the date of the ensuing AGM. 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 Rs. 1,00,000/- proposing the candidature of Mr. Hemant Madhusudan 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 Madhusudan 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 and (c) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

The resolution seeks the approval of members for appointment of Mr. Hemant Madhusudan Nerurkar as an Independent Director of the Company upto July 29, 2017 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.

In the opinion of the Board, Mr. Hemant Madhusudan Nerurkar fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Hemant Madhusudan Nerurkar is independent of the management. The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Hemant Madhusudan Nerurkar as an Independent Director.

Brief resume of Mr. Hemant Madhusudan Nerurkar as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Hemant Madhusudan Nerurkar is appointed as an Independent Director.

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

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No Director, Key Managerial Personnel or their relatives, except Mr. Hemant Madhusudan Nerurkar, 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

Mr. S. Radhakrishnan is a Non Executive and Independent Director of the Company. He joined the Board of Directors as an Additional Director of the Company with effect from June 23, 2014 pursuant to Section 161 of the Companies Act, 2013 read with Article 97 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. S. Radhakrishnan will hold office upto the date of the ensuing AGM. 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 Rs. 1,00,000/- proposing the candidature of Mr. S. Radhakrishnan for the office of Independent 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 (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 and (c) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) 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, 2017 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.

In the opinion of the Board, Mr. S. Radhakrishnan fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. S. Radhakrishnan is independent of the management. The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. S. Radhakrishnan as an Independent Director.

Brief resume of Mr. S. Radhakrishnan as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. S. Radhakrishnan is appointed as an Independent Director.

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. 7 for the approval of members.

Item No. 8

Under the Companies Act, 2013 ("the Act") directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in view the enhanced role, responsibilities and duties of directors, it is considered appropriate that the remuneration payable to the Directors by the Company should be commensurate with their increased role, responsibilities and duties.

Section 197 of the Act provides for payment of remuneration to the directors as under:

(a) Payment of remuneration to more than one managing director / whole-time director shall not exceed 10% of the net profits of the Company to all such directors; and

(b) Payment of remuneration to directors who are neither managing directors nor whole-time directors (that is non-executive directors) shall not exceed 1% of the net profits of the Company.

The Board of Directors of the Company have, subject to the approval of members of the Company, proposed to remunerate the non-executive directors (i.e. directors other than the Managing Director) may be paid remuneration not exceeding in aggregate 0.50 percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act;



The said remuneration to non-executive directors shall be in addition to the sitting fee payable to them for attending meetings of the Board.

Save and except all the non-executive directors of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the resolution set out at Item No. 8 of the Notice for approval by the members.

Item No. 9

On 27th December, 2006, members of the Company by way of an ordinary resolution passed at the Extra-Ordinary General Meeting of the of the Company had accorded their consent to the Board of Directors to mortgage and / or create charge on all or anyone of the moveable / immovable properties or such other assets of the company, subject to the limits of Rs. 100 Crores borrowed or to be borrowed.

Consequent to notification of Section 180 of the Companies Act, 2013 consent of the Company is required by way of a special resolution to create mortgage and/or charge on the movable/ immovable properties of the Company.

The Board of Directors recommends the resolution at Item no. 9 for your approval as Special Resolution.

None of the Directors & Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested in this Resolution.

Item No. 10

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

Though, your Company always seeks to enter into transactions with related parties in the ordinary course of business and at arm's length basis, as per amended Listing Agreement Clause 49 pursuant to SEBI Circular Number CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, all related party transactions notwithstanding exempted under Section 188(1) of the Companies Act, 2013, have to be approved by the members.

Nature of related interest of related parties given below:1) Agile Electric Sub Assembly Pvt Ltd (Holding Company)

Name of the related party	Name of the Director or Key Managerial Personnel who is related if any	Nature of relationship	Nature, material terms, monetary value and particulars of contract or arrangement	Any other information
Agile Electric Sub Assembly Pvt Ltd	Mr. P Mukund, Mr. R Chandrasekaran	Agile Electric Sub Assembly Pvt Ltd is holding 42.14% in the Company	Refer Table given in Resolution 10	Mr. P Mukund is Managing Director and holding 32.77% stake in the Company. He also holds 0.47% stake in Agile Electric Sub Assembly Pvt Ltd. Mr. R Chandrasekaran is Chief Financial Officer of the Company and Director of Agile Electric Sub Assembly Pvt Ltd. He doesn't hold any shares in both Companies. Agile Electric Sub Assembly Pvt Ltd has been supplying sub-assemblies of motors, parts, capital equipment and technology services to the Company in the ordinary course of business and at arm's length basis.

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2) Bosch Electrical Drives India Pvt Ltd

Name of the related party	Name of the Director or Key Managerial Personnel who is related if any	Nature of relationship	Nature, material terms, monetary value and particulars of contract or arrangement	Any other information
Bosch Electrical Drives India Pvt Ltd (BEDIPL)	Mr. P Mukund	Mr. P Mukund is Director of BEDIPL	Refer Table given in Resolution 10	Mr. P Mukund is Managing Director and holding 32.77% stake in the Company. The Company is holding 12.35% stake in BEDIPL. The Company has been supplying Pole Housing parts to BEDIPL in the ordinary course of business and at arm's length basis

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the members.

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

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

Place : Chennai
Date : June 23, 2014

P. Dinakara Babu
Company Secretary

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



ANNEXURE A – INSTRUCTIONS FOR E-VOTING

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) 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. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* 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 sequence number in the PAN field. Incase 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. Incase both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) 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.

Igarashi Motors India Limited

- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (b) The voting period begins on July 21, 2014 (10.00 a.m.) and ends on July 23, 2014 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of June 30, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (c) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- xviii) Sequence number is being provided as serial number in the address label.
- xix) Mr. S. Bhaskar, Practising Company Secretary has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- xx) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or any other Director of the Company.
- xxi) Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members on the cut-off date i.e. June 30, 2014.
- xxii) The results declared along with the Scrutinizer's Report shall be placed on the website of CDSL and also communicated to the Stock Exchanges (BSE, NSE, MSE) within two days of the passing of the resolutions at the 22nd Annual General Meeting of the Company on 30th July, 2014.

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

Place : Chennai
Date : June 23, 2014

P. Dinakara Babu
Company Secretary

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



DIRECTORS' REPORT

To
The Shareholders,

Your Directors present their Twenty Second Annual Report of your Company, together with the Audited Accounts for the year ended 31st March 2014.

FINANCIAL RESULTS

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

	(Rs.in Lakhs)	
Particulars	2013-14	2012-13
Manufacturing Sales	36,122.79	28,850.74
Trading Sales	-	227.23
Total Sales	36,122.79	29,077.97
Add : Other Income	967.56	239.25
Total Income	37,090.35	29,317.22
Less :		
(i) Materials & Manufacturing Expenses	24,643.87	20,352.64
(ii) Value Addition Cost	5,870.98	4,692.21
Profit before Depreciation, Amortization	6,575.50	4,672.37
Less :		
Depreciation & Amortization Expenses	1,561.36	1,336.57
Add: Exceptional Income	824.96	
Profit Before Tax	5,839.10	2,935.80

OPERATIONS

Your Company achieved topline growth during the year under review with total income at Rs. 36,123 Lakhs. The Operating profit before depreciation and amortization amounted to Rs. 7,128 Lakhs. Profit before Tax amounts to Rs. 5,839.10 Lakhs. Your Company managed the Operations to post a Sales growth of 24% and an EBIDTA Growth of 28%.

DIVIDEND

The Company declared an interim dividend Re.1/- per equity share (10%) aggregating to a total dividend payout Rs. 304.45 Lakhs (excluding dividend tax) declared on February 13, 2014, the record date for this purpose was February 26, 2014 and the interim dividend was paid on March 03, 2014.

Your Directors have recommended a Final Dividend of Rs. 2/- per share (i.e 20%), making in all Rs. 3/- per share (30%) as dividend for the year. The Register of Members and Share Transfer Books will remain closed from July 21, 2014 to July 30, 2014 (both days inclusive) for the purpose of payment of final dividend for the financial year ended March 31, 2014 and Annual General Meeting (AGM). The AGM is scheduled to be held on July 30, 2014.

RESERVES

The Reserves at the end of the year 31st March, 2014 is at Rs. 1,8882.00 lakhs as against the Total Reserves of Rs. 10,231.83 Lakhs as at 31st March, 2013.

CONVERSION OF OPTIONALLY CONVERTIBLE DEBENTURES ('OCD') INTO EQUITY SHARES

Subsequent to the approval of members by way of Postal Ballot, the Board of Directors approved allotment of 92,32,362 Optionally Convertible Debentures ("OCDs") of the Company with a 9% p.a. coupon payable at six-monthly rests, to Mr. P Mukund on August 28, 2013. On January 16, 2014, the Board of Directors approved conversion of 92,32,362 OCDs into 92,32,362 equity shares of Rs. 10/- each at an issue Price of Rs. 65 per share (including premium).

ESOP-2006

Your Company had introduced the Employees Stock Option Plan -2006 in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999. The Scheme was approved by the Shareholders at the Annual General Meeting of the Company in the year 2007. During the year, 7,93,700 employee stock options were converted into equivalent number of equity shares. On May 26, 2014, 1,63,000 employee stock options were converted into equivalent number of equity shares. Currently a further 9,000 ESOPs are vested and outstanding.

As required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 a disclosure is annexed herewith.

SHARE CAPITAL

Consequent to conversion of stock options and OCDs into equity shares, your Company's Paid-Up equity share capital has gone upto Rs. 3,060.84 Lakhs from Rs. 2,041.93 Lakhs as on May 26, 2014.

UPDATE ON OPEN OFFER MADE UNDER THE TAKEOVER REGULATIONS

During the under review, Agile Electric Sub Assembly Private Limited along with Blackstone Capital Partners (Singapore) VI FDI Three Pte. Limited and BFIP (Cayman) VI-ESC FDI Three Limited and Mr. P Mukund ('Person Acting in Concert') made an open offer to acquire Company's 7,314,694 equity shares in compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and acquired 5,834 equity shares at a Price of Rs. 65.80/- per share.

DIRECTORS

During the year, Mr. M.S.S. Srinath, Mr. Jacob Mathew, and Mr. G N Mani resigned from Directorship. On June 23, 2014, Mr. Srinivasan Ravindran resigned from Directorship. Your Directors wish to place on record their appreciation of the contribution of these Directors.

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

On February 13, 2014, your Board approved appointment of Mr. Amit Dixit as Additional Director. The Notice under Section 160 of the Companies Act, 2013 has been received from a member signifying the intention to propose Mr. Amit Dixit as a candidate for the office of Director and accordingly a resolution is being placed before the members at the forthcoming Annual General Meeting.

On June 23, 2014, your Board approved appointment of Mr. Hemant Madhusudan Nerurkar and Mr. S. Radhakrishnan as Additional Directors to act as Independent Directors. The Notice under Section 160 of the Companies Act, 2013 has been received from a member signifying the intention to propose Mr. Hemant Madhusudan Nerurkar and Mr. S. Radhakrishnan as a candidate for the office of Independent Director and accordingly two resolutions are being placed before the Members at the forthcoming Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

The brief resume/details relating to Directors being appointed / re-appointed and as stipulated under Clause 49(VI)(A) of the Listing Agreement executed with the Stock Exchanges are furnished in the Report on Corporate Governance.



AUDITORS

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

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

HUMAN RESOURCES

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.

PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217(2A) of the erstwhile Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employee who had drawn remuneration of Rs.5,00,000/- per month (Rs.60,00,000/- per annum) or higher during period under consideration is laid out in the Annexure to this report.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The information required to be furnished pursuant to Section 217(1)(e) of the erstwhile Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, 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 in the prescribed format as an annexure to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the erstwhile Companies Act, 1956 your directors, on the basis of information made available to them, confirm the following:

- a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed with explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March 2014 and of the profit of the company for that period;

Igarashi Motors India Limited

- c) Proper care has been taken for maintenance of adequate accounting for safeguarding the assets of the Company and detecting fraud and other irregularities;
- d) The annual accounts are prepared on a going concern basis.

DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public under Section 58A of the erstwhile Companies Act, 1956 and Rules made there under.

QUALITY AND ENVIRONMENT

Your Directors are pleased to inform you that during the year your Company continued to work on live APQP (Advanced Product Quality Planning) processes for different Programs in the Automotive Industry. This ensures an effective advance failure mode analysis to ensure that Quality gets built into the Design as well as Process.

LISTING

The shares of your Company continued to be listed at National Stock Exchange Limited, Bombay Stock Exchange Limited and Madras Stock Exchange Limited. Listing fee has already been paid for the financial year 2013-14. Further, Annual Custody Fee has also been paid to NSDL and CDSL.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 23, 2014

K.K Nohria
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

Energy Conservation Measures Taken:

- a) Periodic Timers introduced for Split air-conditioners
- b) Peak hour consumption optimized using periodic timer for non-critical loads
- c) Light Pipes installed in warehouse
- d) Duty cycling of Air conditioners – compressors done
- e) Day lighting for newly built areas
- f) Lighting Energy Conservation
- g) Day lighting for identified locations
- h) Load optimization using Energy Management System Software

B. TECHNOLOGY ABSORPTION

Form B

Technology, absorption, adaptation and innovation

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

(Rs. Lakhs)

	2013-14	2012-13
Program Expenditure incurred during the year	271.05	-
Program Expenditure Amortized during the year	29.84	24.69

- d. Information regarding imported technology during the last 5 Years:

- a) Technology imported : -
- b) Year of Import : -
- c) Status : -
- d) if not fully absorbed : -

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. Activities relating to Exports; initiatives taken to increase exports; development of new export markets for products & export plans:

Your Company is 100% export unit, refer Management Discussion and Analysis Report.

