

IMIL/SE/AR23/0723

July 15, 2023

**By Online Submission**

**Bombay Stock Exchange Limited**  
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Rotunda Building, P J Towers,  
Dalal Street, Fort,  
**Mumbai 400 001**  
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Stock Code : 517380

**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor ,Plot No.C/1,  
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**Mumbai 400 051**  
Email [cm1ist@nse.co.in]  
Stock Code : IGARASHI

**Attn: Compliance Department**

Dear Sir/Madam,

**Sub: Notice of 31<sup>st</sup> Annual General Meeting and Annual Report for the Financial Year 2022-23– reg. Ref: SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023; Regulation 30 and 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

Pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening 31<sup>st</sup> Annual General Meeting and the Annual Report for the financial year 2022-23 which will be circulated to the shareholders through electronic mode. The 31<sup>st</sup> AGM will be held on **Wednesday, August 09, 2023 at 02.30 P.M. (IST)** through Video Conference (VC) / Other Audio Visual Means (OAVM).

The Notice and the Annual Report will be made available on the Company's website at <https://www.igarashimotors.com/investor-list.php?invescatid=17>

The schedule of AGM is as set out below:

<b>Particulars</b>	<b>Details</b>
Benpos Date for Sending Notice	July 07, 2023
Date of 31 <sup>st</sup> AGM Notice and Annual Report 2022-23 circulated to Shareholders through e-mail	July 15, 2023
Cut Off Date (e-Voting)	July 31, 2023
Remote e-Voting Start Date	August 05, 2023
Remote e-Voting Start Time	9:00 A.M. (IST)
Remote e-Voting End Date	August 08, 2023
Remote e-Voting End Time	5:00 P.M. (IST)
Date of AGM	August 09, 2023
AGM Start Time	02:30 P.M. (IST)
AGM e-voting Result Date	Within 2 working days from the date of AGM

This is for your information and records.

Thanking you.

Yours faithfully,  
**For Igarashi Motors India Limited**

**P Dinakara Babu**  
**Company Secretary**

Encl: As stated above

**IGARASHI MOTORS INDIA LIMITED**

Reg. Off & Plant 1: Plot B12 to B15, Phase II, MEPZ-SEZ, Tambaram, Chennai- 600 045, India

CIN : L29142TN1992PLC021997, e-mail: [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in),

Website: [www.igarashimotors.com](http://www.igarashimotors.com) Tell: +91-44-42298199/22628199

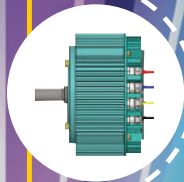


**IGARASHI**  
MOTORS INDIA LTD.



# RISING TO THE OPPORTUNITIES OF TOMORROW

31<sup>st</sup> Annual Report  
2022-23



# What's Inside

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### Forward-looking statement

The information and opinions contained in this document do not constitute an offer to buy any of Igarashi Motors India Ltd.'s securities, businesses, products, or services. The document might contain forward-looking statements qualified by words such as 'expect', 'plan', 'estimate', 'believe', 'project', 'intends', 'exploit', and 'anticipates', that we believe to be true at the time of preparation of the document. The actual events may differ from those anticipated in these statements because of risk, and uncertainty of the validity of our assumptions. Igarashi Motors India Ltd. does not take on any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

For more details, please visit:  
<https://www.igarashimotors.com>





# Rising to the Opportunities of Tomorrow

Amidst the unprecedented challenges and uncertainties, there lie a plethora of opportunities. At Igarashi Motors, we intend to identify and seize the megatrends in the industry and drive sustained high growth and value-creation.

Being a prominent player in the global automotive Actuator market segment, we are all set to leverage our core competencies and strengthen our product portfolio with emerging technology offerings in broad-banding actuator applications besides Engine Air Management (ETC, EGR, VTG) to braking application (EPB, EVP and PLA) and vehicle body applications (TOCD). All these motors are technology-agnostic products being used in ICE, Hybrid and BEV car segments. We had a track record of more than 2 decades performance in TAM portfolio (ETC, EGR, VTG) globally and was able to penetrate into 4W and 2W (>150 CC) domestic market with 42% lead share. We have also successfully built traction motor for E2W/E3W application which were cleared by the customers for simulation interaction. The next phase of technical evaluation is under progress.

In respect of Comfort applications, we are leading to supply sub-assemblies such as brush holder assemblies for AHC (Seat) (Automated Height Control), stator and armature assemblies for WLM, carrier assemblies & armatures for FP, TPS cover assemblies for ETC (Electronic Throttle

Control) catering to both global and domestic customers. We embarked on water-pump & actuator sub-assemblies (stator and rotor assembly) in BLDC Technology for Coolant control hub (CCH) which is used for thermal management in ICE and BEV powertrain segments.


At the same time, we are deploying newer technologies and platforms for energy-efficient appliances to keep up with the evolving trends in FMEG market. So far, we had populated cumulatively > 1.60 Million BLDC solutions to Indian ceiling fan market. Our key FMEG marquee Customers collectively have market share >82% in the organised CFM market.

We have successfully navigated the challenges caused by the pandemic and consequent chip shortages impacting our customer schedules and are well placed to seize the emerging opportunities and strengthen growth prospects. Our consistent efforts to diversify product applications for both global and Indian automotive segments coupled with the deployment of newer technology platforms (such as FMEG) are likely to drive success.

## Igarashi Motors at a Glance

Igarashi Motors India Limited is engaged in the production and export of Permanent Magnet DC Motors for Air Management including Powertrain and seat applications and motor accessories mainly for the automotive sector. From a humble contract manufacturer in 1996, we ventured into the design and development of a critical automotive application in 2000. Since then, we have come a long way and today, are recognised as a leading global automotive market player in Actuator Motors.

Since 2020, our Company is engaged in energy-efficient BLDC motors for ceiling fans. We are the leading BLDC solutions provider in FMEG.



Strong parentage support, a well-built manufacturing infrastructure, and highly efficient processes, together with a skilled workforce form the backbone of the Company. Over the years, we have forged strong customer relationships and conducted business with leading global automotive players. Our state-of-the-art manufacturing facilities and logistic warehouses are located at MEPZ-SEZ, Chennai & Domestic Tariff Area Unit at Maraimalai Nagar.



### Our Vision

To be the supplier partner of choice for electric motors by global customers for selected niche applications in automotive as well as energy-efficient motors for consumer appliances.



### Our Mission

Build the required knowledge to manufacture the best product for customers' application needs and continuously provide solutions for customers' changing needs.

Ensuring products are of acceptable quality, value for money, manufacturing excellence and earn customers' goodwill.



> **525 Million**

DC Motors populated since 1996

**9**

Modern manufacturing units

**2**

Logistic warehouses

**669**

Dedicated employees

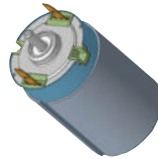


## Product Portfolio



### Expansion of Product Portfolio for various applications in 4W

We are continuing our efforts to adopt key products for various applications in the Automotive Segment namely in the areas of Engine, Turbo and Exhaust for both global and Indian market. Over the years, we have expanded from being purely in the ETC space to being a player in Air Management (EGR, WGA, VGT, CCV). We continued to hold lead position in Global TAM 4W market. With the adoption of BS-VI norms, we gained 42% domestic market by increasing supplies to Domestic Tier-1 Customers.



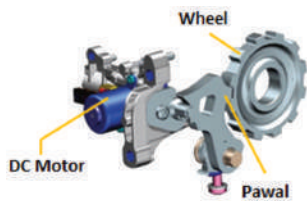
### Electric Parking Brake (EPB)

EPB is becoming increasingly common in new cars due to its feature-rich capabilities. EPB is a technology-agnostic application required for ICE/BEV. The Global Tier-1 customers of Igarashi Group have shown interest to shift sourcing of EPB to India. Our Program team is working on 10 programs with six (Global & Domestic) Tier-1 customers for launch during the year 2025.



### Trunk Opening and Closing Device (TOCD)

Igarashi Global leads TOCD motor applications in the global market. The Global Tier-1 customers of Igarashi Group have shown interest to shift sourcing TOCD. Our program team is working on commercial launch of two programs for two Global Tier-1 customers which is planned during FY2025.



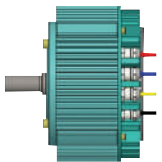
### Park Lock Actuators (PLA)

PLAs are fitted either to Internal Combustion Engine (ICE) vehicles with automatic transmission or to Battery Electric Vehicle (BEV). Park lock actuators to secure the vehicle against rolling away from parking and also hill assist mode. Our program team is working on 4 programs for Export Tier-1 Customers for launch during the year 2025.



### Energy-Efficient BLDC Motor for Consumer Appliance Segment

As a part of electric motors with energy-efficient appliances, we have launched the BLDC motor platform for consumer electrical appliances. Until FY2023, we have cumulatively populated around 1.6 Million with five models with 14 variants using the remote unit.



### EV Traction Motor Platform

A platform has also been developed for electric vehicle applications. We have successfully developed traction motors for E2W and E3W for ranges between 3.3 kW, 7.5 kW & 15 kW which were cleared by the customers for simulation interaction. The next phase of technical evaluation is under progress.



### ESDM (Electronic System Design & Manufacturing)

Our efforts in the past four years in Electric Motor Drivers and Controllers have given us the necessary base of engaging in new opportunities in the ESDM Space. So far, we have produced cumulatively 1.6 Million PCB solutions for Indian Customers. We had set-up a new EMS line high-speed dual lane EMS machines to meet the growing Indian customer demand.





## Our Customers

Our clientele includes some of the most esteemed and pioneering players in India and abroad as under:

### Automotive (Global & Domestic)

### Non-Automotive Electrical Consumer Durable in FMEG

All names, images and logos are copyright of their respective owners.

## One Igarashi Program

Through the extensive 'One Igarashi' program, we facilitated global integration of all the functions and locations of Igarashi Group to harmonise and complement one another for the future. Significant progress has been achieved over the last few years to integrate the technology teams, customer program teams, manufacturing teams and sourcing teams to enhance productivity and efficiency across the global Igarashi value streams.

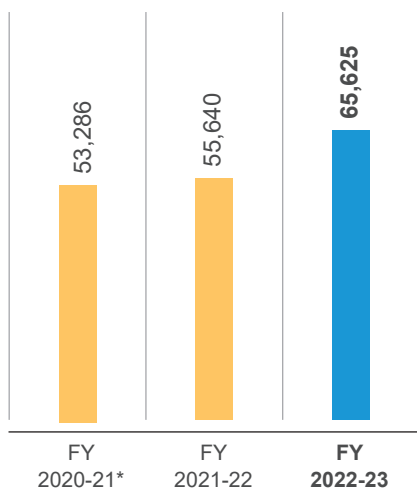
## One Igarashi



# Financial Highlights

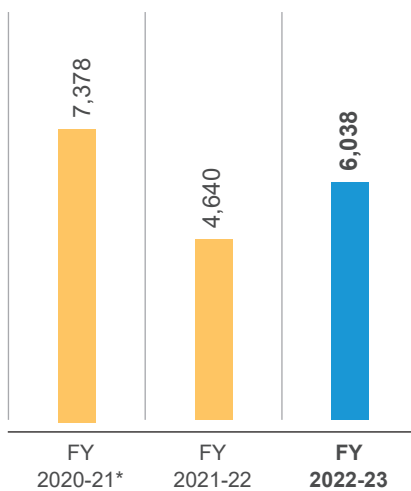
## Revenue from Operations

(₹ in Lakhs)



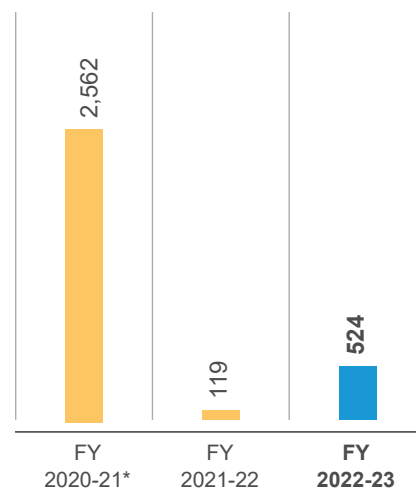
## Operating Profit

(₹ in Lakhs)



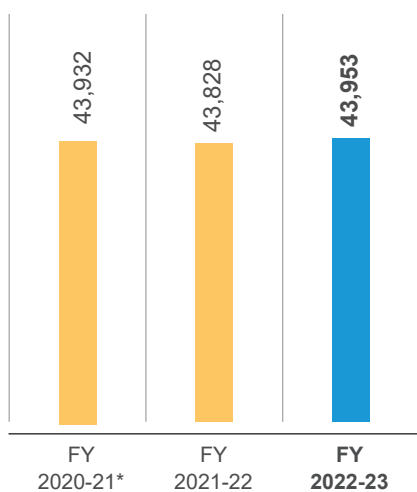
## Net Profit

(₹ in Lakhs)



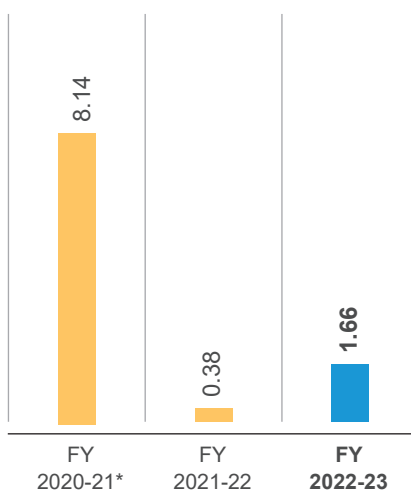
## Net Worth

(₹ in Lakhs)



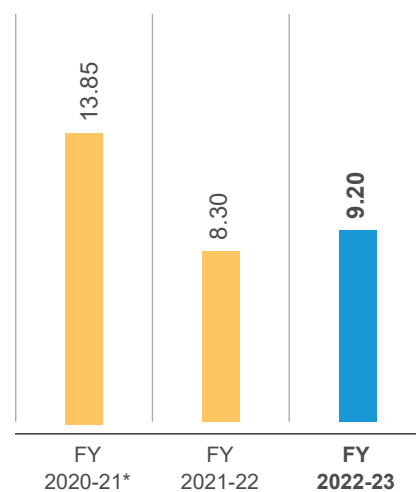
## Earnings Per Share

(₹)



## Operating Profit Margin

(%)



\* Note - 9 months revenue recognition due to mandatory complete lockdowns and staggered easing of manpower restrictions imposed by the government to combat spread of COVID-19.

# Our Commitment to ESG



We are committed to making the business truly sustainable and socially responsible. Igarashi has created an ESG roadmap with quick wins, medium-term and long-term wins along with a governance framework to ensure that we embed sustainability in our ways of doing business. We have devised our ESG goals and targets along with timelines and purpose.

Hemant M Nerurkar  
Chairman



We are committed to the United Nations Sustainable Development Goals with an ESG Goals to sustainability

## RESOURCES CONSUMPTION

Responsible Management of Natural Resources



Energy & Emissions



Water



Waste Management



Sustainable Raw Materials



## HEALTH & WELL-BEING

Promotion of Health & Well-Being of all Stakeholders



Occupational Health & Safety



Responsible Supply Chain



Community Development



Healthier Alternatives



## ACCOUNTABILITY

Carrying Out Business Operations in a Fair & Ethical Manner



Corporate Governance



Transparency & Traceability



ESG Disclosure





## ESG TARGETS

## Environment Goals – 4



## ENERGY

- **15% reduction** in non-renewable energy consumption in energy mix by FY2025
- Installation of in-house **Solar PV** system capable of generating 400 kWhr/ day of energy by FY2030



## WASTE

- Reduction in generation of hazardous and non-hazardous waste year-on-year basis as a proportion of sales



## CERTIFICATION

- Obtained **ISO 45001** (Occupational Health and Safety) certification for selected/all facilities by CY 2025
- Obtain **ISO 14001-2015** (Environmental Management System) certification for 8 facilities by CY 2025 (4 Units facilities to be covered now)



## EMISSION

- **30%** (Scope 1 + Scope 2) emission reduction by FY2030
- **15%** (Scope 3) emission reduction by FY2030
- **NET ZERO** target by CY 2070 as per India's Commitment

## SOCIAL GOALS – 4



## GENDER DIVERSITY, EQUITY &amp; INCLUSION

- Increase in the number of women in managerial position to **25% by 2030** (vs 17% in 2022)



## CRITICAL SUPPLIER SUSTAINABILITY ASSESSMENT

- Cover **50%** of Value Chain Partners under ESG Indicators by FY2025



## OCCUPATIONAL HEALTH AND SAFETY

- Strive to maintain status of **ZERO fatality**



## LEARNING &amp; DEVELOPMENT

- Increasing in **total Training hours** per annum
- **100%** coverage of Reskill/ Upskill employees with Future-fit Skills (e.g., ESG)

## ESG FRAMEWORK



## ESG INTEGRATION INTO OPERATIONS

Overall, **66%** reduction in Carton weight resulting in reduced packing material consumption and transportation

The material requirement reduced from **184 kgs / pallet** to **61 kgs / pallet**

# Chairman's Message



Our strong footprint in Global 4W-TAM and adaptation of BS IV norms in India paved the way to gain ~42% domestic 4W Indian Market share in Engine Air Management Systems in FY 2022-23.

## Dear Shareholders,

It gives me great pleasure to present to you our Annual Report for the fiscal year 2022-23 as well as our performance review and strategic initiatives for the year.

The global economy has seen unprecedented challenges in the past couple of years in the form of supply chain disruptions, geopolitical tensions, inflationary pressures, high energy costs, re-occurrence of COVID-19 in major auto markets, and subdued recovery in semi-conductor availability. All these factors have had a wide-ranging impact on people, economies, and businesses worldwide. The geopolitical tensions have further exacerbated these challenges leading to a steep rise in energy costs and raw material prices. This has resulted in automakers cutting down production across various locations.

The automakers are exploring diverse strategies for semiconductor procurement and will likely benefit from new sourcing models and stronger bonds between OEMs (original equipment manufacturers), Tier-1 suppliers, and semiconductor suppliers. The global commodity prices [e.g., steel & copper] are estimated to be firm in the year 2023.

The Indian economy remains on a strong footing, with high optimism and multiple growth levers. Even as most developed nations faced slowing growth, India outperformed itself amongst the world's fastest-growing economies and recorded 7.2% GDP growth in FY 2022-23, after delivering 9.1% growth in the previous fiscal.

We have expanded our product portfolio for launching DC motors in EPB, EVP, PLA and ABS applications with estimated volume of over 35 Million in pursuit of expanding Actuator applications for 12 Tier-1 customers (global & domestic) in the year 2024-25.

Our strong footprint in Global 4W-TAM and adaptation of BS IV norms in India paved the way to gain ~42% domestic 4W Indian Market share in Engine Air Management Systems in FY 2022-23. The domestic actuator market was pegged at 6.8 Million in FY 2021-22 and is estimated to reach 10 ~ 11 Million by FY2026.

The management has seized the opportunity of supplying TOCD from India to the Tier-1 customers of Igarashi Group from the year 2025 under "Minus China Strategy" to leverage its long-standing Actuator Motor expertise and cost-efficient & scalable with backward integrated manufacturing capabilities in India.

During FY2023, the global Tier-1 customers were supplied 32 Million sub-assemblies for Seat, WLM, FP, TPS cover. We commenced sub-assembly of WLM to one of our key Indian domestic customers during the second half of FY2023. We have been nominated by Global Tier-1 customer for advance development of BLDC technology for Coolant control hub (CCH) sub-assemblies which are used for thermal management in BEV & Hybrid powertrain segments.

Under energy-efficient technologies for fast-moving electrical goods, we have populated more than 1.60 Million BLDC solutions to the Indian ceiling fan market since the launch in

Despite challenging business environment, the Company's top-line increased by 18% and EPS considerably improved to ₹ 1.66 per share during FY2023.

2020. This was possible since we are the lead partner to three key market players and partnered with another two players whose collective market share stands at more than 82% in the organised ceiling fan market. On the back of the BEE norms of star rating for the manufacturers of ceiling fans from January 1, 2023, we are working on 36 programs with five customers to secure a volume of 4 Million motors and 2 Million Controllers in the next 4 years.

### Business Performance

Despite challenging business environment, the Company's top-line increased by 18% and EPS considerably improved to ₹ 1.66 per share during FY2023.

We remain focus on those aspects of our business that we can directly influence and take actions, wherever possible, to mitigate the key risks faced. It is at such times that I continue to be humbled by the exceptional efforts of senior management to serve our customers.

### Strategic focus areas

With an impeccable track record built over the past two decades and strong domain expertise in 4W-Actuator Motors, we launched broad-banding actuator applications besides air management (ETC, EGR, VTG) to Braking application [e.g., EPB, EVP and PLA] and Vehicle Body applications [TOCD]. All these motors are technology-agnostic products being used in ICE, Hybrid, and BEV car segments. Demand for such applications is increasing due to stringent emission norms for conventional and hybrid variants across the globe.

Our engineering team has developed a 3.3 kW Traction motor for the E2W and made the concept samples which were tested for preliminary performance by one of our European customers who is working to capture the Indian E2W market. Also, the 7.5 kW Traction motor developed for E3W is being tested by the customer for vehicle-level fitment and performance verification.

Further, the engineering team has been working on launching EVP for braking systems which is used in BEV and Hybrid as well as standard diesel and gasoline direct injection vehicles. We are also working on BLDC sub-assemblies for the fuel pump 4W applications with global Tier-1 customers.

Our engineering team has successfully reduced the product size by > 60% and weight by >74% of the BLDC Motors for ceiling fan applications to enhance competitiveness of the product.

Under "Make in India" campaign, we are actively working on competitive PCB

controller for Domestic Exhaust fans and TPW fans. We would be launching motors for TPW and air coolers which demonstrates the strength of our motor manufacturing capabilities and will position us as a full-service supplier to the various BLDC Fan OEMs.

### Looking ahead

We remain focussed on leveraging our outstanding competencies and rising to the enormous opportunities and scaling growth prospects. Our strategic initiatives include expanding customer base, introducing newer, technology-agnostic products and solutions, and enhancing manufacturing capabilities and operational efficiencies. Our efforts to diversify product applications for (both global and Indian) automotive and non-automotive segments are likely to drive consistent growth and maintain profitability.

### Conclusion

I would like to take this opportunity to thank our shareholders and all other stakeholders for the consistent trust and confidence reposed in us. I would also like to express my gratitude to the senior management and all the employees for their continuous support and contribution in pursuing the Company's ambitions.

Warm Regards,

**Hemant M Nerurkar**

Chairman



# Message from Keiichi Igarashi, President Igarashi Group



## Dear Shareholders,

Triggered by the unprecedented challenges emanating from the COVID-19 crisis, the global economy has seen multiple changes in the form of economic slowdowns, geopolitical tensions, inflationary pressures, higher energy costs, and shifts in business models and supply chains. However, I am quite excited about the remarkable resilience and huge growth potential demonstrated by the Indian economy during the year owing to its strong fundamentals. The vast Indian population provides a very large domestic market enabling manufacturing at scale to bring in required efficiencies.

The global automotive industry is seen recovering from the economic disruptions with gradual easing of semiconductor crisis and supply chain pressures, under capacity utilisation.

During 2022, the global OEMs made constant amendments to production schedules, which impacted topline growth. The new opportunities emerged due to trade war, labour issues, a ballooning real estate crisis, and spiralling cost escalations, especially for India under “Minus China Strategy” [MCS].

Government of India’s favourable policy reforms such as Make in India, and production-linked incentive (PLI) schemes, along with the global top players approach of MCS will surely facilitate the creation of a state-of-the-art automotive value chain infrastructure and transform India into an attractive manufacturing hub for global players.

Key customers seek Igarashi, Japan support in sourcing new power trunk applications [TOCD] from Igarashi, India. Igarashi, India team has geared up to meet global top Tier-1 customers’ requirements for Power Trunk applications for capturing the majority share in the next few years.

Amid stringent restrictions on mobility and large-scale disruptions, we have demonstrated strong resilience, consolidated our core capabilities, and stayed on course with our strategic objectives. By leveraging our core competencies, we are penetrating deeper into the non-automotive segment. We are doing so with the successful expansion of Brushless DC Motors (BLDC) for ceiling fan application and Driver Electronics (ESDM) befitting to Fast Moving Electrical Goods (FMEG).

