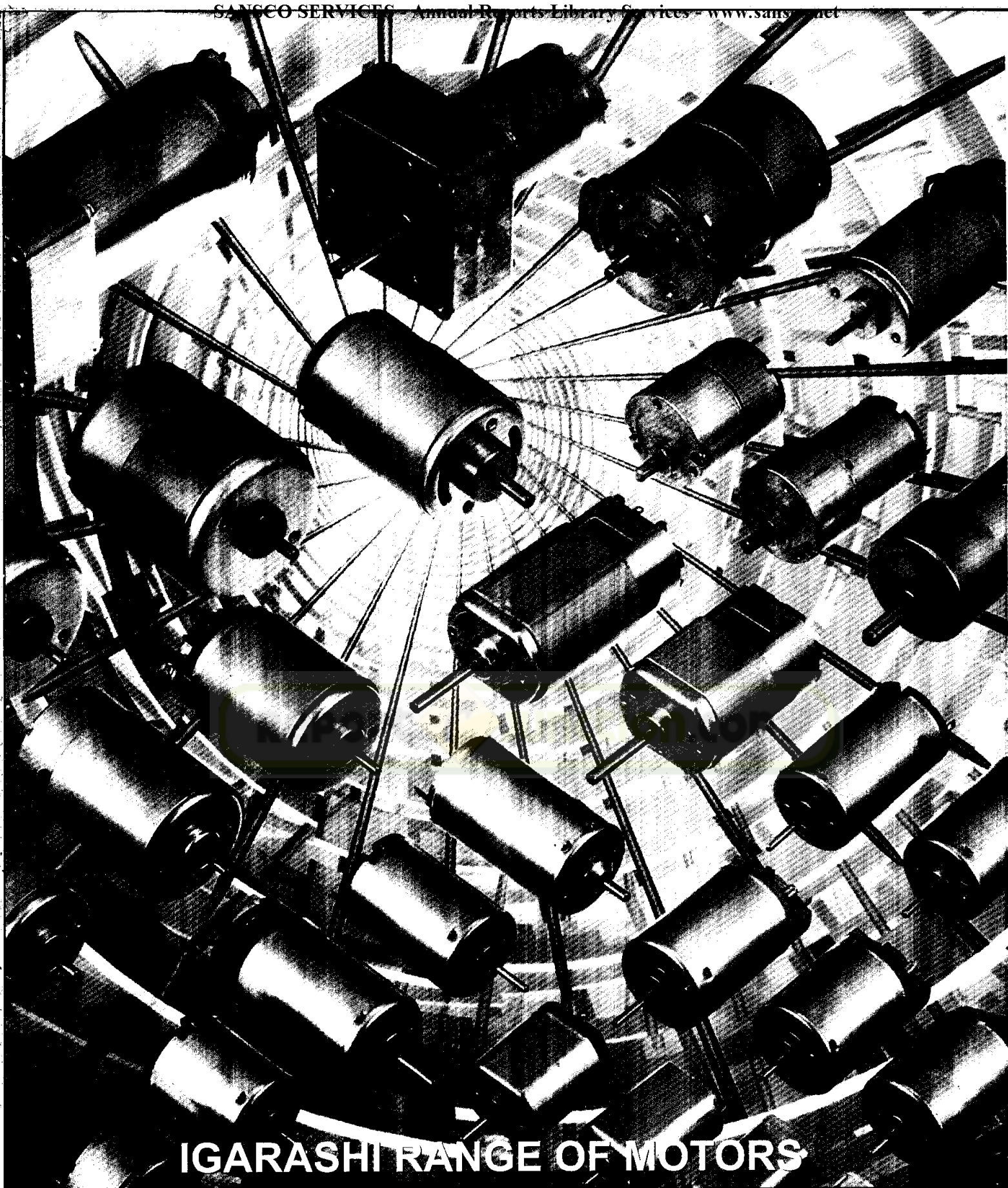




**CG IGARASHI MOTORS LTD.**

**9<sup>th</sup>** ANNUAL REPORT 2000-2001



## IGARASHI RANGE OF MOTORS

| Automotive motors | Motors for use in office automation equipment | Household electrical appliance motors | Motors for use in power tools and electric reels |
|-------------------|---|---------------------------------------|--|
|                   |   |                                       |  |



**CG Igarashi Motors Limited**

**BOARD OF DIRECTORS**

K.K. NOHRIA (CHAIRMAN)

K. IGARASHI

C.P. DUSAD

G.N. MANI

T. IGARASHI

S. GUMASTE

**MANAGING DIRECTOR**

P. MUKUND

**AUDITORS**

SHARP & TANNAN

**BANKERS**

ABN AMRO BANK NV

ICICI BANK LTD.