- b. Total Foreign exchange used and earned:

	(Rs. Lakhs)	
	2013-14	2012-13
Total Foreign Exchange earned	34,984.15	27,831.97
Total Foreign Exchange used	21,468.94	17,020.83
{Excludes payments for capital goods Rs.1,162.01 Lakhs (Previous Year: Rs. 2,517.39 Lakhs) }		

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 23, 2014

K.K Nohria
Chairman



DETAILS OF STOCK OPTIONS PURSUANT TO SEBI GUIDELINES ON STOCK OPTIONS
ESOP Scheme-2006

Description	ESOP Scheme- 2006
No. of Options available under ESOP Scheme-2006	12,50,000
A) No. of Options Granted during FY 2013-14	25,000
B) The Pricing Formula	The exercise price for the purposes of the grant of options as decided by the ESOP Compensation Committee is Rs.40.15, the price being not less than the Par value of the equity share of the Company and not more than the market price as on 17 th Annual General Meeting date (i.e September 30, 2009) being relevant date subject to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
C) Options vested during FY2013-14	Nil
D) Options Exercised during FY2013-14	7,93,700
E) The total number of shares arising as a result of exercise of option	7,93,700
F) Options lapsed FY2013-14	Nil
G) Variation Terms of Options	Nil
H) Money Realized by exercise of options	Rs. 3,18,67,055
I) Total Number of Options in Force as on March 31,2014	1,72,000
J) Employee-wise details of options granted to	Details as under :
i) Senior Managerial Personnel	1,00,000 options
ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	Nil
iii) Identified employees who were granted option , during any one year , equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
K) Diluted Earnings Per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earnings Per Share"	Rs.19.68
L) i) the Method of calculation of Employee Compensation Cost	Fair Value Method - Black- Scholes-Merton
ii) Difference between the employee compensation cost so computed at (i) above and the employee Compensation Cost that shall have been reorganized if it had used the fair value of options	Rs. 15,87,414
iii) The impact of the difference on profits and on EPS of the Company	Rs. 15,87,414 Re. 0.07 Per Share

Igarashi Motors India Limited

- M) Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price Rs. 40.15
- N) A description of the method and significant assumptions used during the year to estimate the fair values of options , including the following weighted average information : N.A
- 1) Risk-free interest rate (in %) 8.01
 - 2) Expected life (in years) 5 Years
 - 3) Expected volatility (in %) 3.14
 - 4) Expected dividends and (in %) 1.14
 - 5) The price of underlying share in market at the time of option grant (in Rs.) 71.40

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 23, 2014

K.K Nohria
Chairman

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

Information as per Section 217(2A) of the erstwhile Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended March 31, 2014.

Sl. No	Name	Age (yrs)	Designation	Date of commencement of Employment	Remuneration Received (Rs.)	Professional Qualification	Total Experience (Yrs)	Last Employment	% of equity shares held
1	Mr. P Mukund	54	Managing Director	10-Jan-1992	84,95,115	B.Tech, PGDBM	31	Crompton Greaves Ltd	32.77

Note: Above excludes ESOP Scheme perquisite.

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 23, 2014

K.K Nohria
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL AUTOMOTIVE INDUSTRY AND ELECTRIC MOTORS

The Global Passenger Vehicle production, estimated by various expert agencies, is expected to cross 100 Million by year 2020 from the current 70 million per annum. More than 90% of volume is expected to be with ICE (Internal Combustion Engine). The penetration of hybrid and electrical vehicles is expected to be around 10%.

The major drivers in the development of ICE vehicles continue to remain fuel efficiency, emission control and stretch targets are being set by vehicle manufacturers on both these parameters. While safety and comfort are also prioritized, the above stand as top priorities.

It is pertinent to note that the geographical mix of global production is seeing a significant shift towards Asia Pacific and significantly higher investments are forecasted in Asia.

ELECTRIC MOTORS

While growth in production of vehicles between now and year 2020 is expected to be >20%, growth in usage of electric motors is expected to be much higher especially in fuel efficiency and emission control actuators where the volumes are expected to more than double.

Engine Throttle Control, Exhaust Recirculation, Turbo Charger Actuators and Allied applications that will be using DC motors are expected to be most important system introductions in the Power Train space. These applications use Torque Actuator Motors manufactured by Igarashi.

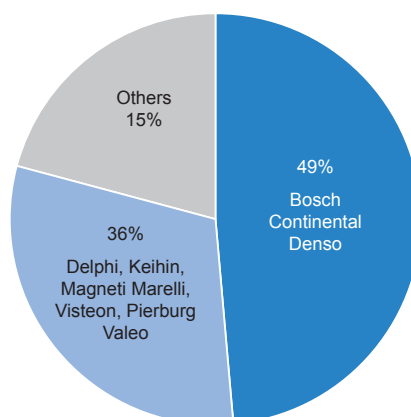
Top indicators and drivers from the stand point of electric motors directly address reduction of size, weight, power consumption, and cost for a given performance of an actuator.

While intense technology discussion are progressing on the high end engineering and innovation tracks, what clearly comes out from insider analysis is the present technology with a powerful focus on the top drivers above, will offer opportunities for electric motors makers for the next 10 years.

Of late, Key Tier-1 system integrators are depending more on electric motor manufacturers who have a wide range of experience with multiple system integrators and are able to understand the electric motor requirements for different baskets of application engineering for the power train actuators.

The relevant players and leaders in this space with their market shares in the power train actuator applications are indicated below :

Power Train Actuator Application Market Share

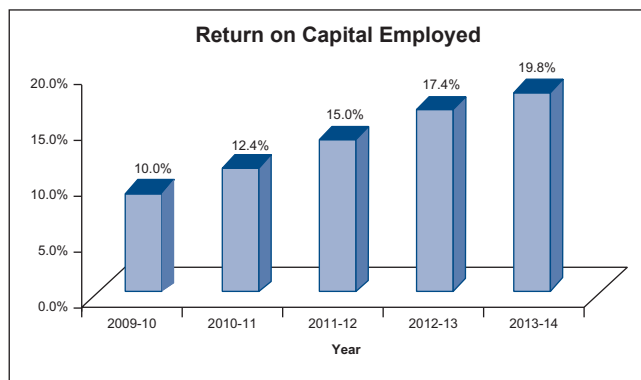
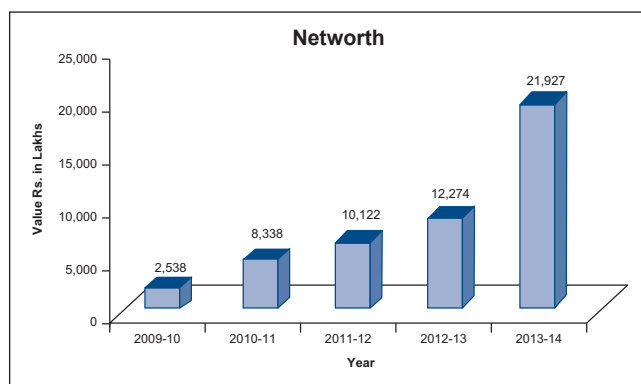
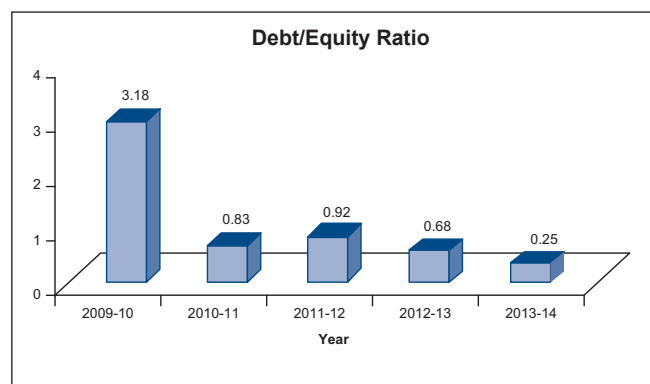
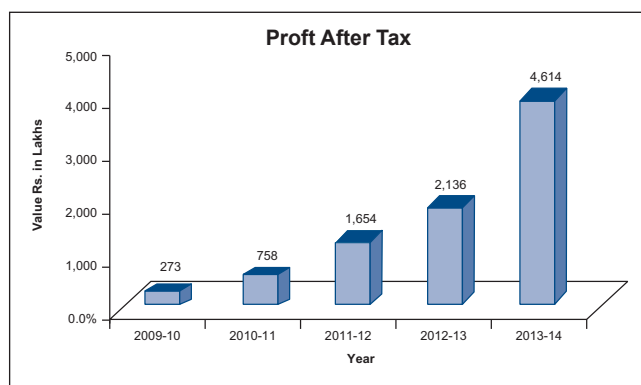
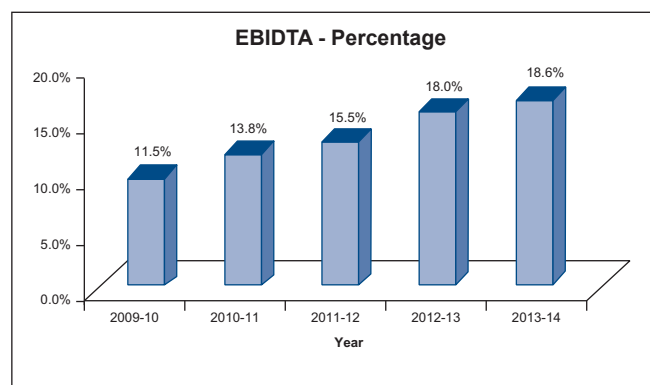
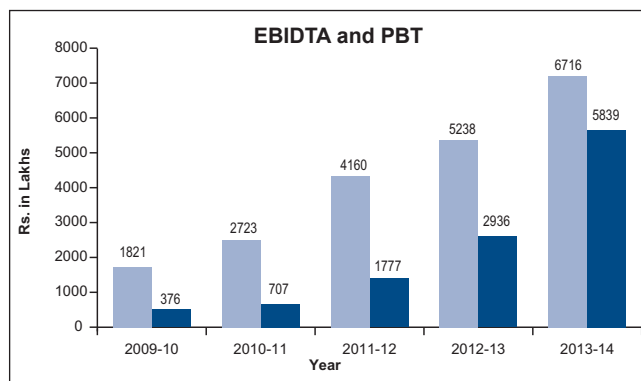
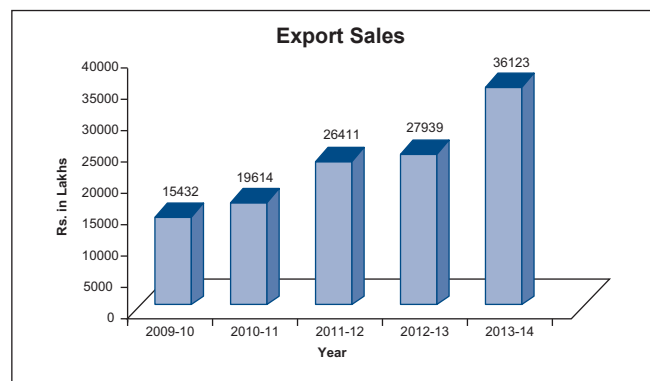


YEAR 2013-14

The year 2013-14 was financially the best year for the Company since inception. A robust combination of the right Product and Customer Strategy, combined with sustainable operational efficiency actions, delivered a 24% growth in sales, with a 28% growth in EBIDTA and more than doubling of the profits compared to the previous year. It is appropriate to mention that the depreciating Rupee also played its favourable role in the improved margins during the year.

