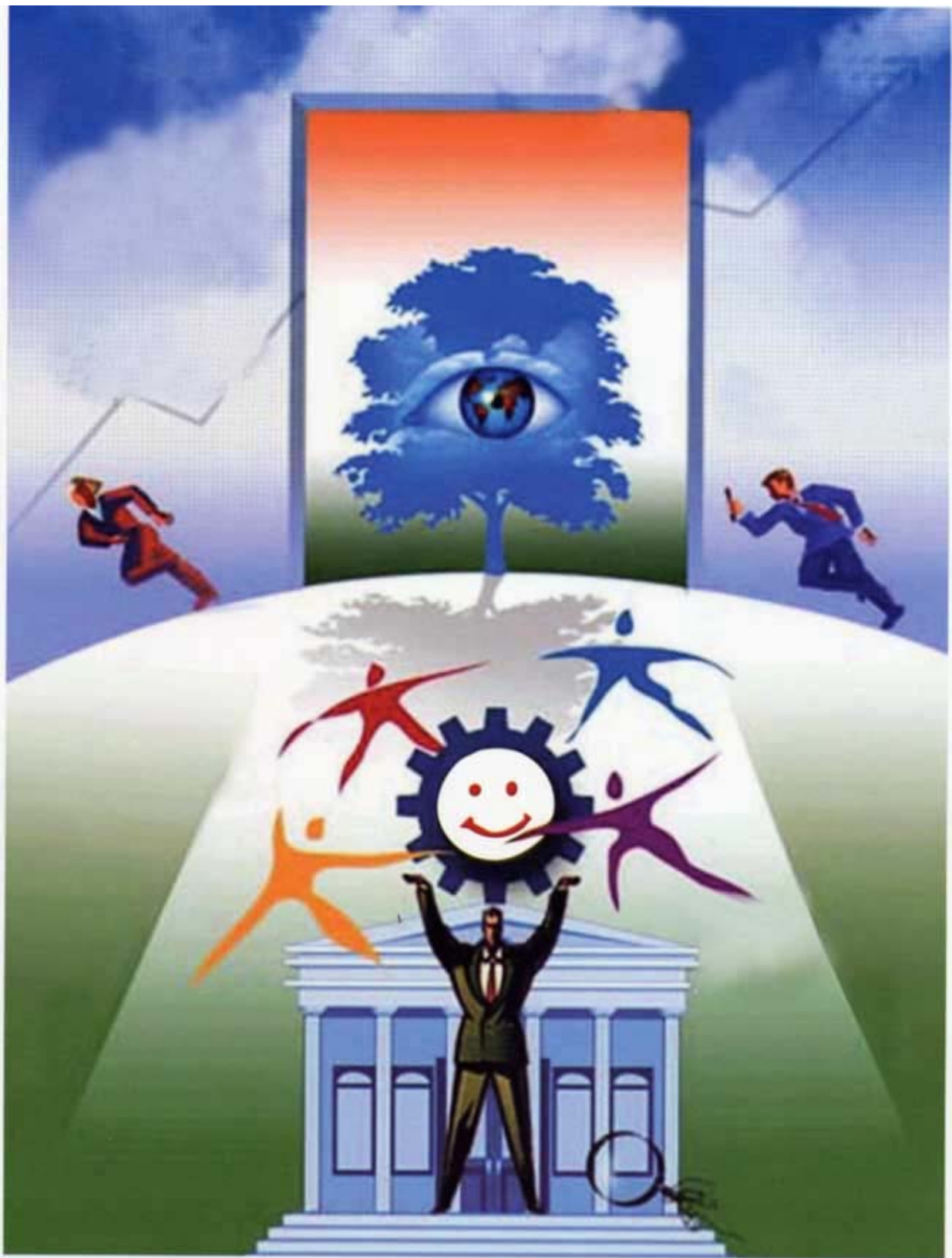




IGARASHI MOTORS INDIA LTD.

20th ANNUAL REPORT

2011 - 2012



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
A.J. PRASAD
KAVITA PRASAD
M.S.S. SRINATH
JACOB MATHEW

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

STATE BANK OF INDIA
ICICI BANK LIMITED

REGISTERED OFFICE & FACTORY

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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From the Chairman's desk.....