THE BANK OF TOKYO - MITSUBISHI, LTD.

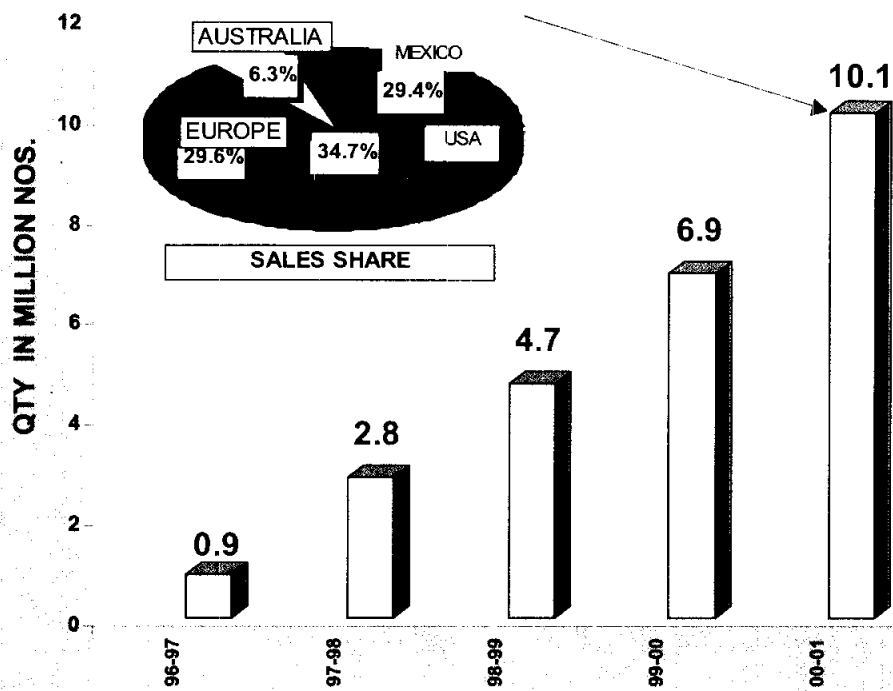
BANK OF BARODA

**REGISTERED OFFICE & FACTORY**

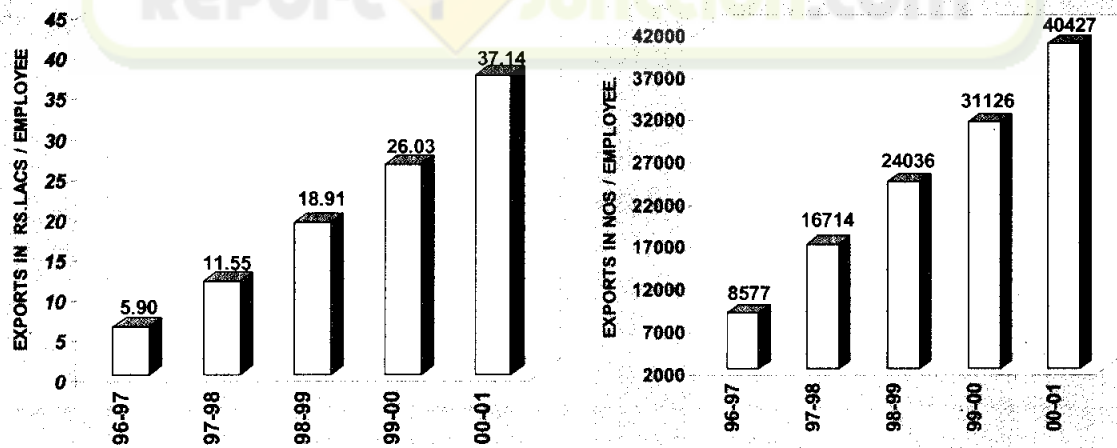
PLOTS NO.B-12 TO B-15, PHASE II  
MADRAS EXPORT PROCESSING ZONE  
TAMBARAM, CHENNAI - 600 045.