Igarashi Motors India Limited

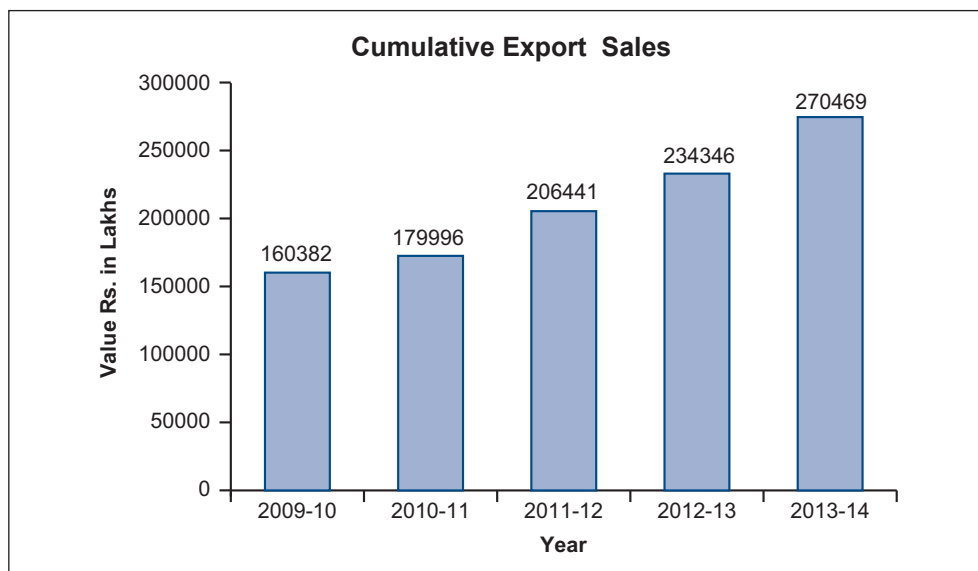
The charts below indicate the results over the last years :



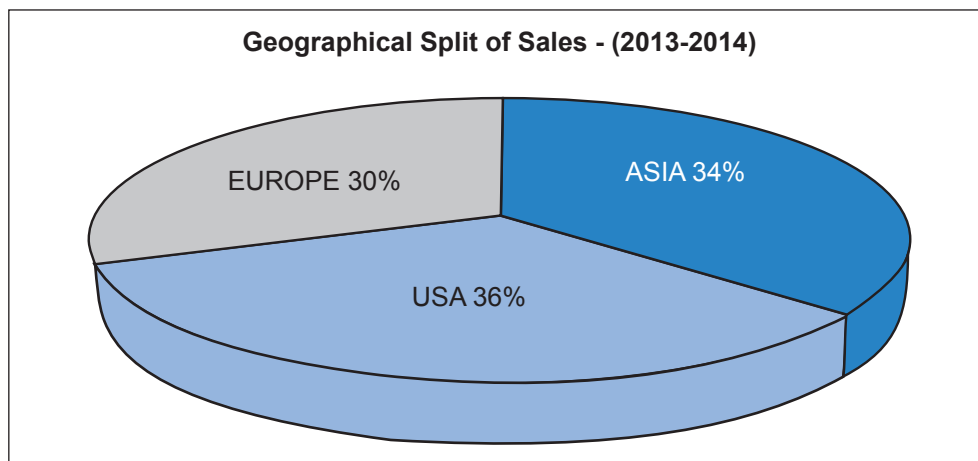


EXPORT SALES AND GEOGRAPHICAL DISTRIBUTION

Your Company has populated over 4,532 Lakh pieces since inception in Global Automotive Component Industry valued at over Rs. 270,469 Lakhs as seen in the chart below:



The geographical split of sales of your Company during the period 2013-14 is represented in chart below.



Both the above indicate the Depth and Width of experience by the Company in the demanding Global Automotive industry across geographies.

OUR FOCUS

As reviewed with the developing global automotive picture in the power train actuator space and our experiences of the past 5 years, the Company's strong focus towards performance bench marks of its motors to address the industries need of lower size, weight, power consumption and cost for a given performance is established.

With the above, the Company is also working closely with technology specialists and competent suppliers to develop alternative higher performance materials to maintain our importance and selective leadership status in this space.

In the last year, dialogues for business have been launched, with new customers, and new platforms which will materialize into business for the Company from year 2016 onwards. With this focus, we expect our volumes, to double in the next four years.

Credible and profitable Long Term Business development, Strengthening the Financial fundamentals, Strengthening the Organization to demonstrate continuous improvement in Operational performance will continue to remain key drivers, coupled with the Technology impetus.

Igarashi Motors India Limited

RISKS & CONCERNS

i) Global Auto Industry :

While year 2013 was a victim of cyclical nature of this industry, market started recovering in the second half of year 2013 and continues to show a growing trend, albeit, a clear shift is seen with China growing fastest followed by recovery in America and stagnation in Europe.

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

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

ii) Insurance :

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

iii) Interest rates:

Your Company continued to depend on foreign currency borrowing there by result in reduction in Interest cost.

iv) Commodity and Exchange Risk

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

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

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

SEGMENT WISE/PRODUCT WISE PERFORMANCE

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

INTERNAL CONTROL SYSTEMS & ADEQUACY

Your Company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. All the assets are safeguarded and protected and all transactions are recorded promptly. Internal Audit is carried out in a programmed way and follow up actions were taken for all audit observations.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Continuous efforts to grow people within the Company has been a core direction of the Company and a set of 100 people have been identified as potential leaders to be a part of the growth over the next years.

The culture and character of the team in the Company continues to remain one of the most significant strengths and appropriate energies are being accorded to maintain and improve this.

CAUTIONARY STATEMENT

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

For Igarashi Motors India Limited

Place: Chennai
Date : June 23, 2014

P.Mukund
Managing Director



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 shareholders value, keeping in view the needs and interests of all other stakeholders.

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

During the year ended 31st March, 2014, your Company had complied with the code provisions set out in the code of Corporate Governance Practices contained in the Listing Agreement entered into with NSE, BSE, and MSE. We are in receipt of a certificate from MSE for good listing compliance during the entire year 2013-14.

2. COMPOSITION OF THE BOARD

As on 31st March, 2014 the Board of Directors comprised the Managing Director and 5 Non-Executive Directors.

During the year, six Board Meetings were held on 23rd May 2013, 17th July 2013, 13th August 2013, 28th August 2013, 22nd October 2013 and 13th February 2014. The Company's last Annual General Meeting was held on 23rd September 2013.

The particulars of Directors, their attendance during the financial year 2013-2014 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	Director Ship	Committees\$
Mr K.K. Nohria Chairman	Non- Executive Independent	3	Yes	7	7
Mr P.Mukund Managing Director	Executive	4	Yes	Nil	Nil
Mr K.Igarashi	Non- Executive Non- Independent	Nil	No	Nil	Nil
Mr.Keiichi Igarashi	Non-Executive Non- Independent	2	Yes	Nil	Nil
Mr. G.N.Mani #	Non-Executive; Independent	5	No	Nil	Nil
Mr. M.S.S. Srinath @	Non-Executive; Non-Independent	2	No	3	Nil
Mr. Jacob Mathew**	Non- Executive; Independent	1	No	1	2
Mr Srinivasan Ravindran	Non- Executive; Independent	5	Yes	1	Nil
Mr. Amit Dixit***	Non- Executive;	1	N A	8	4

* Excluding Directorships in Private and Foreign Companies, N.A- Not Applicable

\$ Includes Audit and Shareholders Grievances Committees of Public Limited Companies only

@ Resigned from Board as director w.e.f 28th August 2013

** Resigned from Board as director w.e.f 26th June 2013

Resigned from Board as director w. e f. 19th February 2014

*** Appointed as Additional Director w.e.f. 13th February 2014

INFORMATION ABOUT DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT

- 1) Mr. Keiichi Igarashi, age 48 years, is a Director and Technical graduate from Japan has over 20 years of experience. He has worked intensely in the Quality Management in Matsushita, Japan before moving to Igarashi China. He is the Managing Director of Igarashi Japan & China and is responsible for Globalising Igarashi to the next level.

Mr. Keiichi Igarashi does not hold any shares in his individual name but Igarashi Electric Works (H.K.) Limited, Hong Kong (Subsidiary of Igarashi Electric Works Limited, Japan) holds 2,499,993 shares in the Company as on March 31, 2014.

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

Mr. Keiichi Igarashi is son of Mr. K. Igarashi.

- 2) Mr. Amit Dixit, age 41 years, is a Senior Managing Director and Co-Head of Private Equity in India, based in Mumbai.

Since joining Blackstone in 2007, Mr. Amit Dixit has been involved with various investments and investment opportunities in India and South Asia. Previously, Mr. Amit Dixit was a Principal at Warburg Pincus.

Mr. Amit Dixit currently serves as a Director of NCC Ltd., Midday Infomedia Ltd., Monnet Power Company Ltd., Emcure Pharmaceuticals Ltd., MB Power (Madhya Pradesh) Ltd., Jagran Prakashan Ltd., Monnet Ispat and Engergy Ltd., Jagran Media Network Investment Pvt.Ltd., Blackstone Advisors India Pvt.Ltd., S H Kelkar and Company Pvt.Ltd. and Hindustan Powerprojects Pvt.Ltd.

Mr. Amit Dixit received an MBA from Harvard Business School, and MS in Engineering from Stanford University, and a B.Tech. from Indian Institute of Technology Mumbai where he was awarded the Director's Silver Medal for graduating at the top of his program.

Mr. Amit Dixit does not hold shares in the Company.

- 3) Mr. Hemant Madhusudan Nerurkar, age 65 years, former Managing Director of Tata Steel Limited. A Professional with multifaceted over 42 years' experience ranging from Project Execution, Manufacturing, Quality Control, Supply Chain, Talent Management, Restructuring of Business and Marketing.

Mr. Nerurkar has been conferred with several prestigious awards such as the 'Tata Gold Medal 2004', 'SMS Demag Excellence Award 2002', 'Steel 80's Award - 1990', 'SAIL Gold Medal - 1989', 'Visveswaraya Award - 1988' and 'NMD Award 1987'. CEO with HR Orientation Award by Asia's Best Employer Brand Awards in 2010. CEO with HR Orientation Award by Star News in 2010. Best CEO of the Year Award -2011 conferred by Indian Institute of Materials Management (IIMM). Honorary Degree of Doctorate by KIIT University, Bhubaneswar in 2012. Maxell Foundation & Maharashtra Corporate Excellence Award by the Government of Maharashtra in 2012. "Icons of Maharashtra" award by The CBD Foundation in 2013. IIM-JRD Tata Award for Excellence in Corporate Leadership in Metallurgical Industries in 2013.

Mr. Nerurkar won Deming prize (2008) and Deming Grand Prize 2012, Prime Minister's trophy for best integrated steel plant for four consecutive years. He is associated with various professional associations as Senior Vice President, All India Management Association (AIMA), Chairman, Board of Governors, XLRI, Chairman, National Metallurgical Laboratory Research Council, Member of Governing Council, CSIR.

Mr. Nerurkar received B.Tech (Metallurgical Engineering) from the College of Engineering, Pune University. Mr. Nerurkar has attended several management courses in India and overseas, including CEDEP in France.

Mr. Nerurkar currently serves as a Director of TRL Krosaki Refractories Ltd., Skill Council for Mining Sector, TEGA Industries Ltd., NCC Ltd., Tube Investments of India Ltd.

Mr. Nerurkar does not hold shares in the Company.

- 4) Mr. S Radhakrishnan, age 51 years, a Graduate in Mechanical Engineering from University of Madras with specialization in Industrial Engineering & Welding Technology.

He has also done his Certificate/ Post Diploma in International Trade from Indian Institute of Materials Management and Certificate in Strategic/ General Management from Beijing Modern Management Technology Exchange Center. He has about 28 years of wide experience in different areas and specialization in the areas of Global Sourcing, Business Development, Management of Procurement, Quality Assurance etc.



He worked as a Managing Director of Nelcast Limited, Sr. Director in M/s. Arvin Meritor Inc., with Asia Pacific responsibility and at various capacities in M/s. Volvo India Pvt Ltd, M/s. Larsen & Toubro Ltd and M/s. Binny Ltd. Mr. S Radhakrishnan does not hold shares in the Company.

3. AUDIT COMMITTEE

Particulars of the Audit Committee:

SI No	Particulars	Details	
1.	Date of Formation	22 nd October 2000	
2	No of Directors	3	
3.	Particulars of Members	Mr.Srinivasan Ravindran (Chairman) Mr.G.N.Mani Mr K K Nohria All three directors are independent Directors.	
4.	No of Meetings held	During the financial year 2013-2014, four meetings were held on 23 rd May 2013, 13 th August 2013, 22 nd October 2013 and 13 th February 2014.	
5.	Meeting & Attendance During the Year	Name of the Director	No of Meetings Attended
		Mr.Jacob Mathew**	1
		Mr.G.N.Mani @	3
		Mr. Srinivasan Ravindran	3
		Mr. K.K.Nohria	3
6.	Functions of the Audit Committee	Review of Company's audited financial statements and reports Adequacy of Internal Audit Function and systems Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the internal auditors and the fixation of audit fees. Review of Compliance with Accounting standards. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors. Review of Risk Management Policies and Practices. Review financial statements in conformity with Generally Accepted Accounting Principles (GAAP) Review of Statutory Compliance	

** Resigned from Board as director w.e.f from 26th June 2013

@ Resigned from Board as director w. e f. from 19th February 2014

The Company Secretary acts as the Secretary to the Committee.

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

4. REMUNERATION COMMITTEE & DIRECTORS' REMUNERATION

Although not mandatory in terms of the Listing agreement with the Stock Exchanges the Company has a Remuneration Committee comprising 3 Non-Executive & Two Independent Directors. Presently, the Committee comprises Mr. K.K.Nohria (Chairman), Mr. Srinivasan Ravindran and Mr. Amit Dixit.

Managing Director:

Although the Listing Agreement and the Companies Act, 1956 require the Remuneration Committee to only review the remuneration paid to the Managing Director, the Committee as part of its terms of reference, also reviews the remuneration of Senior Executives as and when they come for review.

The details of remuneration paid to the Managing Director for the financial year 2013-2014 is as under:

Name	Salary	Perquisites	Retirement Benefits	Performance Incentive/ Commission	Others	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Mr. P. Mukund Managing Director	6,000,000	24,95,115	-	-	-	84,95,115

Note: Above excludes ESOP Scheme perquisite.

Remuneration Policy:

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

The details of sitting fees paid to the Non-Executive Directors for the financial year 2013-2014 is as under:

Name of the Director	Sitting Fees Paid Rs.
Mr. K .K. Nohria	15,000
Mr. G.N.Mani	30,000
Mr. Jacob Mathew	5,000
Mr. Srinivasan Ravindran	30,000
Total	80,000

The Promoter-Non Executive & Non Independent Directors viz. Mr. K. Igarashi, Mr. T. Igarashi, Mr. Keiichi Igarashi, have not been paid any sitting fees.

