



IGARASHI MOTORS INDIA LTD.

21ST ANNUAL REPORT

2012 - 2013



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 G.N. MANI KEIICHI IGARASHI M.S.S. SRINATH JACOB MATHEW (until 26/06/2013) SRINIVASAN RAVINDRAN (w.e.f 17/07/2013)
MANAGING DIRECTOR	P. MUKUND
HEAD - FINANCE	R. CHANDRASEKARAN
COMPANY SECRETARY	P. DINAKARA BABU
AUDITORS	SHARP & TANNAN CHARTERED ACCOUNTANTS PARSN MANERE, A-WING 3RD FLOOR, 602, ANNA SALAI CHENNAI - 600 006
BANKERS	ICICI BANK LIMITED STATE BANK OF INDIA
REGISTERED OFFICE	PLOTS NO. B-12 TO B-15, PHASE II MEPZ - SEZ, TAMBARAM, CHENNAI - 600 045.

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.



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NOTICE

NOTICE IS HEREBY GIVEN THAT The Twenty First Annual General Meeting of Igarashi Motors India Limited will be held on Monday, the September 23, 2013, 3.00 p.m at the Music Academy, Mini Hall, 306, T.T.K. Road, Chennai – 600 014 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March 2013, Statement of Profit and Loss for the year ended 31st March 2013 and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. K Igarashi who retires at this meeting and is eligible for re-appointment.
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.

M/s. Sharp & Tannan, Chartered Accountants, Chennai are the retiring auditors and are eligible for reappointment.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Srinivasan Ravindran, a Director who was appointed as an Additional Director and who holds office as such upto the date of Twenty First Annual General Meeting of the Company and in respect of whom Notice under Section 257 of the Companies Act, 1956 have been received from the member signifying the intention to propose Mr. Srinivasan Ravindran as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company and liable to retire by rotation.”

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

P. Dinakara Babu
Company Secretary

Place: Chennai
Date : August 13, 2013

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

Notes:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED MUST BE RETURNED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE COMMENCEMENT OF THE AFORESAID MEETING.
- b) The Register of Members of the Company will remain closed from September 16, 2013 to September 23, 2013 (both days inclusive) for book closure purpose.
- c) Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- d) 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 Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited immediately.

Igarashi Motors India Limited

- e) 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.
- f) Members are requested to note that the dividend for the financial year 2005-2006 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 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.
- g) Members who have not so far encashed dividend warrant(s) for the Financial Years 2006-07 and 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.
- h) Members are requested to note that dividends unpaid/unclaimed for a period of seven years from the date that they become due for payment will be transferred by the Company to the Investor Education and Protection Fund (IEPF) as per Section 205A(5) and Section 205C of the Companies Act, 1956.
- i) Our Company's shares are tradable compulsorily in electronic form and through Cameo Corporate Services Limited, Registrars and Share Transfer Agents. We have established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The International Securities Identification Number (ISIN) allotted to your Company's shares under the Depository system is INE188B01013. As on March 31, 2013, 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.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No 5 :

Mr. Srinivasan Ravindran was appointed as an Additional Director by the Board of Directors at their meeting held on July 17, 2013. The Additional Director appointed shall hold the office only up to the date of the Next Annual General Meeting of the Company.

The Company has received a notice under Section 257 of the Companies Act, 1956 from member of his intention to propose the Candidature of Mr. Srinivasan Ravindran as Director of Company and shall liable for retire by rotation.

The relevant resolution has been proposed as an ordinary resolution for obtaining the approval of members.

The Directors recommend that the resolution be passed.

None of the Directors except Mr. Srinivasan Ravindran is concerned or interested in the resolution.

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

Place: Chennai
Date : August 13, 2013

P. Dinakara Babu
Company Secretary

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



DIRECTORS' REPORT

To

The Shareholders,

Your Directors present their Twenty First Annual Report of your Company, together with the Audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

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

<u>Particulars</u>	(Rs. in Lakhs)	
	<u>2012-13</u>	<u>2011-12</u>
Manufacturing Sales	28,850.74	25,986.24
Trading Sales	227.23	866.67
Total Sales	29,077.97	26,852.91
Add : Other Income	239.25	103.79
Total Income	29,317.22	26,956.70
Less :		
(i) Materials & Manufacturing Expenses	19,230.98	18,682.31
(ii) Value Addition Cost	5,813.87	5,378.38
Profit before Depreciation, Amortization	4,272.37	2,896.01
Less :		
Depreciation & Amortization Expenses	1,336.57	1,119.39
Profit Before Tax	2,935.80	1,776.62

OPERATIONS

Your Company achieved topline growth during the year under review with total income at Rs.29,317.22 Lakhs. The Operating profit before depreciation and amortization amounted to Rs. 4,272.37 Lakhs. Profit before Tax amounts to Rs. 2,935.80 Lakhs. Your Company managed the Operations to post a Sales growth of 8.3% and an EBIDTA Growth of 25.9%.

The Management Discussion Analysis reports the detail steps taken in this area.

DIVIDEND

Your Directors recommended no payment of dividend to their shareholders for the year under review.

RESERVES

The Reserves at the end of the year 31st March, 2013 is at Rs.10,231.83 Lakhs as against the Total Reserves of Rs. 8,082.18 Lakhs as at 31st March, 2012.

ISSUE OF OPTIONALLY CONVERTIBLE DEBENTURES

The Board of Directors took note of your Company's promoter, Agile Electric Sub Assembly Private Limited ("AESPL") and certain shareholders of AESPL have simultaneously entered the following agreements with Blackstone Capital Partners (Singapore) VI FDI Three Pte. Limited ("Blackstone") and BFIP (Cayman) VI-ESC FDI Three Limited (together, the "Investors"):

- a share subscription and purchase agreement dated 17 July 2013; and
- two share purchase agreements dated 17 July 2013 (together, the "SSPA"),

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Pursuant to which 4,57,96,048 (Four Crore Fifty Seven Lakh Ninety Six Thousand and Forty Eight) equity shares of AESPL in aggregate will be purchased by the Investors from certain shareholders of AESPL, including HBL Power Systems Limited and Mr. Padmanaban Mukund (“PM”), and 61,76,806 (Sixty One Lakh Seventy Six Thousand Eight Hundred and Six) equity shares of AESPL shall be subscribed by the Investors, on the terms and subject to the satisfaction of certain conditions set out therein, including without limitation approval from the German Competition Authority. Pursuant to these transactions and upon completion occurring under the SSPA, the Investors shall be the legal and beneficial owners of 97.90% (Ninety Seven Point Nine Zero Per cent) of the share capital of AESPL.

In addition, PM, an Indian resident individual and the Managing Director of the Company, will be subscribing to an aggregate of 92,32,362 optionally convertible debentures (“OCDs”) of the Company with a 9% p.a. coupon payable at six-monthly rests, as a ‘person acting in concert’ [as the term is defined in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”)] with the Investors, at a price which shall be the higher of: (a) Rs. 65 (sixty five rupees) per OCD; and (b) such price determined in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”).

Your Board has accordingly approved and entered into an OCD Subscription Agreement dated 17 July 2013 between Company, AESPL and PM.

The preferential issue to PM is subject to approval of the members of the Company by way of Postal Ballot notice issued on July 17, 2013 and will be in accordance with the terms and conditions of OCD Subscription Agreement, and is subject to obtaining all requisite approvals including the shareholders’ approval through postal ballot.

OPEN OFFER UNDER THE TAKEOVER REGULATIONS

In view of the above, the Investors will indirectly acquire control over your Company through its control of AESPL, upon completion under the SSPA, which shall occur upon the satisfaction of certain conditions, including, without limitation, approval from the German Competition Authority. Hence, AESPL, together with the Investors and PM, will have to make a public announcement of an open offer under the applicable provisions of the Takeover Regulations at an offer price determined in accordance with the applicable provisions of the Takeover Regulations.

DIRECTORS

During the year, Mr. T Igarashi, Mr. C P Dusad, Dr. A J Prasad and Ms. Kavita Prasad resigned as Directors. Your Directors wish to place on record their appreciation of the contribution of these Directors. Mr. Jacob Mathew resigned from Directorship effective from June 26, 2013. Your Directors wish to place on record their appreciation of the contribution of these Directors.

Mr. K Igarashi and Mr. Keiichi Igarashi Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

On July 17, 2013, your Board approved Mr. Srinivasan Ravindran as Additional Director to act as Independent Director. The Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying the intention to propose Mr. Srinivasan Ravindran as a candidate for the office of Director and accordingly a resolution is being placed before the members at the forthcoming Annual General Meeting.

The brief resume/details relating to Directors being appointed / re-appointed 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, Auditors of the Company retire at the ensuing Annual General meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint auditors for the current year and authorize the Board to fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, 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, would be in conformity with the limits specified in the said section.



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.

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

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 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 or more or Rs.60,00,000/- per annum during period under consideration is 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 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 Act, 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 2013 and of the profit of the Company for the year ended on that date;

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- c) Proper care has been taken for maintenance of adequate accounting records for safeguarding the assets of the Company and detecting fraud and other irregularities;
- d) The 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 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.

EXPORTER AWARD

Your Directors are happy to inform that your Company had been awarded for achieving highest export turnover (FY2011-12) in Manufacturing Sector in MEPZ-SEZ by MEPZ-SEZ Authorities at a function held on March 22, 2013.

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 2012-13. 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, Promoter Companies, Shareholders, Suppliers, Customers, Employees and other business associates, for their strong support.

For and on behalf of the Board of Directors

Place: Chennai
Date : August 13, 2013

K.K Nohria
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

Energy Conservation Measures Taken:

- Occupancy sensors to be installed for rest of the applicable spilt air conditioners
- Steps taken to reduce peak hour consumption by optimizing the air conditioners operation appropriately
- Light pipes installed at trial locations. Planned to install at warehouses, canteen, FG area etc.,
- Duty cycling of compressors implemented to operate at optimum level

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;
 - Product Engineering on Electric Motors for new automotive applications and other than automotive applications were commenced;
 - 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:
- Acquired New Generation Electric Motor Business for leading OEM / Tier-1 combination for 5 years;
 - Proliferated DC Motors to new Applications;
 - Improved Capacity utilization and increased Productivity of Resources;
- c. Expenditure on New Product Development

	(Rs. in Lakhs)	
	2012-13	2011-12
Program Expenditure incurred during the year	NIL	NIL
Program Expenditure Amortized during the year	24.69	62.55

- d. Information regarding imported technology during the last 5 Years:
- a) Technology imported : Permanent Magnet DC Micro Motors Technology
- b) Year of Import : 1993-94
- c) Status : Absorbed
- d) if not fully absorbed : Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. Activities relating to Exports; initiatives taken to increase exports; development of new export markets for products & export plan: Refer Management Discussion and Analysis Report.