Simultaneously, we are deploying newer technologies and platforms for energy-efficient appliances and

strengthening our product portfolio. We are working with a leading Japanese customer to manufacture and export BLDC motors.

The Igarashi global R&D team along with Igarashi India R&D team have been constantly engaged in driving innovation and developing newer technology-led products and solutions. We also intend to enter into strategic contract manufacturing collaborations [automotive/non-automotive] for motors in order to leverage the large-scale manufacturing capability of Igarashi, India. Overall, I am quite optimistic about Igarashi, India team in driving business growth across both automotive industry especially the Indian market as well as the FMEG segment.

The consistent improvement in performance along with a solid balance sheet puts us in a sweet spot to optimise the opportunities which the global as well as Indian market puts forth to keep creating value for all our stakeholders.

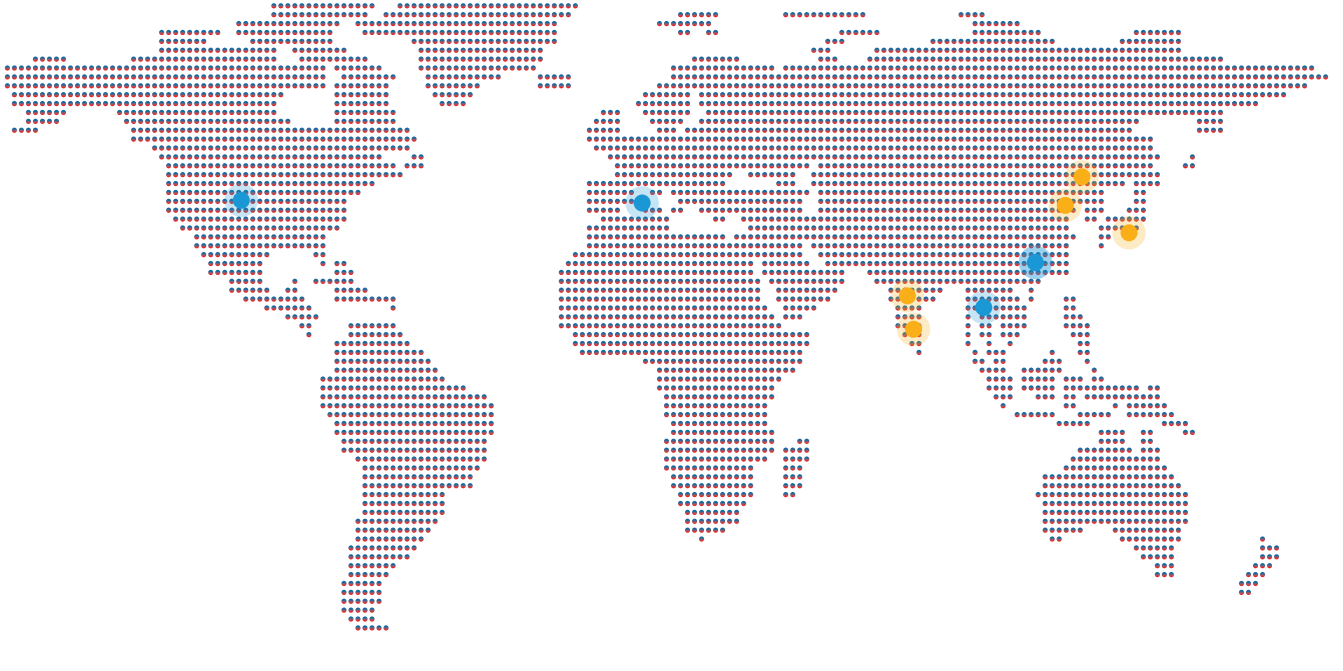
Finally, I would like to thank all our shareholders, team members, customers, and other stakeholders for their continued engagement and support.

Yours sincerely,

**Keiichi Igarashi**

President, Igarashi Group

# Our Global Footprint



- Sales Office
- Production Site

Map not to scale. For illustrative purposes only.



● Agile Electric Sub Assembly Pvt Ltd, India



● Baesung Igarashi Co. Ltd, Korea



● Igarashi Electric Works (H.K) Ltd, Hong Kong



● Igarashi Electric Works (Zuhai) Ltd, China



● Igarashi Electric Works Ltd, Japan



● Igarashi Electric Works (Shenzhen) Ltd, China



● Igarashi Motoren GmbH, Germany



● Igarashi Motors India Ltd, India



● Igarashi Motors Sales USA LLC, USA

## Ensuring Holistic Development

The harmonious relation we share with the communities in which we operate is possible due to the numerous purposeful initiatives we undertake. Through our meaningful interventions, we strive to create a positive impact in the lives of people. Our CSR projects currently aim to promote cancer awareness (20 Million reaches), provide healthcare to patients (30 Multiple Sclerosis patients), patient health and hygiene services (150-bed cancer block) in government hospital, Chennai (48,000 beneficiaries) and Health Facility at MEPZ Health Center, MEPZ-SEZ, Tambaram, Chennai (877 beneficiaries).



### Cancer Awareness Project

We have collaborated with the Indian Cancer Society to aid the cause of cancer awareness by removing fear of cancer from individuals and the society as a whole. These awareness programmes intend to get rid of stigmas relating to cancer, foster the habits of regular check-up in people and promote a healthy lifestyle to prevent the occurrence of cancer. The programme published information about cancer awareness, thus reaching out to 20 Million people during the year. Through this intervention, we also donated a sum of ₹ 30 Lakhs for this purpose.





### Multiple Sclerosis Patient healthcare

Through our partnership with Multiple Sclerosis Society, we intend to support multiple sclerosis patient care which supports rehabilitation care, personal care, and general wellness by trained staff. This programme has been of assistance to the lives of thirty beneficiaries and involves a donation of ₹ 5 Lakhs.



### MEPZ Manufacturers Association

We support MEPZ Manufacturers Association for maintaining Health Centre and Environmental Protection activities by contributing ₹ 10 Lakhs and this facility was beneficial to 877 persons working in MEPZ-SEZ, Tambaram, Chennai.

### Assistance in providing health and hygiene in government hospitals

We assist the Viswajayam Foundation in this project – Viswa Suraksha which seeks to improve health and hygiene facilities in the government hospitals in Chennai. We donated ₹ 10 Lakhs in this aid and this initiative has been instrumental in impacting the lives of 48,000 beneficiaries.

# Corporate Information

## CHAIRMAN EMERITUS

Mr. K K Nohria

## BOARD OF DIRECTORS

**Mr. Hemant M Nerurkar** [DIN 00265887]  
Chairman, Non-Executive, Non-Independent Director

**Mr. Haruo Igarashi** [DIN 08587832]  
Non-Executive, Non-Independent Director

**Mr. Thomas Francis McKeough** [DIN 09510485]  
Non-Executive, Non-Independent Director

**Mr. L Ramkumar** [DIN 00090089]  
Non-Executive, Independent Director

**Mrs. S M Vinodhini** [DIN 08719578]  
Non-Executive, Independent Woman Director

## MANAGING DIRECTOR

Mr. R Chandrasekaran [DIN 00012643]

## CHIEF OPERATING OFFICER

Mr. P Govindaraju

## COMPANY SECRETARY

Mr. P Dinakara Babu

## CHIEF FINANCIAL OFFICER

Mr. S Vivekchandranath

## STATUTORY AUDITORS

B S R & Co LLP, Chartered Accountants  
KRM Tower, 1st & 2nd Floor, No.1  
Harington Road, Chetpet,  
Chennai - 600 031  
Ph: +91-44-46083100

## INTERNAL AUDITOR

Sharp & Tannan, Chartered Accountants  
Parsn Manere, A Wing, Third Floor  
602, Anna Salai, Chennai 600006  
Ph:+91-44-28274368

## SECRETARIAL AUDITOR

BP & Associates, Company Secretaries  
New No. 443,  
5th Floor, Annexe-1,  
Guna Complex, Anna Salai,  
Teynampet, Chennai 600018  
Ph: +91-44-24334503

## COST AUDITOR

B Y & Associates, Cost Accountants  
New No. 445, 5th Floor,  
Annexe-1, Guna Complex,  
Anna Salai, Teynampet,  
Chennai 600018  
Ph: +91-44-24334504

## BANKERS

Axis Bank  
IDFC First Bank

## REGISTERED OFFICE

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# Management Discussion & Analysis

## Global Economic Review

The year 2022 was marked by challenges such as geopolitical tensions in Eastern Europe, inflationary pressures across the world, high interest rates, energy costs and resurgence of COVID-19 cases in China. These factors weighed heavily on the economic growth trajectory in 2022, and are expected to continue doing so in 2023 as well.

The global growth in 2022 is estimated to have slowed down to 3.4% compared to 6.2% in 2021. The emerging markets and developing economies grew at an average rate of 4% in 2022 compared to 6.7% in 2021. The biggest contributors to the growth were Saudi Arabia and India, which have grown at 8.7% and 7.2%, respectively, in 2022. On the other hand, the advanced economies have grown at 2.7% in 2022 compared to 5.4% in 2021. The biggest contributors to the growth in advanced economies were Italy, Spain and UK, growing at 3.7%, 5.5% and 4.0%, respectively, in 2022.

With the escalation of geopolitical tensions, the world has seen the resurgence of supply chain disruptions owing to less-than-normal trade at the global level. Further, prices of gas, fuel and food have increased dramatically resulting in higher-than-anticipated inflation. The global consumer prices in 2022 stood at 8.8% compared to 4.7% in 2021. Of this, the inflation for emerging economies and advanced economies stood at 9.8% and 7.3%, respectively, in 2022, compared to 3.1% and 5.9%, respectively, in 2021.

The Union Budget 2023-24 speaks volumes about the Government's increasing focus on infrastructure, financing new businesses, and making India more self-reliant and self-employed.

However, with the focus of governments across the world on securing global disinflation, containing the resurgence of COVID-19, ensuring financial stability and restoring debt stability, the world is expected to stabilise in 2024. The International Monetary Fund (IMF) has projected global growth to decline from 3.4% in 2022 to 2.8% in 2023 and rise to 3.0% in 2024. The policy initiatives are expected to stabilise the global economy in the long run, and successfully reduce global inflation to 6.6% in 2023 and further to 4.3% in 2024.

## Indian Economic Review

The inflationary pressures across the world have impacted the Indian economy as well. However, India clocked a GDP growth of 7.2% in FY 2022-23 as against 9.1% growth attained in FY 2021-22. The Consumer Price Index (CPI)





of India is estimated at 6.8% in 2022-23 compared to 5.5% in 2021-22. The target range for inflation was fixed at 4% with an upper tolerance of 6%. However, between April and October 2022, the CPI was outside the target range set by the Centre. To bring inflation under control, the Reserve Bank of India (RBI) increased the policy repo rate under the liquidity adjustment facility (LAF) by 225 basis points from 4.0% to 6.25% between May and December 2022. Additionally, the Government cut down import duty on major inputs such as ferronickel, and coking coal, among others, to zero; rolled out phase-wise reduction in excise duty of petrol and diesel; waived off customs duties on cotton; and prohibited export of wheat.

With the increasing thrust of Government on infrastructure and capital expansion, the country is poised for sustained growth in the foreseeable future. The Union Budget 2023-24 speaks volumes about the Government's increasing focus on infrastructure, financing new businesses, and making India more self-reliant and self-employed. The IMF projects the Indian economy to grow at 5.9% in FY 2023-24 before rising to 6.3% in FY 2024-25.

### Global Automotive Industry

The global automotive sector is one of the biggest contributors to the global manufacturing sector, and a significant contributor to the global economy. The global automotive industry is predicted to continue growing at a CAGR of 3.71% (between 2020 and 2030) reaching 110 Million units by the end of the decade. With the onset of the COVID-19 pandemic, the automotive sector had been facing several challenges such as uncertainty in supply chains, geopolitical tensions, high energy costs, re-occurrence of COVID-19 in major auto markets and slow recovery in semi-conductor availability resulting in longer waiting time for vehicle delivery across the world. The total global light vehicle sales during the year 2022 stood at 80 Million [79 Million units in the year 2021] which is expected to reach 84 Million in the year 2023.

The ongoing challenges are expected to phase out eventually in the near future with the world heading towards supply chain normalisation and increasing number of economies embarking on manufacturing their own semi-conductors

 **The Indian automotive sector is one of the biggest contributors to the global automotive sector and is the fifth in the world. The sector contributes 49% to the manufacturing GDP of the country, and accounts for 7.1% of India's total GDP.**

rather than depending on imports. OEMs are working towards efficient ICE/Hybrid/Plug in Hybrid/Mild Hybrid/Fuel cells powered vehicles expected to drive the growth in the automotive sector in the foreseeable future.

### Indian automotive industry

The Indian automotive sector is one of the biggest contributors to the global automotive sector and is the fifth in the world. The sector contributes 49% to the manufacturing GDP of the country, and accounts for 7.1% of India's total GDP. The sector can be categorised into passenger vehicles, commercial vehicles, and two-wheelers. Among these categories, the biggest contribution to unit of sales is two wheelers and passenger vehicles, accounting for 81% and 13% of total unit sales, respectively.

### 4W – Domestic automotive sales trend

The total sales of four wheelers in India stood at 4.7 Million in FY2023, clocking a y-o-y growth of 23.7%. With the big thrust in capex in the Union Budget for FY2024 and the normalisation of supply chain (especially improving supplies of semiconductors) post the COVID-19 disruption, the country is expected to see a strong growth momentum with 4-wheeler sales growing at 6-8% by FY2024. The industry experts forecast that the volumes would reach 5.5 to 6.5 Million by FY2027. The effects of the pandemic are gradually dissipating and leading to a rebound in GDP and private consumption. The stricter safety and emission regulations in the domestic auto market would benefit customers while opening new opportunities for automotive companies.

(Source: IHS Markit, Markline, SIAM, Internal Study)

### 4W - Automotive actuators market

With the automotive sector undergoing continuous innovation, modern cars are equipped with >100 motors per car on average, which controls functions in:

- Engine air management systems viz., ETC, EGR, VTG, WGA, GPA
- Braking Systems viz., Electric Parking Brake, Park Lock Actuator, Electric Vacuum Pump
- Body Systems viz., Window Lift Drive, Trunk Opening and Closing Device, power door, wiper system, washer pump, door latches, side view mirror
- Seating Systems viz., lumbar support, seat adjustment, seat drive and head rest
- Lighting Systems viz., headlight positioning
- Interior Systems viz., HVAC cooling systems for ICE and battery banks



The global automotive sector is seeing a constant influx of funds, which is spearheading innovation, and powering the key trends in the sector such as efficient ICE/Hybrid/Plug in hybrid/Mild Hybrid/Fuel cells powered vehicles, electrification of powertrains, and connected vehicles, among others.

Based on Global OEMs and customer interactions, efficient ICE and Hybrid systems would continue to power majority of 4W powertrains in the next decade despite penetration of BEV in select geographies. The industry experts opine that global auto industry will witness consolidation at Tier-1 and Tier-2 players in ICE segment. Igarashi strategy is to remain a leading Global player in the TAM segment to meet the growing demand for Actuator motors in ICE and Hybrid Systems.

This drives the use of automotive actuators by prominent brands, thereby implying that the industry has a multitude of prospects in the foreseeable future. The global automotive actuators market stood at US\$ 24.57 Billion in 2020 and is projected to reach US\$ 42.06 Billion by 2028, growing at a CAGR of 6.91% between 2021 and 2028.

#### **‘Minus China’ Strategy**

Owing to increasing geopolitical tensions, real estate and labour crisis in China, supply chain disruptions and spiralling cost escalation, leading Tier-1 companies have initiated

shifting their sourcing and manufacturing activities out of China to India. Favourable policy reforms such as Production Linked Incentive, Make in India, and FAME-II are increasing attractiveness of India as a preferred manufacturing destination. A few global Tier-1 customers of Igarashi Group have shown interest to shift sourcing to India on their new programmes in Electric Parking Brake (EPB) and Trunk Opening and Closing Device (TOCD). Your Company's parent company viz., Igarashi Electric Works Limited, Japan (Igarashi, Japan) has been playing a key role in supporting global customers to re-source from India commencing from FY2025.

#### **Indian 4W – Actuators market**

The Indian 4W actuators market expanded with the introduction of BS-VI norms, paving the way for ETC, EGR, WGA and VTG. According to the industry experts, the Indian automotive actuators (ETC, VTG, EGR, WGA, fuel-pump) market stood at 6.8 Million in 2021 and is estimated to reach 14 to 16 Million by 2026, growing at a CAGR of 15% to 18% between 2022 and 2026. The Indian actuator market (Engine air management) is dominated by key market players such as Bosch, Denso, Mikuni, KSPG, Dellorto, PVNA & Turbo energy. Your Company is working with all these leading market players to increase current market share from 42% to 60%.

## Electric motor growth platforms

### Broad-banding of Actuator Motor applications - 4W

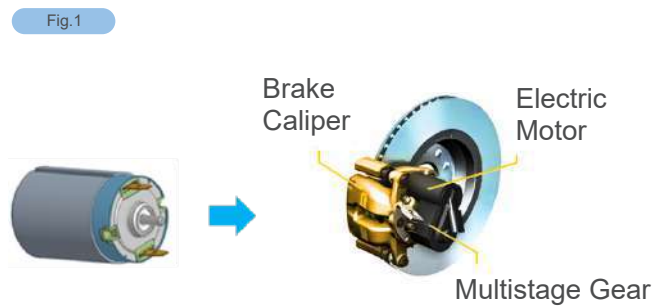
Your Company's global track record built over the past two decades paved the way for further strengthening lead position in 4W global Actuator market. Your Company has been undertaking consistent efforts in broad-banding actuator applications besides air management (ETC, EGR, VTG) to Braking application [EPB, EVP and PLA] and Vehicle Body applications [TOCD]. All these motors are technology-agnostic products being used in ICE, Hybrid and BEV car segments.

For Engine Air Management, our development team is working on 25 programs with leading 12 Tier-1 customers (global as well as domestic) with potential volume of 20 Million motors in next 4~5 years.

For Braking and Body systems, our development team is currently working on over 15 new application programs with leading ten Tier-1 customers (global / domestic) with potential volume of 35 Million motors in next 4~5 years.

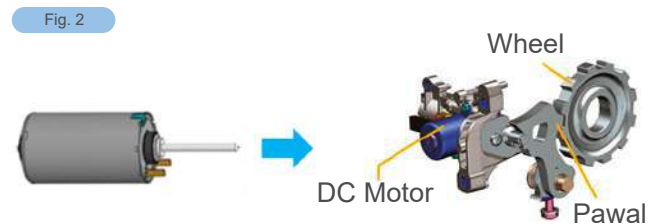
### Electric Parking Brake (EPB)

The traditional mechanically-operated handbrake through wire is on the verge of coming to an end. In modern cars, the traditional handbrake is replaced with an electric parking brake, which is an electronically-controlled parking brake and has an actuator (motor) mounted directly on the rear brake caliper (Ref. Fig.1), and is activated by pressing a switch in the interior of the car. Our development team is working on 7 programs with leading five Tier-1 customers (global / domestic) with potential volume of 6 Million motors in next 4~5 years. The commercial launch is slated for FY2025 with two Tier-1 customers.



### Park Lock Actuators (PLA)

PLAs are fitted either to Internal Combustion Engine (ICE) vehicles with automatic transmission or to Electric Vehicle (EV). Park lock actuators (Refer Fig. 2) are being operated electro-mechanically or electro-hydraulically to secure the vehicle against rolling away from parking (includes Hill Assist mode as well) and to ensure theft protection. Our development team is working on 3 programmes with leading global Tier-1 customers with potential volume of 4 Million motors in the next 4 years. Currently, the product is undergoing testing and validation at customer end.





### Trunk Opening and Closing Device (TOCD)

TOCDs are fitted to both ICE-powered vehicles and EVs [Technology-Agnostic]. This device uses an actuator (motor) [Refer Fig. 3] to open the trunk latch automatically when you press the switch. It is generally installed in high-end vehicles to add the premium feel to the vehicle predominantly in developed countries, and is likely to get adapted across all vehicles in the foreseeable future. Igarashi Global holds >55% of TOCD in global automotive market and Igarashi-Japan driving all New Generation TOCD product shift to Igarashi-India as key OEMs looking for “**Minus China strategy**”.

Your Company is closely working with Global two Tier-1 customers for the development of next-generation TOCD motors for commercial launch during FY2025. The RFQ volume is expected to reach 25 Million in next 4~5 years.

Fig. 3



### Sub-Assemblies for DC Brushed & Brushless Motors

Your Company is a supplier of sub-assemblies for DC Brush/Brush Less Motors for Seat applications – motor, armature and brush holder assembly, Window Lift Application - stator and armature assemblies, Fuel pump application – armature and carrier assembly catering to both global and domestic customers. Also, your Company is working in many new RFQ enquires for these applications.

#### Armature Assemblies for Window Lift Motors

The automatic window lift becomes a common feature in 4W PV segments. The total Indian WLM market stood at 10.1 Million units in FY2022 and will grow to 22.2 Million units by FY2027 with CAGR of 17%. Your Company has a track record of supplying WLM armature assemblies (Refer Fig. 4) to the key WLM market players for the past two decades and populated 120 Million parts from 2010 for global and domestic customers. Your Company held 30% of domestic market share in FY2022 and is working to capture market share of 45% by FY2025. Our development team is working on two new programs with key market players with a potential volume of 5 Million units in the coming years. We expect the launch of the new programs from 2024.

Fig. 4



#### Carrier Assembly for Fuel Pump

Your Company has two decades of experience in Fuel pump sub-assemblies manufacturing for the Brushed DC motor to the global Tier-1 customers. The total domestic fuel pump market stood at 4.5 Million in FY2023 and will grow to 5.3 Million by FY2027 with a CAGR of 8%. Your Company has a track record of supplying fuel pump carrier assembly (Refer Fig. 5) to the key FP market player for the past two decades and populated >47 Million parts from 2010 for global and domestic markets. Our development team is working on two new programs with key market players with potential volume of 5 Million units in the coming years. We expect the launch of the new programs from 2024.

Fig. 5



### Motor Sub Assembly for Seat - Automatic Height Control

Your Company has been supplying motor sub assembly and brush holder assembly for seat actuator to the global Tier-1 customers. Your Company has a track record of supplying motor sub assembly (Refer Fig. 6) to the key market players for a decade and populated >25 Million parts from 2014 for the global market. Our development team is working on two new programs with the market player with potential volume of 6 Million units in the coming years. We expect the launch of the new programs from 2023 & 2024.

Fig. 6



Motor Sub Assy.



Seat Motor

### BLDC Water pump sub-assemblies for Coolant Control Hub

Coolant control hub (Refer Fig. 7) system used for thermal management in the BEV & Hybrid powertrain systems. This system is a centralised unit used to maintain the temperature of both battery and traction motor in optimum working level for better system performance and increased life. BLDC technology is applied for better efficiency and durability of the water pump. During the year, your Company has been successfully nominated by leading global Tier-1 player for the development of B-samples for a CCH pump program.

The B-samples have been successfully validated and tested at our customer end. The RFQ volume for the Europe market is ~7 Million units for a period of 5 years. Advance dialogue towards commercial launch of this program is being actively pursued by Igarashi Europe team. One more program with same customer and same application has been awarded business worth 7 Million units and a product under development.

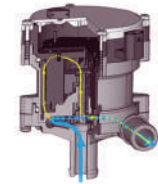
Fig. 7



Stator Assy.



Rotor Assy.



Water Pump-CCH

### BLDC Motor for Air Conditioner Damper Application

Your Company engaged with a leading Japanese manufacturer to manufacture and supply BLDC motors (Refer Fig. 8) for dampers as per customer design. This product is fitted with air-conditioners to address European market needs. The estimated volume is expected to be 5 Million in next 5 years with SOP from FY2025.

Fig. 8



BLDC Motor



## Indian Fast Moving Electrical Goods market

### BLDC Ceiling fan motor market - Industry overview

The CFM market in India stood at 58 Million units in FY2023 [includes Induction as well as BLDC motors], of which, Brushless Direct Current (BLDC) fan market stood at 6 Million units, validating the huge headroom for growth. The use of BLDC motors has been on the rise, owing to the fact that the technology ensures lower use of power and better power savings. The Bureau of Energy Efficiency (BEE) introduced new norms of star rating for the manufacturers of ceiling fans and refrigerators, which came into force in January 2023, which positively impacted the use of BLDC motor technology in ceiling fan space. This technology enables power savings as high as 50%. Due to channel restocking (non-star stocks) ahead of transition to the new BEE norms, the BLDC motor penetration was slower during the year and is expected to gain momentum in the coming years. On the back of the increasing demand, the Indian CFM market is expected to grow to 62 Million units by FY2026, of which, BLDC fans are projected to reach a substantial 15 Million units.