Independent Directors, Mr. K K Nohria holds 4,50,000 shares (1.48%), in the Capital of the Company.

Mr. K Igarashi, Mr. Keiichi Igarashi, Mr. Srinivasan Ravindran and Mr. Amit Dixit have not held any shares individually in the capital of the Company.

5. SHAREHOLDERS'/ INVESTORS' GRIEVANCES COMMITTEE

Particulars of Shareholders' Committee

SI No	Particulars	Details
1.	Date of Formation	22 nd October 2000
2.	No of Directors	3
3.	Name & Designation of Compliance Officer	Mr.P Dinakara Babu Company Secretary



SI No	Particulars	Details	
4.	Particulars of Members	Mr. Srinivasan Ravindran (Chairman) Mr. G N Mani @ Mr. K K Nohria All three directors are independent Directors.	
5.	No of Meetings held	During the financial year 2013-2014 meetings were held on the 23 rd May 2013, 13 th August 2013, 22 nd October 2013 and 13 th February 2014.	
6.	Meeting & Attendance During the Year	Name of the Director	No of Meetings Attended
		Mr.Jacob Mathew **	1
		Mr. K K Nohria	3
		Mr. Srinivasan Ravindran	3
		Mr.G N Mani @	3
7.	Functions of the Shareholder's Committee	Review of Investor Redressal Report. Approval of Share Transfer & Demat. Review of Secretarial MIS.	

** Resigned from Board as director w.e.f from 26th June 2013

@ Resigned from Board as director w. e f. from 19th February 2014

During the year 2013-2014, the Company received three complaints from the investors. As on 31st March 2014 there were no investor grievances pending and no transfers were pending for approval.

6. GENERAL BODY MEETINGS

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

Financial year	Date	Venue	Time	Special Resolutions Passed
2012-13	23 rd September 2013	Music Academy, Mini Hall 306, T.T.K Road Chennai – 600014	3.00 P.M	None
2011-12	15 th September 2012	Music Academy, Mini Hall 306, T.T.K Road Chennai – 600014	3.00 P.M	None
2010-11	15 th September 2011	Satguru Gnanananda Hall, Narada Gana Sabha Trust Complex, Mini Hall, 314, T.T.K Road, Chennai 600018	3.00 P.M.	Re-appointment of Managing Director

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

C) Details of Special Resolutions passed last year through Postal Ballot-

During the year 2013-14, pursuant to Section 192A of the Companies Act, 1956 the share holders of the Company have approved the following resolutions by means of Postal Ballot on 19th August 2013.

Item No. 1 – Increase in authorized share capital and amendment to the Memorandum of Association.

Item No. 2- Increase in borrowing powers of the Company under Section 293(1) (d)

Item No. 3 - Preferential allotment of optionally convertible debentures

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

7. DISCLOSURES

The Company has complied with all the requirements relating to related party transactions and the details were reported in financial statements.

The Company has complied with all requirements of the listing agreement with Stock Exchanges as well as the applicable Regulations and guidelines prescribed by SEBI. During the last three years, there were no penalties imposed on the Company by any statutory authorities for non-Compliance on any matter related to Capital Market.

The Non-Executive Directors have no material pecuniary relationship or transaction with the company in their personal capacity.

The Company has fully complied with the applicable mandatory requirements of Clause 49.

The Company adopted non Mandatory Item of constituting the Remuneration Committee not only to review the remuneration paid to the Managing Director but also to review the remuneration of Senior Executives as and when they come for review.

The Company has no Subsidiary Company.

In preparation of the financial statements, the Company has followed the Accounting Standards as specified under the Companies (Accounting Standards) Rules, 2006 issued by the Central Government (as amended). The significant accounting policies which are consistently applied have been set out in the Notes forming part of the financial statements.

8. WHISTLE BLOWER POLICY

In October, 2013, the Board adopted the Whistle Blower Policy. We have established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics policy. It also provides for adequate safeguards against victimization of employees who avail of the mechanism and also allows direct access to the Chairperson of the audit committee in exceptional cases. We further affirm that no employee has been denied access to the Audit Committee.

9. MEANS OF COMMUNICATION

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

The management's discussion and analysis forms part of the Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

- | | | | |
|-----|--|---|--|
| i. | Annual General Meeting | : | |
| | Date | : | Wednesday, July 30, 2014, at 3.00 P.M |
| | Venue | : | Kamarajar Arangam, No. 492, Near E3 Police Station
(Anna salai) Teynampet West Chennai - 600006 |
| ii. | Financial Calendar | : | 1 st April to 31 st March |
| | a) First Quarter Results | : | 13 th August 2013 |
| | b) Second Quarter Results | : | 22 nd October 2013 |
| | c) Third Quarter Results | : | 13 th February 2014 |
| | d) Last quarter Results and Annual Audited Results | : | 26 th May, 2014 |



iii. Date of Book Closure : 21st July, 2014 to 30th July, 2014

iv (A). Listing on Stock Exchanges : The Company's shares are listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange Limited (NSE) and Madras Stock Exchange Limited (MSE) but are effectively traded only on the BSE and NSE.

1. The Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400023
2. National Stock Exchange of India Limited (NSE)
Exchange Plaza, 5th Floor,
G-Block, Bandra Kurla Complex
Bandra(west), Mumbai – 400051
3. Madras Stock Exchange Limited (MSE)
“Exchange Building”
11, Second Line Beach, Post Box No.183
Chennai – 600001

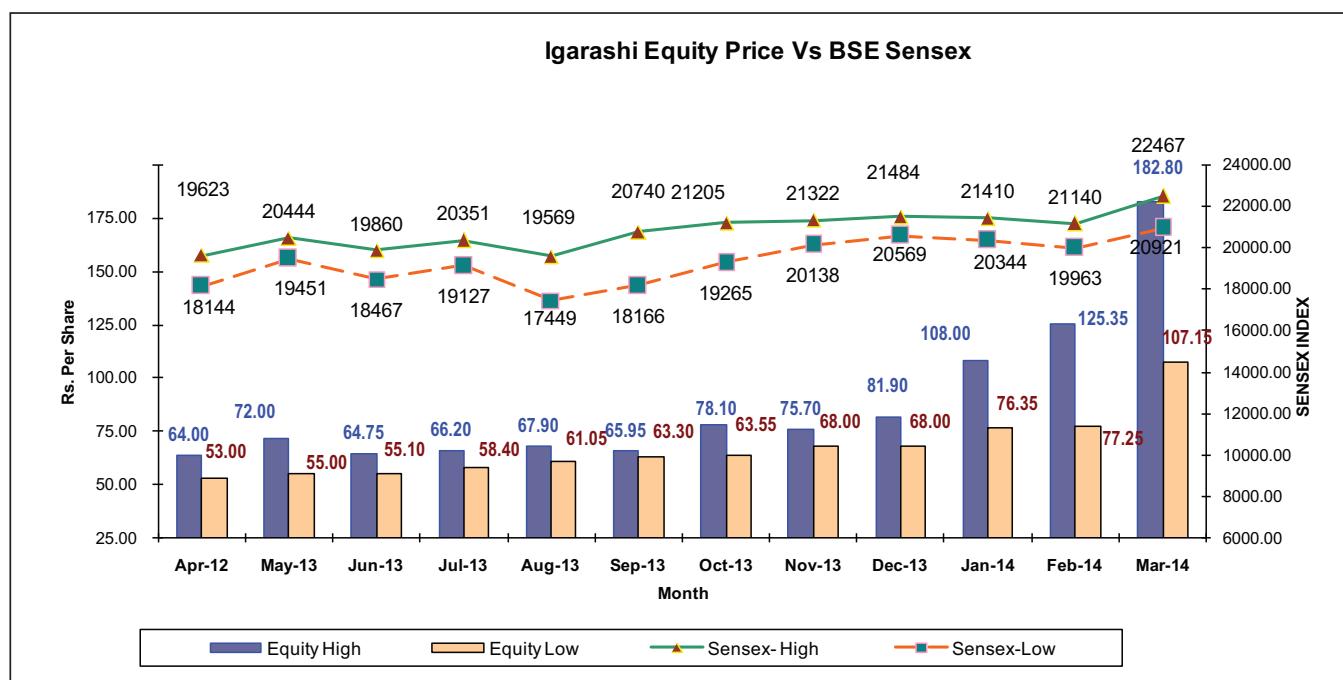
(B). Listing Fees : The Listing fee of all the stock exchanges for the year 2014-2015 has already been paid.

v. Stock Codes:

Sl No	Name of Stock Exchange	Stock Code
1	National stock Exchange	IGARASHI
2	Bombay Stock Exchange	517380
3	Madras Stock Exchange	CGIGAMOTR

vi. International Securities Identification : INE188B01013 (NSDL & CDSL)
Number (ISIN)

vii 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 2013-2014 :

Equity price

BSE			NSE		
Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April 2013	64.00	53.00	April 2013	62.10	52.50
May 2013	72.00	55.00	May 2013	69.50	54.80
June 2013	64.75	55.10	June 2013	65.50	55.25
July 2013	66.20	58.40	July 2013	72.90	56.10
August 2013	67.90	61.05	August 2013	66.50	61.00
September 2013	65.95	63.30	September 2013	74.00	63.25
October 2013	78.10	63.55	October 2013	78.90	63.30
November 2013	75.70	68.00	November 2013	74.50	67.25
December 2013	81.90	68.00	December 2013	82.00	68.25
January 2014	108.00	76.35	January 2014	91.00	74.10
February 2014	125.35	77.25	February 2014	125.80	77.80
March 2014	182.80	107.15	March 2014	182.90	105.00

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

- ix. Share Transfer System:

The Company's shares are in compulsory Dematerialization Segment. Transfers in physical form are registered within a period of 15 days from the date of receipt, provided the documents are complete and the shares under transfer are not in dispute. The share certificates duly endorsed are being immediately dispatched after effecting transfer. The total number of equity shares in physical form transferred during the year was 2,700.

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

- x. Distribution Schedule as on 31st March 2014

Category (Rs.)	No. of shareholders	% age	No. of shares	% age
Upto 5000	8,614	89.67	10,58,184	3.48
5001 – 10000	506	5.27	415,327	1.36
10001 – 20000	231	2.40	350,559	1.15
20001 – 30000	80	0.83	199,521	0.66
30001 – 40000	50	0.52	1,74,058	0.57
40001 – 50000	33	0.34	154,096	0.51
50001 – 100000	51	0.53	372,486	1.22
100001 & above	42	0.44	27,721,213	91.05
Total	9,607	100.00	3,04,45,444	100.00



Shareholding Pattern as on 31st March 2014

Category	No. of shareholders	No. of Shares	% of holding
Promoters*	2	2,28,08,443	74.91
Bodies Corporate	292	40,27,274	13.23
Indian Public			
a) Directors Holding**	1	4,50,000	1.48
b) Public	9,312	31,59,727	10.38
Total	9607	3,04,45,444	100.00

* Including Mr. P Mukund holding since he became promoter from August 28,2013

** Excluding Mr. P Mukund holding

Top Ten Shareholders as on 31st March 2014

Sl.No.	Category	No. of Shares	% of holding
1	Agile Electric Sub Assembly Private Limited	1,28,30,059	42.14
2	Mr. P Mukund	99,78,384	32.77
3	Igarashi Electric Works (H .K) Ltd.	24,99,993	8.21
4	Igarashi Electric works Ltd.	9,67,648	3.18
5	Mr. Kewal Krishan Nohria	4,50,000	1.48
6	VLS Finance Ltd.	2,00,000	0.66
7	Mr. Vimal Sagarmal Jain	92,700	0.30
8	Mr. Kamlakar Baburao Suryavanshi	62,350	0.20
9	Roopa Corporate Services Pvt.Ltd.	49,000	0.16
10	Mr. Sharad Kanayalal Shah	45,000	0.15

- xi. Dematerialization of shares : 98.77% of equity shares have been dematerialized up to 31 March 2014. Trading in your Company's shares is permitted only in the dematerialized form as per notifications issued by SEBI.
- xii. Outstanding GDRs/ADRs/Warrants or any convertible Instruments : Not Applicable
- xiii. Plant Location : 1.Plots B-12 – B –15,Phase II
MEPZ-SEZ, Tambaram,
Chennai 600 045.
2. Plots 8,9,10 ,Phase I
MEPZ-SEZ, Tambaram,
Chennai 600 045.
- xiv. Investor Correspondence : The Company Secretary
Igarashi Motors India Ltd
Plots B-12 – B –15,Phase II
MEPZ-SEZ, Tambaram,
Chennai 600 045.
Phone No.: +91-44-42298199
Fax No. : +91-44-22628143
e-mail : investorservices@igarashimotors.co.in

11. CODE OF CONDUCT

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

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

12. MAINTENANCE OF A WEBSITE

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

13. MANAGING DIRECTOR AND CFO CERTIFICATION

As on March 31, 2014, Mr. P Mukund, Managing Director and Mr. R Chandrasekaran, CFO have certified to the Board that with respect to the Financial Statements, Internal Controls and other matters as required by the Clause 49 of the Listing Agreement with Stock Exchanges and said Certificate is contained in this Annual Report.