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b. Total Foreign Exchange used and earned:

	(Rs. in Lakhs)	
	2012-13	2011-12
Total Foreign Exchange earned	27,831.97	26,281.70
Total Foreign Exchange used	17,020.83	16,232.52
{Excludes payments for capital goods Rs.2,517.39 Lakhs (Previous Year: Rs. 2,195.30 Lakhs) }		

For and on behalf of the Board of Directors

Place: Chennai

Date : August 13, 2013

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 2012-13	Nil
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 FY2012-13	Nil
D) Options Exercised during FY2012-13	25,000
E) The total number of shares arising as a result of exercise of option	25,000
F) Options lapsed FY2012-13	Nil
G) Variation Terms of Options	Nil
H) Money Realized by exercise of options	Rs. 1,003,750
I) Total Number of Options in Force as on March 31,2013	9,40,700
J) Employee-wise details of options granted to	Details as under :
i) Senior Managerial Personnel	1,75,000 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	Mr. P Mukund, Managing Director 2,10,700 options
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.10.25
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. 19,08,739
iii) The impact of the difference on profits and on EPS of the Company	Rs. 19,80,361 Re. 0.10 per share

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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
Rs. 25.34

N) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information :

- | | |
|---|-------------------------------|
| 1) Risk-free interest rate (in %) | 8 |
| 2) Expected life (in years) | 10 |
| 3) Expected volatility (in %) | 8 |
| 4) Expected dividends and (in%) | Dividend has not been assumed |
| 5) The price of underlying share in market at the time of option grant (in Rs.) | 61.42 |

For and on behalf of the Board of Directors

Place: Chennai
Date : August 13, 2013

K.K Nohria
Chairman

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended March 31, 2013.

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	53	Managing Director	10-Jan-1992	72,99,268	B.Tech, PGDBM	30	Crompton Greaves Ltd	0.26%

For and on behalf of the Board of Directors

Place: Chennai
Date : August 13, 2013

K.K Nohria
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL AUTOMOTIVE INDUSTRY AND ELECTRIC MOTORS

The confidence of Growth in this industry 2011 dampened during the latter half of 2012 and 2013 principally due to the negative overall Growth in the European Auto industry and slowing growth in China. China has already become the largest vehicle producer in the world and all major Global Vehicle manufacturers increased their investment and attention to China.

Cost pressures and increase in competition from low cost local car makers continue to manifest. Trends show a clear shift in capacities and technologies being created in Low Cost countries and newer markets, with many Governments asking Automakers to upgrade Fuel Economy and tightening Emission norms.

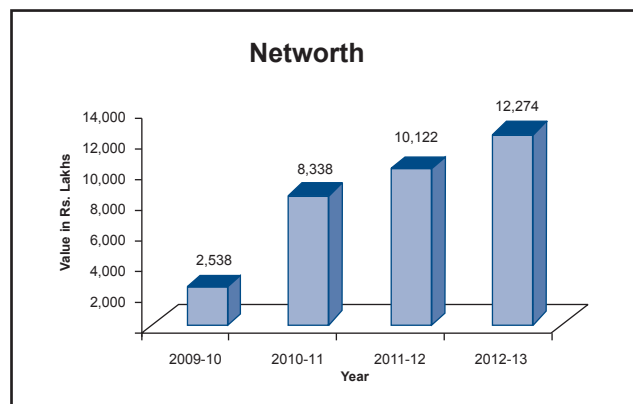
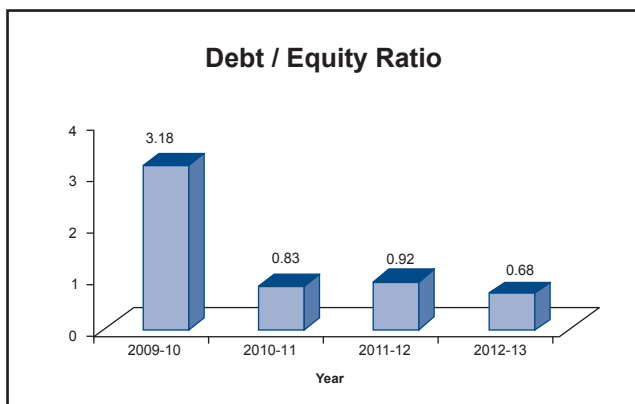
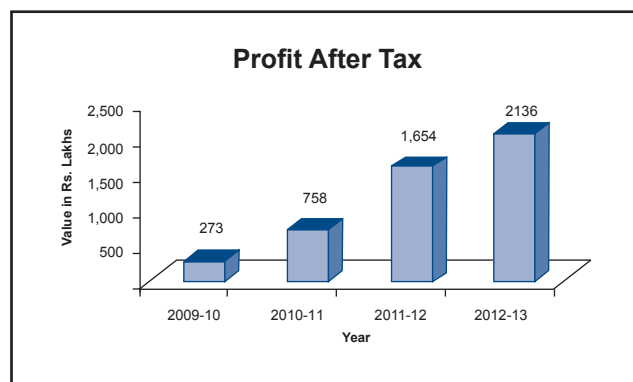
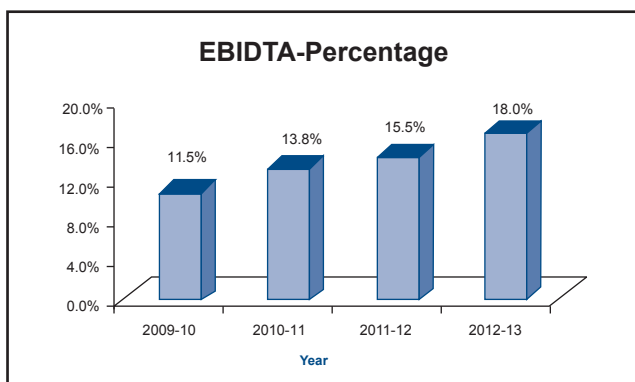
Programs related to Electric motors that would improve Fuel Efficiency and reduce Emission levels continue to receive priority. This was not visible in the actual growth in the Volumes but the new program launches clearly indicate this direction.

ICE ('Internal Combustion Engine') segment with moderate to significant improvements across all areas of vehicle performance will continue to remain a significant part of the growth and opportunities for Electric Motors will continue to increase.

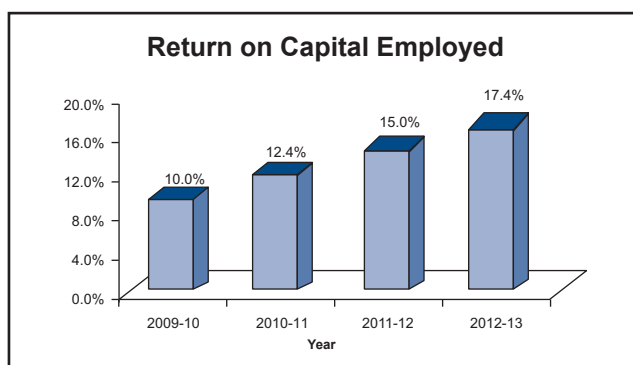
YEAR 2012-13

Anticipating the market fluctuations, we continued to take a view to stabilize on Operational and Financial parameters. While sales growth did not meet expectations due to the overall market, there was a clear visibility of improvements in Profitability and Key ratios.

The charts below indicate the results over the last years

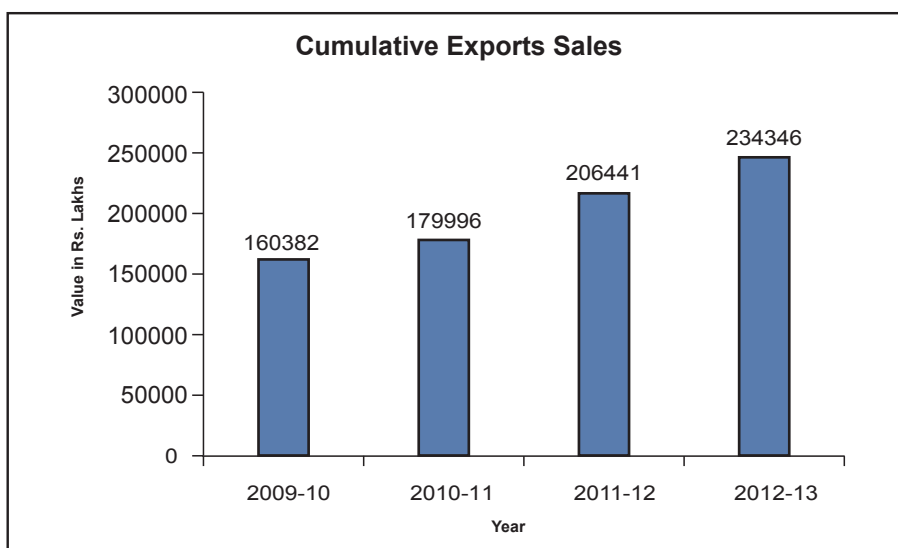


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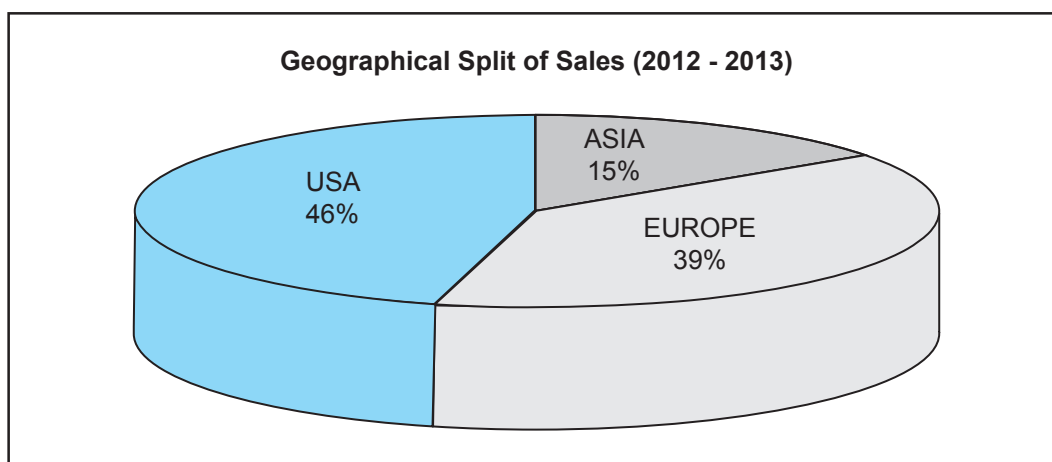


EXPORT SALES AND GEOGRAPHICAL DISTRIBUTION

Your Company has populated over 4,328 Lakh pieces since inception in Global Automotive Component Industry valued at over Rs 234,346 Lakhs as seen in the chart below :



The geographical split of sales of your Company during the period 2012-13 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.