Due to huge traction for premium fans in the past few years, all leading brands are launching high end fans

with BLDC motors. This includes multi-tone under light options, breeze and sleep timer and Internet of Things (IoT) enabled operations using voice control via Alexa, OK Google or Mobile app. This is further enhancing demand for value-added ceiling fans leading to increase in demand for BLDC motors in the Indian market. Your Company is focus on premium, standard & economy series of BLDC ceiling fans.

Your Company has populated more than 1.60 Million BLDC solutions to Indian ceiling fan market since the launch of this product in 2020. Your Company is a leading partner to three key market players whose collective market share is more than 56% in the organised CFM market and initiated development process to add remaining 2 players contributing 26% of market share. The industry veterans opine that the BEE transition would become a long-term positive for organised players in the FMEG market segments.

Our development team is working on 36 programs [includes BLDC Motors, Sub-assemblies and Controller parts] with leading 5 customers to secure a volume of 4 Million motors and 2 Million Controllers in next 4 years.

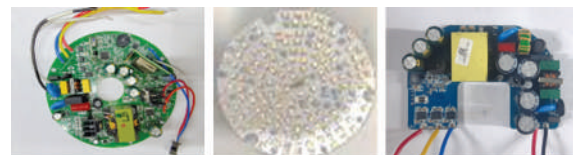
### Electronic System Design & Manufacturing (ESDM)

Over the past 3 years, your Company has significantly increased the Electronics Design capabilities through new product launches & quality improvements. Our standard PCB's are now supplied with RF Remote & IoT-enabled features. Your Company developed Wall Regulator PCB compatible with all standard Induction fan regulators. This opens a new gateway for all Government tenders & institutional business.

Your Company has introduced high-speed dual lane EMS machines to meet the growing demand. Your Company has developed a Round type PCB controller (include under-light) for the leading players for their premium fans, mass production of which will commence from 2023.

On quality perspective, your Company has enhanced testing capabilities in the recent years with Electrical & Thermal Stress test machines, Load testing machines and Noise Free Room to check Motors.

Fig. 9



PCB - Premium

PCB - Under Light

PCB - Standard

These facilities reflect our quality conscious approach for the products across the supply chain from the premises to the market.





## R&D Development Projects

### EV Motor Development

As the Electric Vehicle (EV) market is fast-growing in Indian automotive E2W & E3W, your Company is working on developing 3.3 kW Traction motor for the E2W and made the concept samples and tested for preliminary performance. Your Company is now engaging with one of the European customers whose strategy is to capture Indian E2W market in a larger way. We started engaging with them and developing the customised 3.3 kW motor, development and validation of which is expected to complete by this year.

Your Company is also engaging with domestic OEM on 7.5 kW Traction motor for E3W, Concept samples has been given to customer for vehicle level fitment and performance verification.

Your Company is also engaging domestic OEM on 15 kW Traction motor development for higher CC E2W. The initial design and concept samples are developed and is under vehicle level evaluation at customer end.



### Electric Vacuum Pump (EVP)

The electric vacuum pump (Refer Fig. 10) is used in braking system to produce the vacuum required for the brake booster which cannot be provided by the vehicle's propulsion engine or is not sufficient. This application is mainly used in BEV and Hybrid as well as standard diesel and gasoline direct injection vehicles (ICE). Your Company is developing this technology-agnostic and higher price product to address Indian auto market. Our development team is working on 3 programs with leading global / domestic Tier-1 customers with potential volume of 2 Million motors in next 4 years.

Fig. 10



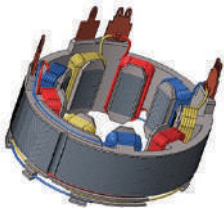
As the Electric Vehicle (EV) market is fast-growing in Indian automotive E2W & E3W, your Company is working on developing 3.3 kW Traction motor for the E2W and made the concept samples and tested for preliminary performance.

## BLDC Fuel Pump

The Electric Fuel pump fitted inside the fuel tank is used to supply the fuel from tank to engine intake system. As your Company has two decades of experience in Fuel pump, it is engaged in sub-assemblies manufacturing for the Brush motor for the global Tier-1 customer. Global customers are approaching us for the BLDC sub-assemblies for the fuel pump while OEMs are migrating from conventional PMDC motor to BLDC technology to have better efficiency and also system reliability in 4W applications.

The total domestic fuel pump market stood at 4.5 Million in FY2023 and will grow to 5.3 Million by FY2027 with a CAGR of 8%. Fuel pump with BLDC technology will capture 60% of total market share by FY2027. Your Company is in the process of designing and developing these products (Refer Fig.11) for domestic and global players in the market. The potential volume for this product is ~ 10 Million units.

Fig. 11



BLDC Stator Assy.



BLDC Fuel Pump System

## BLDC Motor Optimisation for Ceiling Fan Application

Ever since the launch of BLDC Motor for Ceiling Fan applications, your Company R&D team is consistently working on product innovation and value engineering. The main focus is to reduce the cost by reducing the motor size and weight while improving the performance. Your Company's team has successfully reduced the product size and weight of the BLDC Motors to bring upon competitiveness in the product as follows:

Part	eTA1 Series	eTA2.2 Series	Improvement
	(Weight in Gms)		
Stator Core	1040	420	60%▼
Copper Wire	210	160	24%▼
Rotor Steel Ring	350	92	74%▼

## Electronics – R&D

Your Company's electronics R&D developed the products in standard, premium and super premium segments in ceiling fans and also in non-ceiling fans like table fans, wall mount fans, pedestal fans, exhaust fans, controllers for air coolers.

- Standard ceiling fan features speed controls, off timers and remote-controlled operations with RF remote
- Premium ceiling fan features IoT connectivity along with Alexa/Google controls [Voice Control]
- Super premium ceiling fan features IoT, multi-tone under-light and surround lights, breeze and sleep functions

## BLDC Motor with Wall Regulator Feature

BLDC befitting the conventional wall regulators to cater the requirements of institutional & large corridors (railways, public buildings, hospitals, etc.). Application for patent filed to protect the unique proposition which equips the BLDC fans to pair with the conventional regulator. This new firmware with a fuzzy logic to sense the behaviour of the wall regulator and adjust the speed steps of the BLDC motor as per the standard requirement. (Refer Fig. 12)

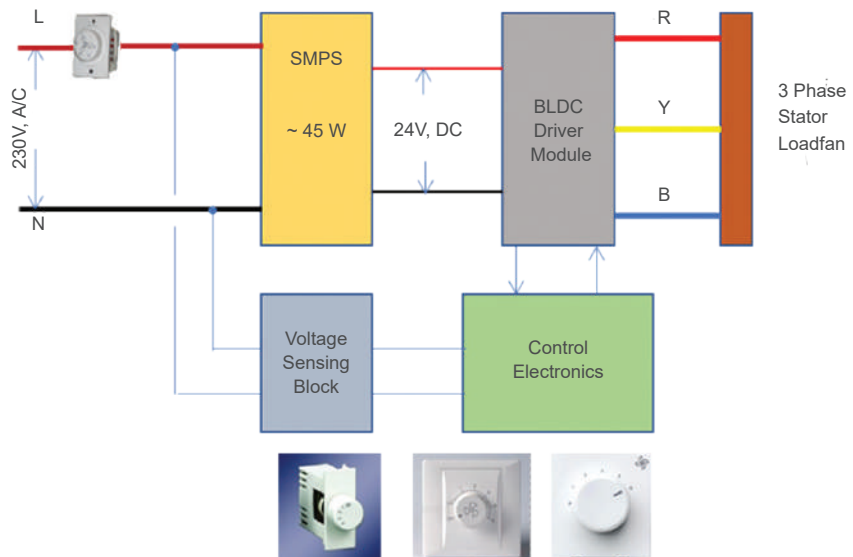


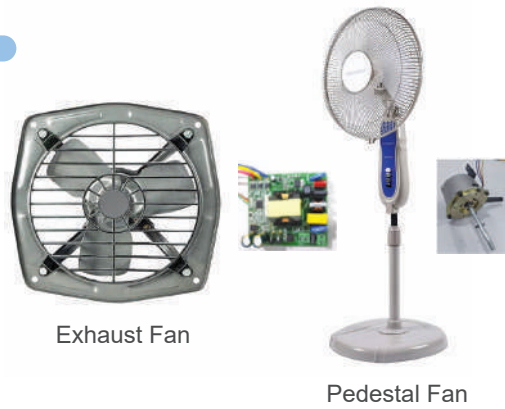
Fig. 12

### BLDC TPW & Exhaust Fan Application

There is an increased push from Indian Government for “Make in India” campaign & reduce imports from other countries. In line with this campaign, your Company is actively working on a design for a competitive PCB controller for Domestic Exhaust fans and Table/Pedestal/Wall (TPW) fans. Currently, these BLDC fans are imported from China due to less available technical knowledge & cost competitiveness. A significant development is expected on these fans followed by samples submission, negotiation & SOP. The expected size of these two segments is 16 Million.

Your Company is also working on PCB controllers for Water Pumps and Desert Coolers, the market potential of which is ₹ 750 Million and ₹ 300 Million, respectively. These are very niche products with limited players in the market. Customers welcome a technical & cost competitive PCB proposal to pursue this project in upcoming quarters. Desert Coolers hold immense potential for exports to the Gulf region.

Fig. 13



Exhaust Fan

Pedestal Fan

Fig. 14

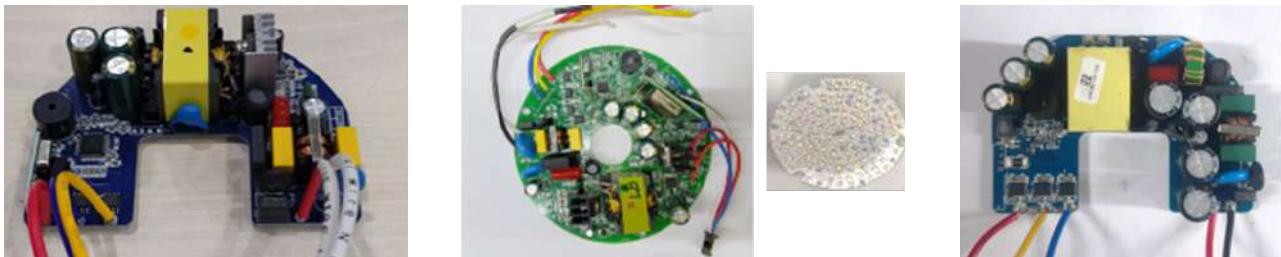


Mono Block Pump

Desert Cooler

Currently, used PCB controllers in majority of BLDC Motors are given in Figure 15.

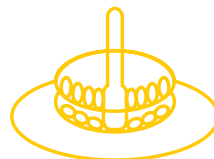
Fig. 15



For Standard Fan

For Integrated LoT/UL

For Wall Regulator





## Manufacturing strategy

Over the years, your Company has made significant strides in enhancement of in-house machine building for cluster-automation, improved quality, process improvements and reduction in machine maintenance costs.

With an ambitious target of improving per person per day productivity, your Company has identified strategic assembly lines and modified it with partial cluster automation to reap the most productivity benefit with limited investments. five such retrofitting of cluster automation projects have been successfully completed in FY2023.

Accommodating domestic customers have been a challenge to your Company due to the nature of low volumes compared to that of global projects. Our continued efforts of flexibility improvement to leverage modular changeover concepts and increased variant handling capability have paved the path for accommodating number of new projects from strategic domestic customers, thereby, establishing your Company as the preferred supplier of most of the automotive Tier-1 customer in air management category.



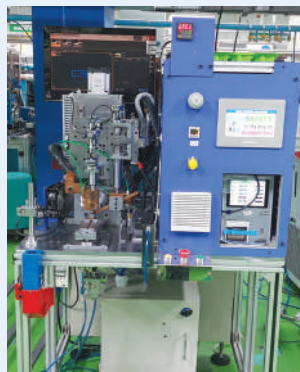
With a constant focus and drive through 'NIL SPILL' approach, your Company has been able to improve quality performance in FY2023, and customer return PPM has further reduced to sub-1 PPM. Notably, a key customer, Bosch, has awarded your Company the '2022 Notable Supplier Award' during their centenary celebrations October 2022.

## Machine Building

Your Company, being a full-service supplier, has built expertise in the past two decades to set-up, integrate and automate manufacturing lines while meeting emerging global manufacturing practices. The Process Engineering team possesses high technical skills for building critical equipment such as winding, fusing, turning, varnishing, and others, for mass manufacturing. With the capabilities of in-house machine building, we reaped the benefits of lower dependence on imports, cost control, better quality and improved productivity in the backward integration of operations.



Winding Machine



Fusing Machine



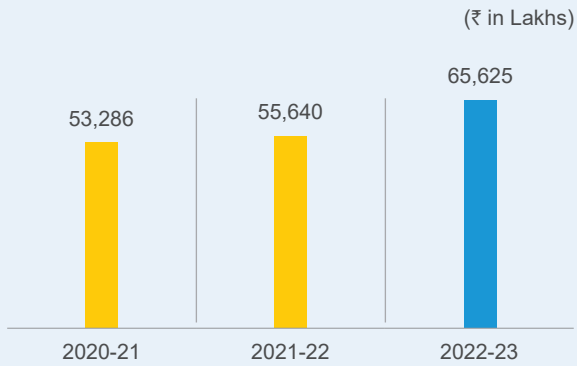
Gel & Varnish Apply Machine



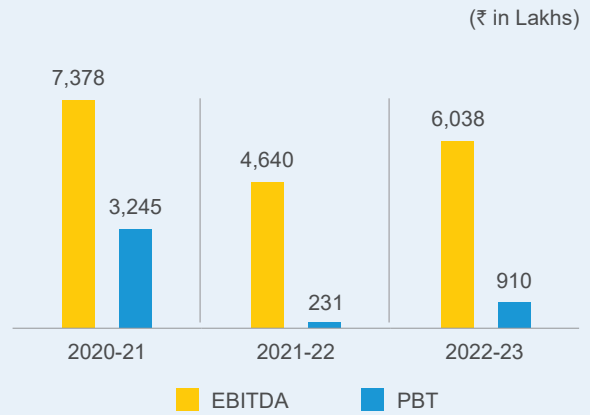
Turning & Buffing Machine

## Financial performance

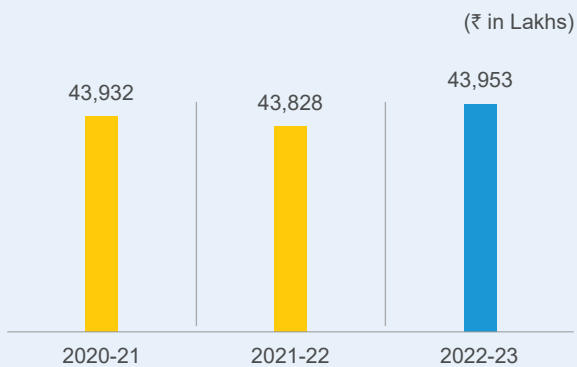
### Sales



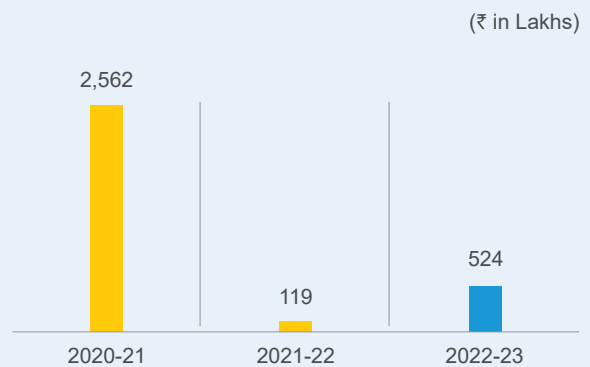
### EBITDA & PBT



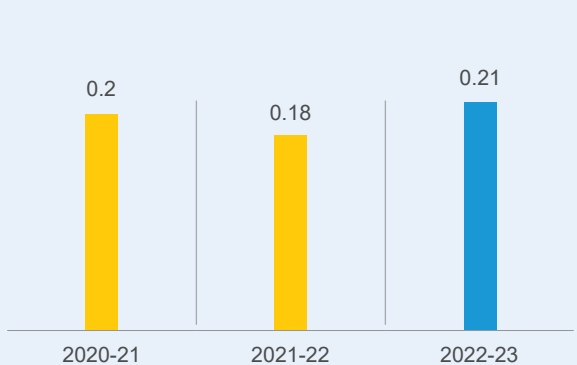
### Networth



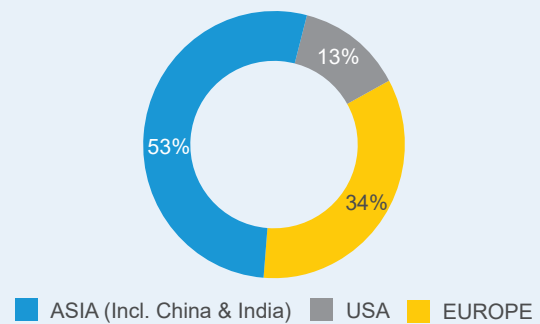
### Profit After Tax



### Debt / Equity Ratio



### Geographical Split of Sales – 2022-23\*



\*Based on end customers location




Key Financial Ratios as per SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018

S. No.	Key Ratios	FY 2022-23	FY 2021-22
1	Debtors turnover	4.23	3.69
2	Inventory turnover	4.68	3.96
3	Interest coverage ratio	1.75	1.35
4	Current ratio	1.41	1.51
5	Debt equity ratio	0.21	0.18
6	Operating profit margin (%)	3.24	8.34
7	Net profit margin (%)	1.00	0.01
8	Return on Net Worth (%)	1.00	0.01




## Risks & concerns

Your Company has a robust risk management and ESG Policy in place which guides the Risk & ESG Management Committee and the internal risk management team to effectively manage the business risks. The Risk Management Committee comprises Mr. Hemant M Nerurkar (Chairman), Mr. L Ramkumar, Mrs. SM Vinodhini and Mr. R Chandrasekaran. The said committee met twice during the fiscal, on January 10, 2023 and February 13, 2023.

The key risks faced by your Company are enumerated below:

Risk	Mitigation strategy
 <b>Macro risk</b> <ul style="list-style-type: none"> <li>Global trade disruption and realignment</li> <li>Slow recovery in global markets due to global inflation and geopolitical factors</li> <li>Increasing energy and interest costs</li> </ul>	<ul style="list-style-type: none"> <li>Diversification of products and markets to ensure a de-risked business portfolio</li> <li>Strengthening customer relationships to align all resources in-line with markets for mutual benefit</li> <li>Exploring possibilities for non-organic growth and strategic alliances</li> </ul>
 <b>Technology risk</b> <ul style="list-style-type: none"> <li>Shift towards electrification and semi-autonomous vehicles</li> <li>Ever-changing consumer preferences</li> <li>Changes in product technologies</li> </ul>	<ul style="list-style-type: none"> <li>Expanding bandwidth of products for Electric Vehicles and improving performance of existing products for autonomous vehicles</li> <li>Constantly upgrading technology of existing products for broad-basing applications</li> <li>Expanding the energy-efficient BLDC motors portfolio for consumer electrical applications</li> </ul>
 <b>Market risk</b> <ul style="list-style-type: none"> <li>New entrants in the market and competition from existing players</li> <li>Geographical localisation of facilities</li> <li>Pricing pressure from customers</li> <li>Customer and geographical concentration</li> <li>Energy rating transition for BLDC fans</li> </ul>	<ul style="list-style-type: none"> <li>Improve cooperation with customers by offering multiple value propositions on products and services</li> <li>Real-time monitoring of logistics pipeline and global warehouses</li> <li>Continuous cost-competitive actions across value-stream and offer higher performance products to remain preferred suppliers to customers</li> <li>Focus on star-rated BLDC fan motors</li> </ul>



Risk	Mitigation strategy
 <p><b>Operational risk</b></p> <ul style="list-style-type: none"> <li>Stringent quality requirements with new performance specifications</li> <li>Supply chain challenges</li> <li>Manufacturing automation</li> <li>Capital expenditure and capacity</li> <li>Skilled human resources</li> </ul>	<ul style="list-style-type: none"> <li>Upgradation of design capabilities, validation, FMEA and testing capabilities to meet new standards including collaboration for system level validation</li> <li>Strengthening relationships with key supply chain partners and development of second and third sources</li> <li>Increasing cluster automation and robotics on manufacturing lines</li> <li>Flexible higher capacities to use same line for multiple products and multi-skilling of human resources.</li> <li>Imparting trainings on continuous skill development of employees and wellness trainings</li> </ul>
 <p><b>Financial risk</b></p> <ul style="list-style-type: none"> <li>Maintaining financial stability</li> <li>Liquidity and capital access</li> <li>Foreign exchange fluctuation</li> <li>Commodity price movements</li> <li>Product liability and warranty</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining low levels of leverage and continuous dialogues with financial institutions</li> <li>Entering forward contracts in line with the hedging policy which is monitored by the Audit Committee on a regular basis to curb forex risk</li> <li>Arrangement of pass-through mechanisms for commodity price movements with time lag to ensure faster commodity movements</li> <li>Optimal coverage of liability insurance in line with industry practices and customer requirements</li> </ul>
 <p><b>Cyber security risk</b></p> <p>Cyber-attacks Protection of IT systems and data</p>	<ul style="list-style-type: none"> <li>Adequate internal control measures taken to protect networks, computers, programs, and data (Including ESG)</li> <li>Cyber security threat audits done by external experts at regular intervals</li> <li>Continued reinforcement of stringent security policies and procedures</li> <li>Implementation of advanced firewalls and anti-virus software</li> </ul>
 <p><b>Health, Environment and Safety Risk</b></p> <p>Achieving the greenest and safest operations.</p>	<ul style="list-style-type: none"> <li>Complying with regulatory and customer requirements on environment requirements &amp; global sustainability policies</li> <li>Planned wellness programmes for all employees</li> <li>Ensuring work safety practices with periodic audits</li> </ul>
 <p><b>Natural calamities risk</b></p> <p>Disruption of business operations by natural calamities or epidemics or pandemics</p>	<ul style="list-style-type: none"> <li>Adoption of procedures for natural calamity situations</li> <li>Robust business continuity plan</li> <li>Management task force for tackling such eventualities</li> </ul>

### Human resources

Your Company is cognizant of the pivotal role played by its human capital in its day-to-day operations. Over the years, your Company has been sharpening its focus on strengthening the capabilities of its employees on the back of leadership, technical, and behavioural training. In addition to trainings, the strong HR policy of your Company enables equality and transparency across the organisation, thereby creating a safe and conducive environment wherein employees can deliver their best outcomes. Your Company has successfully aligned the goals of its employees with that of the organisation. Further, your Company also engages and motivates the employees, helping them achieve their goals, in turn, helping your Company grow. As on March 31, 2023, the total employee base of the Company stood at 669.

### Internal control systems & their adequacy

Your Company has in place a robust internal controls system. The adequacy of the system is validated by the fact that it helps in ensuring transactions are properly authorised, recorded, and reported, in addition to safeguarding its assets. Further, your Company also has in place well-documented policies and procedures, which is complimented by the extensive reviews carried out by the internal auditors. Such review reports are periodically reviewed by the management and the Audit Committee of the Board, ensuring a de-risked business.

### Cautionary statement

This report contains forward-looking statements. All such statements are subject to risks and uncertainties. Actual results could differ materially from those expressed or implied depending on the circumstances.

# Notice

NOTICE IS HEREBY GIVEN THAT The Thirty First Annual General Meeting ('AGM') of Igarashi Motors India Limited will be held on Wednesday, August 09, 2023 at 2.30 p.m (IST) through Video Conference (VC)/ Other Audio Visual Means (OAVM) facility to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2023, and the Reports of the Board of Directors' and Auditor's Report thereon.

2. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT a Dividend of ₹ 1(Rupees One only) i.e. (10%) per Equity Share of the face value of ₹ 10 each for the financial year ended March 31, 2023 as recommended by the Board of Directors be declared and that the said Dividend be distributed out of the profits for the year ended March 31, 2023."

3. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act 2013, the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Haruo Igarashi (DIN 08587832), Director, who retires by rotation, be and is hereby appointed as a non-executive Director of the Company, liable to retire by rotation."

## SPECIAL BUSINESS

4. **Approval for Material Related Party Transactions**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") read with the rules framed thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force, if any), and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ("SEBI Listing Regulations"), as amended from time to time, the Members of the Company do hereby accord approval to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any duly authorized Committee constituted /empowered by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and / or carrying out and / or continuing with existing contracts / arrangements/ transactions (whether individual transaction or transaction(s) taken together or series of transaction(s) or otherwise), with Igarashi Electric Works Limited, Japan [Ultimate Holding Company & Promoter] being a related party of the Company, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier/ arrangements/transactions or as fresh and independent transaction(s) or otherwise from FY2023-24 to FY2024-25, as per the details set out in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate value of all these transaction(s), shall not exceed ₹ 950 Crores, provided however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby severally authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions, settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit, file requisite forms with the regulatory authorities and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any authorized person(s) to give effect to this resolution".

5. **Ratification of remuneration payable to M/s. B Y & Associates, Cost Auditors of the Company for the Financial Year 2023-24**

To consider and, if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:-



“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration payable to M/s. B Y & Associates, Cost Accountants, having Firm Registration Number 003498, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit

of the cost records of the Company for the financial year ending March 31, 2024 amounting to ₹ 1.25 Lakhs (Rupees One Lakh Twenty Five thousand only) (excluding all taxes and reimbursement of out of pocket expenses) be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Company Secretary of the Company be and are hereby authorized severally to take such steps as it may consider necessary, proper or expedient to give effect to the aforesaid resolution.”

Place: Chennai  
Date: May 25, 2023

By Order of the Board of Directors  
For [Igarashi Motors India Limited](#)

**P. Dinakara Babu**

Company Secretary  
Membership No. A14812

**Registered Office:**

Plot No. B-12 to B-15, Phase II,  
MEPZ-SEZ, Tambaram,  
CHENNAI- 600 045.  
Phone: +91-44-42298199/ 22628199,  
E-mail: [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in)  
CIN: L29142TN1992PLC021997  
Website: [www.igarashimotors.com](http://www.igarashimotors.com)

**Notes:**

- a) 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 hereto and forms part of this Notice.
- b) Pursuant to the Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022 [“MCA Circulars”], issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- c) As per the MCA General Circulars read with SEBI Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 [“SEBI Circulars”] the Notice of 31st AGM along with Annual Report has been sent through electronic mode to only those Members whose email IDs are registered with the Company/ Depository participant.
- d) Those Shareholders whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent (RTA) by submitting form ISR-1 to the Company’s Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited, “Subramanian Building”, No. 1, Club House Road, Chennai – 600002, Phone: + 91-44-28460390.
- e) The Members can join the 31st AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder’s Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.

**f) TDS on Dividend:-**

According to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source (TDS) from the dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 (‘the IT Act’). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, and Category as per the IT Act with their Depository Participants (‘DPs’) or in case shares are held in physical form, with the Company by sending documents by **August 04, 2023 (upto 5:00 pm)** to enable the Company to determine the appropriate TDS/withholding tax rate applicable, verify the documents and provide exemption.

For **resident shareholders**, taxes shall be deducted at source under Section 194 of the IT Act as follows-

Members having valid PAN	10% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2022-23 does not exceed ₹ 5,000/- and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. Form 15G/15H can be downloaded from the weblink: <https://investors.cameoindia.com> to avail the benefit and e-mail to [investor@cameoindia.com](mailto:investor@cameoindia.com) & [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in) by 5.00 p.m (IST) on **August 04, 2023**. There is also a provision to upload Form 15G/15H in the weblink viz., <https://investors.cameoindia.com> provided by Company’s RTA. No communication would be accepted from members after **August 04, 2023** regarding the tax withholding matters.

For **non-resident shareholders**, taxes are required to be withheld in accordance with the provisions of

Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following :

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- Copy of Tax Residency Certificate (TRC) for the FY 2023-24 obtained from the revenue authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Lower withholding Tax certificate, if any, obtained from the Indian Tax Authorities
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member

In case of **Foreign Institutional Investors / Foreign Portfolio Investors**, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforementioned documents are required to be submitted by e-mail to [investor@cameoindia.com](mailto:investor@cameoindia.com) & [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in) by **5.00 p.m (IST) on August 04, 2023**. No communication would be accepted from members after **August 04, 2023** regarding the tax withholding matters.

For any additional information, we request you to refer "Communication on TDS on Dividend Distribution" available at the weblink <http://www.igarashimotors.com/investor-list.php?invescatid=23>

If you need any clarification, in this regard you may contact Mrs. Sofia, Assistant Manager, Cameo Corporate Services Ltd., (+91-44-28460390/ 28460394).

The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the provisions of the Income Tax Act, 1961. No claim lie against the Company. In case of Foreign Institutional Investors / Foreign Portfolio Investors tax will be deducted under Section 196D of the Income Tax Act @ 20% plus applicable Surcharge and Cess

- i. Further, to receive the dividend on time, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to send the following documents to our RTA – Cameo Corporate Services Limited, latest by **Friday, August 04, 2023** :
  - I. Form No. ISR-1 duly filled and signed by the holders stating their name, folio number, complete address with pincode, and the following details relating to the bank account in which the dividend is to be received:
    - Name of the bank and branch
    - Bank Account number and Type allotted by your Bank after implementation of Core Banking Solutions;
    - 11 digit IFSC Code and
    - 9 digit MICR code
  - II. Original copy of cheque bearing the name of the Member or first holder, in case shares, are held jointly
  - III. Self-attested copy of the PAN Card; and
  - IV. Self-attested copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividends as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the



Members holding shares in Demat form are requested to update their Electronic Bank Mandate with their respective DP.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applied to the dividend paid on shares held in electronic form.

- g) The attendance of the Members attending the 31st AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- h) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 31st AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the 31st AGM will be provided by CDSL.
- i) In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the 31st AGM has been uploaded on the website of the Company at [www.igarashimotors.com](http://www.igarashimotors.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- j) As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its members the facility to cast their vote by electronic means (i.e. voting electronically from a place other than the venue of the general meeting) on all resolutions set forth in the Notice. The instructions for e-voting are given in **Annexure A**. The instructions for e-voting on the date of 31st AGM are given in **Annexure AA**.

Members are eligible to cast vote electronically only if they are holding shares as on that date. Members who have acquired shares after the dispatch of the Annual Report and before the **cut-off date July 31, 2023** may approach the RTA by e-mail [agm@cameoindia.com](mailto:agm@cameoindia.com) for issuance of the User ID and Password for exercising their right to vote by electronic means.

- k) 31st AGM has been convened through VC/ OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circulars. Instructions for members for attending the 31st AGM through VC/OAVM are given as **Annexure B**.
- l) Register of Members of the Company will remain closed from **August 01, 2023 to August 09, 2023** (both days inclusive) for the purpose of the final dividend for the financial year ended March 31, 2023 and AGM.
- m) 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 on or after **August 09, 2023** to those members whose names appear on the register of members as on **July 31, 2023** (**'Record Date'**).
- n) 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 Transfer Agents
- o) Shareholders desiring any information as regards the accounts are requested to write e-mail to [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in) **on or before July 21, 2023**, so as to enable the Company to keep the information ready.
- p) Members who have not so far encashed dividend warrant(s) for the Financial Year 2015-16 (Final), 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 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, as per Section 124 of the Companies Act, 2013 will be transferred to the Investor Education and Protection Fund. Details of unclaimed dividend are available on the Company's website [www.igarashimotors.com](http://www.igarashimotors.com) under the section 'Investor Relations'.

Year	Type of dividend	Dividend per share (In ₹)	Date of declaration	Due Date for transfer to IEPF	Unpaid / Unclaimed amount (in ₹) as on 31.03.2023
2015-16*	Interim	4.00	14.03.2016	28.04.2023	6,28,348.00
2015-16	Final	1.50	04.08.2016	18.09.2023	2,61,497.50
2016-17	Final	6.61	02.08.2017	07.09.2024	10,55,293.28
2017-18	Final	6.00	14.09.2018	20.10.2025	9,04,704.29
2018-19	Final	4.90	27.09.2019	07.11.2026	8,45,548.75
2019-20	Final	4.90	17.09.2020	22.10.2027	2,31,548.92
2020-21	Final	1.50	09.08.2021	16.09.2028	1,81,480.62

\* Transferred to IEPF on May 08, 2023

- q) Unclaimed Fractional Bonus Shares Proceeds: The Company had, on November 08, 2018, distributed the sale proceeds of fractional shares arising out of issuance of Bonus Shares, to the eligible Public Shareholders as per their respective fractional entitlements. Fractional entitlements in respect of few shareholders are lying unclaimed with the company. Accordingly, fractional proceeds remaining unclaimed for a period of 7 years will be transferred by the company to the IEPF. The details are available in the website of the Company., [www.igarashimotors.com](http://www.igarashimotors.com)
- r) The remote e-voting period starts on **August 05, 2023 at 9.00 am (IST) and ends on August 08, 2023 at 5.00 pm (IST)**. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of **July 31, 2023** may cast their votes electronically.
- s) The Company's website is [www.igarashimotors.com](http://www.igarashimotors.com). Annual Reports of the Company, un-claimed dividend list, and other shareholder communications are made available on the Company's website.
- t) All the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail id is [investor@cameoindia.com](mailto:investor@cameoindia.com) mentioning the Company's name i.e., Igarashi Motors India Limited so as to enable the Company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.
- u) 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, 2023, 99.61% 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.
- v) We draw your attention to SEBI Circular dated 16th March, 2023 bearing reference no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, issued in supersession of earlier circulars, whereby SEBI has mandated the following:
- Furnishing of PAN, email address, mobile number, bank account details, specimen signature and nomination by holders of physical securities;
  - Any service request and complaint shall be entertained only upon registration of the PAN, Bank details and the nomination; and
  - Ensuring that your PAN is linked to Aadhaar by 31st March, 2023 or any other date as may be specified by the Central Board of Direct Taxes to avoid freezing of your folio. Currently CBDT extended the date till 30th June, 2023. Freezing of Folios without PAN, KYC details and
- Nomination:
- Folios wherein any one of the said document / details are not available on or after 1st October, 2023, shall be frozen and you will not be eligible to lodge grievance or avail service request from the RTA. Further effective 1st April, 2024 you will not be eligible for receiving dividend in physical mode.
  - After 31st December, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002. You are requested to forward the duly filled in Form ISR-1, Form

ISR-2 and Form SH-13/Form ISR-3 along with the related proofs as mentioned in the respective forms as the earliest.

w) Re-appointment of Director

Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings, following information is furnished in respect of Director proposed to be reappointed as **Annexure 1A**.

- x) The Board of Directors appointed M/s. BP & Associates, Company Secretaries, Chennai ([prabhakar@bpcorpadvisors.com](mailto:prabhakar@bpcorpadvisors.com)) as the scrutinizer for conducting e-voting process in fair and transparent manner. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, CDSL and RTA and will also be displayed on the Company's website [www.igarashimotors.com](http://www.igarashimotors.com).
- y) SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655, dated 03.11.2021 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14.12.2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16.03.2023 has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). On May 25, 2023, the Company has sent a PAN and KYC update intimation to physical shareholders. Members holding shares in physical form are required to submit their PAN details to the RTA by e-mail to [agm@cameoindia.com](mailto:agm@cameoindia.com). In case of Members are holding shares in physical form, you are advised to convert shareholding into demat form by approaching depository participant.
- z) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 09, 2023. Members seeking to inspect such

documents can send an email to [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in)

- aa) Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
- ab) Members holding shares in physical form and desirous of making/updating Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar & Transfer Agents, Cameo Corporate Services Ltd. These forms are also available on the Company's website [www.igarashimotors.com](http://www.igarashimotors.com) under Investor Relations section. Members holding shares in dematerialised form should make/update their nomination with their Depository Participants.
- ac) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority. The concerned Members/investors are advised to read the procedure for claiming unpaid amounts and shares from IEPF Authority, which is available in the Company's website [www.igarashimotors.com](http://www.igarashimotors.com) under Investor Relations section or visit the weblink of the IEPF Authority <http://iepf.gov.in/IEPF/refund.html> for detailed procedure to lodge the claim with IEPF Authority.

## ANNEXURE A

### CDSL e-Voting System – For Remote e-voting and e-voting during 31st AGM

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) Circulars. The forthcoming 31st AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing 31st AGM through VC/OAVM.

### THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- The voting period begins on **Saturday, August 05, 2023 at 9.00 am (IST) and ends on Tuesday, August 08, 2023 at 5.00 pm (IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **July 31, 2023** may cast their vote electronically.



The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to e-vote during the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way

of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Type of shareholders	Login Method
	<p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details  OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Igarashi Motors India Limited > on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk [evoting@cdslindia.com](mailto:evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [prabhakar@bpcorpadvisors.com](mailto:prabhakar@bpcorpadvisors.com) and [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. **For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor@cameoindia.com](mailto:investor@cameoindia.com) with a copy to [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in)
2. **For Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800225533.

### ANNEXURE AA

#### THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE 31st AGM

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system on **Wednesday, August 09, 2023**. Shareholders may access the same at [www.evotingindia.com](http://www.evotingindia.com).
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to e-vote at the 31st AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before **July 21, 2023** mentioning their name, demat account number/folio number, email id, mobile number at [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance by **July 21, 2023** These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

### ANNEXURE B

#### THE INSTRUCTIONS FOR SHAREHOLDERS FOR ATTENDING THE 31st AGM THROUGH VC/OAVM

1. The procedure for attending meeting & e-Voting on the day of the 31st AGM is same as the instructions mentioned above for e-voting.
2. Only those shareholders, who are present in the 31st AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## ANNEXURE TO THE NOTICE

Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013

### Item No. 4 Approval for Material Related Party Transactions ('RPT')

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. However, as per the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), such transactions, if material, requires the approval of shareholders through a resolution, notwithstanding the fact that the same are on an arm's length basis and in the ordinary course of business.

It may be noted that as per the amended definition provided in the explanation to Regulation 23 (1) of Listing Regulations, which is effective 1st April, 2022, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1,000 Crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Further, all Material Related Party Transactions require prior approval of the Members through a Resolution and no related party shall vote to approve such Resolution whether an entity is a related party to the particular transaction or not.

Subsequent clarifications issued by SEBI viz. Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022 (hereinafter 30th March Clarification) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 08, 2022, an RPT that has been approved by the audit committee prior to April 1, 2022 which continues beyond such date and becomes material as per the revised materiality threshold shall be placed before the shareholders in the first General Meeting held after April 1, 2022 and also specified that shareholders' approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months.

Your Company had taken shareholders approval at the 30th Annual General Meeting held on August 10, 2022 for the period during 30th AGM to 31st AGM. Your Company seeks approval of the Members of the Company in terms of Regulation 23 of the Listing Regulations, by way of passing of an Ordinary Resolution to the aforesaid Material Related Party Transactions to be entered from 31st AGM to 32nd AGM.

The relevant information pertaining to transactions with Promoter and Promoter Group as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI circular vide SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below

- A. Igarashi Electric Works Limited, Japan
- Name of the Related Party** : Igarashi Electric Works Limited, Japan [IEWL]
  - Nature of relationship** : Ultimate holding company & Promoter
  - Nature, duration, tenure, material terms, monetary value and particulars of the contract or arrangement**

IEWL has been approved as Supply Chain partner by the Customer. Your Company has been dependent on Export of Sales to IEWL and supply of raw material/components/ parts/ Capital Goods/ Supply of Services by IEWL

Subject to the approval of the members, the Audit Committee at its meeting held on May 25, 2023 has granted its omnibus approval to the related party transaction with IEWL, to be entered into during 31st AGM to 32nd AGM as per below details based on business requirements:-

Particulars	Estimated value of Transactions (₹ in Crores)
Sale of Goods	700
Purchase of Goods / fixed assets/ raw materials/ components/parts	200
Purchase of Services	50
Total	950

**Pricing & payment terms:-** Consideration At arm's length for each transaction shall be mutually determined by the Parties by way of Annual Purchase Orders prevailing market price and commercial terms. The transactions will be evaluated by the Audit Committee on an Annual Basis.

**Value of Proposed transaction:** ₹ 950 Crores cumulative value for two years

- Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:** Not applicable, since your Company has been selling/purchasing goods or services from IEWL during ordinary

course of business. In case advance is payable then Audit Committee and Board of Directors, as the case may be, prior approval would be obtained. The Audit Committee approved transactions at its meeting held on May 25, 2023.

**5. Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise):** Mr. Haruo Igarashi, Director of the Company and also on the Board of IEWL. IEWL is holding 12.59% in the Company. IEWL is holding 89.72% in Agile Electric Sub Assembly Pvt Ltd [AESPL] (Holding Company). AESPL is holding 54.46% in the Company. IEWL is holding 100% of Igarashi Electric Works (H.K) Ltd. [IGHK]. IGHK is holding 7.94% in the Company.

**6. Tenure of the proposed transaction :** FY 2023-24 to FY2024-25 (i.e 31st AGM to 32nd AGM)

**7. Value of RPT as percentage of Company's audited consolidated annual turnover for the immediately preceding financial year :**

Note: In excess of 10% of the annual consolidated turnover of the Company FY2022-23 as per the last audited financial statements.

**8. Justification as to why the RPT is in the interest of the Company :**

During the past three decades, Igarashi group is one of the leading DC Motor suppliers Auto / non-auto applications to Global Tier-1 Customers to their plants spread across worldwide. Your Company gets benefit of Igarashi Group support with trademarks, technological know-how, support services in sales, customer relationship, procurement and other strategic management. Hence IEWL supports the Company in sales, procurement, customer services for a bundled fee making your Company is a reliable, competent supplier of DC Motors to Global Customers. This arrangement is commercially mutually beneficial in meeting competitiveness and customer requirements from time to time.

IEWL is promoter of the Company. IEWL permitted the Company to use "IGARASHI" trade mark and Logo without charging fee and entering into formal arrangement. ONE IGARASHI PROGRAM ("OIP") was implemented by IEWL in all its global subsidiary companies for standardization of process, policies, documentation and approval process. As part of this program, IEWL charging Bundled branding/ fee from all

group companies. Your Company pays Bundled royalty/ fee 1.25% to IEWL on the sales routed through IEWL.

Besides, the role mentioned in above, IEWL renders services of business development, customer relationship management, centralised procurement, sales & distribution, warehouse & logistics, receivables management, technical, engineering and R&D support.

IEWL and your Company are customer approved suppliers/service providers. Further, the above transactions are carried on business requirement of Company on arm's length basis and subjected to review under transfer pricing regulations by various regulators under the applicable laws of India.

**9. A statement that the valuation or other external report, if any, relied upon**

Not applicable, since your Company has been dealing with IEWL during the ordinary course of business.

**10. Any other information relevant or important for the shareholders to take an informed Decision :**

All relevant/ important information forms a part of this Explanatory statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.

The transaction shall also be reviewed/ monitored on an annual basis by the Audit Committee of the Company and shall remain within the proposed amount being placed before the shareholders. Any subsequent material modification in the proposed transaction, as may be defined by the Audit Committee as a part of Company's Policy on Related Party Transactions, shall be placed before the shareholders for approval, in terms of Regulation 23(4) of the Listing Regulations.

The business of your Company would be significantly impacted if the transactions of the nature stated herein above are not carried on by the Company or are restricted. It is in the interest of the Company, therefore, to continue to engage in the said transactions as they contribute to the business growth, competitiveness and efficiency of the Company.

The Audit Committee and Board of Directors of your Company have approved this item in their meetings held on May 25, 2023 and recommends the resolution No. 4 as set out accompanying notice for the approval of members of the Company as an Ordinary Resolution.

Copies of Agreements / Purchase Orders entered into by the Company with the said related parties which are currently in force are available for inspection by Members on all working days except Saturdays and Public Holidays (between 11.00 a.m and 1.00 p.m.) at the registered Office of the Company upto August 09, 2023 being the date of 31st Annual General meeting.

The Directors, Key Managerial Personnel or their relatives holding shares of the Company may be deemed to be concerned or otherwise interested in the said Ordinary Resolution only to the extent of their shareholding.

All related parties of the Company, irrespective of whether he/she/ entity is a party interested in the above transactions or not, will not vote on this resolution. Hence, the Promoter(s) and promoter group companies shall abstain from voting for this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

**Item No. 5 To consider and ratify remuneration of Cost Auditor payable for the Financial Year 2023-24**

Pursuant to the provisions of Section 148 of Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the

applicable products of the Company for its domestic unit in FY2023-24. The Board of Directors of the Company, on the recommendation of the Audit Committee, had approved the appointment of M/s. B Y & Associates, Cost Accountants (Firm Registration No: 003498) as the Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year(s) ending March 31, 2024 at a remuneration of ₹ 1.25 Lakhs and reimbursement of out of pocket expenses and taxes as may be applicable to the Cost Auditors as considered and approved by the Board of Directors in their meeting held on May 25, 2023.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2023-24.

None of the Directors or Key Managerial Personnel or their relatives, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval/ratification by the members.



## Annexure 1A

<b>Name of the Director</b>	<b>Mr. Haruo Igarashi</b>
DIN	08587832
Age (Years)	55
Nationality	Japan
Qualification	B.A (Business Management & Marketing) University of Phoenix, USA
Expertise in specific functional area	Wide managerial experience in Global Automotive Industry
Terms and Conditions of appointment /Re-appointment	Mr. Haruo Igarashi is liable to retire by rotation. He offer himself for re-appoint as Non- Executive, Non Independent Director.
Remuneration last drawn (FY2022-23) (₹ Lakhs)	Nil
Remuneration proposed to be paid	N.A#
Date of first appointment on the Board	May 24, 2022
disclosure of relationships between directors /KMP inter-se	There is no relationship with other Directors on the Board
Number of Board Meetings attended during the Financial Year 2022-2023	4
Membership/ Chairmanship of committees of other Boards(excluding foreign, private and Section 8 Companies)	Nil
Shareholding in the Company (No. of shares)	Nil
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board as on March 31, 2023	Nil

# Not eligible for sitting fee for attending each meeting of the Board and Committees

# Directors' Report

To  
The Shareholders,

Your Directors have pleasure in presenting their Thirty First Annual Report of your Company, together with the Audited Financial Statements for the year ended 31st March 2023.

## Financial Results

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

(₹ in Lakhs)

Particulars	2022-23	2021-22
Manufacturing Sales	65,625	55,640
Add: Other Income	801	694
<b>Total Income</b>	<b>66,426</b>	<b>56,334</b>
Less:		
(i) Materials & Manufacturing Expenses	43,618	36,818
(ii) Value Addition Cost	17,182	14,837
<b>Profit before Depreciation, Amortization</b>	<b>5,626</b>	<b>4,679</b>
Less: Depreciation & Amortization Expenses	4,716	4,447
<b>Profit before Tax</b>	<b>910</b>	<b>231</b>

## OPERATIONS

Your Company's Revenues for the year stood at ₹ 65,625 Lakhs as against ₹ 55,640 Lakhs for previous year despite of semiconductor chip shortage, Global Geo-political tensions and stricter norms for Covid-19 protocols in major markets. Operating Profit before Depreciation & Amortization amounted to ₹ 5,626 Lakhs as against ₹ 4,679 Lakhs for previous year. Profit before Tax amounted to ₹ 910 Lakhs as against ₹ 231 Lakhs for previous year.

## DIVIDEND

The Board, after considering holistically the relevant circumstances and keeping in view of the Company's Dividend distribution policy, has decided to recommend ₹ 1/- per share on Face Value of ₹ 10/- final dividend for the year under review.