14. AUDITORS CERTIFICATION ON CORPORATE GOVERNANCE

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

15. DECLARATION

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

For Igarashi Motors India Limited

Place: Chennai
Date : June 23, 2014

P.Mukund
Managing Director



MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATE ON CORPORATE GOVERNANCE

To
The Board of Directors,
Igarashi Motors India Limited

We have reviewed the financial statements and the cash flow statements of Igarashi Motors India Limited (the Company) for the financial year ended 31st March, 2014 and certify that:

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

Place : Chennai
Date : June 23, 2014

P. Mukund
Managing Director

R.Chandrasekaran
Chief Financial Officer

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members of Igarashi Motors India Limited,

We have examined the compliance of conditions of Corporate Governance by M/s Igarashi Motors India Limited for the year ended 31st March 2014, as stipulated in clause 49 of the Listing agreement entered into by the Company with the stock exchanges.

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

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

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

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

Place: Chennai
Date : June 23, 2014

V.Viswanathan
Partner
Membership No. 215565

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IGARASHI MOTORS INDIA LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Igarashi Motors India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, 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.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.



2. As required by section 227(3) of the Act, we report that:

- a) we have 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 appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September 2013, of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

V.Viswanathan
Partner
Membership No. 215565

Place: Mumbai
Date : May 26, 2014

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Igarashi Motors India Limited on the financial statements for the year ended March 31, 2014, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern status.
- (ii) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4 (iii)(b), (c) and (d) of the Order are not applicable.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii) (f) and (g) of the Order are not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and nature of its business with respect to purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance to such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at the prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. Hence, reporting under clause 4(vi) of the Order does not arise.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 in respect of its manufacturing activities and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, the contents of these accounts and records have not been examined by us.



- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other statutory dues outstanding as at March 31, 2014 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, there are no dues of income tax, sales tax, service tax, customs duty, wealth tax and excise duty which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses as at March 31, 2014. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of dues to a financial institution or bank or debenture holders during the year.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund / nidhi/ mutual benefit fund/ societies are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) \ 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.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) The Company has made preferential allotment of shares during the year to a party covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion and according to the information and explanations given to us, we report that the price at which the shares have been issued are not prejudicial to the interest of the Company.
- (xix) The Company has issued unsecured debentures during the year which have been converted into equity shares and accordingly, no security or charge needs to be created.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) During the course of our examination of the books and the 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 material fraud on the Company, noticed or reported during the year, nor have we been informed of such cases by the management.

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

V.Viswanathan
Partner
Membership No. 215565

Place: Mumbai
Date : May 26, 2014

BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at 31.03.2014		As at 31.03.2013	
		Rupees	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	2	304,454,440		204,193,820	
(b) Reserves and surplus	3	1,888,200,562		1,023,183,401	
			2,192,655,002		1,227,377,221
Non-current liabilities					
(a) Long-term borrowings	4	373,297,253		451,672,749	
(b) Deferred tax liabilities (net)	5	102,324,243		102,452,012	
			475,621,496		554,124,761
Current liabilities					
(a) Short-term borrowings	6	29,975,957		212,604,008	
(b) Trade payables	7	430,604,027		446,139,318	
(c) Other current liabilities	8	262,675,504		197,102,068	
(d) Short-term provisions	9	205,692,441	928,947,929	70,579,097	926,424,491
			3,597,224,427		2,707,926,473
ASSETS					
Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		1,227,736,839		1,215,072,334	
(ii) Intangible assets		29,047,335		4,926,312	
(iii) Capital work-in-progress		11,419,293		30,582,465	
			1,268,203,467		1,250,581,111
(b) Non-current investments	11		211,864,900		286,164,900
(c) Long-term loans and advances	12		34,995,661		19,690,299
Current assets					
(a) Inventories	13	246,509,897		221,757,471	
(b) Trade receivables	14	696,382,516		618,597,556	
(c) Cash and bank balances	15	401,305,829		57,004,582	
(d) Short-term loans and advances	16	737,962,157		254,130,554	
			2,082,160,399		1,151,490,163
			3,597,224,427		2,707,926,473
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

K.Igarashi
Director

V.Viswanathan
Partner
Membership No. 215565
Place: Mumbai
Date : May 26, 2014

Keiichi Igarashi
Director

Srinivasan Ravindran
Director

Amit Dixit
Director

R. Chandrasekaran
Chief Financial Officer

P. Dinakara Babu
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	2013 - 14		2012 - 13	
		Rupees	Rupees	Rupees	Rupees
REVENUE					
Revenue from operations	18	3,632,105,956		2,924,851,219	
Less: Excise duty		<u>19,827,290</u>		<u>17,053,756</u>	
			3,612,278,666		2,907,797,463
Other income	19		96,756,407		23,924,730
Total Revenue			<u>3,709,035,073</u>		<u>2,931,722,193</u>
EXPENSES					
Manufacturing, trading and operating expenses	20				
a) Cost of materials consumed		2,358,089,058		1,880,588,500	
b) Changes in inventories of finished goods and work-in-progress		(8,850,099)		20,006,984	
c) Purchase of stock-in-trade		-		22,502,621	
d) Other manufacturing and operating expenses		<u>115,147,821</u>		<u>112,166,152</u>	
			2,464,386,780		2,035,264,257
Employee benefits expense	21		256,495,278		195,021,296
Finance costs	22		110,796,412		120,378,260
Depreciation and amortisation expense	10(v)		156,136,117		133,657,130
Selling, administration and other expenses	23		219,806,705		153,821,257
Total Expenses			<u>3,207,621,292</u>		<u>2,638,142,200</u>
Profit before exceptional items and taxes			501,413,781		293,579,993
Exceptional items	11(b)		82,496,337		-
Profit before taxes			583,910,118		293,579,993
Tax expense					
Current tax	9(a)	122,600,000		60,077,252	
Deferred tax		<u>(127,769)</u>		<u>19,946,266</u>	
			122,472,231		80,023,518
Profit after taxes			<u>461,437,887</u>		<u>213,556,475</u>
Earnings per share	32				
Basic			20.22		10.46
Diluted			20.14		10.25
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

K.Igarashi
Director

V.Viswanathan
Partner
Membership No. 215565
Place: Mumbai
Date : May 26, 2014

Keiichi Igarashi
Director

Srinivasan Ravindran
Director

Amit Dixit
Director

R. Chandrasekaran
Chief Financial Officer

P. Dinakara Babu
Company Secretary

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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 Generally Accepted Accounting Principles ["GAAP"] and in compliance with the provisions of the Companies Act, 1956, the applicable provisions of the Companies Act, 2013, to the extent notified and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government (as amended). Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines override the same requiring a different treatment.

b) Use of estimates

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

c) Revenue recognition

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

- i. Revenue from sale of products is recognised when the substantial 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. Escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account.
- ii. Interest income on deposits and loans is recognised at the agreed rate on time proportion basis.

d) Fixed assets

- i. Fixed assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation, accumulated amortisation 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.

e) Depreciation

- i. Owned assets

Depreciation on assets including building constructed on leased land is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. However, in respect of the following assets, depreciation is provided at higher rates in line with their estimated useful life –

Asset description	Rate of depreciation (% p.a.)
Tools	20
Welfare assets used by the employees	20

Assets costing less than Rs.5,000/- are depreciated fully in the year of purchase.

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 at the rates prescribed under Schedule XIV to the Companies Act, 1956.

f) Intangible assets and amortisation

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.

- 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.

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

g) Impairment of assets

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

- a) the provision for impairment loss, if any; and
- b) 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:

- a) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- b) 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 the 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.

Igarashi Motors India Limited

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

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

i) **Inventories**

Inventories are valued after providing for obsolescence as under:

Raw materials and components	At lower of weighted average cost and net realizable value.
Packing materials , stores, spares and tools	At lower of weighted average cost and net realizable value.
Work-in-progress	At lower of cost of raw material and components including related overheads and net realizable value.
Finished goods	At lower of cost and net realizable value. Cost includes raw materials, components and related overheads.

j) **Cash and cash equivalents**

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

k) **Employee stock options schemes**

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

l) **Leases**

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

i. Finance leases

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

ii. Operating leases

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

m) **Foreign currency transactions**

- 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.



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 as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

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

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.

Igarashi Motors India Limited

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.

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.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

q) Operating cycle for current/non-current classification

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

r) Provisions, contingent liabilities and contingent assets

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

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

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

Contingent liability is disclosed in the case of

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

Contingent assets are neither recognized, nor disclosed.

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



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2 SHARE CAPITAL

	As at 31.03.2014		As at 31.03.2013	
	Numbers	Rupees	Numbers	Rupees
Authorised capital				
Equity shares of Rs. 10/- each	35,000,000	350,000,000	22,000,000	220,000,000
Issued, subscribed and fully paid up				
Equity shares of Rs. 10/- each	30,445,444	304,454,440	20,419,382	204,193,820
	<u>30,445,444</u>	<u>304,454,440</u>	<u>20,419,382</u>	<u>204,193,820</u>

a) Reconciliation of shares outstanding at the beginning and at the end of the year

	2013-14		2012-13	
	Numbers	Rupees	Numbers	Rupees
Issued, subscribed and fully paid up				
At the beginning of the year	20,419,382	204,193,820	20,394,382	203,943,820
Issued during the year - Employees stock option plan [Refer Note (f) (II) below]	793,700	7,937,000	25,000	250,000
Issued during the year - Optionally Convertible Redeemable Debentures converted to equity shares [Refer Note below]	9,232,362	92,323,620	-	-
At the end of the year	<u>30,445,444</u>	<u>304,454,440</u>	<u>20,419,382</u>	<u>204,193,820</u>

Note: The Company had issued 9,232,362 Optionally Convertible redeemable Debentures (OCD) of Rs. 65/- each on August 28, 2013 to its Managing Director with an option to convert the OCDs into one equity share for every OCD issued, at any time within a period of 18 months from the date of issue of OCDs. These OCDs were converted into 9,232,362 equity shares of the Company having face value of Rs.10/- per share and a premium of Rs.55/- per share on January 16, 2014.

b) Terms / rights / restrictions attached to equity shares

- The Company has only one class of equity shares having a face value of Rs. 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 other securities with the right / option to convert the same into equity shares at a later date.

c) Shares held by the holding company

	As at 31.03.2014		As at 31.03.2013	
	Numbers	Rupees	Numbers	Rupees
Agile Electric Sub Assembly Private Limited, the Holding Company				
Equity shares of Rs 10/- each fully paid up	12,830,059	128,300,590	12,824,225	128,242,250

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

	As at 31.03.2014		As at 31.03.2013	
Name of shareholder	Numbers	% holding	Numbers	% holding
Agile Electric Sub Assembly Private Limited	12,830,059	42.14	12,824,225	62.80
P. Mukund	9,978,384	32.77	-	-
Igarashi Electric Works (H.K) Limited, Hong Kong	2,499,993	8.21	2,499,993	12.24

e) 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 the date of Balance Sheet.

Igarashi Motors India Limited

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

	As at 31.03.2014		As at 31.03.2013	
	Number of equity shares to be issued as fully paid	Rupees (at face value)	Number of equity shares to be issued as fully paid	Rupees (at face value)
Employee stock options granted and outstanding	1,72,000	1,720,000	9,40,700	94,07,000

Employee Stock Option Plan [ESOP]:

(I) Terms

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

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

S.No Particulars		ESOP, 2006	
		2013 - 14	2012 - 13
1	Grant Price - Rupees	40.15	40.15
2	Grant dates	27-Aug-10 onwards	
3	Vesting commences on	27-Aug-11 onwards	
4	Options granted and outstanding at the beginning of the year	940,700	965,700
5	Options lapsed / withdrawn during the year	-	-
6	Options granted during the year	25,000	-
7	Options exercised during the year	793,700	25,000
8	Options granted and outstanding at the end of the year of which -	172,000	940,700
	Options vested	147,000	940,700
	Options yet to vest	25,000	-

- (III) During the year, the Company has amortised proportionate employee stock based compensation expense amounting to Rs.544,534/- (previous year Rs.654,679/-) which has been included in Note 21 "Employee benefits expense".

- g) There are no other shares reserved for issue under options and contract / commitments for sale of share or disinvestment.
- h) The Directors recommend payment of final dividend of Rs. 2 per equity share of Rs. 10/- each on the number of shares outstanding as on the record date. Provision for final dividend has been made in the books of account for 30,445,444 equity shares outstanding as at March 31, 2014 amounting to Rs. 60,890,888/-



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

3 RESERVES AND SURPLUS

	As at 31.03.2014		As at 31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Securities premium account				
As per last Balance Sheet	816,913,540		815,486,540	
Add: Additions on conversion of Optionally Convertible Debentures	507,779,910		-	
Add: Additions on ESOPs exercised	23,930,055		753,750	
Add: Transferred from Employee Stock options outstanding	15,828,320		673,250	
Less: Debenture issue expenses	(21,816,284)		-	
		1,342,635,541		816,913,540
Share options outstanding account				
<i>Employees stock options outstanding</i>				
As per last Balance Sheet	19,787,030		20,460,280	
Add: Additions during the year	635,000		-	
Less: Allotment of shares during the year	(15,828,320)		(673,250)	
	4,593,710		19,787,030	
<i>Less : Deferred employee compensation expense</i>				
As per last Balance Sheet	-		654,679	
Add: Additions during the year	635,000		-	
Less: Amortisation during the year	(544,534)		(654,679)	
	90,466		-	
		4,503,244		19,787,030
Surplus				
As per last Balance Sheet	186,482,831		(27,073,644)	
Add: Profit for the year	461,437,887		213,556,475	
Less: Interim dividend	(30,445,444)		-	
Less: Proposed dividend	(60,890,888)		-	
Less: Additional tax on dividend	(15,522,609)		-	
		541,061,777		186,482,831
		1,888,200,562		1,023,183,401

Note: The Board of Directors, in their meeting held on February 13, 2014, declared an interim dividend of 10% (Re. 1 per equity share of Rs. 10/- each) to those shareholders whose name appeared in the Register of Members as on February 26, 2014.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

4 LONG-TERM BORROWINGS

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Secured		
(i) Foreign currency term loan from bank - External Commercial Borrowing	264,383,818	135,256,800
(ii) Rupee term loan from bank	82,812,500	149,062,500
(iii) Working capital term loan from bank	-	130,000,000
Unsecured		
(i) Finance lease obligations [Refer Note 31 (a) <i>infra</i>]	25,818,789	36,716,339
(ii) Vehicle loan	282,146	637,110
	373,297,253	451,672,749

Terms and conditions of long-term borrowings

(a) Secured loans

Terms of repayment

- (i) External Commercial Borrowing (ECB) is repayable in fourteen unequal quarterly installments ranging from Rs. 6,180,000/- to Rs. 41,540,000/- commencing from May 2014.
- (ii) Rupee term loan from bank is repayable in nine equal quarterly installments of Rs.16,562,500/- from April 2014.