Dear Shareholders,

I am very happy to share with you that my optimism of last year has come true.

Your Company has delivered excellent results for the year 2011-12. Both Sales and Profitability have improved nicely.

This has been possible due to:-

1. Continued confidence shown by your Customers in your Company,
2. Your management being freed from day to day anxieties of Cash Flow,
3. Continuous drive for productivity enhancement,
4. Cost Control and Waste Elimination measures being pursued in your Company,

I believe, we can now look forward to better days with confidence.

Your Company continues to enjoy good demand for its products and services. It is becoming a significant global player in some of its chosen fields. It also remains a low cost, high Quality manufacturer.

Our association with HBL has proved very useful as we now enjoy the benefit of Wise Counsel of seasoned and successful Industrialists.

I would like you to join me in Complimenting your Company's team for their dedication and commitment.

I remain, as always, grateful to you - our dear shareholders for the confidence and patience displayed by you. I feel you will be fully rewarded in the years ahead.

With Kind regards,



K.K. Nohria
Chairman



NOTICE

NOTICE IS HEREBY GIVEN THAT The Twentieth Annual General Meeting of Igarashi Motors India Limited will be held on Saturday, the September 15, 2012, 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 2012, the Statement of Profit and Loss for the year ended 31st March 2012 and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. K.K. Nohria who retires at this meeting and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Jacob Mathew 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.

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

Place : Chennai
Date : July 26, 2012

P. Dinakara Babu
Company Secretary

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 10, 2012 to September 15, 2012 (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 Number and in case of physical shares to the Registered office of the Company.

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 2004-2005 remaining un-claimed for 7 years from the date of declaration will be transferred to the Investor Education and Protection Fund established by the Government of India pursuant to Section 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 2005-06, 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 31st, 2012, over 98% of our Company's Shares are 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 update their bank accounts with the respective Depository Participants.



DIRECTORS' REPORT

To

The Shareholders,

Your Directors present their Twentieth Annual Report of your Company, together with the Audited Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS

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

	(Rs. in Lakhs)	
Particulars	2011-12	2010-11
Manufacturing Sales	25,986.24	18,566.26
Trading Sales	866.67	1,110.01
Total Sales	26,852.91	19,676.27
Add : Other Income	103.79	40.84
Total Income	26,956.71	19,717.11
Less :		
(i) Materials & Manufacturing Expenses	18,173.65	13,852.29
(ii) Value Addition Cost	5,887.04	4,104.89
Profit before Depreciation, Amortization & Obsolescence	2,896.01	1,759.93
Less :		
(i) Depreciation, Amortization & Obsolescence Expenses	1,119.39	1,053.26
Profit Before Tax	1,776.62	706.67

OPERATIONS

Your Company achieved impressive topline growth during the year under review with total income at Rs. 26,956.71 Lakhs. The Operating profit before depreciation, amortization and obsolescence amounted to Rs. 2,896.01 Lakhs. Profit before Tax amounts to Rs. 1,776.62 Lakhs. Your Company managed the Operations to post a Sales growth of 36% and an EBIDTA Growth of 50 %.

The Management Discussion report details steps taken in this area .

DIVIDEND

Your Directors recommend no payment of Dividend to their shareholders for the year under review .

Igarashi Motors India Limited

RESERVES

The Reserves at the end of the year 31st March, 2012 is at Rs. 8,082.18 Lakhs as against the Total Reserves of Rs. 6,300.47 Lakhs as at 31st March, 2011.

DIRECTORS

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

The brief resume/details relating to Directors being 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.

On April 24th 2012, Mr. T. Igarashi and Mr. C. P. Dusad resigned as Directors. Your Directors wish to place on record their appreciation of the contribution of these Directors.

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.

During the year, the company allotted 10,000 Equity shares each to Mr. G.N. Mani and Mr. C.P. Dusad pursuant to exercise of options under the ESOP Scheme 2006.

Besides this, your Company granted 2,35,700 Stock Options during the current year. Of these, 2,10,700 options granted to Mr. P. Mukund, Managing Director and 25,000 options granted to Mr. K.K. Nohria under ESOP Scheme 2006.

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.