MARKET SPACE

The Key market space focus continues to be in the Engine / Exhaust space for Torque Actuator Motor Applications and the expectation is that demand for such Applications in Vehicles is estimated to grow faster than the market.

Dialogues with existing customers continued to launch future generation Motors for new Engines and Vehicle models with a clear guideline of keeping the Technology, Performance and Cost ratios in mind to drive increase in our market share in this space. Bosch, Continental, Delphi, Cooper, Magneti Marelli, Pierburg, Visteon continue to dialogue with us on new Programs and we will continue to keep dominant share in this space and work to doubling our presence in this space in the next 4 years.

OUR FOCUS

Reinforcing upon the experiences of the past 3 years, the Company continued to build on the factors for Profitable Growth and at the same time, we have added the focus of deepening our Technical know-how on both Motor Application Technology and Motor Manufacturing Technology. This will enable continuity of the robust financial performance and prepare the foundation for growth.

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

RISKS & CONCERNS

i) Global Auto Industry :

While 2011 was a good growth year, the cyclical nature of this industry manifested in second half of 2012 and 2013 continues to be weak, especially in Europe, China, India and South America. While this does not indicate a slide like that in 2008/09, but it indicates clearly that capacities need to be added and deleted to address the volatilities in shorter cycles than experienced prior to 2008.

As the Company experienced a very critical situation in 2008 and 2009, the endeavor in the last 3 years has been to build the necessary strengths to weather such cycles in a more stable manner. A careful "Watch and Go" policy is in place by the Management team before committing significant resources on new opportunities and customers are requested to share the risks when adequate clarity does not exist.

The Product and Market Segment diversification is progressing well and in a couple of years, we will see a right mix between Geographies and Product Segments.

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 has substituted part of borrowings into Foreign Currency borrowing as there is a natural hedge due to the Foreign Exchange earning being higher than the Expenditure.

iv) Commodity and Exchange Risk:

Your Company is exposed to the fluctuations in foreign exchange rates on Exports and Imports. Since about 2/3rd Materials purchased are imported, there is an Auto hedge mechanism. During the year discussions with Customers were closed for the pass throughs of the Commodity and Currency variations, thereby closing out

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on the risks due to these. 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

The measures taken during the period of economic recession as an opportunity rather than a crisis and providing Human Resource Leadership and Development helped in the building of the Organization. A consequence of this was improved Quality of Business and Operations was progressively being built.

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 : August 13, 2013

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, 2013, 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 2012-13.

2. COMPOSITION OF THE BOARD

As on 31st March, 2013 the Board of Directors comprised the Managing Director and 6 Non-Executive Directors.

During the year, four Board Meetings were held on 24th April 2012, 26th July 2012, 14th November 2012 and 12th February 2013. The Company's last Annual General Meeting was held on 15th September 2012.

The particulars of Directors, their attendance during the financial year 2012-2013 and also other Directorships and Board Committee Representations of Public Limited Companies are as under:

Name of Director & Designation	Category	Attendance		Other Board Representations*	
		Board Meetings	Last AGM	Directorship	Committees \$
Mr K.K. Nohria Chairman	Non- Executive Independent	2	Yes	8	6
Mr P.Mukund Managing Director	Executive	4	Yes	Nil	Nil
Mr T.Igarashi #	Non - Executive Non- Independent	1	N.A	N.A	N.A
Mr K.Igarashi	Non- Executive Non- Independent	Nil	Yes	Nil	Nil
Mr.Keiichi Igarashi	Non-Executive Non- Independent	4	No	Nil	Nil
Mr. C.P.Dusad#	Non-Executive; Independent	Nil	N.A	N.A	N.A
Mr. G.N.Mani	Non-Executive; Independent	3	Yes	Nil	Nil
Dr. A .J.Prasad @	Non-Executive; Non-Independent	1	No	N.A	N.A
Ms. Kavita Prasad@	Non-Executive; Non –Independent	2	No	N.A	N.A

Igarashi Motors India Limited

Name of Director & Designation	Category	Attendance		Other Board Representations*	
		Board Meetings	Last AGM	Directorship	Committees\$
Mr. M.S.S. Srinath	Non-Executive; Non-Independent	2	No	3	Nil
Mr. Jacob Mathew**	Non- Executive; Independent	4	Yes	1	2

* 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 24th April 2012

@ Resigned from Board as director w.e.f 14th November 2012

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

INFORMATION ABOUT DIRECTORS BEING APPOINTED / RE-APPOINTED

- 1) Mr. K Igarashi, age 75 years old, is worldwide Head of Igarashi Group as its President and has been in International Business for over 4 decades from Japan, he was responsible for globalizing Igarashi and move towards China and India for operations and has built a Global Sales and Marketing Infrastructure in USA, EUROPE and Far East.

Mr. K Igarashi does not hold any shares in his individual name but Igarashi Electric Works Limited, Japan holds 9,67,648 shares in the Company as on March 31, 2013.

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

Mr. K Igarashi is father of Mr. Keiichi Igarashi.

- 2) Mr. Keiichi Igarashi, age 47 years old, is a Director and Technical graduate from Japan has over 19 years of experience. He has worked intensely in the Quality Management area 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, 2013.

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

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

- 3) Mr. Srinivasan Ravindran, age 50 years is Bachelor of Commerce, Madras University, Post-Graduate Diploma in Management, Indian Institute of Management Calcutta with over 20 years' experience in Finance Functions of large Indian and Multinational Corporations. His last assignment was Finance Director, Novo Nordisk, Regional Office Far East, heading the Finance, Accounting, IT and Legal functions for Novo Nordisk in India and more than 10 countries in South East Asia.

Mr. Srinivasan Ravindran does not hold any shares in the Company as on 17th July 2013.

Mr. Srinivasan Ravindran does not have any relationship with the Other Directors of the Board.

Mr. Srinivasan Ravindran is director on the Board of Ecoedu Consultants Private Limited.



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.Jacob Mathew (Chairman) Mr.G.N.Mani Mr K K Nohria All three directors are Independent Directors.	
4.	No of Meetings held	During the financial year 2012-2013, four meetings were held on 24 th April 2012, 26 th July 2012, 14 th November 2012 and 12 th February 2013.	
5.	Meeting & Attendance During the Year	Name of the Director	No of Meetings Attended
		Mr.Jacob Mathew*	3
		Mr.T Igarashi#	1
		Mr.G.N.Mani	3
		Mr. K.K.Nohria	2
6.	Functions of the Audit Committee	<ul style="list-style-type: none"> 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. 24th April 2012

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

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 & Independent Directors. Presently, the Committee comprises Mr. K.K.Nohria (Chairman), Mr. Jacob Mathew and Mr. G. N. Mani.

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 2012-2013 is as under:

Name	Salary	Perquisites	Retirement Benefits	Performance Incentive/ Commission	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Mr. P. Mukund Managing Director	48,00,000	24,99,268	-	-	-	72,99,268

As required under the Provisions of the Companies Act, 1956, the Company has obtained Central Government Approval for increase in the Managing Director's Remuneration for three years period from 01.04.2011 to 31.03.2014 vide letter No.B27077718/4/2011 dated 17.05.2012.

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 2012-2013 is as under:

Name of the Director	Sitting Fees Paid Rs.
Mr. K .K. Nohria	10,000
Mr. G.N.Mani	15,000
Mr. Jacob Mathew	20,000
Total	45,000

The Promoter-Non Executive & Non Independent Directors viz. Mr. K Igarashi, Mr. T Igarashi, Mr. Keiichi Igarashi, Dr. A J Prasad, Mr. M S S Srinath, Ms. Kavita Prasad and Mr. C P Dusad have not been paid any sitting fees.

Independent Directors, Mr. K K Nohria holds 4,00,000 shares (1.95%), Mr. G N Mani holds 10,401 shares and Mr. C P Dusad holds 10,001 shares in the Capital of the Company.

Mr. K Igarashi, Mr. T Igarashi, Mr. Keiichi Igarashi, Dr. A J Prasad, Mr. M S S Srinath and Ms. Kavita Prasad 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	P. Dinakara Babu Company Secretary	
4.	Particulars of Members	Mr. Jacob Mathew (Chairman) Mr. G N Mani Mr. K K Nohria All three directors are independent Directors	
5.	No of Meetings held	During the financial year 2012-2013 meetings were held on the 24 th April 2012, 26 th July 2012, 14 th November 2012 and 12 th February 2013	
6.	Meeting & Attendance During the Year	Name of the Director	No of Meetings Attended
		Mr. Jacob Mathew	4
		Mr. K K Nohria	1
		Mr. G N Mani	3
7.	Functions of the Shareholder's Committee	<ul style="list-style-type: none"> Review of Investor Redressal Report. Approval of Share Transfer & Demat. Review of Secretarial MIS. 	

During the year 2012-2013, the Company received three complaints from the investors. As on 31st March 2013 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
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
2009-10	16 th September 2010	Music Academy, Mini Hall 306, T.T.K Road Chennai – 600014	3.00 P.M.	Raising of additional funds either by way of Qualified Institutional Buyers or by any other means

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

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

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

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

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.