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

SALES QUANTITY IN MILLION NOS.



PEOPLE COMPETENCE





## **CG Igarashi Motors Limited**

### ***From the Chairman's desk...***

Continuously improving Competitiveness is the only key to survival in any Industry. Intense realisation prompted your Company to benchmark Globally to enhance Competitiveness. Aggressive proposals identified in areas of improving capital productivity – both Human and Money have been implemented over the past three years which enabled your Company to align itself to meet the changing requirements of the Global Market segments, especially in Automotive.

The Global Automotive industry is today defined with over capacity, falling OEM demand, rationalising, downsizing and intensified cross border competition. In this industry where Global Majors are hunting for continuous cost reduction of 8% per year, your Company has demonstrated such capabilities.

Reviewing the above, your Board of Directors opine that Strategic positioning of your Company as a Potential Contract Manufacturer for Large Global Corporations would be an appropriate direction for your Company's future.

While the Internal Operating Efficiencies are planned to continue with further momentum, I may mention that we are continuously reviewing our Supply base to support the Strategic Direction.

I believe, with good orchestration of the above, growth should be a continuous process, albeit tempered in the coming two years. This would facilitate your Company to Deliver Good Value to Large Global Customers. As is well known, Global Business games are not without risks as with opportunities, your continuous valuable support will enable your Company's capable team to keep bettering Shareholder Value.

**K.K. NOHRIA**  
Chairman

## ***CG Igarashi Motors Limited***

### **NOTICE**

Notice is hereby given that the **Ninth Annual General Meeting** of the members of CG IGARASHI MOTORS LIMITED will be held on Monday, 11<sup>th</sup> June, 2001, at 3.00 p.m., at The **Mini Hall, The Music Academy**, 306, T.T.K. Road, Chennai 600 014 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive and adopt the audited Profit and Loss Account for the year ended 31st March 2001 and the Balance Sheet as at that date together with the Directors' Report and Auditors' Report thereon.
2. To Declare Dividend.
3. To Appoint a Director in place of Mr K.K.Nohria who retires by rotation, and being eligible, offers himself for re-appointment.
4. To Appoint a Director in place of Mr.K.Igarashi who retires by rotation and being eligible, offers himself for re-appointment.
5. To Appoint Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

On behalf of the Board of Directors  
For **CG IGARASHI MOTORS LIMITED**

Place : Chennai  
Date : 25th April, 2001

**S.BHASKAR**  
Secretary

### **NOTES :**

- 1) A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on a poll and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
- 2) The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 1st June, 2001 to Monday, 11th June 2001 both days inclusive.
- 3) Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- 4) Members are requested to notify Change in address, if any, in case of shares held in Electronic form to the concerned Depository participant quoting their ID No. and in case of physical shares to the Registered office of the Company.



## DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2001

Your Directors present their Ninth Annual Report and the Audited Statement of Accounts for the year ended 31st March 2001

| <b>FINANCIAL RESULTS</b>  | <b>2000-01</b> | <b>1999-00</b> |
|---|----------------|----------------|
|   | <b>Rs Lacs</b> | <b>Rs Lacs</b> |
| Profit / (Loss) before Depreciation and Miscellaneous Expenditure Written off | <b>1130.76</b> | 700.79         |
| Less : Depreciation & Miscellaneous Expenditure Written off                   | <b>302.70</b>  | 190.06         |
| Net Profit/(Loss)   | <b>828.06</b>  | 510.73         |

### RESERVES

The Reserves at the beginning of the year stood at Rs.477.86 Lacs. After considering the proposed transfers for the current year, the total reserves as at 31st March 2001 are Rs.1043.65 Lacs.

### DIVIDEND

Your Directors are pleased to recommend a dividend of 20% for the year ended 31st March 2001.

### EXPORTS

By pursuing an Aggressive Pricing and Rapid Capacity Expansion Strategy built around continuously improving Global Manufacturing Efficiencies, your Company has increased the Export income to Rs.9278 Lacs compared to Rs.5752 lacs during the previous year, representing a growth of 61% over the previous year.