Your Company had adopted the Dividend Distribution Policy and the same was hosted on the website of the Company at: [http://www.igarashimotors.com/uploads/investor/pdf/14788383387IMIL-Dividend\\_Distribution\\_Policy.pdf](http://www.igarashimotors.com/uploads/investor/pdf/14788383387IMIL-Dividend_Distribution_Policy.pdf)

## TRANSFER OF UNPAID & UNCLAIMED DIVIDEND AND UNCLAIMED SHARES TO IEPF

As per the provisions of the Companies Act, 2013 read with Investor Education and Protection Fund (Accounting,

Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') all unclaimed dividends are required to be transferred by the Company to the IEPF after completion of 7 years. Further according to IEPF Rules, the shares on which dividend has not been claimed by the Shareholders for seven consecutive years or more shall be transferred to the demat account of IEPF Authority. The details relating to amount of dividend FY 2015-16 (Interim) transferred to IEPF and such shares on which dividends were un-claimed for seven years consecutive years are available on the website of the Company at <http://www.igarashimotors.com/investor-list.php?invescatid=22>

## RESERVES

The Reserves at the end of the year 31st March, 2023 is at ₹ 40,806 Lakhs as against the Total Reserves of ₹ 40,681 Lakhs as at 31st March 2022.

Your Company does not propose to transfer any amount to the general reserve.

## MATERIAL CHANGES

No material changes or commitments have occurred between the end of the Financial Year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

Your Company has no Subsidiary/ Associate / Joint Venture Companies as on March 31, 2023. Report under Form AOC-1 is annexed to this report.

## DEPOSITS

During the year under review, your Company has not invited or accepted any deposit within the meaning of provisions of Chapter V of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended March 31, 2023.

## PAID-UP SHARE CAPITAL

Your Company's Paid-up equity share capital is ₹ 3,147 Lakhs as on March 31, 2023.

## DIRECTORS

During the year under report, the members of your Company in 30th Annual General Meeting confirmed the re-appointment of Mr. Hemant M Nerurkar (DIN 00265887), as Director who was liable for retire by rotation.

Based on the Nomination & Remuneration Committee recommendation, the Board of Directors at their meeting held on May 23, 2022 and the approval by the shareholders at 30th AGM by way of Ordinary Resolutions, Mr. Haruo Igarashi (DIN 08587832) and Mr. Thomas Francis Mckeough (DIN: 09510485) was appointed as Non-Executive, Non-Independent Director from May 24, 2022.

## INDEPENDENT DIRECTORS

The Independent Directors viz. Mr. L Ramkumar (DIN 00090089) Mrs. S M Vinodhini (DIN 08719578) have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and there has been no change in the circumstances which may affect their status as Independent Director during the year.

The details of familiarization programmes to Independent Directors is put up on the website of the Company at the link: <http://www.igarashimotors.com/investor-list.php?invescatid=23>

## RETIREMENT BY ROTATION

Mr. Haruo Igarashi (DIN 08587832) Director retires by rotation at forthcoming 31st Annual General Meeting and being eligible, offers himself for re-appointment. The brief resume and other details as required under the Listing Regulations are provided in the Notice of the 31st Annual General Meeting of the Company.

## EVALUATION OF THE BOARD'S PERFORMANCE

Your Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. Pursuant to the provisions of Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Committee for the financial year 2022-23. Each Board member completed a questionnaire providing feedback on the functioning and overall engagement of the Board and its committees on various parameters such as the composition, execution of specific duties, quality, quantity and timelines of flow of information, deliberations at the meeting etc.,. Besides this, one –on-one meeting of the individual directors with the Chairman of the Board was also conducted as a part of self-appraisal and peer group evaluation. The Directors were also asked to provide their valuable feedback and suggestions about the overall functioning of the Board and its committees.

## NUMBER OF MEETINGS OF THE BOARD

During the year Five Board Meetings were held on May 23, 2022, August 10, 2022, November 09, 2022, January 10, 2023 and February 13, 2023. The particulars of Directors, their attendance during the financial year 2022-23 has been disclosed in the Corporate Governance Report forming part of this Annual Report.

For details of the Committees of the Board, please refer to the Corporate Governance Report.

## AUDIT COMMITTEE

Your Company has an Audit Committee pursuant to the requirements of the Act read with Rules framed thereunder and SEBI (LODR) Regulations, 2015. The details are relating to the same are given in the report on Corporate Governance forming part of this Report. During FY 2022-23, the recommendations of Audit Committee were duly accepted by the Board.

## DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 134 (5) of the Companies Act, 2013 your directors, on the basis of information made available to them, confirm the following:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2023, 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 March 31, 2023 and of the profit of the Company for that period;
- c) Proper care has been taken for maintenance of adequate accounting for safe guarding the assets of the Company and detecting fraud and other irregularities;
- d) They have laid down Internal Financial Controls to be followed by the Company and the Audit Committee of the Board of Directors shall ensure that the internal control is adequate and robust;
- e) The annual accounts are prepared on a going concern basis;
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DEMATERIALIZATION OF SHARES

99.61% of the Company's paid up Equity Share Capital is in dematerialized form as on March 31, 2023 and balance 0.39% is in physical form. Your Company has already sent four reminders to all concerned shareholders advising them to convert physical shares into demat form. The Company's Registrars are Cameo Corporate Services Limited, No.1, Subramanian Building, Club House Road, Chennai 600002.

## CREDIT RATING

During the year under view, CARE re-affirmed credit ratings of CARE A+ for long term debt and CARE A1+ for short term debt.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The information required to be furnished pursuant to Section 134(3) (m) of the Companies Act, 2013, 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 as an annexure to this Report.

## PARTICULARS OF LOANS & INVESTMENTS BY COMPANY

Details of loans and investments by the Company covered under Section 186 of the Companies Act, 2013, form part of the notes to the financial statements provided in this report.

## RELATED PARTY TRANSACTIONS

All the related party transactions entered during the year were in ordinary course of business and on arm's length basis. Your Company had taken shareholders approval for material related party transactions with Igarashi Electric Works Limited, Japan [IEWL] ('Promoter & Ultimate Holding Company') at the 30th AGM held on August 10, 2022.

In view of above, the Audit Committee and Board recommend continuing material related party transactions with IEWL during the period from 31st AGM to 32nd AGM for approval of shareholders as set out in the Notice of 31st AGM.

Your Company's updated Policy on Related Party Transactions which can be accessed through weblink : <http://www.igarashimotors.com/investor-list.php?invescatid=18>

Your Company presents a statement of all related party transactions before the Audit Committee. Details of such transactions are given in the accompanying financial statements. Disclosure of Related Party transaction (include details of the transactions with promoter/promoter group is annexed with the report as per the format prescribed).

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company adopted Policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at Work Place in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. A copy of Policy is made available on the Company's website.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. Your Company had arranged external expert consultant trainings on Compliance of Policy to all the employees and service providers. Your Company also launched awareness campaigns on said Policy.

An Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment and discrimination at work place.

During the year ended March 31, 2023, the ICC has received no complaints pertaining to sexual harassment / discrimination at work place.

## KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are



Mr. R Chandrasekaran (DIN : 00012643), Managing Director, Mr. S Vivekchandranth, Chief Financial Officer and Mr. P Dinakara Babu, Company Secretary (ICSI Membership No. A14812).

During the year, there are no changes in the Key Managerial Personnel.

## AUDITORS

M/s. B S R & Co LL.P, Chartered Accountants (Firm Registration No. 101248W/W-100022), were appointed by the Shareholders at the 30<sup>th</sup> Annual General Meeting held on August 10, 2022 as Statutory Auditors for a term of five consecutive years (FY2022-23 to FY2026-27) to hold office until conclusion of 35<sup>th</sup> Annual General Meeting.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 effective from May 07, 2018, ratification by shareholders every year for the appointment of Statutory Auditors is no longer required and accordingly, the Notice of ensuing 31<sup>st</sup> Annual General Meeting does not include the proposal for seeking shareholders' approval for ratification of Statutory Auditors appointment.

M/s. B S R & Co LL.P, Chartered Accountants, has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014, for their continuance as the Auditors of the Company for the financial year 2023-24. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

## AUDITOR'S REPORT

No qualification, adverse remarks or disclaimer made by the Statutory Auditors with regard to the financial statements for the financial year 2022-23.

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

There have been no instances of fraud reported by above mentioned Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government during FY 2022-23.

## SECRETARIAL AUDITOR , SECRETARIAL AUDIT REPORT & OTHER CERTIFICATES

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. C Prabhakar, Partner, BP

& Associates, Company Secretaries (ICSI Membership No.: F11722; C.P No. 11033) to undertake the secretarial audit of the Company for the year ended March 31, 2023. Your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

The Secretarial Audit Report is given in Annexure to this Report. The Report does not contain any qualification, reservation or adverse remark or any disclaimer.

Pursuant to Regulation 24(A) of SEBI Listing Regulations, the Company has obtained annual secretarial compliance report from Mr. C Prabhakar, Partner, BP & Associates, Company Secretaries (ICSI Membership No.: F11722; C.P No. 11033) and the same will be submitted to the stock exchanges within the prescribed time. The Secretarial Compliance Report also does not contain any qualification, reservation, adverse remark or any disclaimer.

As required under SEBI (LODR) Regulations, Your Company has obtained a certificate from the Practising Company Secretary that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors by MCA/ Statutory Authorities. The said Certificate is forming part of this Report.

## COST AUDIT & COST RECORDS

Pursuant to the provisions of Section 148(3) of the Act, the Board of Directors had appointed M/s. B Y & Associates, Cost Accountants (Firm Registration No: 003498) as Cost Auditors of the Company, for conducting the audit of cost records of domestic unit for the financial year ended March 31, 2023.

The audit is in progress and the report will be filed with the Ministry of Corporate Affairs within the prescribed period. A proposal for ratification of remuneration of the Cost Auditors for the financial year 2022-23 ratified by the shareholders at 30<sup>th</sup> AGM held on August 10, 2022.

The cost records as specified by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013 as required are maintained by the Company.

The Board of Directors based on the recommendation of the Audit Committee, approved the re-appointment of M/s. B Y & Associates, Cost Accountants (Firm Registration No: 003498) as the Cost Auditors of the Company to conduct audit of the cost records of the domestic operations of the Company for the financial year 2023-24. Accordingly, the matter relating to the ratification of the remuneration payable to the Cost Auditors for the financial year 2023-24 being placed at the 31<sup>st</sup> AGM of the Company.

## ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with section 134(3) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website at <http://www.igarashimotors.com/investor-list.php?invescatid=17>.

## INTERNAL CONTROL SYSTEMS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management.

Internal Audit is carried out in a programmed way and follow up actions were taken for all audit observations. Your Company's Statutory Auditors have, in their report, confirmed the adequacy of the internal control procedures.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee. The CSR Committee comprises of four members and the Chairman of Board is heading the Committee. CSR Committee of the Board has developed a CSR Policy. The CSR Committee met one time during the year on May 23, 2022. The details of role and functioning of the Committee are given in Annexure to this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report of the Company for year under review as required under Regulation 17 of Listing Regulations is given as a separate Statement in the Annual Report.

## DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Your Company has adopted a Risk Management Policy and constituted a Risk Management Committee for monitoring the same. The Company has been addressing various risks impacting the Company which is provided elsewhere in this Annual Report in Management Discussion and Analysis Report.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

As required under Regulation 34 (2) (f) of Listing Regulations, the Business Responsibility & Sustainability Report describing the initiatives taken by your Company from an environmental, social and governance perspective, in the prescribed format is available as a separate section of the Annual Report. Your Company has taken initiative to

publish BRSR report for FY 2022-23 on Mandatory Basis in view of Circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 issued by the Securities and Exchange Board of India (SEBI). The said report is also available on the Company's website at <http://www.igarashimotors.com/investor-list.php?invescatid=17>.

## REMUNERATION OF KEY MANAGERIAL PERSONNEL

The information required pursuant to Section 197 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the statement of particulars of Appointment and Remuneration of Key Managerial Personnel is forming part of this Report.

The remuneration paid to all Key Managerial Personnel was in accordance with remuneration policy adopted by the Company.

## STATEMENT ON EMPLOYEE REMUNERATION

The information required pursuant to Section 136(1) of the Companies Act, 2013, the Report of the Board of Directors is being sent to all the shareholders of the Company excluding statement prescribed under Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Statement will be sent by e-mail to the Shareholders, if such request is mailed to the Company.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

## HUMAN RESOURCES

Your Company has 669 number of permanent employees on the rolls of the Company as on March 31, 2023. 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.

## 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 Listing Regulations is annexed hereto.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has a vigil mechanism established Whistle Blower Policy, as per the requirement of the Companies Act, 2013 and the Listing Regulations, to enable all employees and the directors to report in good faith, any violation of

the Policy. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. Your Company has disclosed the details of revised Whistle Blower policy on its website: <http://www.igarashimotors.com/investor-list.php?invescatid=18>

### PREVENTION OF INSIDER TRADING

Your Company has adopted a code of conduct for prevention of “Insider Trading” as mandated by the SEBI and same is available on the website of the Company: <http://www.igarashimotors.com/investor-list.php?invescatid=18>. Your Company’s Audit Committee monitors implementation of said Policy.

### CODE OF CONDUCT

Your Company has laid down a Code of Conduct Policy which can be accessed on the Company’s website: <http://www.igarashimotors.com/investor-list.php?invescatid=18>

### OTHER CONFIRMATIONS

There is no application/proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

### LISTING

The shares of your Company continued to be listed at National Stock Exchange Limited and Bombay Stock Exchange Limited. Listing fee has already been paid for the financial year 2023-24.

### 31<sup>st</sup> ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCE

As per Ministry of Corporate Affairs Circular No. 10/2022 dated December 28, 2022 [“MCA Circular”], regarding Pandemic and relaxations (e.g VC, no physical report) thereon, your Company made arrangement to conduct 31st AGM through Video Conference / Other Audio Visual Means for which necessary information has been given separately in Notice of 31<sup>st</sup> AGM.

Also your Company will be complying with said Circulars by sending 31st Annual Report along with Annexures by way of e-mail to the shareholders as such no physical copies shall be distributed. Those Shareholders whose email IDs are not registered, have to register their email ID with Registrar & Share Transfer Agent (RTA) of the Company.

### ACKNOWLEDGEMENT

The Board wishes to thank for the continued support of the relevant Government Authorities, Promoters, Shareholders, Suppliers, Customers and other business associates, for their strong support.

For and on behalf of the Board of Directors

**Hemant M Nerurkar**

Chairman

DIN: 00265887

Place: Chennai

Date: May 25, 2023

**ANNEXURE TO THE DIRECTORS' REPORT****A. CONSERVATION OF ENERGY**

- 1) Energy Conservation Measures Taken
  - i. Procurement of 64.17% renewable electricity from private renewable energy (wind power) supplier in FY 2022-23.
  - ii. Replacement of 725 CFL's with LED lights to achieve a tentative energy saving of 88,760 kW-hr in the reporting year.
- 2) Steps taken by the Company for utilizing alternate sources of energy are
  - i. The Company uses green energy (Wind power) at a tariff less than Tamil Nadu Electricity Board
  - ii. Preparation of roadmap to increase in house solar generation capacity in near future and progressively reviewing the opportunities to expand consumption through renewable energy.
- 3) The capital investment on energy conservation equipment's : N.A

**B. TECHNOLOGY ABSORPTION**

- 1) the efforts made towards technology absorption : continuous process
- 2) the benefits derived(like product improvement, cost reduction, product development or import substitution): continuous process
- 3) Information regarding imported technology (last three years): Not applicable
- 4) Expenditure on Research and Development:
  - a) Capital : ₹ 3,470 (₹ 3,451 lakhs previous year)
  - b) Recurring : ₹ 298 lakhs (₹ 111 lakhs previous year)
  - c) Total : ₹ 3,768 (₹ 3,562 Lakhs previous year)

**C. Foreign Exchange earnings and outgo**

Total Foreign exchange earnings used during year was ₹ 41,906 Lakhs [previous year ₹ 27,115 Lakhs] and the total foreign exchange earned during the year was ₹ 35,397 Lakhs [Previous year ₹ 38,908 Lakhs]

For and on behalf of the Board of Directors

**Hemant M Nerurkar**

Chairman

DIN: 00265887

Place: Chennai

Date: May 25, 2023



## ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

a) Section 197(12) read with Rule, 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

i) Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year.

Sr. No.	Name	Designation	Remuneration of Director for 2022-23 (₹ Lakhs)	Ratio/Times per Median of employee remuneration
1	Mr. Hemant M Nerurkar	Chairman <sup>^</sup>	15.25	1.10
2	Mr. Haruo Igarashi	Director	N.A	N.A
3	Mr. L Ramkumar	Independent Director <sup>^</sup>	11.25	0.81
4	Mrs. S M Vinodhini	Independent Woman Director <sup>^</sup>	11.00	0.79
5	Mr. Thomas Francis Mckeough	Director	N.A	N.A
6	Mr. R. Chandrasekaran	Managing Director	168 <sup>#</sup>	12.10

<sup>^</sup>The remuneration of Directors consists of sitting fees and commission. Commission is for 2022-23 paid in FY2023-24

<sup>#</sup> Excludes One time Special incentive ₹ 48 Lakhs for the previous FY2022.

ii) The percentage increase in remuneration of each director, Managing Director, Chief Financial Officer, Company Secretary in the financial year:

Name	Designation	% increase in remuneration in FY2022-23
Mr. Hemant M Nerurkar	Chairman <sup>^^</sup>	Nil
Mr. Haruo Igarashi	Director	N.A
Mr. L Ramkumar	Independent Director <sup>^^</sup>	Nil
Mrs. S M Vinodhini	Independent Woman Director <sup>^^</sup>	Nil
Mr. Thomas Francis Mckeough	Director	N.A
Mr. R. Chandrasekaran	Managing Director <sup>#</sup>	39.50
Mr. P Dinakara Babu	Company Secretary	13.1
Mr. S Vivekchandranath	Chief Financial Officer	13.6

<sup>^^</sup> includes commission but excluding sitting fee

<sup>#</sup> Remuneration of fixed pay without variable pay per shareholders approval at 30th AGM held on August 10, 2022

iii) The percentage increase in the median remuneration of employees in the financial year

In the financial year, there was an increase of 11% in the median remuneration of employees.

iv) The number of permanent employees on the rolls of Company : 669 as on March 31,2023

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

As per Company increment guidelines. Compensation revisions generally take into account performance metrics on sales, operating profits and working capital apart from specific elements attributable to various functions within the organization.

- vi) The key parameters for any variable component of remuneration availed by the directors – Not Applicable
- vii) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

**Hemant M Nerurkar**

Chairman

DIN: 00265887

Place: Chennai

Date: May 25, 2023

### Form AOC-1

**(PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ  
WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014**

Statement containing salient features of the financial Statement of Subsidiaries/Associate Companies/Joint Ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No	Particulars	
1	Name of the Subsidiary	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	
4	Share capital	
5	Reserves & surplus	
6	Total assets	
7	Total Liabilities	NIL
8	Investments	
9	Turnover	
10	Profit before taxation	
11	Provision for taxation	
12	Profit after taxation	
13	Proposed Dividend	
14	% of shareholding	

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No	Name of the Associates / Joint Venture	
1	Latest audited Balance Sheet Date	
2	Shares of Associate /Joint Ventures held by the company on the year end	
	No.	
	Amount of investment in Associates / Joint Venture	
	Extent of holding %	
3	Description of how there is significant influence	NIL
4	Reason why the associate / joint venture is not consolidated	
5	Net worth attributable to shareholding as per latest audited Balance Sheet	
6	Profit / Loss for the year	
	i) Considered in consolidation	
	ii) Not considered in consolidation	

- Names of subsidiaries which are yet to commence operations: N.A
- Names of subsidiaries which have been liquidated or sold during the year: N.A

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

**Hemant M Nerurkar**

Chairman

DIN: 00265887

Place: Chennai

Date: May 25, 2023

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS PURSUANT TO SECTION 134(G) OF THE COMPANIES ACT, 2013

### A. Amount Outstanding as on March 31, 2023

Particulars	Amount (₹ Lakhs)	Purpose
Loans given	Nil	Nil
Guarantees Given	Nil	Nil
Investments made	1,737.08	Business

Refer Notes to Accounts given along with Financial Statements for the year ended March 31,2023

### B. Loans, Guarantees, Investments made during financial year 2022-23

Name of the entity	Relation	Amount (₹ Lakhs)	Particulars of Loans , Guarantees given or investments made	Purpose for which the loans, Guarantees and investments are proposed to be utilised
Nil	Nil	Nil	Nil	Nil

Refer Notes to Accounts given along with Financial Statements for the year ended March 31,2023

For and on behalf of the Board of Directors

**Hemant M Nerurkar**

Chairman

DIN: 00265887

Place: Chennai

Date: May 25, 2023



## FORM NO. AOC-2

[PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2)  
OF THE COMPANIES (ACCOUNTS) RULES, 2014]

### Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis :-

There were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2023 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis :

The details of material contracts or arrangements or transactions at arm's length basis entered into during the financial year ended March 31, 2023 are as follows,

Sr. No	Name(s) of the related party and nature of relation ship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions (₹ in Lakhs)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board and subsequent approvals by way of Postal Ballot/ General Meetings	Amount paid as advances, if any
1	Agile Electric Sub Assembly Private Limited – [Holding Company]	Sale of goods and services	693.22	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	For sale and purchase: Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held on 09/02/2022	Nil
		Purchase of goods and services	333.43				Nil
2	Igarashi Electric Works Limited, Japan-[Ultimate Holding Company]	Sale of goods and services	31,149.07	year on year basis	-do-	For sale and purchase: Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held as on 09/02/2022. Moreover the Public shareholders of the Company by Ordinary Resolution passed at 30th AGM held on 10/08/2022, accorded their approval for related party transactions.	Nil
		Purchase of goods and services	703.23				
3	Igarashi Electric Works (H.K) Limited, Hong Kong-[Fellow subsidiary]	Sale of goods and services	Nil	year on year basis	-do-	For sale and purchase: Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held on 09/02/2022	Nil
		Purchase of goods and services	Nil				

Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions (₹ in Lakhs)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board and subsequent approvals by way of Postal Ballot/ General Meetings	Amount paid as advances, if any
4	Igarashi Motoren Gmbh, Germany-Fellow subsidiary	Sale of goods and services	462.97	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	For sale and purchase: Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held as on 09/02/2022	Nil
		Purchase of goods and services	Nil				
5	Igarashi Motor Sales USA LLC, USA-Fellow subsidiary	Sale of goods and services	1,025.66	year on year basis	-do-	For sale and purchase: Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held as on 09/02/2022	Nil
		Purchase of goods and services	Nil				
6	Igarashi Electric Works International Ltd, Hong Kong	Sale of goods and services	1.68	year on year basis	-do-	For sale and purchase: Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held as on 09/02/2022	Nil
		Purchase of goods and services	Nil				
7	Yat Yue Industrial Co.(HK) Ltd, Hong Kong	Sale of goods and services	Nil	year on year basis	-do-	For sale and purchase: Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held as on 09/02/2022	Nil
		Purchase of goods and services	531.36				
8	Igarashi Electric Works (Zhuhai) Limited, China (IEWZL)	Sale of goods and services	Nil	year on year basis	-do-	For sale and purchase: Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held as on 09/02/2022	Nil
		Purchase of goods and services	0.68				
9	Igarashi Electric Works (Shenzhen) Ltd	Sale of goods and services	54.07	year on year basis	-do-	For sale and purchase: Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held as on 09/02/2022	Nil
		Purchase of goods and services	Nil				

<sup>§</sup> Also refer Note 37 of Related Party Schedule to the Financial Statements

<sup>@</sup> Services include bundled royalty/technical fee payment for trademarks, technological know-how and support received in relation to procurement & other strategic management

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business.