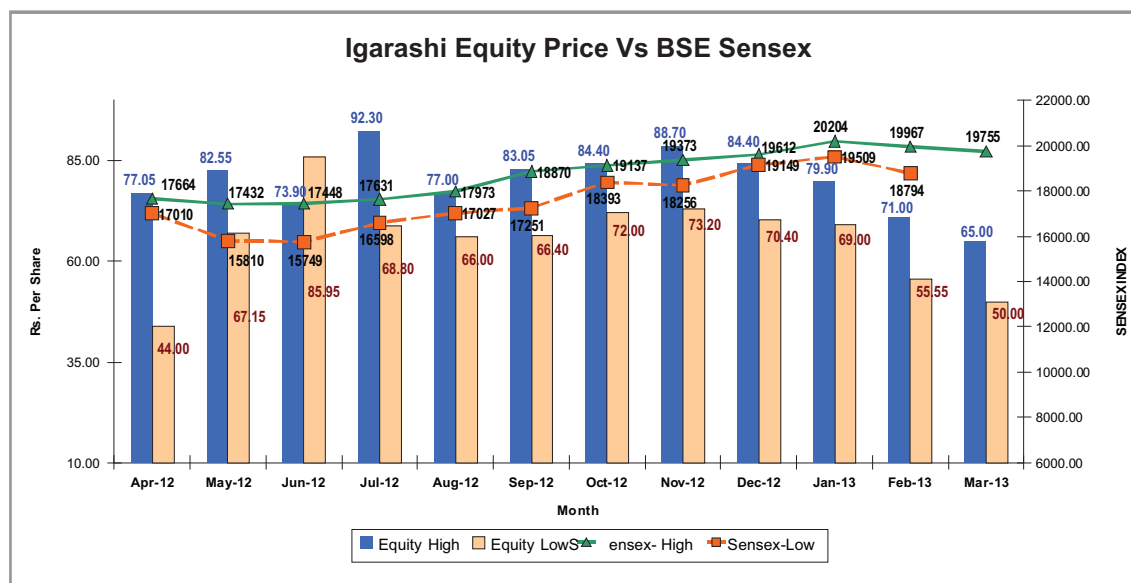
10. GENERAL SHAREHOLDER INFORMATION

- i. Annual General Meeting :
Date : Monday, September 23, 2013 at 3.00 p.m
Venue : The Music Academy, Mini Hall, TTK Road
Chennai – 600 014
- ii. Financial Calendar : 1st April to 31st March
- a) First Quarter Results : 26th July, 2012
- b) Second Quarter Results : 14th November, 2012
- c) Third Quarter Results : 12th February, 2013
- d) Last Quarter Results and Annual Audited Results : 23rd May, 2013
- iii. Date of Book Closure : 16th September, 2013 to 23rd September, 2013
- 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 2013-2014 has already been paid.
- v. Stock Codes :

SI 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 Number (ISIN) : INE188B01013 (NSDL & CDSL)

Igarashi Motors India Limited

vii. Market Price Data:



Monthly highs and lows of market prices of the company's shares on Bombay Stock Exchange (BSE) & National Stock Exchange (NSE) during the year 2012-2013 :

Equity price

BSE

Month	High (Rs.)	Low (Rs.)
April 2012	77.05	44.00
May 2012	82.55	67.15
June 2012	73.90	65.95
July 2012	92.30	68.80
August 2012	77.00	66.00
September 2012	83.05	66.40
October 2012	84.40	72.00
November 2012	88.70	73.20
December 2012	84.40	70.40
January 2013	79.90	69.00
February 2013	71.00	55.55
March 2013	65.00	50.00

NSE

Month	High (Rs.)	Low (Rs.)
April 2012	76.40	43.80
May 2012	82.30	66.55
June 2012	74.10	65.05
July 2012	92.75	68.75
August 2012	78.70	66.00
September 2012	83.00	67.90
October 2012	84.70	75.05
November 2012	88.90	73.45
December 2012	84.60	75.25
January 2013	81.00	69.15
February 2013	71.60	55.00
March 2013	65.50	50.60

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, 2013

Category (Rs.)	No. of shareholders	Percentage	No. of shares	Percentage
Upto 5000	8,936	89.25	1,177,585	5.76
5001 – 10000	550	5.49	454,838	2.23
10001 – 20000	267	2.67	412,119	2.02
20001 – 30000	94	0.94	233,406	1.14
30001 – 40000	41	0.41	146,182	0.72
40001 – 50000	34	0.34	156,963	0.77
50001 – 100000	48	0.48	352,742	1.73
100001 & above	42	0.42	17,485,547	85.63
Total	10,012	100.00	20,419,382	100.00

Shareholding Pattern as on 31st March, 2013

Category	No. of shareholders	No. of Shares	Percentage of holding
Promoters	1	1,28,24,225	62.80
Bodies Corporate	242	38,44,386	18.83
Indian Public			
a) Directors Holding	3	4,62,723	2.27
b) Public	9,766	32,88,048	16.10
Total	10,012	2,04,19,382	100.00

Top Ten Shareholders as on 31st March, 2013

Sl.No.	Category	No. of Shares	Percentage of holding
1	Agile Electric Sub Assembly Private Limited	1,28,24,225	62.80
2	Igarashi Electric Works (H .K) Ltd.	24,99,993	12.24
3	Igarashi Electric Works Ltd.	9,67,648	4.74
4	Mr. Kewal Krishan Nohria	4,00,000	1.96
5	Shree Capital Services Ltd.	59,400	0.29
6	Roopa Corporate Services Pvt.Ltd.	49,936	0.24
7	Mr. P Mukund	52,322	0.26
8	Mr. Kewal Kumar Vohra	45,237	0.22
9	Mr. Sharad Kanayalal Shah	45,000	0.22
10	Newa Investments Pvt.Ltd.	33,692	0.17

- xi. Dematerialization of shares : Over 98.37% of equity shares have been dematerialized up to 31 March 2013. Trading in your Company's shares is permitted only in the dematerialized form as per notifications issued by SEBI.

Igarashi Motors India Limited

- xii. Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments : Not Applicable
- xiii. Plant Location : Plots B-12 to B –15,Phase II
MEPZ-SEZ, Tambaram,
Chennai 600 045.
- xiv. Investor Correspondence : Company Secretary
Igarashi Motors India Ltd
Plots B-12 to B –15,Phase II, MEPZ-SEZ, Tambaram,
Chennai 600 045.
Phone No.: +91-44-42298199
Fax No. : +91-44-22628143
e-mail : investorservices@igarashimotors.co.in

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 HEAD –FINANCE CERTIFICATION

As on March 31, 2013, Mr. P Mukund, Managing Director and Mr. R Chandrasekaran, Head- Finance 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 : August 13, 2013

P. Mukund
Managing Director



MANAGING DIRECTOR'S AND CHIEF FINANCIAL OFFICER'S 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, 2013 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 : May 23, 2013

P.Mukund

Managing Director

R.Chandrasekaran

Head-Finance

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The members
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 2013, 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

L.Vaidyanathan

Partner

Membership No. 16368

Place: Chennai / Mumbai

Date : May 23, 2013

INDEPENDENT AUDITORS' 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, 2013 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 referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). 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. 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, 2013;
- 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 referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2013, 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

L.Vaidyanathan

Partner

Membership No. 16368

Place: Chennai / Mumbai

Date : May 23, 2013

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, 2013, 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.
- (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, 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,



customs duty, excise duty and other statutory dues outstanding as at March 31, 2013 for a period of more than six months from the date from which they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax as at March 31, 2013 which has not been deposited on account of dispute pending is as under: (Rs. in lakhs)

Name of the statute	Nature of disputed dues	Total demand	Amount not deposited	Period to which the dispute relates	Forum where disputes are pending
Income Tax Act, 1961	Transfer pricing addition (Amount deposited Rs.177.91 lakhs)	391.62	213.71	Assessment Year 2008-09	Income Tax Appellate Tribunal

There are no dues of customs duty, excise duty and sales tax, which have not been deposited on account of any dispute.

- (x) The Company has no accumulated losses as at March 31, 2013. 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 during the year. The Company has not issued any debentures.
- (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. Accordingly, reporting under clause 4(xiv) of the Order does not arise.
- (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. Accordingly, reporting under clause 4 (xv) of the Order does not arise.
- (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 not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, reporting under clause 4(xviii) of the Order does not arise.
- (xix) The Company has not issued debentures during the year 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. Accordingly, reporting under clause 4(xx) of the Order does not arise.
- (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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management.

for SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 003792S

L.Vaidyanathan

Partner

Membership No. 16368

Place: Chennai / Mumbai

Date : May 23, 2013

BALANCE SHEET AS AT MARCH 31, 2013

	Note	As at 31.03.2013		As at 31.03.2012	
		Rupees	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	2	204,193,820		203,943,820	
(b) Reserves and surplus	3	1,023,183,401		808,218,497	
			1,227,377,221		1,012,162,317
Non-current liabilities					
(a) Long-term borrowings	4	451,672,749		414,494,780	
(b) Deferred tax liabilities (Net)	5	102,452,012		82,505,746	
			554,124,761		497,000,526
Current liabilities					
(a) Short-term borrowings	6	212,604,008		313,239,905	
(b) Trade payables	7	446,139,318		453,715,583	
(c) Other current liabilities	8	197,102,068		176,190,769	
(d) Short-term provisions	9	67,532,682		29,186,438	
			923,378,076		972,332,695
			<u>2,704,880,058</u>		<u>2,481,495,538</u>
ASSETS					
Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		1,215,072,334		1,057,412,534	
(ii) Intangible assets		4,926,312		7,395,432	
(iii) Capital work-in-progress		30,582,465		57,294,021	
(iv) Intangible assets under development		-		7,056,207	
			1,250,581,111		1,129,158,194
(b) Non-current investments	11		286,164,900		286,164,900
(c) Long-term loans and advances	12		19,690,299		22,768,087
Current assets					
(a) Inventories	13	221,757,471		163,699,074	
(b) Trade receivables	14	618,597,556		567,840,866	
(c) Cash and bank balances	15	57,004,582		61,374,187	
(d) Short-term loans and advances	16	251,084,139		250,490,230	
			1,148,443,748		1,043,404,357
			<u>2,704,880,058</u>		<u>2,481,495,538</u>
Contingent liabilities and commitments	17				
Significant accounting policies	1				