Nature of security

- (i) External commercial borrowing (ECB) is secured by first exclusive charge on the fixed assets of the Company created out of the ECB facility funded by the bank and pari-passu second charge on the current assets of the Company, both present and future.
- (ii) Rupee term loan from bank is secured by pari-passu first charge on all fixed assets of the Company, both present and future, excluding the fixed assets created out of the ECB facility, and pari-passu second charge on all current assets of the Company, both present and future.

(b) Unsecured loans

- (i) Finance lease obligations are repayable in sixty equated monthly installments from the date of respective lease finance.
- (ii) Vehicle loans are repayable in sixty equated monthly installments from the date of respective vehicle loan and are secured by hypothecation of the related vehicles.

5 DEFERRED TAX LIABILITIES (NET)

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

	As at 31.03.2014 Rupees		As at 31.03.2013 Rupees	
	Deferred Tax Assets (a)	Deferred Tax Liabilities (b)	Deferred Tax Assets (a)	Deferred Tax Liabilities (b)
Difference between book depreciation and tax depreciation		103,082,225		102,998,123
Provision for unpaid bonus, gratuity and leave encashment debited to the Statement of Profit and Loss	757,982		546,111	
Total	757,982	103,082,225	546,111	102,998,123
Deferred tax liability (net) [(b) - (a)]		102,324,243		102,452,012



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

6 SHORT-TERM BORROWINGS

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Secured		
Working Capital Loans		
Packing Credit / Buyers' Credit from banks	29,975,957	212,604,008
[Note (a) below]		
	29,975,957	212,604,008

- (a) Working capital loans in the nature of packing credit and buyers' credit are repayable within one year. They are secured by pari-passu first charge on all current assets of the Company, both present and future and pari-passu second charge on all fixed assets of the Company, both present and future after term loans. The charge also extends to bills discounted amounting to Rs. 38,330,811/- (Previous year Rs. 60,126,244/-).

7 TRADE PAYABLES

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Due to:		
Micro and small enterprises [Note (a) below]	2,916,538	-
Other than micro and small enterprises	427,687,489	446,139,318
	430,604,027	446,139,318

- (a) The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2014. The disclosures pursuant to the said Act is as under:

	2013-14 Rupees	2012-13 Rupees
Principal amount due to suppliers under MSMED Act, 2006	2,916,538	-
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	28	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	4,268,890	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	99,629	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	99,657	-
Amount of further interest due and payable even in the succeeding year until such date when the interest dues, as above, are actually paid to the small enterprise	-	-

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

8 OTHER CURRENT LIABILITIES

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Current maturities of long-term borrowings [Refer note 4 <i>supra</i> for terms and conditions]		
Secured		
Rupee term loans from bank	66,250,000	66,250,000
Working capital term loan from bank	-	37,500,000
Foreign currency term loans from bank - External Commercial Borrowing	34,017,782	
Unsecured		
Finance lease obligations	10,897,550	9,945,807
Vehicle loan	354,964	320,524
	111,520,296	114,016,331
Interest accrued and due on borrowings	58,196	136,344
Interest accrued but not due on borrowings	1,391,671	2,141,861
Advance received from customers	58,296,344	46,881,483
Unpaid dividend	690,548	620,124
Liability for capital goods	48,067,946	11,232,168
Liability for expenses	32,027,454	14,637,892
Statutory liabilities	9,746,877	7,435,865
Other payables	876,172	-
	262,675,504	197,102,068

9 SHORT-TERM PROVISIONS

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Employee benefits [Refer Note 28 <i>infra</i>]		
Gratuity	1,071,449	582,399
Leave encashment	-	-
	1,071,449	582,399
Income taxes		
Current year [Refer Note (a) below]	122,600,000	59,215,000
Earlier years [net of advance tax Rs. 20,685,453/- (Previous year Rs. 17,104,605/-)]	10,781,698	10,781,698
	133,381,698	69,996,698
Proposed dividend	60,890,888	-
Additional tax on dividend	10,348,406	-
	205,692,441	70,579,097

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

10 FIXED ASSETS

	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2013	Additions	Deductions	As at 31.03.2014	Up to 31.03.2013	For the year	On deductions	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
(i)	Tangible assets										
	Buildings										
	Owned [Refer Note (iv) below]	221,702,202	654,238	-	222,356,440	41,077,273	6,934,636	-	48,011,909	174,344,531	180,624,929
	Plant and equipment										
	Owned	1,496,238,429	166,468,443	3,903,230	1,658,803,642	542,451,337	137,267,640	1,270,316	678,448,661	980,354,981	953,787,092
	Taken on lease	65,257,731	-	-	65,257,731	9,455,718	4,842,124	-	14,297,842	50,959,889	55,802,013
	Office equipment										
	Owned	8,816,684	330,824	-	9,147,508	3,167,755	550,305	-	3,718,060	5,429,448	5,648,929
	Furniture and fixtures										
	Owned	31,235,226	995,928	-	32,231,154	15,171,378	3,203,941	-	18,375,319	13,855,835	16,063,848
	Vehicles										
	Owned	4,471,494	-	-	4,471,494	1,325,971	353,368	-	1,679,339	2,792,155	3,145,523
	Total tangible assets	1,827,721,766	168,449,433	3,903,230	1,992,267,969	612,649,432	153,152,014	1,270,316	764,531,130	1,227,736,839	
	Previous year	1,546,435,308	313,632,964	32,346,506	1,827,721,766	489,022,774	131,188,010	7,561,352	612,649,432	-	1,215,072,334

(v) Depreciation and amortisation expense

(vi) Impairment of assets

Igarashi Motors India Limited

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

11 NON -CURRENT INVESTMENTS

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Long-term investments (At cost unless otherwise specified)		
Unquoted Trade Investments		
Investments in equity instruments		
Fully paid equity shares in holding company: Agile Electric Sub Assembly Private Limited (2,451,900 Equity Shares of Rs. 10/- each)	-	74,300,000
Fully paid equity shares of other companies: Bosch Electrical Drives India Private Limited (2,118,649 Equity Shares of Rs. 100/- each)	211,864,900	211,864,900
	<u>211,864,900</u>	<u>286,164,900</u>
a) Aggregate amount of unquoted non-current investments Book value	<u>211,864,900</u>	<u>286,164,900</u>
b) The Company has sold its investment in Agile Electric Sub Assembly Private Limited during the year. The resultant profit on sale of the investment of Rs. 82,496,337/- has been disclosed as an exceptional item in the Statement of Profit and Loss.		

12 LONG-TERM LOANS AND ADVANCES

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
(Unsecured, considered good)		
Capital advances	1,904,335	679,500
Security deposits	32,816,186	19,010,799
Other advances	275,140	-
	<u>34,995,661</u>	<u>19,690,299</u>

13 INVENTORIES

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Raw materials and components [includes goods-in-transit Rs. 47,028,091/- (Previous year Rs. 55,216,455/-)]	189,649,951	184,057,314
Stores and spares [includes goods-in-transit Rs. 774,410/- (Previous year Rs. 1,097,938/-)]	26,936,201	22,377,048
Tools	5,750,537	-
Work-in-progress	17,341,215	13,115,473
Finished goods	6,831,993	2,207,636
	<u>246,509,897</u>	<u>221,757,471</u>

Refer Note 1(i) for mode of valuation



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

14 TRADE RECEIVABLES

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Unsecured, considered good		
Outstanding for more than six months	1,174,679	204,776
Others	695,207,837	618,392,780
	696,382,516	618,597,556

15 CASH AND BANK BALANCES

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
(i) Cash and cash equivalents		
Balances with banks		
on current accounts	36,669,732	20,681,194
on fixed deposit accounts with maturity of less than 3 months [including interest accrued thereon Rs.283,759/- (previous year Rs. Nil)]	330,283,759	-
Sub total - Cash and cash equivalents	366,953,491	20,681,194
(ii) Other bank balances		
Margin money deposits [including interest accrued thereon Rs.638,832/- (previous year Rs.831,868/-)] [Refer note below]	33,661,790	35,703,264
Earmarked balances - Unpaid dividend accounts	690,548	620,124
Sub total - Other bank balances	34,352,338	36,323,388
	401,305,829	57,004,582

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

16 SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
Unsecured, considered good		
Inter-corporate deposit with Holding Company	580,000,000	182,000,000
Advances to Holding Company	1,624,318	-
Advance income taxes - current year	123,675,388	31,761,223
Advance income taxes - earlier years (net of provisions) [Refer Note below]	19,885,482	18,095,058
Balance with customs and excise	750,982	882,098
Other advances	12,025,987	21,392,175
	737,962,157	254,130,554

Note : Includes Income tax paid under protest Rs.10,164,183/- (Previous year Rs.11,954,607/-)

17 CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent liabilities

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
1 Bills discounted with banks	38,330,811	60,126,244
2 Income tax liability that may arise in respect of matters on appeal	10,164,183	49,325,883
3 Employees State Insurance demand on dues for trainees	2,434,404	2,434,404

Igarashi Motors India Limited

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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 (3) above, pending resolution of the appellate proceedings.

c) Commitments

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	40,307,928	19,527,840

18 REVENUE FROM OPERATIONS

	2013 - 14		2012 - 13	
	Rupees	Rupees	Rupees	Rupees
Sale of products				
Finished goods				
Exports [including deemed exports of Rs. 152,039,864/- (previous year Rs. 160,567,714/-)]		3,509,300,795		2,767,725,706
Domestic	122,805,161		134,402,465	
Less: Excise duty	19,827,290		17,053,756	
		102,977,871		117,348,709
Trading sales - Deemed exports		-		22,723,048
		3,612,278,666		2,907,797,463
Details of products sold				
1) Electric Micro Motors		3,335,122,182		2,623,302,040
2) Stamping and motor components		277,156,484		284,495,423
		3,612,278,666		2,907,797,463

19 OTHER INCOME

	2013 - 14		2012 - 13	
	Rupees	Rupees	Rupees	Rupees
Interest income on				
Bank deposits	26,234,789		2,952,653	
Inter-corporate deposits	46,840,275		11,085,042	
		73,075,064		14,037,695
Exchange gain (net)		-		5,320,893
Profit on sale of fixed assets		1,588,666		-
Lease rental income		21,002,930		-
Miscellaneous receipts		1,089,747		4,566,142
		96,756,407		23,924,730



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

20 MANUFACTURING, TRADING AND OPERATING EXPENSES

	2013 - 14		2012-13	
	Rupees	Rupees	Rupees	Rupees
(a) Cost of materials consumed				
Raw materials and components consumed				
Opening stock	184,057,314		105,914,022	
Add: Purchases	<u>2,328,649,362</u>		<u>1,914,679,271</u>	
	2,512,706,676		2,020,593,293	
Less : Closing stock	<u>189,649,951</u>		<u>184,057,314</u>	
	2,323,056,725		1,836,535,979	
Less: Scrap sales	<u>52,588,654</u>		<u>38,545,595</u>	
	2,270,468,071		1,797,990,384	
Stores, spares and tools consumed				
Opening stock	22,377,048		22,454,959	
Add: Purchases	<u>97,930,677</u>		<u>82,520,205</u>	
	120,307,725		104,975,164	
Less : Closing stock	<u>32,686,738</u>		<u>22,377,048</u>	
	87,620,987		82,598,116	
	2,358,089,058		1,880,588,500	
(b) Changes in inventories of finished goods and work-in-progress				
Closing stock :				
Finished goods	6,831,993		2,207,636	
Work-in-progress	<u>17,341,215</u>		<u>13,115,473</u>	
	24,173,208		15,323,109	
Less: Opening stock :				
Finished goods	2,207,636		10,566,078	
Work-in-progress	<u>13,115,473</u>		<u>24,764,015</u>	
	15,323,109		35,330,093	
	(8,850,099)		20,006,984	
	2,349,238,959		1,900,595,484	
(c) Purchase of stock-in-trade		-	22,502,621	
(d) Other manufacturing and operating expenses				
Power and fuel		43,897,329		47,140,369
Repairs to				
Plant and machinery	62,814,431		59,046,561	
Building	<u>8,436,061</u>		<u>5,979,222</u>	
	71,250,492		65,025,783	
	<u>115,147,821</u>		<u>112,166,152</u>	
	2,464,386,780		2,035,264,257	