For and on behalf of the Board of Directors

**Hemant M Nerurkar**

Chairman

DIN: 00265887

Place: Chennai  
Date: May 25, 2023

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURE

### I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L29142TN1992PLC021997
2	Name of the Listed Entity	IGARASHI MOTORS INDIA LIMITED ('IMIL')
3	Year of incorporation	1992
4	Registered office address	Plot No. B12 to B15, Phase-II, MEPZ-SEZ, Tambaram, Chennai – 600 045
5	Corporate address	Plot No. B12 to B15, Phase-II, MEPZ-SEZ, Tambaram, Chennai – 600 045
6	E-mail	investorservices@igarashimotors.co.in
7	Telephone	+91-44-42298100
8	Website	www.igarashimotors.com
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Limited
11	Paid-up Capital	₹ 3,147.50 Lakhs
12	Contact Person	
	Name of the Person	Mr. R Chandrasekaran, Managing Director
	Telephone	+91 44 42298199
	Email address	investorservices@igarashimotors.co.in
13	Reporting Boundary	
	Type of Reporting (Standalone / Consolidated)	Disclosures made in this report are on Standalone basis

### II. Product/Services

14	Details of business activities	Sl. No.	Description of Main Activity	Description of Business Activity	% Turnover
		1	Electrical Equipment, general purpose and special purpose machinery & equipment	Manufacturing	100%

15	Products/Services sold by the entity contributing 90% of total turnover	Sl. No.	Product/Service	NIC Code	% of Total Turnover contributed
		1	Electric Micro Motors & Motor Components	8501	87.34%
		2	Ceiling Fans (BLDC) Motors	8414	12.66%

### III. Operations

16	Number of locations where plants and/or operations/offices of the entity are situated:	Location	Number of plants	No. of Offices	Total
		National	9	1	10
		International	-	-	-
17	a. No. of Locations	Locations	Numbers		
		National (No. of States)	All over India		
		International (No. of Countries)	7		
	b. What is the contribution of exports as a percentage of the total turnover of the entity?	Contribution of export is 64% of total turnover for FY 22-23			
	c. A brief on types of customers	Revenues of the group are largely derived from Business-to-Business sales to Global Tier-1 customers in the automotive and Business to Business Sales to Electric Consumer Durable Customers for BLDC Motors in FMEG business.			

### IV. Employees

18 Details as at the end of Financial Year 22-23:

Sl. No.	Particulars	Total (A)	Male	Female		
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>a. Employees (including differently abled)</b>						
<b>Employees</b>						
1	Permanent (A)	240	174	73%	66	28%
2	Other than Permanent (B)	-	-	-	-	-
3	<b>Total (A+B)</b>	<b>240</b>	<b>174</b>	<b>73%</b>	<b>66</b>	<b>28%</b>
<b>b. Workers (including differently abled)</b>						
<b>Workers</b>						
1	Permanent (E)	429	208	48%	221	52%
2	Other than Permanent (F)	1193	149	12%	1044	88%
3	<b>Total (E+F)</b>	<b>1622</b>	<b>357</b>	<b>22%</b>	<b>1265</b>	<b>78%</b>
<b>c. Differently abled Employees</b>						
<b>Employees</b>						
1	Permanent	0	0	0	0	0
2	Other than Permanent	-	-	-	-	-
3	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>d. Differently abled Workers</b>						
<b>Workers</b>						
1	Permanent	0	0	0	0	0
2	Other than Permanent	0	0	0	0	0
3	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

19 Participation/Inclusion/Representation of women

Sl. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	6	1	17%
2	Key Management Personnel *	3	0	0%

\* Includes Managing Director, Chief Financial Officer and Company Secretary



20 Turnover rate for permanent employees and workers

Category	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17.3%	3.1%	12.5%	2.3%	0%	1.7%	16%	13.2%	15.2%
Permanent Workers	22.5%	10.7%	16.4%	24.1%	16.9%	20.5%	22.8%	20.1%	21.5%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

21	Names of holding / subsidiary / associate companies / joint ventures	Sl. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
		1.	Agile Electric Sub Assembly Private Limited	Holding Company	54.46	Yes
		2.	Igarashi Electric Works Limited, Japan	Ultimate Holding Company	12.59	Yes
		3.	Igarashi Electric Works (H.K) Limited, Hong Kong	Associate Company	7.94	Yes

**VI. CSR Details:**

22	a. Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
	Turnover (in ₹ Lakhs)	65,625
	Net worth (in ₹ Lakhs )	43,953

## VII. Transparency and Disclosures Compliances

23	Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
				Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
	Communities	Yes. Direct interaction during CSR activities and other social & awareness programs	0	0	-	0	0	-	
	Investors (other than shareholders)	Yes. Investors will submit their grievance either directly with the Company Secretary or Registrar and Share Transfer Agent for assisting in handling the grievances as given in the Email ID. <a href="mailto:investorservices@igarashimotors.co.in">investorservices@igarashimotors.co.in</a>	0	0	-	0	0	-	
	Shareholders	Yes. Stakeholder Relationship Committee is set up to examine and redress the shareholders grievances on timely basis. The status of complaints is reported to the entire Board on quarterly basis. The Committee meets quarterly to review & resolve shareholders grievances.	1	0	-	2	0	-	
	Employees and workers	Yes. For safeguarding the interests of the employees and workers, grievance mechanism is detailed in the POSH Policy and Whistle blower Policy <a href="#">(SHP Policy)</a>	0	0	-	0	0	-	
	Customers	Yes. A cross functional team is in place who reviews Supplier Portals and responds to various requirements and feedbacks of our customer for a seamless experience.	0	0	-	0	0	-	
	Value Chain Partners	Yes. Value Chain Partners may register their complaints directly with the Business Supply Chain Head.	0	0	-	0	0	-	
	Other (please specify)	Yes. Audit committee in place to maintain ethical business standards through Anti-corruption policy. <a href="#">(Anticorruption_Policy.pdf)</a>	0	0	-	0	0	-	

### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Scarcity of electrical power	Opportunity	Commercial gain from process in-place for optimized energy consumption and commitment to enhance the energy efficiency.	<ol style="list-style-type: none"> <li>Increase in the efficiency of equipment which has caused reduction in the overall energy intensity.</li> <li>Installation of Solar panels, Solar Water heaters and LEDs at various locations for efficient energy management.</li> <li>Use of BLDC fan motor capable of reducing ~50% of energy consumption per motor.</li> </ol>	Positive- Increasing sustainable and green energy can reduce Company costs in future and attract investment opportunities.
		Risk	Increasing energy costs associated with adoption of new and efficient technologies.	<ol style="list-style-type: none"> <li>Record maintenance of spends associated with energy improvement initiatives.</li> <li>Installation of energy meter in facility to monitor the energy consumption.</li> <li>Energy Audit has been conducted and actions to be taken based on priority/feasibility and allocated budget.</li> </ol>	Negative- New business processes may require massive financial investments including technical skill training at regular intervals.
2	Scarcity of water	Risk	Resource depletion and unavailability of water during specific time period can adversely hamper operations.	<ol style="list-style-type: none"> <li>Though, production process does not require water, the water meters were installed at various location for analyzing the consumption pattern for non-production needs.</li> <li>Water conservation practices like auto cut-off valves, use of Rain water etc are being undertaken in our facilities.</li> <li>The water is discharged to common sewage treatment plant which is owned and operated by MEPZ-SEZ. The treated water is reused for gardening purpose by MEPZ-SEZ.</li> </ol>	Negative- Shortage of water can slow down activities and attract financial investments in the longer run.
3	Noncompliance to local laws and regulations	Opportunity	Changes in local laws and regulations considering future aspects.	Monthly review / discussions are conducted along with regular monitoring of legal compliance with the support of Compliance Dash Board software tool.	Positive- Improvement in Company's reputation and relationships with stakeholders.
4	Occupational Safety and Health	Risk	Occupational health and safety is a critical aspect for ensuring employee welfare. Non-compliance with appropriate safety standards can attract high frequency of health and safety incidents.	<ol style="list-style-type: none"> <li>Frequent safety audit, awareness sessions and tool box talk are conducted to maintain safe and healthy working conditions.</li> <li>Implementing training of all employees and associates on safe working practices.</li> <li>Implementation of a Company-wide robust Occupational Health and Safety SOP.</li> </ol>	Negative- Incidents of occupational health & safety management system may cause loss in man-days and further minor impact on productivity of operations.

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Natural calamity	Risk	Extreme weather events due to climate change pose a physical risk of disruption to the company's operations, and the safety and wellbeing of its employees.	<ol style="list-style-type: none"> <li>Contingency plan in place in-case of occurrence of Natural calamity.</li> <li>Dedicated ERT members who are trained to handle such type of calamities.</li> </ol>	Negative- Property damage could lead to loss of company operations for a limited time and may have massive financial implications.
6	Fire	Risk	Human errors during operation can pose a threat to the office operations and even cause disruptions like office fires.	<ol style="list-style-type: none"> <li>Firefighting system, Smoke detector and fire alarm system in place to detect and alert for risk associated with fire.</li> <li>Extending training to all employees and associates on safe working practices.</li> </ol>	Negative- Property damage could lead to loss of company operations for a limited time and have massive financial implications.
7	Emission Management	Risk	Insufficient control on all sources of emission (value chain partners).	<ol style="list-style-type: none"> <li>Focusing on various initiatives for reduction of emissions as a result of our direct operation.</li> <li>Positive Engagement with supply chain partners for analyzing Scope-3 emissions.</li> <li>More than 50% of electricity is being consumed from Wind Energy (green electricity) causing reduction in GHG emissions.</li> </ol>	Negative – Adoption of new and efficient technologies in business processes may require financial investments and technical skill training at regular intervals.
8	Disposal of hazardous waste chemicals	Risk	Increase in the amount of waste generation as a result of expansion in production capability.	<ol style="list-style-type: none"> <li>Various innovation practices are being undertaken to eliminate the use of hazardous chemicals in our products with the support of stakeholders (Customers/ Suppliers).</li> <li>Hazardous waste such as oil-soaked waste, epoxy powder waste, gel &amp; varnish are co-processed in cement kilns through authorized TN State Pollution Control Board approved vendor.</li> <li>Other hazardous waste like bio-medical waste, e-waste, waste oil, spent solvent and empty chemical container are disposed through TN State Pollution Control Board approved dismantler.</li> </ol>	Negative- Increased waste generation plays a critical aspect in increasing raw material cost and thus the Company has undertaken goal to reduce generation of hazardous waste year on year basis as a proportion on sales.
9	Emerging technology	Opportunity	Global rise in competition and market demand leading to increased focus on innovative and latest emerging technology.	<ol style="list-style-type: none"> <li>Latest technology support and updates from key suppliers to develop the motors and components in competitive market field.</li> <li>The R&amp;D team working on design innovation for overall reduction in energy consumption and packaging material of our products.</li> </ol>	Positive- The improved and innovative design will reduce the energy consumption and overall packaging weight.



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>									
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	1) <a href="https://www.igarashimotors.com/uploads/investor/pdf/16616003319/MIL-Anticorruption_Policy.pdf">https://www.igarashimotors.com/uploads/investor/pdf/16616003319/MIL-Anticorruption_Policy.pdf</a>	1) <a href="https://www.igarashimotors.com/uploads/investor/pdf/1602240315/Confict_minerals_policy_(1).pdf">https://www.igarashimotors.com/uploads/investor/pdf/1602240315/Confict_minerals_policy_(1).pdf</a>	1) <a href="https://www.igarashimotors.com/uploads/investor/pdf/1667369584/MIL-Whistle_Blower_Policy_010419-v4_Website.pdf">https://www.igarashimotors.com/uploads/investor/pdf/1667369584/MIL-Whistle_Blower_Policy_010419-v4_Website.pdf</a>	1) <a href="https://www.igarashimotors.com/uploads/investor/pdf/15938154746/MIL-Sexual_Harassment_Policy_v3.pdf">https://www.igarashimotors.com/uploads/investor/pdf/15938154746/MIL-Sexual_Harassment_Policy_v3.pdf</a>	1) <a href="https://www.igarashimotors.com/uploads/investor/pdf/16673691495/CSR_Policy-V2-25052021.pdf">https://www.igarashimotors.com/uploads/investor/pdf/16673691495/CSR_Policy-V2-25052021.pdf</a>	1) <a href="https://www.igarashimotors.com/uploads/investor/pdf/16673691495/CSR_Policy-V2-25052021.pdf">https://www.igarashimotors.com/uploads/investor/pdf/16673691495/CSR_Policy-V2-25052021.pdf</a>	1) <a href="https://www.igarashimotors.com/uploads/investor/pdf/1667369584/MIL-Whistle_Blower_Policy_010419-v4_Website.pdf">https://www.igarashimotors.com/uploads/investor/pdf/1667369584/MIL-Whistle_Blower_Policy_010419-v4_Website.pdf</a>	Cyber Security policy is placed on the intranet of the Company and open to access for the relevant stakeholders.
2	Whether the entity has translated the policy into procedures. (Yes /No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Accreditation of ISO 14001-2015 Certificate for Four MEPZ-SEZ plants. TS16949 for all MEPZ-SEZ plants. ISO 9001 certification for Domestic plant.							

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p><b>Environmental Goals undertaken in FY 22-23:</b></p> <ol style="list-style-type: none"> <li>15% reduction in non-renewable energy consumption in total energy mix by FY 2025.</li> <li>Installation of in-house Solar PV system capable of generating 400 kWh/day of energy by FY 2030.</li> <li>30% (Scope 1 + Scope 2) emission reduction by FY 2030.</li> <li>15% (Scope 3) emission reduction by FY 2030.</li> <li>Net Zero target by CY 2070 as per India's commitment.</li> <li>Reduction in generation of hazardous and non-hazardous waste year on year basis as a proportion on sales.</li> <li>Obtain ISO 45001 (Occupational Health and Safety) certification for selected / all facilities by CY 2025.</li> <li>Obtain ISO 14001:2015 (Environmental Management System) certification for all 8 facilities by CY 2025 ( 4 facilities are covered now ).</li> </ol>								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p><b>Social Goals undertaken in FY 22-23:</b></p> <ol style="list-style-type: none"> <li>Increase in the number of women in managerial position to 25% by 2030 (vs 17% in 2022).</li> <li>Cover 50% of value chain partners under ESG indicators by FY 2025.</li> <li>Strive to maintain status of Zero Fatality.</li> <li>Increase in the total training hours per annum.</li> <li>100% coverage of reskill / upskill employee with future fit skills (e.g. ESG related topics).</li> </ol> <p>The Company constantly monitors the performance towards ESG Goals and take adequate actions wherever required. We have a robust governance mechanism to monitor the progress of these goals. Various initiatives undertaken by the company to achieve sustainability goals include:</p> <ol style="list-style-type: none"> <li>Procurement of 64.17% renewable electricity from private renewable energy (wind power) supplier in FY 22-23.</li> <li>Replacement of 725 CFL's with LED lights to achieve a tentative energy saving of 88,760 kWh-hr in the reporting year.</li> <li>Preparation of roadmap to increase in house solar generation capacity in near future and progressively reviewing the opportunities to expand consumption through renewable energy.</li> <li>Assessment of value chain partners on ESG parameters.</li> <li>Mandatory ESG trainings is being conducted in phased manner for permanent employees starting from November 2022.</li> </ol>								
<p><b>Governance, Leadership and Oversight</b></p>										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p><b>We are committed to make the business truly sustainable and socially responsible. Igarashi has created an ESG roadmap with quick wins, medium term and long term wins along with a governance framework to ensure that we embed sustainability in our ways of doing business. We have devised our ESG goals and targets along with timelines and purpose.</b></p>								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p><b>Name: Mr. R Chandrasekaran</b>  <b>Designation: Managing Director</b>  <b>DIN Number: 00012643</b></p>								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p><b>Yes. The Risk &amp; ESG Management Committee is responsible for monitoring the implementation and decisions to be taken on sustainability programs. The members of the committee include:</b></p> <ul style="list-style-type: none"> <li>- Mr. Hemant M Nerurkar: Non-Executive Non-Independent Director, Chairperson.</li> <li>- Mr. L. Ramkumar: Non-Executive Independent Director, Member.</li> <li>- Mrs. SM Vinodhini : Non-Executive Independent Director, Member.</li> <li>- Mr. R Chandrasekaran- Managing Director, Member</li> </ul>								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Policies, wherever stated, have been approved by the Board / functional heads. Polices are reviewed at periodic intervals depending on the statutory requirements or on need basis.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with all the statutory laws and regulations as applicable. In consultation with a professional agency of international repute, the Company has set up an electronic compliance tool for monitoring and strengthening compliance with the applicable laws. The tool is updated regularly for amendments / modifications in applicable laws from time to time. This has contributed in strengthening the compliances at all levels under supervision of the Compliance Officer.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9	No, however, the processes and compliances are subject to scrutiny by internal auditors and regulatory authorities, as applicable.								

12. If all Principles are not covered by a policy, reasons to be stated.

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable since the policies and procedures of the Company cover all principles of NGRBCs								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6	Regulatory Compliance, Auto & Non-auto Business Development and Market, Product expansion, Strategic Options	100%
Key Management Personnel	9	Regulatory Compliance update, Auto & Non-auto Business Development and Market, strategic options, Operational Improvement	100%
Employees other than BODs and KMPs	213	Various trainings undertaken by the company during the reporting year includes topics such as ACP, BST, digitalisation, ESG, ESI, first aid and fire prevention, GDA, IATF, IMDS, leadership communication, MS office, nil spill, induction, One Igarashi program, personal hygiene, quality of life, road safety, sedentary lifestyle, self-development, SHP awareness, time management, quality of life, basic science & technology, values & virtues etc.	87.4 %
Workers / Associates			

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

#### a. Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

#### b. Non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			Nil	



3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company is committed to maintaining the highest standards of ethics and is backed by informed independent Board and Senior Management. The company has policies on Anti-Corruption and Anti-Bribery which reiterates Company's stance of zero tolerance towards bribery and corrupt practices. The same is available at [https://www.igarashimotors.com/uploads/investor/pdf/16616003319IMIL-Anticorruption\\_Policy.pdf](https://www.igarashimotors.com/uploads/investor/pdf/16616003319IMIL-Anticorruption_Policy.pdf)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors		
KMPs	Nil	Nil
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Topic	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

## LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The Company's value chain partners have access to the Company's documented Supplier Code of Conduct which addresses many of the ESG aspects. The Supplier Code of Conduct is necessarily circulated to all the suppliers and the company expects its vendors to comply with the given requirement. IMIL intends to conduct awareness sessions on the pertinent principles with respective vendors in the near future.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, a Code of Conduct policy has been defined for directors and senior management so that the responsibilities are performed with due care, diligence, dignity, honesty and integrity. There is also Related Party Transaction Policy in

place which is framed to ensure the proper approval and reporting of transactions between the Company and its Related Parties. The links for both the policies are given below:

**Code of Conduct Policy:** 14908591842Code\_\_of\_conduct.pdf (igarashimotors.com)

**Related Transaction Policy:** 16444053277IMIL-Related\_Party\_Transaction\_Policy\_v4.pdf (igarashimotors.com)

## PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

### ESSENTIAL INDICATORS

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Type (₹ Lakhs)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	298	111 (100%)	All the R&D expense were incurred in improving the social and environmental impacts in the form of BLDC motors.
Capital Expenditure (CAPEX)	3470	3451 (100%)	All the CAPEX were incurred in improving the social and environmental impacts in the form of BLDC motors.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)  
Yes. Compliance with Sustainable sourcing includes restriction on the use of Hazardous Material and assessment of vendors based on their ROHS certificate.
  - If yes, what percentage of inputs were sourced sustainably?  
Approximately all the input raw materials (~100%) are sustainable sourced i.e. complying with ROHS standard.
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.  
IMIL has a standard waste management program that incorporates multiple initiatives. We have standard quality check procedure in place for reclaiming our Armature Assembly- Customer product packaging material. In the reporting year, a total of 7.63% of product packaging material is reclaimed from customers for reuse.  
At our manufacturing sites, there are systems in place to safely dispose off plastic and hazardous waste which are being generated during manufacturing activity.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.  
Not Applicable

### LEADERSHIP INDICATORS

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?  
Presently, Life Cycle Assessment (LCA) of products is conducted only as per internal guidelines and database across each life cycle stage right from the sourcing of raw materials to disposal is maintained. But we are aware that conducting LCA through globally accepted software is one of the most important techniques to understand the impact of products and hence we are assessing the possibility of conducting LCA for important products in the future.
- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Since Life cycle assessment is not conducted through globally acceptable software, no social and environmental concerns are derived out of the same. However, we are conducting material analysis to restrict the use of banned substance in the production material through IMDS (International Material Data Sheet) Report to limit the risks associated with it.

- Percentage of recycled or reused material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Plastic Granules	3.5 %	3.05 %

**Note:**

- Inhouse system is in place to recycle the above-mentioned Plastic Granules
  - Complete plastic waste is being sent for recycling through approved 3rd party agencies.
- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	46.29	7.19	-	25.74	6.49	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

**Note:**

- Plastic waste and Hazardous waste are safely disposed off through approved 3rd party agencies.
- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Armature Assembly	7.63%

### PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

#### ESSENTIAL INDICATORS

- a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
<b>Permanent Employees</b>											
Male	174	174	100%	174	100%	-	-	0	-	0	-
Female	66	66	100%	66	100%	66	100%	-	-	66	100%
<b>Total</b>	<b>240</b>	<b>240</b>	<b>100%</b>	<b>240</b>	<b>100%</b>	<b>66</b>	<b>100%</b>	<b>0</b>	<b>-</b>	<b>66</b>	<b>100%</b>
<b>Other than Permanent Employees</b>											
Male											
Female											
<b>Total</b>											

## d. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
<b>Permanent Employees</b>											
Male	208	208	100%	208	100%	-	-	0	-	0	-
Female	221	221	100%	221	100%	212	100%	-	-	212 <sup>(2)</sup>	100% <sup>(2)</sup>
<b>Total</b>	<b>429</b>	<b>429</b>	<b>100%</b>	<b>429</b>	<b>100%</b>	<b>212</b>	<b>100%</b>	<b>0</b>	<b>-</b>	<b>212</b>	<b>100%</b>
<b>Other than Permanent Workers<sup>(1)</sup></b>											
Male	149	149	100%	149	100%	-	-	-	-	-	-
Female	1044	1044	100%	1044	100%	-	-	-	-	-	-
<b>Total</b>	<b>1193</b>	<b>1193</b>	<b>100%</b>	<b>1193</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:**

- 1) Associates, NAPS Apprentice and ACT Apprentice part of contractual group can avail Maternity benefit facility on the basis of company policy and eligibility criteria.
- 2) The company utilizes centralized Creche facility in MEPZ taken care by MEPZ Manufacture's Association (MEPZMA). Annual subscription fees are paid by the Company which will be utilized by the employees at free of cost and standard communication protocols are established to inform people about the use as required. Additionally, we have separate room for Creche facility inside the premises for domestic unit as well.

## 2. Details of retirement benefits, for Current FY and Previous Financial Year:

Sr. No.	Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	100%	Yes	100%	100%	Yes
2	Gratuity	100%	100%	NA	100%	100%	NA
3	ESI (as per eligibility)	100%	100%	Yes	100%	100%	Yes
4	Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Currently, there are no differently abled employees and workers working at our premises/plant/ offices. However, considering the future prospect, the Company has already modified its premises to ensure accessible infrastructure including lift facility, furniture and other installations. The Company infrastructure is so enabled that employees / workers with disabilities have a barrier-free access to common facilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, our Company is an Equal Opportunities employer. The Code of Conduct Policy is in accordance with the provisions of Rights of Persons with Disabilities Act, 2016 which highlights equal opportunities to all without any discrimination. Currently, the policy is available for all the employees on intranet portal.



5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Permanent Employees:

Gender	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100%	94%	100%	94%
<b>Total</b>	<b>100%</b>	<b>94%</b>	<b>100%</b>	<b>94%</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes. A Standard Operating Procedure is available which includes detailed flowchart for handling the grievances. The company has Whistle Blower policy for its directors and permanent employees to report and freely communicate their genuine concerns.

The company also has Policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at Workplace for all its employees<sup>^</sup> to brief on complaint mechanism related to sexual harassment.

<sup>^</sup> Including Associates

Category	Yes/No
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Our Company believes that all employees are important stakeholders in the Company, and it is imperative to build a culture of mutual trust & respect, interdependence, and meaningful engagement. The Company has taken multiple welfare measure, wellness programs, Medical Centre, People Engagement Programs and People Development Programs for its employees & workers/associates as per eligibility, which includes to and fro transportation facility from residence to workplace (~800 employees/ Associates), subsidized canteen & free hostel (~ 450 females employees/ Associates) facility and Corporate uniform for employees & Associates. We believe such initiatives tends to create safe & comfortable environment for everyone. In addition to this, the Company encourages employees to spread positivity by co-creating celebrations and provides birthday and marriage gifts to employees & Associates to show enjoy the joyful occasions as a team.