The accompanying notes form an integral part of the financial statements

As per our report attached of even date

for **SHARP & TANNAN**

Chartered Accountants

Firm's Registration No.003792S

L. Vaidyanathan

Partner

Membership No. 16368

Place: Chennai / Mumbai

Date : May 23, 2013

P. Mukund
Managing Director

K.K. Nohria
Chairman

K. Igarashi
Director

Keiichi Igarashi
Director

Jacob Mathew
Director

M.S.S. Srinath
Director

G.N. Mani
Director

R. Chandrasekaran
Head - Finance

P. Dinakara Babu
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	2012 - 13		2011 - 12	
		Rupees	Rupees	Rupees	Rupees
REVENUE					
Revenue from operations	18	2,924,851,219		2,690,183,093	
Less: Excise duty		17,053,756		4,891,823	
			2,907,797,463		2,685,291,270
Other income	19		23,924,730		10,379,247
Total Revenue			2,931,722,193		2,695,670,517
EXPENSES					
Manufacturing, trading and operating expenses	20				
a) Cost of materials consumed		1,880,588,500		1,797,840,571	
b) Changes in inventories of finished goods and work-in-progress		20,006,984		(14,832,104)	
c) Purchase of trading goods		22,502,621		85,222,336	
d) Other manufacturing and operating expenses		112,166,152		79,634,844	
			2,035,264,257		1,947,865,647
Employee benefits expense	21		195,021,296		203,848,162
Finance costs	22		120,378,260		136,785,950
Depreciation, amortisation and obsolescence	23		133,657,130		111,938,595
Selling, administration and other expenses	24		153,821,257		117,569,532
Total Expenses			2,638,142,200		2,518,007,886
Profit before taxes			293,579,993		177,662,631
Tax expense					
Current tax	9 (a)	60,077,252		17,245,047	
Deferred tax		19,946,266		(4,996,164)	
			80,023,518		12,248,883
Profit after taxes			213,556,475		165,413,748
Earnings per share					
Basic	32		10.46		8.11
Diluted			10.25		8.10
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

L. Vaidyanathan

Partner

Membership No. 16368

Place: Chennai / Mumbai

Date : May 23, 2013

P. Mukund
Managing Director

K.K. Nohria
Chairman

K. Igarashi
Director

Keiichi Igarashi
Director

Jacob Mathew
Director

M.S.S. Srinath
Director

G.N. Mani
Director

R. Chandrasekaran
Head - Finance

P. Dinakara Babu
Company Secretary

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 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. Certain escalation and other claims are accounted for in terms of contracts with the customers / admitted by the appropriate authorities.

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 value added tax / sales tax, brokerage and commission.
- ii. Interest income on deposits and loans is recognised at the agreed rate on time proportion basis.
- iii. Other items of income are accounted as and when the right to receive arises.

d) 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 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 –



NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 a straight line basis 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 or at higher rates adopted by the Company for similar assets.

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.

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.

Amortisation on 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.

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

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 and spares	At lower of weighted average cost and net realizable value.
Work-in-progress	At lower of cost of raw material and components including appropriate production 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 bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

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

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. Leases rentals are charged to the Statement of Profit and Loss on accrual basis.



NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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, 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, employee state insurance scheme and employee pension scheme are 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 any 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.

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

o) Borrowing costs

- i. 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.
- ii. 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.

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2 SHARE CAPITAL

	As at 31.03.2013		As at 31.03.2012	
	Numbers	Rupees	Numbers	Rupees
Authorised capital :				
Equity shares of Rs 10/- each	22,000,000	220,000,000	22,000,000	220,000,000
Issued, subscribed and paid up:				
Equity shares of Rs 10/- each fully paid up	20,419,382	204,193,820	20,394,382	203,943,820
	20,419,382	204,193,820	20,394,382	203,943,820

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

	As at 31.03.2013		As at 31.03.2012	
	Numbers	Rupees	Numbers	Rupees
Subscribed and fully paid up				
At the beginning of the year	20,394,382	203,943,820	20,374,382	203,743,820
Issued during the year - Employees stock option plan [Refer Note (f) below]	25,000	250,000	20,000	200,000
At the end of the year	20,419,382	204,193,820	20,394,382	203,943,820

b) Terms / rights / restrictions attached to equity shares

- (i) The Company has only one class of equity shares having a par value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share.
- (ii) All shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached for any specific shareholder.
- (iii) The Company has not issued any 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 31.03.2013		As at 31.03.2012	
	Numbers	Rupees	Numbers	Rupees
Agile Electric Sub Assembly Private Limited, the holding company [Refer Note below]				
Equity shares of Rs 10/- each fully paid up	12,824,225	128,242,250	12,824,225	128,242,250

Note: Pursuant to the scheme of amalgamation approved by the Honourable High Court of Judicature at Madras on July 20, 2012, the erstwhile Holding Company Agile Electric Drives Technologies and Holdings Private Limited, merged with Agile Electric Sub Assembly Private Limited with retrospective effect from April 1, 2011.

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

Name of shareholder	As at 31.03.2013		As at 31.03.2012	
	Numbers	% holding	Numbers	% holding
Agile Electric Sub Assembly Private Limited	12,824,225	62.80	12,824,225	62.88
Igarashi Electric Works (H.K) Limited, Hong Kong	2,499,993	12.24	2,499,993	12.26

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.

f) Shares reserved for issue under options outstanding as at the end of the year

Particulars	As at 31.03.2013		As at 31.03.2012	
	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)
Employees stock options granted and outstanding	940,700	9,407,000	965,700	9,657,000

Employee Stock Option Scheme:

(a) Terms

(i) The Company has obtained approval of share holders through postal ballot on January 08, 2011 for grant of 1,250,000 options under the Employees Stock Option Plan, 2006 to its employees and Directors. The options have a vesting period of one year from the date of grant of the option. The exercise period is five years from the date of grant of option.

(ii) The grant of options to the employees under the employee stock option schemes 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.

(b) The details of grants under the aforesaid schemes are summarized below -

S.No	Particulars	ESOP, 2006	
		2012 - 13	2011 - 12
1	Grant Price - Rupees	40.15	40.15
2	Grant dates	27-Aug-10 onwards	
3	Vesting commences on	27-Aug-11 onwards	
4	Option granted and outstanding at the beginning of the year	965,700	750,000
5	Options lapsed / withdrawn during the year	-	-
6	Options granted during the year	-	235,700
7	Options exercised during the year	25,000	20,000
8	Options granted and outstanding at the end of the year of which -	940,700	965,700
	Options vested	940,700	730,000
	Options yet to vest	-	235,700

(c) During the year, the Company has amortised proportionate employee stock based compensation expense amounting to Rs. 654,679/- (previous year Rs. 12,154,530/-) which has been included in Note 21 "Employee benefit expenses"



NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

3 RESERVES AND SURPLUS

	As at 31.03.2013		As at 31.03.2012	
	Rupees	Rupees	Rupees	Rupees
Securities premium account				
As per last Balance Sheet	815,486,540		814,344,940	
Add: Additions on ESOPs exercised	753,750		603,000	
Add: Transferred from Employees Stock options outstanding	673,250	816,913,540	538,600	815,486,540
Share options outstanding account				
Employees stock options outstanding				
As per last Balance Sheet	20,460,280		20,197,500	
Additions during the year	-		801,380	
Less: Allotment of shares	(673,250)		(538,600)	
	19,787,030		20,460,280	
Less : Deferred employee compensation expense				
As per last Balance Sheet	654,679		12,007,829	
Additions during the year	-		801,380	
Less: Amortisation during the year	(654,679)		(12,154,530)	
	-		654,679	
		19,787,030		19,805,601
Surplus / (deficit)				
As per last Balance Sheet	(27,073,644)		(192,487,392)	
Add: Profit for the year	213,556,475		165,413,748	
		186,482,831		(27,073,644)
		1,023,183,401		808,218,497

4 LONG-TERM BORROWINGS

	As at	As at
	31.03.2013	31.03.2012
	Rupees	Rupees
Secured		
(i) Rupee term loans from banks	149,062,500	199,375,000
(ii) Foreign currency term loans from banks - External Commercial Borrowings	135,256,800	-
(iii) Working capital term loan from banks	130,000,000	167,500,000
Unsecured		
(i) Finance lease obligations [Refer Note 31]	36,716,339	46,662,146
(ii) Vehicle loan	637,110	957,634
	451,672,749	414,494,780

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Terms and conditions of long-term borrowings

(a) Secured loans

Terms of repayment

- (i) Rupee term loans from banks are repayable in thirteen equal quarterly installments of Rs. 16,562,500/- from March 31, 2013.
- (ii) External commercial borrowings are repayable in fourteen unequal quarterly installments ranging from Rs. 3,600,000/- to 19,000,000/- commencing from May 2014.
- (iii) Working capital term loans from bank are repayable in thirteen unequal quarterly installments ranging from Rs. 7,500,000/- to 17,500,000/- from March 31, 2013.

Nature of security

- (i) Rupee term loans and Working capital term loan from banks are secured by pari-passu first charge on all fixed assets of the Company, both present and future, excluding leasehold land and pari-passu second charge on all current assets of the Company, both present and future.
- (ii) External Commercial Borrowings (ECB) from banks are secured by first exclusive charge on the fixed assets of the Company created out of the ECB facility funded by the bank, both present and future and pari-passu second charge on the 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 charge of the related vehicles.

5 DEFERRED TAX LIABILITIES (NET)

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

	As at 31.03.2013		As at 31.03.2012	
	Rupees		Rupees	
	Deferred Tax Assets (a)	Deferred Tax Liabilities (b)	Deferred Tax Assets (a)	Deferred Tax Liabilities (b)
Difference between book depreciation and tax depreciation.		102,998,123		83,886,262
Provision for unpaid bonus, gratuity and leave encashment debited to the Statement of Profit and Loss	546,111		1,380,516	
Total	<u>546,111</u>	<u>102,998,123</u>	<u>1,380,516</u>	<u>83,886,262</u>
Deferred tax liability (net) [(b) - (a)]		102,452,012		82,505,746



NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

6 SHORT-TERM BORROWINGS

	As at 31.03.2013	As at 31.03.2012
	Rupees	Rupees
Secured		
Packing Credit / Buyer's Credit from banks	212,604,008	313,239,905
[Note (a) below]		
	212,604,008	313,239,905

- a) Working capital loans in the nature of packing credit and buyer's 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, excluding leasehold land, after term loans and working capital term loans. The charge also extends to bills discounted amounting to Rs.60,126,244/- (Previous year Rs.94,787,190/-).