Igarashi Motors India Limited

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(e) Disclosure of materials consumed

	2013 - 14 Rupees	2012 - 13 Rupees
(i) Ferrous materials	768,129,057	633,194,245
(ii) Non-ferrous materials	279,455,897	237,199,879
(iii) Commutator	225,805,742	184,020,334
(iv) Magnet	163,129,259	129,158,761
(v) Brush	135,963,533	104,633,613
(vi) Ball bearing	200,073,670	143,559,051
(vii) Sintered parts	213,768,744	166,497,564
(viii) Others	371,763,156	282,325,053
	2,358,089,058	1,880,588,500

(f) Analysis of materials consumed

Category	2013 - 14		2012 - 13	
	% of total consumption	Value (Rupees)	% of total consumption	Value (Rupees)
Imported	86.33	2,035,826,971	86.08	1,618,814,854
Indigenous	13.67	322,262,087	13.92	261,773,646
Total	100.00	2,358,089,058	100.00	1,880,588,500

(g) Details of inventory

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
1) Raw materials and components		
(i) Ferrous materials	57,669,777	72,019,555
(ii) Non-ferrous materials	16,949,056	10,288,555
(iii) Commutator	14,046,894	16,931,339
(iv) Magnet	12,458,639	13,045,685
(v) Brush	11,157,245	13,125,576
(vi) Ball bearing	15,504,706	10,814,194
(vii) Sintered parts	35,458,849	26,377,602
(viii) Others	26,404,785	21,454,808
	189,649,951	184,057,314
2) Stores, spares and tools		
(i) Tools	5,750,537	-
(ii) Spares	17,666,163	17,809,842
(iii) Others	9,270,038	4,567,206
	32,686,738	22,377,048



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
3) Work-in-progress		
(i) Electric Micro Motors	9,608,160	6,088,764
(ii) Stamping and motor components	7,733,055	7,026,709
	<u>17,341,215</u>	<u>13,115,473</u>
4) Finished goods		
(i) Electric Micro Motors	6,831,993	792,138
(ii) Stamping and motor components	-	1,415,498
	<u>6,831,993</u>	<u>2,207,636</u>

21 EMPLOYEE BENEFITS EXPENSE

	2013 - 14 Rupees	2012 - 13 Rupees
Salaries, wages and bonus	217,358,723	163,706,171
Contribution to and provision for provident fund and gratuity fund	6,288,969	4,075,405
Expenses on Employee Stock Option Scheme	544,534	654,679
Welfare and other expenses	32,303,052	26,585,041
	<u>256,495,278</u>	<u>195,021,296</u>

22 FINANCE COSTS

Interest		
On fixed loans	49,845,498	56,353,120
On working capital loans	6,418,846	22,448,343
On finance lease	3,870,901	4,739,524
Others	532,847	3,756,779
	<u>60,668,092</u>	<u>87,297,766</u>
Other borrowing costs	15,028,525	13,810,439
Exchange loss on borrowings (net)	35,099,795	19,270,055
	<u>110,796,412</u>	<u>120,378,260</u>

23 SELLING, ADMINISTRATION AND OTHER EXPENSES

Rent	22,930,980	3,249,336
Rates, taxes and fees	3,903,065	1,392,584
Insurance	4,635,528	3,812,989
Travel and conveyance	48,619,005	41,717,342
Telephone and postage	2,170,662	2,092,614
Recruitment and training	3,079,133	8,882,713
Printing and stationery	3,731,305	3,595,448
Bank charges	18,377,961	17,074,805
Professional charges	38,647,315	9,328,334

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	2013 - 14 Rupees	2012 - 13 Rupees
Selling and forwarding expenses	21,518,804	19,855,731
Loss on sale of fixed assets (net)	-	57,007
Exchange loss (net)	98,182	-
Quality cost	23,236,985	23,858,965
Miscellaneous expenses	28,857,780	18,903,389
	<u>219,806,705</u>	<u>153,821,257</u>

Note: The above expenses include Auditor's remuneration and expenses charged to the Statement of Profit and Loss, as detailed below:

Statutory audit fees	750,000	750,000
Tax audit fees	100,000	75,000
Limited review certification fees	300,000	300,000
Certification fees	170,500	65,000
Reimbursement of expenses	23,342	88,237
	<u>1,343,842</u>	<u>1,278,237</u>

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

(i) Raw materials [includes purchases from units in SEZ of Rs.332,914/-(previous year Rs.NIL/-)]	346,933,545	326,770,733
(ii) Components, stores and spares [includes purchases from units in SEZ of Rs.514,434,254/-(previous year Rs.380,375,541/-)]	1,755,003,063	1,369,509,344
(iii) Capital goods [includes purchases from units in SEZ of Rs.40,031,296/-(previous year Rs.111,283,930/-)]	116,210,558	251,739,311

25 EXPENDITURE IN FOREIGN CURRENCY

(i) Foreign travel	1,875,488	933,679
(ii) Professional fees	6,192,799	100,586
(iii) Sub-contract charges	23,236,985	1,429,002
(iv) Interest expense	13,653,048	3,339,291

26 DIVIDEND REMITTED IN FOREIGN CURRENCY

Interim dividend for the year 2013-14 remitted to two non-resident shareholders on 3,467,641 equity shares (previous year Nil)	3,467,641	-
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27 EARNINGS IN FOREIGN CURRENCY

Export of goods calculated on F.O.B. basis	3,498,415,012	2,783,196,995
Includes Deemed Exports of Rs.141,810,804/- (Previous year Rs.160,567,714/-)		



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

28 EMPLOYEE BENEFITS

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

(i) Defined benefit plans

Provision for Gratuity and Leave encashment represents provision made as per Actuarial valuation report dated May 06, 2014

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

Particulars	Leave Encashment		Gratuity Plan	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
A Present Value of Defined Benefit Obligation				
- Wholly funded	6,253,129	6,709,239	12,559,221	12,000,980
- Wholly Unfunded	-	-	-	-
Less: Fair value of plan assets:	(7,301,862)	(7,616,362)	(11,487,772)	(11,418,581)
Unrecognised past service costs	-	-	-	-
Amount to be recognised as liability / (asset)	(1,048,733)	(907,123)	1,071,449	582,399
B Amounts reflected in the Balance Sheet				
Liabilities	6,253,129	6,709,239	12,559,221	12,000,980
Assets	(7,301,862)	(7,616,362)	(11,487,772)	(11,418,581)
Net liability / (asset)	(1,048,733)	(907,123)	1,071,449	582,399

Note: Assets are not recognised in the Balance Sheet

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

Particulars	Leave Encashment		Gratuity Plan	
	2013-14	2012-13	2013-14	2012-13
Current service cost	146,868	521,003	1,642,174	107,497
Interest Cost	505,276	530,280	900,372	852,980
Less: Expected return on plan assets	(671,745)	(564,913)	(1,013,598)	(858,233)
Actuarial losses / (gains)	(122,009)	(965,606)	(468,780)	478,674
Past service cost	-	-	-	-
Effect of any curtailment or settlement	-	-	-	-
Actuarial gain not recognised in books	-	-	-	-
Total included in "Employee benefit expenses"	(141,610)	(479,236)	1,060,168	580,918
Actual Return on Plan assets	472,088	614,985	990,721	1,750,513

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

28 EMPLOYE BENEFITS (CONTD.,)

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

(Rupees)

Particulars	Leave Encashment		Gratuity Plan	
	2013-14	2012-13	2013-14	2012-13
Balance of the present value of defined benefit obligation as at the beginning of the year	6,709,239	6,681,443	12,000,980	11,617,474
Add: Current service cost	146,868	521,003	1,642,174	107,497
Add: Interest Cost	505,276	530,280	900,372	852,980
Add: Contributions by plan partners, viz.				
i) Employer	-	-	-	-
ii) Employee	-	-	-	-
Add / Less : Actuarial losses / (gains)	(321,666)	(915,534)	(491,657)	1,370,953
Less: Benefits paid	(786,588)	(107,953)	(1,492,648)	(1,947,924)
Add: Past service cost	-	-	-	-
Balance of the present value of defined benefit obligation as at the end of the year	6,253,129	6,709,239	12,559,221	12,000,980

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

(Rupees)

Particulars	Leave Encashment		Gratuity Plan	
	2013-14	2012-13	2013-14	2012-13
Opening balance of the fair value of the plan assets as at the beginning of the year	7,616,362	5,187,609	11,418,581	8,905,200
Add: Expected return on plan assets	671,745	564,913	1,013,598	858,233
Add / (less) : Actuarial gains / (losses)	(199,657)	50,072	(22,877)	892,280
Add: Contribution by the employer	-	1,921,721	571,118	2,710,792
Less : Benefits paid during the year	(786,588)	(107,953)	(1,492,648)	(1,947,924)
Closing balance of the fair value of the plan assets as at the end of the year	7,301,862	7,616,362	11,487,772	11,418,581

- 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	2013-14	2012-13
Discount rate as at year end	9.00%	8.00%
Expected return on plan assets as at year end		
a) Gratuity Scheme	8.75%	9.30%
b) Leave Encashment Scheme	6.75%	9.30%
Salary growth rate:		
a) Gratuity Scheme	8.00%	8.00%
b) Leave Encashment Scheme	6.00%	6.00%

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

Mortality rate : IALM (2006-08)

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



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

g) The amounts pertaining to defined benefit plans are as follows: (Rupees)

Particulars		As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
1)	Leave encashment (funded)					
	Defined benefit obligation	6,253,129	6,709,239	6,681,443	4,502,070	4,022,549
	Plan assets	7,301,862	7,616,362	5,187,608	4,759,274	4,290,377
	Surplus / (deficit)	1,048,733	907,123	(1,493,835)	257,204	267,828
2)	Gratuity plan (funded)					
	Defined benefit obligation	12,559,221	12,000,980	11,617,474	9,123,550	5,840,099
	Plan assets	11,487,772	11,418,581	8,905,200	6,096,689	6,050,309
	Surplus / (deficit)	(1,071,449)	(582,399)	(2,712,274)	(3,026,861)	210,210

(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 Rs.5,228,801/- (previous year Rs. 3,494,487/-)

Contribution to Employee State Insurance is made to the Employees' State Insurance Corporation. Expense recognised in the Statement of Profit and Loss is Rs. 2,172,269/- (previous year Rs.1,930,750/-)

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 segment" are given below:

Segment	Domestic		Overseas		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
External revenue by location of customers	255,017,735	277,916,423	3,357,260,931	2,629,881,040	3,612,278,666	2,907,797,463
Carrying amount of segment assets by location of assets	2,052,167,201	1,642,917,613	609,631,456	546,987,679	2,661,798,657	2,189,905,292

(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 tangible assets of the Company are located within India.

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

(i) Names of related parties and related party relationship

(a). *Related parties where control exists*

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

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

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

Igarashi Motors India Limited

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

(Rupees)

SI No	Nature of relationship / transaction	Holding Company	Key Management Personnel	Total
1	Purchase of goods	516,570,666 (359,185,322)	- -	516,570,666 (359,185,322)
2	Sale of goods	223,179,935 (246,020,247)	- -	223,179,935 (246,020,247)
3	Other services received	15,606,733 (1,422,708)	- -	15,606,733 (1,422,708)
4	Purchase of fixed assets	67,076,296 (111,283,930)	- -	67,076,296 (111,283,930)
5	Sale of fixed assets	82,423 (24,703,951)	- -	82,423 (24,703,951)
6	Sale of product development expenditure	- (7,056,207)	- -	- (7,056,207)
7	Inter corporate deposits given	422,000,000 (205,000,000)	- -	422,000,000 (205,000,000)
8	Receipt of Inter corporate deposits given	24,000,000 (23,000,000)	- -	24,000,000 (23,000,000)
9	Interest income	46,840,275 (11,085,042)	- -	46,840,275 (11,085,042)
10	Reimbursement of expenses from	9,248,835 (7,613,217)	- -	9,248,835 (7,613,217)
11	Reimbursement of expenses to	9,679,214 (5,002,062)	- -	9,679,214 (5,002,062)
12	Cost of services charged to	20,122,114 (22,748,368)	- -	20,122,114 (22,748,368)
13	Dividend paid	12,830,059 -	9,978,384 -	22,808,443 -
14	Remuneration to Managing Director	- -	8,495,115 (7,299,268)	8,495,115 (7,299,268)
15	Perquisite pursuant to exercise of 693,700 options	- -	15,955,100 -	15,955,100 -
16	Allotment of Optionally Convertible Redeemable Debentures (OCD)	- -	600,103,530 -	600,103,530 -
17	Allotment of equity shares pursuant to conversion of OCD	- -	600,103,530 -	600,103,530 -

(iii) Amount due to / from related parties

(Rupees)

SI No.	Nature of transaction	Holding Company	Key Management Personnel	Total
1	Due from related parties	64,862,360 (56,942,693)	- -	64,862,360 (56,942,693)
2	Due to related parties	42,984,934 (44,514,822)	- (318,752)	42,984,934 (44,833,574)
3	Inter corporate deposits receivable	580,000,000 (182,000,000)	- -	580,000,000 (182,000,000)