Increased Sales of New Products introduced last year to USA and Mexico markets has been the primary contributors to the growth.

Your Company has added capacity of 2.5 million pcs progressively during the year, which facilitated in increasing the volume of exports to 10.10 million units as compared to 6.7 million units of the previous year.

### OUTLOOK

While there is a visible recession occurring in the countries to which your Company has been exporting, resulting in continued pressure on price, the Strategy being adopted during the following year will much be revolving around gaining market share in a shrinking market through aggressive pricing strategy and better customer service in logistics and product performance.

In the year when the market looks tough, your Company will be embarking on identifying new product and market opportunities, gain market share in existing business and reinforce the Internal Efficiencies and Productivities of the Company's operations.

Supply Chain efficiency is also being viewed seriously for reduction in cost of the parts and raw materials purchased.

It is estimated that with good orchestration of the above, your Company should continue its growth, albeit at a more tempered rate than before.

## ***CG Igarashi Motors Limited***

### **QUALITY AND ENVIRONMENT**

During the year, your Company has intensified the efforts on Improving Quality Systems and Environment as these two are perceived as important tools to gain a Competitive edge.

QS 9000 System surveillance continues to indicate that your Company's Quality systems are ameliorating and during the year 2001/02, we propose to go for environmental certification too.

### **PERSONNEL**

The primary factor for continued growth in your Company's performance is due to the constantly improving Human Resource Skills and Productivities of employees, causing better capability levels to address Larger Markets with more advanced Technologies. This should enable your Company to overcome recessionary effects of the Markets too.

The Board of Directors wish to place on record their sincere appreciation to all the employees of the Company and believe that this strength will be the building block of the Future of your Company.

During the year none of the employees received remuneration in excess of limits set out under section 217(2A) of the Companies Act, 1956.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the prescribed format as an annexure to this report.

### **DEPOSITS**

The Company has not invited or accepted any deposits from the public during the year.

### **DIRECTORATE**

Mr K.K.Nohria and Mr.K.Igarashi retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment to the Board.

### **CORPORATE GOVERNANCE**

To ensure transparency and better governance, the Securities and Exchange Board of India (SEBI) has introduced a Comprehensive code on Corporate Governance. The code of Corporate Governance will be applicable to the Companies based on the Capital Structure of the Company. Accordingly the code of Corporate Governance will be applicable to your Company from 2001-02 based on the Capital Structure of your Company.

However, your Company has formed the Audit Committee, Shareholder Committee in Pursuant to Clause 49 of the Listing Agreement and both the Committees have met once during the year 2000-01.

### **AUDITORS**

The Company's Auditors, Sharp & Tannan, hold office upto the conclusion of the forthcoming Annual General meeting and being eligible, are recommended for re-appointment on terms to be negotiated by the Board of





Directors. They have furnished the requisite certificate to the effect that their re-appointment, if effected would be in accordance with section 224(1B) of the Companies Act, 1956.

#### **LISTING ARRANGEMENTS**

Your Company 's Shares are listed on the Madras, Mumbai, Delhi Stock Exchanges and the necessary listing fees have been paid upto date to Madras and Mumbai stock exchanges. Evaluation of the Delisting proposal of the Company's shares in DSE had delayed the payment of Listing fee for the DSE which has been paid in April 2001.

#### **DEMATING OF SHARES**

In view of the Compulsory Dematerialisation of Shares, 50% of the Equity Shares of your Company are in dematerialised form as on 31st March 2001.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

As per Section 217(2AA) of the Companies Amendment Act 2000, your Company has complied with all the following requirement set out in the said provision.

- a) Annual Accounts are prepared as per the applicable Accounting Standards with explanation relating to material departures, if any.
- b) Selection of accounting policies and consistency in their application and judgement and estimates are reasonable and prudent so as to give true and fair view.
- c) Proper care has been taken for maintenance of adequate accounting records to safeguard the assets of the Company and detection of frauds and irregularities.
- d) Accounts are prepared on a going concern basis.

On behalf of the Board of Directors  
For **CG IGARASHI MOTORS LIMITED**

Place : Chennai  
Date : 25th April, 2001

**K.K.NOHRIA**  
Chairman