7 TRADE PAYABLES

	As at 31.03.2013	As at 31.03.2012
	Rupees	Rupees
Due to -		
Micro and small enterprises [Note (a) below]	-	-
Holding company	39,327,262	91,917,153
Other than micro and small enterprises	406,812,056	361,798,430
	446,139,318	453,715,583

- a) The Company does not have any transaction with micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, identified on the basis of information available with the Company. Accordingly, disclosing details of overdue principal and interest thereon does not arise.

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

8 OTHER CURRENT LIABILITIES

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
Current maturities of long-term borrowings [Refer note 4 supra for terms and conditions]		
Secured		
Term loans from banks	66,250,000	65,625,000
Working capital term loan from banks	37,500,000	37,500,000
Unsecured		
Finance lease obligations	9,945,807	9,077,184
Vehicle loan	320,524	289,419
	114,016,331	112,491,603
Interest accrued and due on loans	2,141,861	207,945
Interest accrued but not due on loans	136,344	1,720,828
Advance received from customers	46,881,483	21,328,803
Unpaid dividend	620,124	861,106
Liability for capital goods		
- Due to holding company	5,187,560	-
- Due to others	6,044,608	10,734,962
Liability for expenses	17,711,954	26,059,113
Statutory liabilities	4,361,803	2,786,409
	197,102,068	176,190,769

9 SHORT-TERM PROVISIONS

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
Employee benefits [Refer Note 28]		
Gratuity	582,399	2,712,274
Leave encashment	-	1,493,834
	582,399	4,206,108
Taxes		
Current year [Note (a) below]	59,215,000	17,245,047
Earlier years [net of advance tax Rs. 28,752,230/- (previous year Rs. 10,644,931/-)]	7,735,283	7,735,283
	66,950,283	24,980,330
	67,532,682	29,186,438

Provision for current tax represents Minimum Alternate Tax (MAT) under Section 115JB of the Income tax Act, 1961, as the tax under the conventional method of computation of income is lower than MAT. Current tax expense includes Rs. 862,252/- pertaining to the previous year.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

10 FIXED ASSETS

(Figures in Rupees)

Particulars	GROSS BLOCK			DEPRECIATION / OBSOLESCENCE				NET BLOCK		
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Up to 31.03.2012	For the year	On deductions	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
i) Tangible assets										
Buildings										
Owned [Refer Note (v) below]	215,224,412	6,477,790	-	221,702,202	34,305,079	6,772,193	-	41,077,272	180,624,930	180,919,333
Plant and equipment										
Owned	1,225,307,042	302,314,944	31,383,557	1,496,238,429	431,726,501	116,351,157	7,217,018	540,860,640	955,377,789	793,580,541
Taken on lease	65,257,731	-	-	65,257,731	4,613,594	4,842,124	-	9,455,718	55,802,013	60,644,137
Office equipment										
Owned	8,318,999	519,400	21,715	8,816,684	2,625,836	463,394	7,212	3,082,018	5,734,666	5,693,163
Furniture and fixtures										
Owned	28,844,711	2,652,965	262,450	31,235,226	14,446,779	2,409,903	8,869	16,847,813	14,387,413	14,397,932
Vehicles										
Owned	3,482,413	1,667,865	678,784	4,471,494	1,304,985	349,239	328,253	1,325,971	3,145,523	2,177,428
Total tangible assets	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	-
Previous year	1,291,075,590	326,329,653	70,969,935	1,546,435,308	448,839,221	102,591,008	62,407,455	489,022,774	-	1,057,412,534
ii) Capital work-in-progress	-	-	-	-	-	-	-	-	30,582,465	57,294,021
Particulars	COST			AMORTISATION / OBSOLESCENCE				NET BLOCK		
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Up to 31.03.2012	For the year	On deductions	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
iii) Intangible assets										
Product development expenses	53,429,466	-	-	53,429,466	46,034,034	2,469,120	-	48,503,154	4,926,312	7,395,432
Total intangible assets	53,429,466	-	-	53,429,466	46,034,034	2,469,120	-	48,503,154	4,926,312	-
Previous year	53,429,466	-	-	53,429,466	39,779,112	6,254,922	-	46,034,034	-	7,395,432
iv) Intangible assets under development [Refer Note (vi)]	-	-	-	-	-	-	-	-	-	7,056,207

v) Factory building has been constructed on land taken on lease from May 1, 1991 for a period of fifteen years from Madras Export Processing Zone (MEPZ) and monthly rent paid has been recognized as an expense in the statement of profit and loss. The Company has not paid any advance towards the lease. The said lease has since been renewed for a further period of five years from May 2, 2011 and is renewable further thereafter at the option of the Company on mutually agreed terms with MEPZ. In the event of the Company deciding to vacate the premises, the lessor (MEPZ) will compensate the Company a mutually agreed consideration for the sale of the factory building. Accordingly, depreciation has been provided at the rates prescribed in Schedule XIV of the Companies Act, 1956.

vi) Deduction of intangible assets under development represents sale of product development expenditure to the Holding Company.

vii) Impairment of assets

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



Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

11 NON -CURRENT INVESTMENTS

	As at 31.03.2013 Rupees	As at 31.03.2012 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	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>286,164,900</u>	<u>286,164,900</u>
a) Aggregate amount of unquoted non-current investments		
Book value	<u>286,164,900</u>	<u>286,164,900</u>

12 LONG-TERM LOANS AND ADVANCES

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
(Unsecured, considered good)		
Capital advances	679,500	3,757,288
Security Deposits	19,010,799	19,010,799
	<u>19,690,299</u>	<u>22,768,087</u>

13 INVENTORIES

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
Raw materials and components [includes goods-in-transit Rs.55,216,455/- (Previous year Rs.Nil)]	184,057,314	105,914,022
Stores and Spares [includes goods-in-transit Rs.1,097,938/- (Previous year Rs.Nil)]	22,377,048	22,454,959
Work-in-progress	13,115,473	24,764,015
Finished goods	2,207,636	10,566,078
	<u>221,757,471</u>	<u>163,699,074</u>

Refer Note 1(i) for mode of valuation



NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

14 TRADE RECEIVABLES

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
Unsecured , considered good		
Debts outstanding for more than six months	204,776	1,496,736
Other debts	618,392,780	566,344,130
	618,597,556	567,840,866

15 CASH AND BANK BALANCES

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
(i) Cash and cash equivalents		
Balance with banks on current accounts	20,681,194	27,523,948
Cash on hand	-	-
Sub total - Cash and cash equivalents	20,681,194	27,523,948
(ii) Other bank balances		
Unpaid dividend accounts	620,124	861,106
Margin money deposits [including interest accrued thereon Rs.831,868/- (previous year Rs.798,029/-)]	35,703,264	32,989,133
Sub total - Other bank balances	36,323,388	33,850,239
	57,004,582	61,374,187

16 SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
Unsecured, considered good:		
Inter-corporate deposit with holding company	182,000,000	-
Advances to holding company	-	170,724,882
Advance income taxes - earlier years (net of provisions)	46,809,866	12,724,987
Balance with customs and excise	882,098	1,549,019
Other advances	21,392,175	65,491,342
	251,084,139	250,490,230

17 CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent Liabilities

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
1 Bills discounted	60,126,244	94,787,190
2 Income tax liability that may arise in respect of matters on appeal	49,325,883	10,164,183
3 Employees State Insurance demand on dues for trainees	2,434,404	2,434,404
4 Guarantees given on behalf of holding company	-	1,100,100,000

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

c) Commitments

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
¹ Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	19,527,840	19,932,320

18 REVENUE FROM OPERATIONS

	2012 - 13		2011 - 12	
	Rupees	Rupees	Rupees	Rupees
Sale of products				
Finished goods				
Exports		2,767,725,706		2,554,427,713
Domestic	134,402,465		49,088,142	
Less: Excise duty	17,053,756		4,891,823	
		117,348,709		44,196,319
Trading sales - Deemed exports		22,723,048		86,667,238
		2,907,797,463		2,685,291,270

Details of Products Sold

1) Electric Micro Motors	2,885,074,415	2,230,548,862
2) Others including trading sales (Refer Note below)	22,723,048	454,742,408
	2,907,797,463	2,685,291,270

Note: Others represents sale of stamping and motor components.