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



NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

31 DISCLOSURES PURSUANT TO ACCOUNTING STANDARD (AS) 19 "LEASES"

(a) Finance Lease

- (i) The company has acquired certain plant and equipment on finance lease. The lease has a primary period which is fixed and non-cancellable. There are no exceptional / restrictive covenants in the lease agreement.
- (ii) The minimum lease payments and the present value of minimum lease payments in respect of assets acquired under finance lease as at March 31, 2014 is as follows:

(Rupees)

	Minimum Lease payments		Present value of Minimum Lease payments	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
1 Payable not later than 1 year	13,816,708	13,816,708	10,897,550	9,945,807
2 Payable later than 1 year and not later than five years	27,837,360	41,654,069	25,818,789	36,716,339
3 Payable later than five years	-	-	-	-
Total	41,654,068	55,470,777	36,716,339	46,662,146
Less: Future finance charges	4,937,729	8,808,631	-	-
Present Value of Minimum Lease payable	36,716,339	46,662,146	-	-

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

(b) Operating Lease

- (i) The Company has taken certain premises and cars on cancellable operating lease. These lease agreements are normally renewed on expiry. There are no exceptional / restrictive covenants in these lease agreements.
- (ii) (a) The Company has taken plant & equipment on non-cancellable operating lease. There are no exceptional/ restrictive covenants in the lease agreement.
- (b) The minimum lease payments in respect of assets taken under non-cancellable operating lease as at March 31, 2014 is as follows:

(Rupees)

	Minimum Lease payments	
	As at 31.03.2014	As at 31.03.2013
1 Payable not later than 1 year	20,067,048	-
2 Payable later than 1 year and not later than five years	61,427,464	-
3 Payable later than five years	-	-
	81,494,512	-

- (iii) Lease payments recognised in the Statement of Profit and Loss for the year is Rs.21,147,333/- (Previous year Rs. 1,851,026/-)

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- (iv) Contingent rent recognised in the Statement of Profit and Loss Rs. Nil (Previous year Rs. Nil)
- (v) The Company has sub-leased the plant & equipment mentioned in (ii) (a) above on non-cancellable operating lease. The sub-lease rental income for the year is Rs. 21,002,930/- (Previous year Nil). There are no exceptional / restrictive covenants in the lease agreement.
- (vi) Total of future minimum sub-lease rent expected to be received under non-cancellable sub-lease as on March 31, 2014 is Rs. 86,007,000/- (As at March 31, 2013 is Nil)

32 EARNING PER SHARE (EPS) COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD 20 "EARNINGS PER SHARE" AS BELOW:

		2013-14	2012-13
Basic			
(a) Profit after tax as per Statement of Profit and Loss	Rs.	461,437,887	213,556,475
(b) Number of equity shares outstanding	Nos	30,445,444	20,419,382
(c) Weighted average number of equity shares outstanding	Nos	22,818,757	20,417,807
Basic EPS [(a) / (c)]	Rs.	20.22	10.46
Diluted			
(a) Profit after tax as per Statement of Profit and Loss	Rs.	461,437,887	213,556,475
(b) Weighted average number of equity shares outstanding	Nos	22,818,757	20,417,807
(c) Add: Weighted average number of potential equity shares on account of employee stock options	Nos	92,195	416,929
(d) Weighted average number of equity shares outstanding for diluted EPS	Nos	22,910,952	20,834,736
Diluted EPS [(a) / (d)]	Rs.	20.14	10.25
Face value of an equity share	Rs.	10.00	10.00

Note: Earnings Per Share (EPS) is calculated based on the weighted average number of shares including shares allotted during the year. During the year the Company had allotted 10,026,062 equity shares. Had these shares been allotted at the beginning of the year, the EPS would have been Rs. 15.16 (Basic) and Rs. 15.11 (Diluted) per share.

33 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

K.Igarashi
Director

V.Viswanathan
Partner
Membership No. 215565
Place: Mumbai
Date : May 26, 2014

Keiichi Igarashi
Director

Srinivasan Ravindran
Director

Amit Dixit
Director

R. Chandrasekaran
Chief Financial Officer

P. Dinakara Babu
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	2013 - 14	2012 - 13
	Rupees	Rupees
	Rupees	Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before exceptional items and taxes	501,413,781	293,579,993
Adjustments for:		
Depreciation and amortisation expense	156,136,117	133,657,130
Loss / (profit) on sale of fixed assets (net)	(1,588,666)	57,007
Amortisation of employee stock option expenses	544,534	654,679
Exchange (gain) / loss on borrowings (net)	35,099,795	19,270,055
Interest expenses	75,696,617	101,108,205
Interest income	(73,075,064)	(14,037,695)
Net exchange (gain) / loss on working capital (net)	3,209,160	(4,018,867)
	<u>196,022,493</u>	<u>236,690,514</u>
Operating profit before working capital changes	697,436,274	530,270,507
Adjustments for		
(Increase) / decrease in trade receivables	(91,495,284)	(48,890,873)
(Increase) / decrease in loans and advances	47,180,509	211,116,223
(Increase) / decrease in inventories	(24,752,426)	(58,058,397)
Increase / (decrease) in trade and other payables	(31,768,471)	9,733,991
	<u>(100,835,671)</u>	<u>113,900,944</u>
Cash generated from operations	596,600,603	644,171,451
Less: Direct taxes paid	145,244,201	50,497,723
Net cash from operating activities (A)	<u>451,356,402</u>	<u>593,673,728</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(140,780,444)	(283,346,415)
Sale of Investments [Refer Note 11(b)]	156,796,337	-
Sale of fixed assets	4,221,580	31,784,355
Interest received	73,268,100	14,003,856
Intercompany deposits placed with holding company	(422,000,000)	(205,000,000)
Intercompany deposits repaid by holding company	24,000,000	23,000,000
Net cash from / (used in) investing activities (B)	<u>(304,494,427)</u>	<u>(419,558,204)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	31,867,055	1,003,750
Proceeds from issue of Optionally Convertible Debentures	600,103,530	-
Debenture issue expenses paid	(21,816,284)	-
Dividend paid	(30,445,444)	-
Additional tax on dividend paid	(5,174,203)	-
Proceeds from long-term borrowings	136,513,927	133,787,700
Repayment of long-term borrowings	(230,704,770)	(96,554,103)
Repayment of short-term borrowings (net)	(182,588,051)	(98,120,240)
Exchange gain / (loss) on repayment of borrowings (net)	(21,820,483)	(20,316,612)
Interest paid	(76,524,955)	(100,758,773)
Net cash from / (used in) financing activities (C)	<u>199,410,322</u>	<u>(180,958,278)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	346,272,297	(6,842,754)
Cash and cash equivalents as at the beginning of the year	20,681,194	27,523,948
Cash and cash equivalents as at the end of the year	<u>366,953,491</u>	<u>20,681,194</u>

Igarashi Motors India Limited

Cash flow statement for the year ended March 31, 2014 (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 Companies (Accounting Standards) Rules, 2006 (as amended).
 2. Purchase of fixed assets includes movement of capital work-in-progress and capital advances during the year.
 3. Cash and cash equivalents comprise cash on hand and balance with banks on current accounts and exclude unpaid dividend accounts 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

K.Igarashi
Director

V.Viswanathan

Partner
Membership No. 215565
Place: Mumbai
Date : May 26, 2014

Keiichi Igarashi
Director

Srinivasan Ravindran
Director

Amit Dixit
Director

R. Chandrasekaran
Chief Financial Officer

P. Dinakara Babu
Company Secretary

**IGARASHI MOTORS INIDA LIMITED**

CIN : L29142TN1992PLC021997

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

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the Company held at Kamarajar Arangam, No. 492, Near E-3 Police Station, Anna Salai, Teynampet West, Chennai - 600 006 at 3.00 P.M. on Wednesday, the 30th July, 2014.

NAME OF PROXY IN BLOCK LETTERS

SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike out whichever is not applicable.

**IGARASHI MOTORS INIDA LIMITED**

CIN : L29142TN1992PLC021997

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

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

PROXY FORM

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

Name of the Member(s) :	
Registered Address :	
E-mail ID :	
Folio/DP ID-Client ID No. :	

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

(1) Name Address

Email Id.....Signature or failing him/her;

(2) Name Address

Email Id.....Signature or failing him/her;

(3) Name Address

Email Id.....Signature or failing him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Wednesday, the 30th day of July, 2014 at 3.00 P.M. at Kamarajar Arangam, No. 492, Near E-3 Police Station, Anna Salai, Teynampet West, Chennai - 600 006 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions	For**	Against**	Abstain**
Ordinary Business				
1	Adoption of Financial Statements for the financial year ended 31st March, 2014 and Reports of the Directors and Auditors thereon			
2	Declaration of final dividend for the financial year ended 31st March, 2014 and confirmation of interim dividend paid			
3	Appointment of Mr. Keiichi Igarashi, who retires by rotation and being eligible, seeks re-appointment			
4	Appointment of M/s. Sharp & Tannan as Auditors of the Company			
Special Business				
5	Appointment of Mr. Amit Dixit as a Director liable to retire by rotation			
6	Appointment of Mr. Hemant Madhusudan Nerurkar as an Independent Director			
7	Appointment of Mr. S. Radhakrishnan as an Independent Director			
8	Payment of remuneration to Non-Executive Directors			
9	Creation of Mortgage/Charge on the movable and immovable properties of the Company in respect of borrowings upto Rs. 100 Crores			
10	Related party transactions			

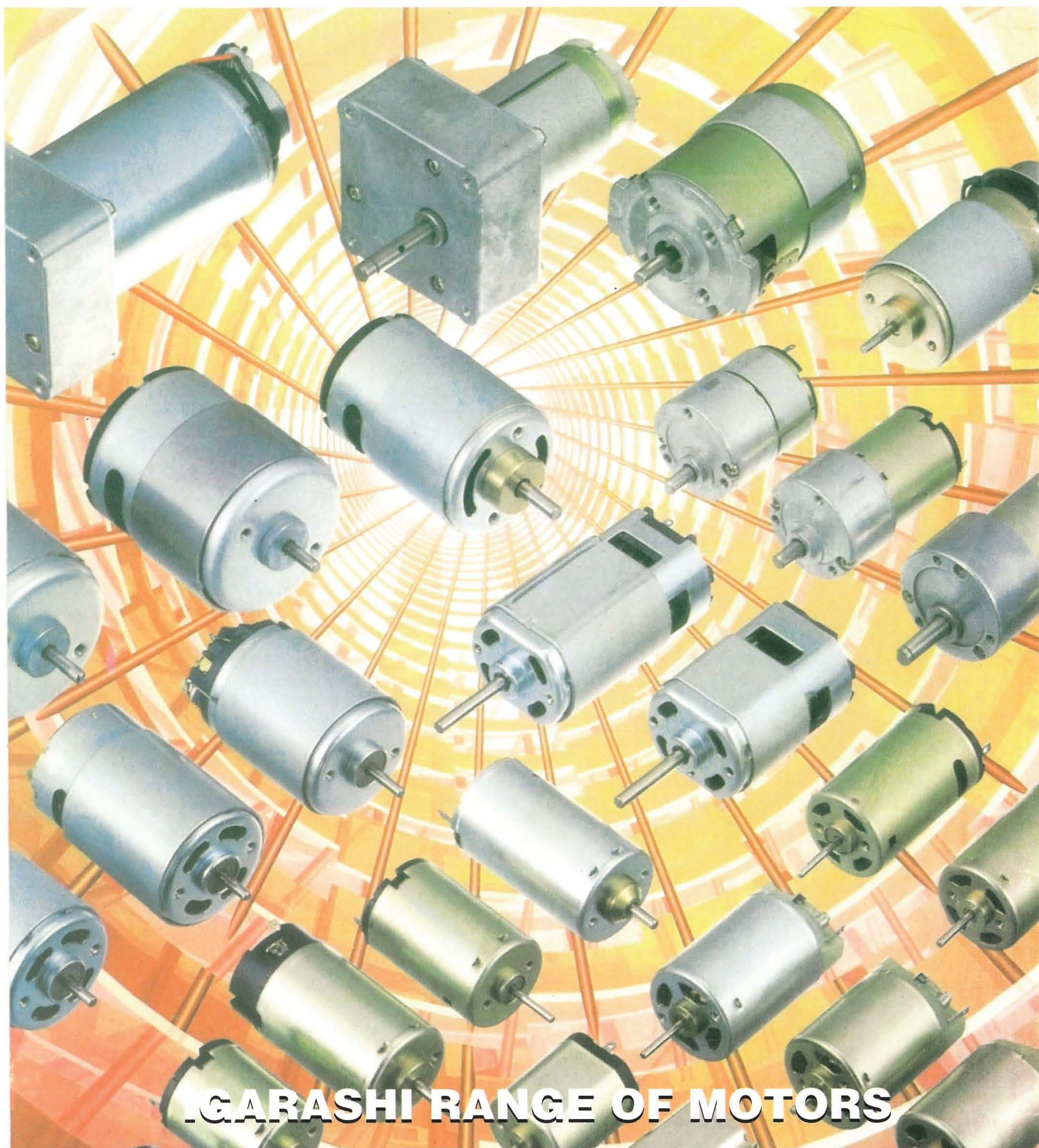
Signed this day of, 2014.

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

Signature of Proxyholder(s).....

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

- 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.
- A Proxy need not be a member of the Company.
- **This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the Item Nos. blank, your proxy will be entitled to vote in the manner as he / she thinks appropriate.



IGARASHI RANGE OF MOTORS

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