



IGARASHI MOTORS INDIA LTD.

22ND ANNUAL REPORT

2013 - 2014



OUR PHILOSOPHY ON CORPORATE GOVERNANCE



MISSION TO ENHANCE
CUSTOMERS
COMPETITIVENESS



GLOBAL VISION
THROUGH INDIAN DOORWAY



WEALTH FOR ALL
PARTNERS THROUGH
THE WHEEL OF ENGINEERING



TRANSPARENCY
AND COMPLIANCE



Igarashi Motors India Limited

BOARD OF DIRECTORS

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

MANAGING DIRECTOR

P.MUKUND

CHIEF FINANCIAL OFFICER

R.CHANDRASEKARAN

COMPANY SECRETARY

P.DINAKARA BABU

AUDITORS

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

BANKERS

AXIS BANK
STATE BANK OF INDIA

REGISTERED OFFICE

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

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

PAST 5 YEARS PERFORMANCE SUMMARY

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

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



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NOTICE

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

ORDINARY BUSINESS

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

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

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

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Amit Dixit (DIN: 01798942) a Director who was appointed as an Additional Director of the Company by the Board with effect from February 13, 2014 and who holds office until the date of AGM, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Amit Dixit as a candidate for the office of a Director of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Hemant Madhusudan Nerurkar (DIN: 00265887) a Director who was appointed as an Additional Director of the Company by the Board with effect from June 23, 2014 and who holds office until the date of AGM, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Hemant Madhusudan Nerurkar as a candidate for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term upto July 29, 2017, not liable to retire by rotation."

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

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. S. Radhakrishnan (DIN: 01246033) a Director who was appointed as an Additional Director of the Company by the Board with effect from June 23, 2014 and who holds office until the date of AGM, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. S. Radhakrishnan as a candidate for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years until July 29, 2017, not liable to retire by rotation.”

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

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

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

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

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

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

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

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



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

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

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

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

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

Place : Chennai
Date : June 23, 2014

P. Dinakara Babu
Company Secretary

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

Notes:

- The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special business set out in the Notice is Annexed
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICER OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

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A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

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

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