19 OTHER INCOME

	2012 - 13		2011-12	
	Rupees	Rupees	Rupees	Rupees
Interest income on				
Bank deposits	2,952,653		2,578,775	
Inter-corporate deposits	11,085,042		2,734,426	
		14,037,695		5,313,201
Exchange gain (net)		5,320,893		2,746,664
Profit on sale of fixed assets (net)		-		131,196
Miscellaneous receipts		4,566,142		2,188,186
		23,924,730		10,379,247



NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

20 MANUFACTURING, TRADING AND OPERATING EXPENSES

	2012-13		2011-12	
	Rupees	Rupees	Rupees	Rupees
(a) Cost of materials consumed				
Raw materials and components consumed:				
Opening stock	105,914,022		140,258,746	
Add: Purchases	1,914,679,271		1,722,639,086	
	2,020,593,293		1,862,897,832	
Less : Closing stock	184,057,314		105,914,022	
		1,836,535,979		1,756,983,810
Less: Scrap sales		38,545,595		39,666,673
		1,797,990,384		1,717,317,137
Stores and spares consumed				
Opening stock	22,454,959		21,493,320	
Add: Purchases	82,520,205		81,485,073	
	104,975,164		102,978,393	
Less : Closing stock	22,377,048		22,454,959	
		82,598,116		80,523,434
		1,880,588,500		1,797,840,571
(b) Changes in inventories of finished goods and work-in-progress				
Closing stock :				
Finished goods	2,207,636		10,566,078	
Work-in-progress	13,115,473		24,764,015	
	15,323,109		35,330,093	
Less: Opening stock :				
Finished goods	10,566,078		5,061,662	
Work-in-progress	24,764,015		15,436,327	
	35,330,093		20,497,989	
		20,006,984		(14,832,104)
		1,900,595,484		1,783,008,467
(c) Purchase of trading goods		22,502,621		85,222,336
(d) Other manufacturing and operating expenses				
Power and fuel		47,140,369		35,874,499
Repairs to				
Plant and machinery	59,046,561		39,404,662	
Building	5,979,222		4,355,683	
		65,025,783		43,760,345
		112,166,152		79,634,844
		2,035,264,257		1,947,865,647

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(e) Disclosure of materials consumed

	2012-13	2011-12
	Rupees	Rupees
(i) Ferrous materials	633,194,245	477,742,064
(ii) Non-ferrous materials	237,199,879	157,627,748
(iii) Resin	19,186,219	36,755,897
(iv) Commutator	184,020,334	165,381,464
(v) Magnet	129,158,761	110,809,717
(vi) Brush	104,633,613	99,844,594
(vii) Ball bearing	143,559,051	138,376,962
(viii) Sintered parts	166,497,564	133,410,378
(ix) Adhesives	38,695,634	36,369,298
(x) Chemicals	365,526	14,938,596
(xi) Oil	10,572,796	4,108,940
(xii) Others	213,504,878	422,474,913
	<u>1,880,588,500</u>	<u>1,797,840,571</u>

(f) Analysis of materials consumed

Category	2012-13		2011-12	
	% of total consumption	Value (Rs.)	% of total consumption	Value (Rs.)
Imported	86.08	1,618,814,854	85.71	1,540,906,095
Indigenous	13.92	261,773,646	14.29	256,934,476
Total	100.00	1,880,588,500	100.00	1,797,840,571



NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(g) Details of inventory

	As at 31.03.2013	As at 31.03.2012
	Rupees	Rupees
1) Raw materials and components		
(i) Ferrous materials	72,019,555	24,730,100
(ii) Non-ferrous materials	10,288,555	8,119,304
(iii) Resin	4,387,816	4,849,357
(iv) Commutator	16,931,339	6,266,168
(v) Magnet	13,045,685	4,077,854
(vi) Brush	13,125,576	7,487,752
(vii) Ball bearing	10,814,194	6,354,158
(viii) Sintered parts	26,377,602	11,819,374
(ix) Others	17,066,992	32,209,955
	184,057,314	105,914,022
2) Stores and spare parts		
(i) Adhesives	2,123,271	1,800,810
(ii) Chemicals	-	657,785
(iii) Oil	801,378	517,247
(iv) Others	19,452,399	19,479,117
	22,377,048	22,454,959
3) Work in progress		
(i) Electric Micro Motors	6,088,764	21,364,848
(ii) Others (Refer Note below)	7,026,709	3,399,167
	13,115,473	24,764,015
Note: Others represents work-in-progress of stamping and motor components.		
4) Finished goods		
(i) Electric Micro Motors	792,138	10,566,078
(ii) Sub Assembly	1,415,498	-
	2,207,636	10,566,078
	2012 - 13	2011 - 12
	Rupees	Rupees

21 EMPLOYEE BENEFITS EXPENSE

Salaries ,wages and bonus	163,706,171	157,215,339
Contribution to and provision for provident fund and gratuity fund	4,156,212	6,102,586
Expenses on Employees Stock Option Scheme	654,679	12,154,530
Welfare and other expenses	26,504,234	28,375,707
	195,021,296	203,848,162

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	2012 - 13 Rupees	2011 -12 Rupees
22 FINANCE COSTS		
Interest -		
On fixed loans	56,353,120	66,022,773
On working capital loans	22,448,343	31,621,391
On finance lease	4,739,524	5,433,324
Others	3,756,779	-
Other borrowing costs	13,810,439	14,880,000
Exchange loss on borrowings (net)	19,270,055	18,828,462
	<u>120,378,260</u>	<u>136,785,950</u>
23 DEPRECIATION, AMORTISATION AND OBSOLESCENCE		
Depreciation	131,188,010	102,591,008
Amortisation	2,469,120	6,254,922
Obsolescence	-	3,092,665
	<u>133,657,130</u>	<u>111,938,595</u>
24 SELLING, ADMINISTRATION AND OTHER EXPENSES		
Rent	3,249,336	2,477,504
Rates, taxes and fees	1,392,584	1,224,034
Insurance	3,812,989	3,773,968
Travel and conveyance	41,717,342	21,050,425
Telephone, postage and telegrams	2,092,614	2,416,304
Recruitment and training	8,882,713	491,736
Printing and stationery	3,595,448	3,611,004
Bank charges	17,074,805	17,870,157
Professional charges	9,328,334	16,061,665
Selling and forwarding expenses	19,855,731	20,645,714
Loss on sale of fixed assets (net)	57,007	-
Quality cost	23,858,965	10,497,165
Miscellaneous expenses	18,903,389	17,449,856
	<u>153,821,257</u>	<u>117,569,532</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	600,000
Tax audit fees	75,000	75,000
Limited review certification fees	300,000	45,000
Certification fees	65,000	27,000
Reimbursement of expenses	88,237	-
	<u>1,278,237</u>	<u>747,000</u>



NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	2012 - 13	2011 -12
	Rupees	Rupees
25 VALUE OF IMPORTS (ON C.I.F.basis)		
(i) Raw material [includes purchases from units in SEZ of Rs.NIL /- (previous year Rs.156,181/-)]	326,770,733	341,702,572
(ii) Components, stores and spares [includes purchases from units in SEZ of Rs.380,375,541/-(previous year Rs.333,566,566/-)]	1,369,509,344	1,278,302,582
(iii) Capital goods [includes purchases from units in SEZ of Rs.111,283,930/-(previous year Rs.47,289,716/-)]	251,739,311	219,529,809
26 EXPENDITURE IN FOREIGN CURRENCY		
(i) Foreign travel	933,679	1,399,006
(ii) Professional fees	100,586	18,893
(iii) Sub-contract charges	1,429,002	280,108
(iv) Interest expenses	3,339,291	1,548,845
27 EARNINGS IN FOREIGN CURRENCY		
Export of goods calculated on F.O.B. basis	2,783,196,995	2,628,170,148
[Includes Deemed Exports of Rs.160,567,714/- (Previous year Rs. 321,109,349/-)]		

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 April 29, 2013

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

Particulars	Leave Encashment		Gratuity Plan	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
A Present Value of Defined Benefit Obligation				
- Wholly funded	6,709,239	6,681,443	12,000,980	11,617,474
- Wholly Unfunded	-	-	-	-
Less: Fair value of plan assets:	(7,616,362)	(5,187,609)	(11,418,581)	(8,905,200)
Unrecognised past service costs	-	-	-	-
Amount to be recognised as liability / (asset)	(907,123)	1,493,834	582,399	2,712,274
B Amounts reflected in the Balance Sheet				
Liabilities	6,709,239	6,681,443	12,000,980	11,617,474
Assets	(7,616,362)	(5,187,609)	(11,418,581)	(8,905,200)
Net liability / (asset)	(907,123)	1,493,834	582,399	2,712,274

Note: Assets are not recognised in the Balance Sheet

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

28 EMPLOYEE BENEFITS (Continued)

b) The amounts recognised in the statement of profit and loss are as follows : (In Rupees)

Particulars	Leave Encashment		Gratuity Plan	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Current service cost	521,003	980,369	107,497	1,618,442
Interest Cost	530,280	360,166	852,980	716,209
Less: Expected return on plan assets	(564,913)	(442,896)	(858,233)	(708,256)
Actuarial losses/(gains)	(965,606)	859,646	478,674	1,598,412
Past service cost	-	-	-	-
Effect of any curtailment or settlement	-	-	-	-
Actuarial gain not recognised in books	-	-	-	-
Total included in "Employee benefit expenses"	(479,236)	1,757,285	580,918	3,224,807
Actual Return on Plan assets	614,985	422,089	1,750,513	(382,307)

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

(In Rupees)

Particulars	Leave Encashment		Gratuity Plan	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Balance of the present value of defined benefit obligation as at the beginning of the year	6,681,443	4,502,070	11,617,474	9,123,550
Add: Current service cost	521,003	980,369	107,497	1,618,442
Add: Interest Cost	530,280	360,166	852,980	716,209
Add: Contributions by plan partners, viz.				
i) Employer	-	-	-	-
ii) Employee	-	-	-	-
Add / Less : Actuarial losses / (gains)	(915,534)	838,838	1,370,953	507,850
Less: Benefits paid	(107,953)	-	(1,947,924)	(348,577)
Add: Past service cost	-	-	-	-
Balance of the present value of Defined benefit obligation as at the end of the year	6,709,239	6,681,443	12,000,980	11,617,474

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

(In Rupees)

Particulars	Leave Encashment		Gratuity Plan	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Opening balance of the fair value of the plan assets as at the start of the year:	5,187,609	4,759,274	8,905,200	6,096,689
Add: Expected return on plan assets	564,913	442,896	858,233	708,256
Add/(less) : Actuarial gains/(losses)	50,072	(20,807)	892,280	(1,090,563)
Add: Contribution by the employer	1,921,721	6,246	2,710,792	3,539,395
Less : Benefits paid during the year	(107,953)	-	(1,947,924)	(348,577)
Closing balance of the fair value of the plan assets as at the end of the year	7,616,362	5,187,609	11,418,581	8,905,200



NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

28 Employee Benefits (Continued)

- 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	2012-13	2011-12
Discount rate as at year end	8.00%	8.00%
Expected return on plan assets as at year end	9.30%	8.00%
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 : LIC 94 -96 rates

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.

(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. 3,494,487/- (previous year Rs. 3,390,271/-)

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	2012-2013 Rupees	2011 - 2012 Rupees
Overseas	2,629,881,040	2,317,216,100
Domestic	277,916,423	368,075,170
Total revenue	2,907,797,463	2,685,291,270

- (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 (a) Domestic and (b) Overseas. The secondary segment information has been disclosed accordingly.

(b) Reportable segments

Reportable segments have been identified as per the criteria specified in Accounting Standard (AS) 17 - "Segment Reporting"

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

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

(i) Names of related parties and related party relationship

(a) Related parties where control exists

1. HBL Power Systems Limited - Ultimate Holding Company
2. Agile Electric Sub Assembly Private Limited - Holding Company [Refer Note 2 (c)]

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

1. HBL Power Systems Limited - Ultimate Holding Company
2. Agile Electric Sub Assembly Private Limited - Holding Company [Refer Note 2 (c)]
3. Bosch Electrical Drives India Private Limited - Associate Company till 29.03.2012
4. Mr. P. Mukund, Managing Director - Key Management Personnel

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

(Rupees)

Sl No	Nature of relationship / transaction	Ultimate Holding Company	Holding Company	Associate	Key Management Personnel	Other Related Parties	Total
1	Purchase of goods	-	359,185,322 (344,796,243)	-	-	-	359,185,322 (344,796,243)
2	Sale of goods	- (4,198,433)	246,020,247 (346,372,714)	- (41,690,743)	-	-	246,020,247 (392,261,890)
3	Other services received	-	1,422,708 -	-	-	-	1,422,708 -
4	Purchase of fixed assets	-	111,283,930 (47,289,716)	-	-	-	111,283,930 (47,289,716)
5	Sale of fixed assets	-	24,703,951 (413,264)	-	-	-	24,703,951 (413,264)
6	Sale of product development expenditure	-	7,056,207 -	-	-	-	7,056,207 -
7	Inter corporate deposits given	-	205,000,000 -	-	-	-	205,000,000 -
8	Receipt of Inter corporate deposits given	-	23,000,000 (90,000,000)	-	-	-	23,000,000 (90,000,000)
9	Interest income	-	11,085,042 (2,734,426)	-	-	-	11,085,042 (2,734,426)
10	Reimbursement of expenses received	-	30,361,585 (23,124,106)	-	-	-	30,361,585 (23,124,106)
11	Reimbursement of expenses paid	-	5,002,062 (3,242,010)	-	-	-	5,002,062 (3,242,010)
12	Remuneration to Managing Director	-	-	-	7,299,268 (7,192,886)	-	7,299,268 (7,192,886)



NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(iii) Amount due to / from related parties

(Rupees)

Sl no.	Nature of relation ship/ transaction	Ultimate Holding Company	Holding Company	Associates	Key Management Personnel	Other Related Parties	Total
1	Dues from Related Parties	- (3,519,017)	56,942,693 (375,477,493)	- (18,295,019)	- -	- -	56,942,693 (397,291,529)
2	Dues to Related Parties	- -	44,514,822 (91,917,153)	- -	318,752 (2,440,000)	- -	44,833,574 (94,357,153)
3	Inter corporate deposits receivable	- -	182,000,000 -	- -	- -	- -	182,000,000 -

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

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

31 LEASES

(a) Finance Lease:

- The company has acquired certain plant and machinery on finance lease. The lease has a primary period which is fixed and non-cancellable. There are no exceptional /restrictive covenants in the lease agreements.
- The minimum lease payments and the present value of minimum lease payments in respect of assets acquired under finance lease as at March 31, 2013 is as follows:

(Rupees)

Sl no.	Particulars	Minimum Lease payments		Present value of Minimum Lease payments	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
1	Payable not later than 1 year	13,816,708	13,816,708	9,945,806	9,077,184
2	Payable later than 1 year and not later than five years	41,654,069	55,470,778	36,716,340	46,662,146
3	Payable later than five years	-	-	-	-
	Total	55,470,777	69,287,486	46,662,146	55,739,330
	Less: Future finance charges	8,808,631	13,548,156	-	-
	Present Value of Minimum Lease payable	46,662,146	55,739,330	-	-

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

(b) Operating Lease:

- The Company has taken certain premises and cars on cancellable operating lease. These leases agreements are normally renewed on expiry. Amount paid toward these leases are included in selling, administration and other expenses. There are no exceptional / restrictive covenants in these lease agreements.
- Lease rentals charged to the Statement of Profit and Loss for the year is Rs.1,851,026/- (previous year Rs.1,717,324/-).
- Contingent rent recognised Rs. Nil (previous year Rs.Nil).

Igarashi Motors India Limited

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

		2012-13	2011-12
Basic			
(a) Profit after tax as per Statement of Profit and Loss	Rs.	213,556,475	165,413,748
(b) Number of equity shares outstanding		20,419,382	20,394,382
(c) Weighted average number of equity shares outstanding	Nos	20,417,807	20,385,256
Basic EPS [(a) / (c)]	Rs.	10.46	8.11
Diluted			
(a) Profit after tax as per Statement of Profit and Loss	Rs.	213,556,475	165,413,748
(b) Weighted average number of equity shares outstanding	Nos	20,417,807	20,385,256
(c) Add: Weighted average number of potential equity shares on account of employee stock options	Nos	416,929	35,051
(d) Weighted average number of equity shares outstanding for diluted EPS [(b) + (c)]	Nos	20,834,736	20,420,307
Diluted EPS [(a) / (d)]	Rs.	10.25	8.10
Face value of an equity share	Rs.	10.00	10.00

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

L. Vaidyanathan

Partner
Membership No. 16368
Place: Chennai / Mumbai
Date : May 23, 2013

P. Mukund
Managing Director

Keiichi Igarashi
Director

R. Chandrasekaran
Head - Finance

K.K. Nohria
Chairman

Jacob Mathew
Director

M.S.S. Srinath
Director

P. Dinakara Babu
Company Secretary

K. Igarashi
Director

G.N. Mani
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	2012 - 13		2011 -12	
	Rupees	Rupees	Rupees	Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		293,579,993		177,662,631
Adjustments for:				
Depreciation, amortisation and obsolescence	133,657,130		111,938,595	
Loss / (profit) on sale of fixed assets (net)	57,007		(131,196)	
Amortisation of employee stock option expenses	654,679		12,154,530	
Interest expenses	87,297,766		103,077,488	
Interest income	(14,037,695)		(5,313,201)	
		<u>207,628,887</u>		<u>221,726,216</u>
Operating profit before working capital changes		501,208,880		399,388,847
Adjustments for				
(Increase) / decrease in trade receivables	(50,756,690)		(267,278,678)	
(Increase) / decrease in loans and advances	211,082,384		78,921,411	
(Increase) / decrease in inventories	(58,058,397)		18,550,981	
Increase / (decrease) in trade and other payables	7,580,941		8,788,844	
		<u>109,848,238</u>		<u>(161,017,442)</u>
Cash generated from operations		611,057,118		238,371,405
Less: Direct taxes paid		50,497,723		-
Net cash from operating activities (A)		<u>560,559,395</u>		<u>238,371,405</u>
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(283,346,415)		(382,734,993)
Sale of fixed assets		31,784,355		8,657,675
Interest received		14,037,695		5,313,201
Net cash from / (used in) investing activities (B)		<u>(237,524,365)</u>		<u>(368,764,117)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital		1,003,750		803,000
Intercompany deposits placed with holding company		(205,000,000)		-
Intercompany deposits repaid by holding company		23,000,000		-
Proceeds from borrowings		135,256,800		274,384,833
Repayment of borrowings		(197,190,000)		(39,946,079)
Interest paid		(86,948,334)		(103,785,001)
Net cash from / (used in) financing activities (C)		<u>(329,877,784)</u>		<u>131,456,753</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(6,842,754)		1,064,041
Cash and cash equivalents as at the beginning of the year		27,523,948		26,459,907
Cash and cash equivalents as at the end of the year		<u>20,681,194</u>		<u>27,523,948</u>

Igarashi Motors India Limited

Cash flow statement for the year ended March 31, 2013 (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.
 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

L. Vaidyanathan

Partner

Membership No. 16368

Place: Chennai / Mumbai

Date : May 23, 2013

P. Mukund
Managing Director

K.K. Nohria
Chairman

K. Igarashi
Director

Keiichi Igarashi
Director

Jacob Mathew
Director

M.S.S. Srinath
Director

G.N. Mani
Director

R. Chandrasekaran
Head - Finance

P. Dinakara Babu
Company Secretary



IGARASHI MOTORS INIDA LIMITED

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

ATTENDANCE SLIP

To be completed and handed over at the entrance of the Meeting Hall

..... Name of attending member (in Block Letters) Folio No DP ID & Client ID No.
..... Name of Proxy (in Block Letters) (To be filled if the Proxy attends instead of the member)		

No. of Shares held :

I hereby record my presence at the 21st Annual General Meeting of the Company held at the Music Academy, Mini Hall, 306, T.T.K. Road, Chennai – 600 014 at 3.00 P.M. on Monday, 23rd September, 2013.

Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

For Office Use.



IGARASHI MOTORS INIDA LIMITED

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

PROXY FORM

DP Id & Client ID : _____

Folio No : _____

I/we

ofbeing a member /members of the above named
Company, hereby appoint

or.....failing him/her

as my /our Proxy to vote for me /us on my/our behalf at the 21st Annual General Meeting of the Company
to be held at the Music Academy, Mini Hall, 306, T.T.K. Road, Chennai – 600 014 at 3.00 P.M. on Monday,
23rd September, 2013 and at any adjournment thereof.

Member Signature : _____

Signature of the Proxy : _____

Signed thisday of2013

Note : Proxy forms must reach the Company's Registered Office not less than 48 hours before the meeting.

<p>Affix a Re. 1 Rev. Stamp</p>







Igarashi Motors India Limited

Plot no. B-12 To B-15, Phase II,
MEPZ - SEZ, Chennai - 600 045. INDIA.
Phone: 42298199, 22628199
Fax: 91-44-22628143.

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	IGARASHI MOTORS INDIA LIMITED
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	None
5.	To be signed by-	
	Mr. P. Mukund Managing Director	
	Mr. R. Chandrasekaran Head - Finance	
	Auditor of the company Mr.L. Vaidyanathan Partner Membership No. 16368 For SHARP & TANNAN , Chartered Accountants Firm's Registration No.003792S	
	Mr.Srinivasan Ravindran Audit Committee Chairman	

///CERTIFIED TRUE COPY//

IGARASHI MOTORS INDIA LIMITED



P.DINAKARA BABU
COMPANY SECRETARY