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	%(B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
<b>Permanent Employees</b>						
Male						
Female						
Others		Nil			Nil	
Total						
<b>Permanent Workers</b>						
Male						
Female						
Others		Nil			Nil	
Total						

## 8. Details of training given to employees and workers

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health & Safety measures		On Skill Upgradation		Total (A)	On Health & Safety measures		On Skill Upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	174	10	6%	93	53%	173	15	9%	80	46%
Female	66	2	3%	45	68%	64	9	14%	25	39%
<b>Total</b>	<b>240</b>	<b>12</b>	<b>5%</b>	<b>138</b>	<b>58%</b>	<b>237</b>	<b>24</b>	<b>10%</b>	<b>105</b>	<b>44%</b>
<b>Workers</b>										
Male	357	37	10%	232	65%	358	46	13%	232	65%
Female	1265	502	40%	1080	85%	1067	425	40%	836	78%
<b>Total</b>	<b>1,622</b>	<b>539</b>	<b>33%</b>	<b>1,312</b>	<b>81%</b>	<b>1,425</b>	<b>471</b>	<b>33%</b>	<b>1,068</b>	<b>75%</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	% (D/C)
<b>Employees</b>						
Male	174	174	100%	174	174	100%
Female	66	66	100%	64	64	100%
<b>Total</b>	<b>240</b>	<b>240</b>	<b>100%</b>	<b>238</b>	<b>238</b>	<b>100%</b>
<b>Workers</b>						
Male	208	208	100%	198	198	100%
Female	221	221	100%	212	212	100%
<b>Total</b>	<b>429</b>	<b>429</b>	<b>100%</b>	<b>410</b>	<b>410</b>	<b>100%</b>

## 10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	A) Yes. We have our Employee Environment, Health and Safety rules and Manual which provides an overview of IMIL policies, procedures and programs; information about our benefits and employee programs; as well as an overview of our safety program. We are accredited with ISO 14001-2015 across 4 major units which forms part of integrated management system and also has some cross over to our health and safety outcomes.
a. 1 What is the coverage of such system?	B) We proactively engage in hazard and risk identification and assessment. This is achieved through varied approach of periodical safety audit like machine safety audit, walk through audit, lifting machine audit, forklift audit, vehicle safety audit, new machine installation audit etc.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	c) Yes. We have necessary systems in place to ensure that the employees safety is not compromised. Monthly, one safety committee meeting is conducted for addressing the hazard and each department safety committee member for all the location is invited to attend the meeting.
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)	d) Yes. The Company has medical centre (with Resident Doctor & Nurse along with Ambulance) in its premises and first aid facility which can be availed by employees and workers / associates. We also provide additional medical benefits such as preventive master health check-up for company leaders, regular eye & audiometry test for employees & associates involved in operations, health check-ups for service provider's employees as well. The Company also conducts wellness programs such as yoga, healthy diet advisory to support companies' occupational health & wellness service practises.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The eligible employees undergo mandatory safety-related training. The Company has defined Safety Standards which are equivalent to the prescribed legislative norms. The company has work permit system in-place for any hot, height, cold and excavation work. In addition to this, a safety committee meeting is held on monthly basis to discuss the difficulties faced by the employees / workers. An ERT (emergency response team) is available to handle all types of emergencies across the workplace. Over and above all of this, Safety week is celebrated, and various competitions are conducted to motivate all employees and acquire the knowledge of safety.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Note:

100% self-assessment is conducted by the entity in the form of audits.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There have been no safety related incidents in the company for the reporting year. There are no significant risk and concern indented but we have taken various measures like installation of safety sensor and machine safety guard in all the machine to eliminate the risk from the operations of machines.

## LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. The Company extends the life insurance or similar compensatory package through Statutory & Non statutory social security measures through Employee State Insurance Act, Employee Deposit Linked Insurance under EPF and non-statutory measure like Group Personal Accident Policy for employees and their spouse. Medclaim insurance is

provided to all on roll employees who are balance under ESI along with their family members. The Company additionally provides term insurance for management leaders and critical illness insurance cover along with yearly preventive health check-ups under wellness program to management staff & their spouse. The Company has taken Workman's Compensation Insurance for Associates coverage Indemnity against legal liability for accidents to employees. The Company also voluntarily provides Group Personal Accident (Un-named) Insurance Policy covering accident / disability claim support of Workers/Associates/ Service Providers while working at the Company's premises and on the way to their work location.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

Purchase order terms and conditions requires value chain partners to comply with all the statutory laws and regulations including statutory deductions and remittances. Also the Company conduct Compliance check of supplier at the regular intervals.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

Yes. In order to facilitate retired employees, we provide an opportunity to work as a consultant after retirement for the better transition based on the skill & health condition and continue to earn even after retirement. This would not only facilitate retired employee but also the succession plan. To make use of the competency of the employee, service may be extended if required to the max. period of two years. The current retirement age is 58 years which can be extended by 2 years by working as a consultant. The Company's HR team provides career counselling for required employees and also provides skill development, Personality Development, Technical Development training programs for all the employees which will facilitate the employee as well as the Company in hone skills from time to time.

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	32%
Working Conditions	32%

**Note:**

1) Third party key raw material suppliers are assessed through a comprehensive checklist focusing on EHS parameters.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No significant risks/concerns were noted during assessments of health & safety practices and working conditions of value chain partners.

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

### ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company has mapped and identified its internal and external stakeholders through strategized internal processes including discussions with the top management and key functions to understand individuals, entities and groups that impact the Company or get impacted by its business operations. The Company further prioritizes key stakeholders based on relevance, role, and influence. Internal Stakeholders of the Company include employees, senior leaders and board of directors whereas external stakeholder group includes customers, investors / shareholders, suppliers / vendors, local communities and industry associations.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails, Departmental meetings, Intranet, Corporate social events, Employee survey, Capacity building sessions etc.	As and when required	<ul style="list-style-type: none"> <li>• Career and professional growth.</li> <li>• Employee assistant program.</li> <li>• Training programs and learning nuggets</li> <li>• Employee engagement (fun at work / motivation / happiness / passion / wellbeing).</li> <li>• Feedback &amp; grievance redressal.</li> </ul>
Customers	No	Meetings, In-house grievance mechanism etc.	As and when required	<ul style="list-style-type: none"> <li>• Project delivery timeline.</li> <li>• Challenges faced during execution</li> <li>• Current and future business management</li> <li>• Customer feedback on product and services</li> </ul>
Investors / Shareholders	No	In-person meetings, shareholder's queries, investor interactions, annual report & press release etc.	Quarterly	<ul style="list-style-type: none"> <li>• Communication of financial performance</li> <li>• Market developments trends</li> <li>• Business growth prospects &amp; interest</li> <li>• Understanding shareholder expectations and queries</li> </ul>
Suppliers / Vendors	No	Emails, Meetings etc.	As and when required	<ul style="list-style-type: none"> <li>• Need and expectation, schedule</li> <li>• Discussion on business volume, customer expectations &amp; sustainability</li> </ul>
Local communities	Not tracked	Public events and CSR operations	Program Based	<ul style="list-style-type: none"> <li>• Promote activities to raise awareness on health of the people.</li> <li>• Their expectation and feedback on impact/ success of CSR project</li> </ul>
Industry Associations	No	Joint research, conferences, focus group discussion	As and when required	<ul style="list-style-type: none"> <li>• Technology &amp; emerging best practices</li> <li>• Participation and External communication</li> </ul>



## LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation with the shareholders is dealt by the Stakeholders Relationship Committee (SRC) and the Corporate Social Responsibility (CSR) whereas ESG programs of the Company are viewed by Risk & ESG Management Committee. The Board is kept abreast on various developments and feedback on the same is sought from various stakeholders.

For CSR activities and initiatives, basis the program objective and inputs received during NGO reviews and stakeholder interactions, any major change required are informed to the senior management, Corporate Social Responsibility Committee and Board meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The stakeholder consultations are one of the key inputs to determine our environmental and social focus areas. Multiple responsible representatives of the group interact with stakeholders on a continuous basis to understand the trend of environmental and social goals which are taken forward to put forward companies' sustainability goals.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company undertakes several initiatives for engaging with the disadvantaged, vulnerable and marginalized sections of society. These sections of the society are generally dealt with as a part of our CSR projects. Company through various CSR initiatives, provide necessary support to the local communities. Various initiatives undertaken to promote awareness includes:

1. Cancer awareness Project
2. Multiple Sclerosis Patient Care Project
3. Government Hospital, Chennai: Patient Health and Hygiene Services
4. MEPZMA Health Centre Project

## PRINCIPLE 5: Businesses should respect and promote human rights

### ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	%(B/A)	Total (C)	No. of employees / workers covered (D)	%(D/C)
<b>Employees</b>						
Permanent	240	60	25%	233	45	19%
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>240</b>	<b>60</b>	<b>25%</b>	<b>233</b>	<b>45</b>	<b>19%</b>
<b>Workers</b>						
Permanent	429	131	31%	415	135	33%
Other than permanent	1,193	603	51%	1,014	490	48%
<b>Total Employees</b>	<b>1,622</b>	<b>734</b>	<b>45%</b>	<b>1,429</b>	<b>625</b>	<b>44%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total Count in Current FY	Number of Employees Paid Minimum wage	% of Employees Paid Minimum wage	Number of Employees Paid more than Minimum wage	% of Employees Paid more than Minimum wage	Total Count in Previous FY	Number of Employees Paid Minimum wage	% of Employees Paid Minimum wage	Number of Employees Paid more than Minimum wage	% of Employees Paid more than Minimum wage
<b>Employees</b>										
<b>Permanent</b>										
Male	174	-	-	174	100%	174	-	-	174	100%
Female	66	-	-	66	100%	64	-	-	64	100%
<b>Other than permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>										
Male	208	-	-	208	100%	198	-	-	198	100%
Female	221	-	-	221	100%	212	-	-	212	100%
<b>Other than permanent</b>										
Male	149	149	100%	-	-	158	158	100%	-	-
Female	1044	1044	100%	-	-	856	856	100%	-	-

3. Details of remuneration/salary/wages, in the following:

(₹Lakhs)

	Male		Female	
	No.	Median remuneration/ salary/ wages of respective category#	No.	Median remuneration/ salary/ wages of respective category#
Board of Directors@	4	**	1	**
Key Managerial Personnel	3^	59.37	0	N.A
Employees other than BoD and KMP	171	16.89	66	11.83
Workers <sup>§</sup>	208	3.42	221	3.07

@ Excludes M.D

\*\* Non-Executive & Independent directors are paid by way of sitting fees and profit related commission equal to male and female categories. No remuneration is paid to Promoter Nominee Directors.

^ Including M.D, CFO and Company Secretary. Further, for the purpose of calculation of median remuneration of M.D, profit related one time incentive paid to M.D has not been considered.

# Median remuneration of all the employees of the Company as on 31st March, 2023 \$ Includes Associates/Employees.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Sexual Harassment Prevention Committee (Management Committee) is in place which also addresses the issues related to Human Rights

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Sexual Harassment Prevention Committee (Management Committee) is in place which also addresses the issues related to Human Rights and grievance mechanism similar to discrimination and harassment to be applied for Human Rights.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour / Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

IMIL has Sexual Harassment Prevention Policy in-place for providing a work environment that is free from discrimination and unlawful harassment. Mechanism is in place so that a complainant can promptly report the incident of sexual harassment to the immediate senior or any other senior designated for hearing such complaints, human resource representative or any member of the committee.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights requirements form an integral part of our business agreements and contracts, wherever applicable. IMIL encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees as well as in their decisions to select subcontractors, and the same is extended in the form of our Supplier's/Vendor's Code of Conduct.

9. Assessments for the year: (CE)

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	The Company recognizes that the success of Company's business, quality of work and brand perception depends on the ability and commitment of its employees. Human rights practices like prevention of Child labour, Forced/involuntary labour, are taken care during hiring process.
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	The Company has policies relating to Human Resources and Prevention of Sexual Harassment (POSH), which promote a free, fair and discrimination free working environment for employees and provide a mechanism for raising concerns and resolution of disputes.
Wages	
Others – please specify	100% of Plants and offices are assessed during the internal audit ensuring compliance with all the Statutory laws/Regulatory requirement, Labour laws and rules made thereunder.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risks/concerns were noted during assessments of human rights conditions of the plants and offices.

## LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No complaints were received during the reporting financial year related to human rights. The Company regularly sensitizes its employees on Human Rights through various training programs as well.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Internal Audit was conducted by 3rd party agencies which covers over-time compliances, Minimum Wages Act, Bonus Act and Factories Act. For further details, please refer response to Question number 9 of Principle 5. The report will be placed before the Audit Committee of Board of Directors for review and necessary directions.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Currently, there are no differently abled employees and workers working at our premises / offices. However, considering the future prospect, the company has already modified its premises with disabled-accessible infrastructure including lift facility, furniture and other installations. The Company infrastructure is so enabled that associates with disabilities have a barrier-free access to common facilities.

4. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Child labour	32%
Forced/involuntary labour	32%
Sexual harassment	32%
Discrimination at workplace	32%
Wages	32%
Others – please specify	-

Note:

- 1) Third party key raw material suppliers are assessed through a comprehensive checklist focusing on Human Rights parameters.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No significant risks/concerns were noted during assessments of human rights conditions of value chain partners.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Total electricity consumption (A)	54,919.7 (GJ)	51,984.7 (GJ)
Total fuel consumption (B)	6,715 (GJ)	6,166 (GJ)
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>61,634.7 (GJ)</b>	<b>58,150.7 (GJ)</b>
Energy intensity per rupee of turnover ( <i>Total energy consumption in GJ/turnover in rupees</i> )	93.9 (GJ per crore INR)	104.6 (GJ per crore INR)
Energy intensity ( <i>optional</i> ) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	34,116.2	27,737
(iii) Third party water	3,082.8	2,250.4
(iv) Seawater / desalinated water	-	-
(v) Others (Rainwater storage)	200	200
<b>Total volume of water withdrawal (i + ii + iii + iv + v)</b>	<b>37,399</b>	<b>30,187.4</b>
<b>Total volume of water consumption</b>	<b>37,399</b>	<b>30,187.4</b>
Water intensity per rupee of turnover ( <i>Water consumed / turnover (kl per crore INR of revenue)</i> )	57.01	54.29
Water intensity ( <i>optional</i> ) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No



4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The water is discharged to common sewage treatment plant which is owned and operated by MEPZ-SEZ. The treated water is reused for gardening purpose by MEPZ-SEZ. Hence, no separate Zero liquid discharge unit is required at IMIL facility. There is no trade-off or loss of effluent water generated from our process.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	kg	222	209
SOx	kg	Below Detectable Limit	Below Detectable Limit
Particulate matter (PM)	kg	3510.4	3426.7
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Carbon Mono-oxide (CO)	kg	22.7	26.1

**Note:**

- 1) The air emissions are calculated based on average value of the emission testing conducted in DG sets & process stacks and monitoring of these air emission is conducted on sample basis as required by local laws and regulations.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The average air emission concentration is considered based on sample test conducted by NABL Certified Lab.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	1053.3	713
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	3879.9	2781.6
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO <sub>2</sub> e / crore INR	7.51	6.28
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	No	No

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail

Yes. Company has started multiple initiatives to reduce the Green-house gas emissions such as:

- 1) Procurement of 64.17% renewable electricity from private renewable energy (wind power) supplier in the reporting year (FY2022-23).
- 2) Replacement of 725 CFL's with LED lights to achieve a tentative energy saving of 88,760 kW-hr in the reporting year and 63.02 Ton of Co2 reduced in Scope-2 Emission.

- 3) Preparation of roadmap is underway to increase in house solar generation capacity in near future and progressively reviewing the opportunities to expand consumption through renewable energy.

In addition to above, the company has taken various goals associated with emission reduction such as Installation of in-house Solar PV system capable of generating 400 kW-hr/day of energy by FY 2030, 30% (Scope 1 + Scope 2) emission reduction by FY 2030, 15% (Scope 3) emission reduction by FY 2030 and Net Zero target by CL 2070 as per India's commitment.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	181.65	160.57
E-waste (B)	3.37	1.62
Bio-medical waste (C)	0.05	0.05
Construction and demolition waste (D)	-	-
Battery waste (E)	2.54	0.00
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)		
Waste Oil	37.60	19.27
Oil-Soaked Waste	30.01	20.95
Spent Solvent	19.52	27.52
Epoxy Powder	17.63	21.32
Gel & Varnish	0.24	0.96
Empty Container	0.83	1.32
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Armature	21.41	29.23
Case	22.48	20.99
Coated Rotor	20.00	35.76
Brass	74.00	72.00
Copper	12.71	10.10
Steel	4,117.85	3,860.55
Magnet	34.00	41.00
Wood	150.62	153.07
Carton	67.19	57.59
Damaged Crucible	0.81	1.44
Aluminum Boring	4.58	6.67
Aluminum Flash	1.49	7.90
Aluminum Waste	10.71	17.04
Aluminum Scrap	34.64	33.89
Bearing Scrap	0.32	0.76
Iron Bur	48.33	19.68
Steel Ring	1.40	3.91
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>4,915.97</b>	<b>4,625.14</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of Waste		
(i) Recycled	7.19	6.49
(ii) Re-used	46.29	25.74
(iii) Other recovery operations	-	-
<b>Total</b>	<b>53.48</b>	<b>32.23</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of Waste		
(i) Incineration (co-processed in cement kilns)	43.28	47.004
(ii) Landfilling	-	-
(iii) Other disposal operations (safe disposal through TNPCB authorized dealer)	4,868.17	4,558.566
<b>Total</b>	<b>4,911.44</b>	<b>4,605.57</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our Company is committed to regularly improve its waste management initiatives at its facilities. The company has guidelines and SOP for comprehensive waste management (including hazardous and non-hazardous waste) for the identification, segregation, collection, handling, storage and final disposal of waste. The waste is generated from both production process and general operational activity including maintenance and catering. Company engages with TNPCB authorized handlers & waste recyclers after due validation for safe disposal of waste. Hazardous waste such as oil-soaked waste, epoxy powder waste, gel & varnish are co-processed in cement kilns through authorized TNPCB vendor. Other hazardous waste like bio-medical waste, e-waste, waste oil, spent solvent and empty chemical container along with non-hazardous waste like plastic waste are disposed through TNPCB authorized dismantler. Other waste like kitchen waste is used for piggy project and cartoon box & wooden waste are disposed for reuse to vendors.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

Yes, the Company is compliant with the applicable environmental laws/ regulations/ guidelines in India.

## LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	35,247 (GJ)	37,880.6 (GJ)
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>35,247 (GJ)</b>	<b>37,880.6 (GJ)</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	19,673 (GJ)	14,104.1 (GJ)
Total fuel consumption (E)	6,715 (GJ)	6,166 (GJ)
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>26,388 (GJ)</b>	<b>20,270.1 (GJ)</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged:

The water is discharged to common sewage treatment plant which is owned and operated by MEPZ-SEZ. The treated water is reused for gardening purpose by MEPZ-SEZ. Hence, no separate Zero liquid discharge unit is required at IMIL facility. There is no trade-off or loss of effluent water generated from our process.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable. None of our operations are in water stress area. Water stress areas were considered as per BRSR Block-wise ground water resource assessment 2022. Also, our manufacturing operations does not require water consumption.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	1,41,887	1,30,302.41
Total Scope 3 emissions per rupee of turnover	tCO <sub>2</sub> e / crore INR	216.21	234.34
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: IMIL is actively working on collecting data across material Scope 3 categories as defined under GHG protocol which includes Purchased Goods and Services, Capital Goods, Upstream & Downstream transportation and distribution, Employee commuting and Business Travel.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

None of our operations are in Ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Carton box weight reduction	R&D team developed a new proposal for DC Motors packaging which will result in 66 % reduction in the use of Carton material keeping the size and weight of the DC motor same as earlier. The proposal was admired by the customer and the use of innovative packaging will commence shortly in the near future.	Reduction in consumption of carton from 33 kg to 11 kg per pallet.
2.	Design innovation in BLDC motor	The design innovation by the in-house R&D team in Brushless DC motor fan has led to an overall reduction in the material usage by 580 grams (34%). Major material weight reduction in BLDC fan assembly includes reduced material usage for steel, magnet, copper and Insulation mask.	Reduced material consumption for different material 1) Steel: 33% (1050 gm to 700 gm) 2) Magnet: 48% (400 gm to 224 gm) 3) Copper: 5% (200 gm to 190 gm) 4) Insulation mask: 40% (30 gm to 18 gm)
3.	Elimination of Hazardous chemicals	Tentatively 205 ± 10% mg of gel is consumed in single unit of Armature motor. Our in-house R&D team eliminated the use of this gel post client approval in 2 projects leading to reduction in raw material consumption and waste generation. Discussions are under progress to eliminate usage of gel from 4 other projects as well.	Eliminated total of 25.75 kg of gel in the reporting financial year.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company recognizes the importance of Business Continuity Plan (BCP) for the smooth running of business particularly during unfavorable times, including pandemic. Every operating unit within the entity has established emergency plan which defines the actions to be taken in case of any major accident / disaster occurring inside the factory. The plan covers perceived potential risks including major accidents that could affect the facility for the particular geography. Mock drills and training related to emergency preparedness are carried out at regular intervals to be prepared to tackle any situation that can potentially affect the business operations. In the event of any occurrence of an emergency, the same shall be investigated and appropriate measures would be initiated to contain the incident and avoid recurrence in future, if possible.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

As per information available from environmental assessment, there has been no significant impact to the environment, arising from the value chain of the Company.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

32% of the third-party raw material supplier are assessed through a comprehensive checklist focusing on environmental impacts.



**PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

1. a) Number of affiliations with trade and industry chambers/ associations.

The Company is affiliated with 4 trade and industry chambers/ associations

- b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Export Promotion Council for EOUs & SEZs	National
2	Federation of Indian Export Organizations	National
3	Indian Fan Manufacturers Association	National
4	Indo Japan Chamber of Commerce & Industry	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

There were no incidents pertaining to anti-competitive conduct by the Company.

**LEADERSHIP INDICATORS**

1. Details of public policy positions advocated by the entity

The Company has aligned itself with relevant organizations which work in the larger business / social / environmental and community interests. However, the company has not taken any specific public policy advocacy during the reporting year.

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.**

**ESSENTIAL INDICATORS**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community

At IMIL, there are teams which works closely with the communities and connects with the program participants on a regular basis throughout the project cycle. This makes it relatively easier to establish strong communication lines and swiftly address any grievances through a dedicated SPOC. In addition, regular monitoring visits are conducted by various stakeholders which are linked to these programs to ensure no bias and complete fairness. Details of CSR programs are mentioned elsewhere in the report.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ Small producers	10.6 %	9.4 %
Sourced directly from within the district and neighboring districts	15.1 %	13.1 %

## LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

CSR activities are not done in the aspirational districts identified by Government.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) -

While the main criteria for selection of goods and services is quality, reliability, delivery and cost, the Company recognizes its responsibility and believes in equal and fair opportunity to all vendors including marginalized / vulnerable vendors. The Company does not differentiate / discriminate while selecting its vendors. The Company has developed trusted relationship with local vendors and works with them to develop quality product that meets its as well as industry needs, thereby enabling local vendors to grow their business.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects.

Sr. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Cancer awareness Project	200 Lakhs	Through its diverse programs, the Company plans to reach larger number of beneficiaries belonging from vulnerable and marginalized groups. However, the % of beneficiaries who are from the under privileged, marginalized, vulnerable and backward community of the society are not being tracked currently.
2	MEPZMA Health Center, Chennai	877	
3	Patient Health and Hygiene Services at Government Hospital, Chennai	48000	
4	Multiple Sclerosis Patient Care	30	

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner****ESSENTIAL INDICATORS**

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have a cross functional team who receives and responds to various requirements and feedbacks of our customers for a seamless experience. There is an inhouse system in-place to record the grievances into the system which has loop closing mechanism and transparency till satisfaction of the customer. In addition to this, we encourage and trained the employees to put their best endeavors to address the queries of the consumers promptly and adequately.

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

	As a percentage to total turnover	Remarks
Environment and Social parameters relevant to product	12.66%	Turnover of Ceiling Fans (BLDC) is considered since it consumes approx. 50% less power as compared to traditional ceiling fan
Safe and responsible usage	-	-
Recycling and/or safe disposal	-	-

- Number of consumer complaints:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Others	0	0	-	0	0	-

- Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The company has defined the cyber security & data privacy policy which considers customer information safety as a critical aspect. The cyber security & data privacy policy is established to set a clear corporate direction and demonstrate support for, and commitment to information security throughout its operations. This policy is available is uploaded at intranet portal and communicated on a need-to-know basis.

- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Since there are no complaints, there was no need for any corrective action.

## LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information regarding all products is available on our website <https://www.igarashimotors.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

IMIL provides products and services to customers as a B2B supplier in accordance with customer specifications and compliance to the relevant regulations. We are updating our sales invoice terms to include relevant details regarding safe and responsible usage of our products. Regular interactions are conducted with the client/customers during the execution phase of a project. The Company extends an opportunity to explain about its products, innovations, new technology and techniques that are implemented to enhance product quality and work methodology to the clients.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

In case of any disruption/discontinuation of operation for one or more units due to natural calamity, it is disclosed to the stock exchangers as soon as it is possible when the necessary information is ready to be published.

The Company shall update all disclosures made under the regulations to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention policy of the Company.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

IMIL provides products and services to customers as a B2B supplier in accordance with customer specifications and compliance to any relevant regulations.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact - 0
- b. Percentage of data breaches involving personally identifiable information of customers – **Not Applicable**

# 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 shareholder 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 the requirements of Corporate Governance under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ['Listing Regulations'] but follows it in spirit also.

During the year ended March 31, 2023, your Company had complied with the provisions set out on Corporate Governance Practices required under Listing Regulations.

## 2. BOARD OF DIRECTORS

As on March 31, 2023 the Board of Directors comprised the Managing Director and 5 Non-Executive Directors.

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors, which is in conformity with the Listing Regulations as of the year ended 31st March 2023, the Board consists of 6 Directors comprising of one Executive Director, Three Non-Executive Non-Independent Directors and Two Non-Executive Independent Directors (out of which one Director is an Independent Woman Director). The Chairman of the Board is a Non-Executive Non-Independent Director.

During the year, Five Board Meetings were held on May 23, 2022, August 10, 2022, November 09, 2022, January 10, 2023 and February 13, 2023.

Mr. C Prabhakar, Partner, BP & Associates, Company Secretaries (Membership No: F11722; Certificate of Practice No: 11033) have certified that none of the Directors on the Board of the Company as stated for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

The particulars of Directors, their attendance during the financial year 2022-23 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 in Indian Public Companies	Committees <sup>§</sup>
Mr. Hemant M Nerurkar (Chairman)	Non-Executive Non-Independent	5	Yes	8	6 (Member) 3 (Chairperson)
Mr. R. Chandrasekaran (Managing Director)	Executive	5	Yes	Nil	Nil
Mr. Haruo Igarashi	Non-Executive Non-Independent	5	Yes	Nil	Nil
Mr. Thomas Francis Mckeough	Non-Executive Non-Independent	5	Yes	Nil	Nil
Mr. L Ramkumar	Non-Executive Independent	5	Yes	1	1 (Member) 2 (Chairperson)
Mrs. S M Vinodhini	Non-Executive Independent Woman	5	Yes	Nil	1 (Member) 1 (Chairperson)

<sup>§</sup> Committees considered are Audit Committee & Stakeholders' Relationship Committee including of Igarashi Motors India Limited.



## NAME OF THE OTHER LISTED ENTITIES IN WHICH THE COMPANY DIRECTOR HAVING DIRECTORSHIP AND THEIR CATEGORY OF DIRECTORSHIP:

### 1. Mr. Hemant M Nerurkar ( DIN: 00265887)

S. No	CIN	Name of the Company	Category of Directorship
1	L153311DL1993PLC052624	DFM Foods Limited	Non-Executive Independent Director
2	L31900MH2015PLC262254	Crompton Greaves Consumer Electricals Limited	Non-Executive Independent Director
3	L51100GJ1993PLC019067	Adani Enterprises Limited	Non-Executive Independent Director
4	L72200TG1990PLC011146	NCC Limited	Non-Executive Independent Director
5	L27109RJ2009PLC030511	Raghav Productivity Enhancers Limited	Non-Executive Independent Director

### 2. Mr. L Ramkumar (DIN: 00090089)

S. No	CIN	Name of the Company	Category of Directorship
1	L29130TZ1972PLC000649	Shanthi Gears Limited	Non-Executive Independent Director

None of the other four directors of the Company have directorship in any other listed entity except above mentioned two Directors.

None of the directors are holding shares in our Company.

During the year, separate meeting of the Independent Directors was held on May 23, 2022 without the attendance of non-independent directors and members of the management. All Independent Directors attended the said meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Our company has imparted familiarization programme to Non-Executive Independent Directors and the web link of the same is as under:

<http://www.igarashimotors.com/investor-relations.php>

### Board Skill Matrix:-

Skill & Experience	Names of Directors
<b>A) Governance &amp; Industry Skills</b>	
1) Executive & International Leadership Senior Executive experience, international leadership experience in Global markets, exposed to a range of political, cultural, regulatory and business environments	Mr. Hemant M Nerurkar Mr. Haruo Igarashi Mr. L Ramkumar Mr. Thomas Francis Mckeough Mr. R Chandrasekaran
2) Financial Acumen Senior Executive experience in financial accounting & reporting, Corporate Finance, Risk and Internal Controls	Mr. Hemant M Nerurkar Mr. L Ramkumar Mrs. S M Vinodhini Mr. R Chandrasekaran
3) Strategy Experience in developing, implementing and challenging a plan of action designed to achieve the long term goals of an organization, mergers & acquisitions and implementation	Mr. Hemant M Nerurkar Mr. Haruo Igarashi Mr. L Ramkumar Mr. Thomas Francis Mckeough Mrs. S M Vinodhini Mr. R Chandrasekaran

Skill & Experience	Names of Directors
4) Automotive Industry / Automotive Commodity Industry / Motor Industry (AC/DC) Senior Executive Experience in Automotive / Commodity / Motor (AC/DC) industry with an understanding of Group Strategy, markets, competitors, operational issues, technology, and Regulatory concerns	Mr. Hemant M Nerurkar Mr. Haruo Igarashi Mr. L Ramkumar Mr. Thomas Francis Mckeough Mrs. S M Vinodhini Mr. R Chandrasekaran
<b>B) Human Resource &amp; Development Skills</b>	
5) Remuneration & Selection of Board members Board remuneration committee membership or management experience in relation to selection , remuneration of senior management, incentive programs, legislation contractual frame work governing remuneration	Mr. Hemant M Nerurkar Mr. Haruo Igarashi Mr. L Ramkumar Mrs. S M Vinodhini Mr. R Chandrasekaran
6) Learning & Development experience relating to education and growth of knowledge base	Mr. Hemant M Nerurkar Mr. Haruo Igarashi Mr. L Ramkumar Mr. Thomas Francis Mckeough Mrs. S M Vinodhini Mr. R Chandrasekaran
<b>C) Other Skills</b>	
7) Work, Health, safety, Information Technology and sustainability Experience related to health, safety, environment, Social Responsibility, Information Technology and Sustainability	Mr. Hemant M Nerurkar Mr. L Ramkumar Mrs. S M Vinodhini Mr. R Chandrasekaran
8) Governance & Board Prior experience as a Board Member, Industry or membership of Governance bodies	Mr. Hemant M Nerurkar Mr. Haruo Igarashi Mr. L Ramkumar Mr. Thomas Francis Mckeough Mr. R Chandrasekaran
9) Regulatory and Public Policy legal background or experience in regulatory and public policy	Mr. Hemant M Nerurkar Mr. L Ramkumar Mrs. S M Vinodhini Mr. R Chandrasekaran

### 3. AUDIT COMMITTEE: MANDATORY COMMITTEE

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors.

The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, reappointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by Statutory Auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; internal audit reports; review and monitor the auditor's independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of Internal Financial Controls and risk management system; Review of Statutory compliances, including insider trading and reviewing the functioning of the whistle blower mechanism.

Mr. L Ramkumar, Non-Executive Independent Director, is the Chairman of Committee.

Mrs. S M Vinodhini, Non-Executive Independent Woman Director, Mr. Hemant M Nerurkar, Non Executive Non Independent Director, are members of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

During the year, the Audit Committee met Four times on May 23, 2022, August 10, 2022, November 09, 2022 and February 13, 2023.

The details of attendance of each member of the Committee are as follows:

Name of the Director	No of Meetings Attended
Mr. L Ramkumar (Chairman)	4
Mrs. S M Vinodhini	4
Mr. Hemant M Nerurkar	4

#### 4. NOMINATION AND REMUNERATION COMMITTEE: MANDATORY COMMITTEE

Pursuant to Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013 the Company has constituted a Nomination and Remuneration Committee.

The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of their appointment and removal.

Mr. L Ramkumar, Non Executive Independent Director, is the Chairman of the Committee.

Mrs. S M Vinodhini, Non Executive Independent Woman Director, Mr. Hemant M Nerurkar, Non Executive Non Independent Director are the members of Committee.

During the year, the Nomination and Remuneration Committee met Three times on May 23, 2022, November 09, 2022 and February 13, 2023.

The details of attendance of each member of the Committee are as follows:

Name of the Director	No of Meetings Attended
Mr. L Ramkumar (Chairman)	3
Mrs. S M Vinodhini	3
Mr. Hemant M Nerurkar	3

#### Performance Evaluation

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors who are subject to evaluation had not participated.

#### 5. REMUNERATION OF DIRECTORS

##### A) Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non Executive & Independent Directors other than payment of sitting fees to them for attending Board & Committee meetings and Commission as approved by members for their invaluable services to the Company.

##### B) Remuneration Policy (Web link): <http://www.igarashimotors.com/investor-relations.php>

## C) Details of Remuneration paid to Directors

(₹ Lakhs)

Name of the Director	Sitting Fee *	Salary	Perquisites	Performance Incentive/ Commission	Other Allowances	Total
Mr. Hemant M Nerurkar (Chairman)	5.25	-	-	10.00	-	15.25
Mr. R. Chandrasekaran (Managing Director)	-	168.00	-	-	-	168.00^^
Mr. L Ramkumar (Independent Director)	5.25	-	-	6.00	-	11.25
Mrs. S M Vinodhini (Independent Women Director)	5.00	-	-	6.00	-	11.00

\* includes sitting fees paid for Board & Committee meeting & remuneration FY 2022-23

^^ Excludes one time Special Incentive ₹ 48 Lakhs for the previous FY2022

The Payment of remuneration to the Managing Director is governed by the resolution recommended by the Board and approved by the Shareholders. The appointment of Managing Director is done for 5 years from October 01, 2022 to September 30, 2027 and fixed remuneration for the period of 3 years from October 01, 2022 to September 30, 2025.

The Non executive directors are paid remuneration based on their contribution and current trends. Sitting fees is paid for attending each meeting of the Board and Committees thereof. Additionally, the Non-Executive Directors are entitled to remuneration up to an aggregate limit of 0.50% per annum of the net profits of the Company as approved by the members at the 22nd Annual General Meeting held on July 30, 2014. Within the aforesaid limit, the commission payable is determined by the Board to Non-Executive Directors.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE: MANDATORY COMMITTEE

The Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor grievances, transfer/transmission of shares, issue of duplicate shares, recording dematerialization / rematerialization of shares and related matters. Also other stakeholders such as Customers, Suppliers, Employees and Communities living around the vicinity of the Company.

Mrs. S M Vinodhini, a Non-Executive Independent Woman Director, is the Chairman of Committee.

Mr. L Ramkumar, Non-Executive Independent Director, Mr. Hemant M Nerurkar, Non-Executive Non-Independent Director are the members of Committee.

Mr. P Dinakara Babu, Company Secretary acts as the Compliance Officer to the Committee.

During the year, the Stakeholders Relationship Committee met Four times on May 23 2022, August 10 2022, November 09, 2022 and February 13, 2023.

The details of attendance of each member of the Committee are as follows:

Name of the Director	No of Meetings Attended
Mrs. S M Vinodhini (Chairman)	4
Mr. L Ramkumar	4
Mr. Hemant M Nerurkar	4

During the year 2022-23, the Company received 01 (One) complaints from the investors. As on March 31, 2023, there were no investor grievances pending and no transfers were pending for approval.

## 7. RISK AND ESG MANAGEMENT COMMITTEE : MANDATORY COMMITTEE

The Risk and ESG Management Committee oversees, formulating risk management policy. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company (particularly ESG related risks), to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems and Implementation of ESG Goals; To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

Mr. Hemant M Nerurkar, Non Executive Non Independent Director is the Chairman of Committee.

Mr. L Ramkumar, Non Executive Independent Director, Mrs. SM Vinodhini, Non Executive Independent Woman Director, Mr. R Chandrasekaran, Managing Director, are the members of Committee.

Mr. P Dinakara Babu, Company Secretary, acts as the Compliance Officer to the Committee.

During the year, the Risk Management Committee met two times on January 10, 2023, and February 13, 2023.

The details of attendance of each member of the Committee are as follows:

Name of the Director	No of Meetings Attended
Mr. Hemant M Nerurkar, (Chairman)	2
Mr. L Ramkumar	2
Mrs. S M Vinodhini	2
Mr. R Chandrasekaran	2

## 8. GENERAL BODY MEETINGS

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

Financial Year	Date	Venue	Time	Special Resolutions Passed
2021-22	August 10, 2022	Through Video Conference (VC) / Other Audio Visual Means (OAVM)	11.30 A.M	1. Re-appointment of Mr. R Chandrasekaran (DIN 00012643) as Managing Director for a period of Five years from October 01, 2022 to September 30, 2027 and fixing remuneration for a period of three years from October 01, 2022 to September 30, 2025
2020-21	August 09, 2021	Through Video Conference (VC) / Other Audio Visual Means (OAVM)	02.30 P.M	Nil
2019-20	September 17, 2020	Through Video Conference (VC) / Other Audio Visual Means (OAVM)	11.00 A.M	1. To Amend the Articles of Association for Insertion of Clause- "Appointment of Chairman Emeritus" 2. Appointment of Mr. Hemant M Nerurkar (DIN: 00265887) as Director

- B) Extra Ordinary General Meeting held during the year- No
- C) Details of Special Resolutions passed last year through Postal Ballot- No
- D) Person who conducted the Postal Ballot exercise – NA



- E) Details of Special Resolution was proposed to be conducted through postal ballot : NA  
 F) Procedure for Postal Ballot : NA

## 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 (English) and The Tamil Hindu (Tamil). These were not sent individually to the shareholders. The quarterly and the annual results of the Company are made available online filing to the stock exchanges on which the Company's shares are listed, immediately after of closure of meeting of the Board of Directors. The said results were also posted on the website of the Company viz. [www.igarashimotors.com](http://www.igarashimotors.com). The Management's Discussion and Analysis forms part of the Annual Report.

## 10. GENERAL SHAREHOLDER INFORMATION

### i) Annual General Meeting (AGM):

Date: August 09, 2023 (Wednesday)

Venue: Videoconference VC/Other Audio Visual Means (OAVM)

Time: 2.30 pm (IST)

### ii) Financial Calendar: **1st April 2022 to 31st March 2023**

- |                                     |                   |
|-------------------------------------|-------------------|
| a. First Quarter Results:           | August 10, 2022   |
| b. Second Quarter Results:          | November 09, 2022 |
| c. Third Quarter Results:           | February 13, 2022 |
| d. Last quarter Results and Annual: | May 25, 2023      |

### iii) Date of Book Closure: August 01, 2023 to August 09, 2023

### iv) Dividend Payment Date: on or after August 09, 2023

### v) Listing on Stock Exchange: The Company's Shares are Listed on

1. Bombay Stock Exchange Limited (BSE),  
Phiroze Jeejeebhoy towers  
Dalal Street, Mumbai – 400023
2. National Stock Exchange India Limited (NSE),  
Exchange Plaza, 5th Floor, G-Block, Bandra Kurla Complex, Bandra (West), Mumbai – 400051

### vi) Listing Fees: The Listing fee of all the stock exchanges for the Year 2022- 23 has already been paid.

### vii) Stock Code:

Name of the Stock Exchange	Stock Code
National Stock Exchange	IGARASHI
Bombay Stock Exchange	517380

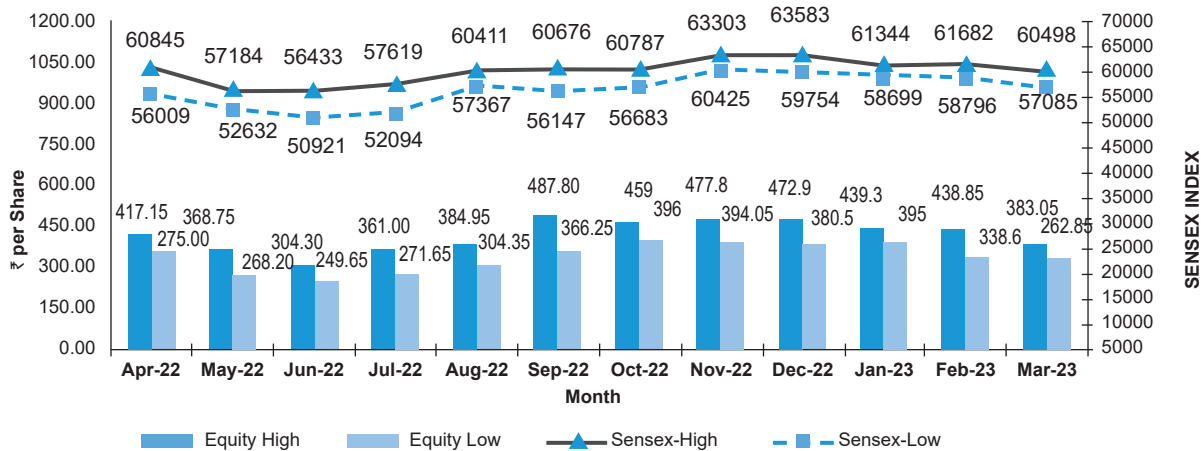
### viii) International Securities identification Number (ISIN): INE188B01013 (NSDL & CDSL)

ix) Market Price Data:

**IGARASHI PRICE VS BSE SENSEX**

MONTH	IGARASHI 2022-23 (₹)		BSE SENSEX 2022-23	
	Equity High	Equity Low	SENSEX-High	SENSEX-Low
Apr-22	417.15	349.5	60845.10	56009.07
May-22	368.75	268.2	57184.21	52632.48
Jun-22	304.30	249.65	56432.65	50921.22
Jul-22	361.00	271.65	57619.27	52094.25
Aug-22	384.95	304.35	60411.20	57367.47
Sep-22	487.80	356.25	60676.12	56147.23
Oct-22	459.00	396.00	60786.70	56683.40
Nov-22	477.80	394.05	63303.01	60425.47
Dec-22	472.90	380.5	63583.07	59754.10
Jan-23	439.30	395.00	61343.96	58699.20
Feb-23	438.85	338.60	61682.25	58795.97
Mar-23	383.05	329.95	60498.48	57084.91

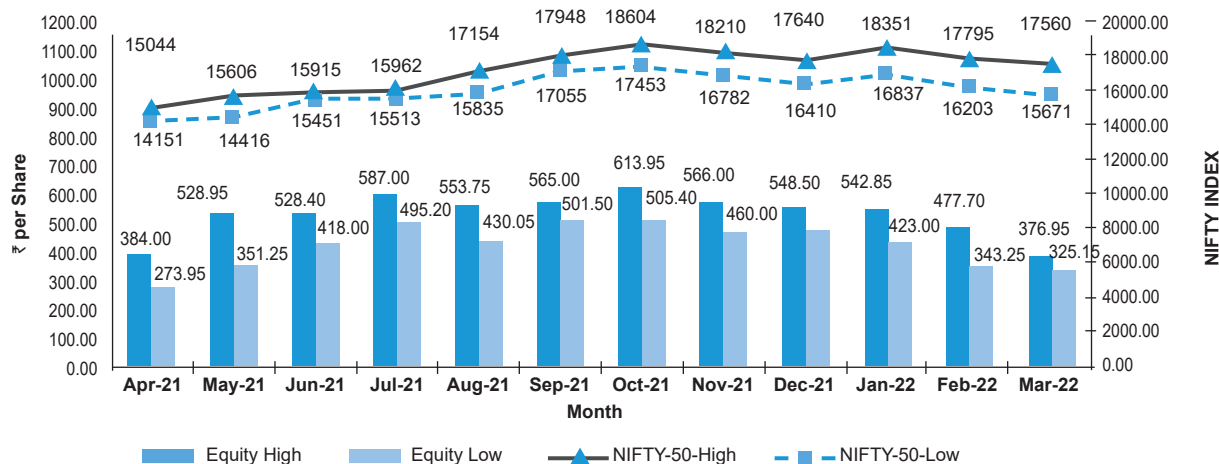
**Igarashi Equity Price Vs BSE Sensex**



**IGARASHI PRICE VS NSE NIFTY 50**

MONTH	IGARASHI 2022-23 (₹)		NSE NIFTY 50 2022-23	
	Equity High	Equity Low	NIFTY-High	NIFTY-Low
Apr-22	441.10	349.50	18114.65	16824.70
May-22	368.95	268.15	17132.85	15735.75
Jun-22	304.00	249.50	16793.85	15183.40
Jul-22	361.00	270.10	17172.80	15511.05
Aug-22	385.70	305.95	17992.20	17154.80
Sep-22	488.00	356.30	18096.15	16747.70
Oct-22	459.75	401.05	18022.80	16855.55
Nov-22	480.40	397.00	18816.05	17959.20
Dec-22	473.70	378.00	18887.60	17774.25
Jan-23	442.35	396.00	18251.95	17405.55
Feb-23	437.30	338.00	18134.75	17255.20
Mar-23	384.95	329.80	17799.95	16828.35

## Igarashi Equity Price Vs NSE NIFTY 50



## x) Registrar and share Transfer Agent:

Cameo Corporate Services Ltd  
 "Subramanian Building"  
 1, Club House Road, Chennai – 600002  
 Phone: + 91-44-28460390  
 E-mail: [investor@cameoindia.com](mailto:investor@cameoindia.com)

## xi) Share Transfer system:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Company Secretary) are authorised by the Board severally to approve transmission or transposition, which are noted at subsequent Board Meetings.

## xii) Distribution schedule as on March 31, 2023:

Category	No of Shareholders	Percentage of Shareholders	No of shares	Percentage of Shares
1- 5,000	22,266	91.93	17,00,863	5.41
5,001-10,000	925	3.82	7,03,375	2.23
10,001-20,000	550	2.27	7,82,706	2.49
20,001-30,000	177	0.73	4,50,032	1.43
30,001-40,000	86	0.36	3,01,443	0.96
40,001-50,000	48	0.20	2,21,503	0.70
50,001-1,00,000	89	0.37	6,36,745	2.02
100,001-And Above	78	0.32	2,66,78,381	84.76
<b>Total</b>	<b>24,219</b>	<b>100.00</b>	<b>3,14,75,048</b>	<b>100.00</b>

### SHAREHOLDING PATTERN AS ON MARCH 31, 2023

Category	No of Shareholders	No of Shares	Percentage of holding
Promoters and Promoter Group	3	2,36,06,288	75.00
Body Corporate	244	14,87,768	4.73
Mutual Fund	1	1,60,863	0.51
Alternative Inv.Fund	3	4,50,074	1.43
Clearing Members	9	9,635	0.03
HUF	638	3,21,982	1.02
FII/Banks	0	0	0
NRI	444	2,57,527	0.82
FPI	8	25,012	0.08
IEPF	1	84,353	0.27
Trust	2	12,237	0.04
Public	22,115	50,52,335	16.05
Others-Unclaimed Suspense Account	1	6,974	0.02
<b>Total</b>	<b>23,469</b>	<b>3,14,75,048</b>	<b>100.00</b>

### TOP 10 SHAREHOLDERS AS ON MARCH 31, 2023 (OTHER THAN PROMOTERS)

Serial No	Name of the Shareholders	No of Shares	Percentage of Holding
1	Ginni Finance Pvt Ltd	4,42,143	1.40
2	Mukul Mahavir Agrawal	2,11,974	0.67
3	Emerging Business Fund	2,00,000	0.64
4	Kotak Pioneer Fund	1,60,863	0.51
5	Emkay Emerging Stars Fund Iv	1,58,100	0.50
6	Si Investments And Broking Private Limited	1,45,589	0.46
7	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	84,353	0.27
8	Pace Setters Business Solutions Private Limited	80,709	0.26
9	India Value And Growth Fund I	80,000	0.25
10	Govind Parikh Securities Private Ltd	69,628	0.22

**xiii) Dematerialization of Shares:** 99.61% of equity shares have been dematerialized up to 31st March 2023 trading in your Company's shares is permitted only in the dematerialized form as per Notifications issued by SEBI.

**xiv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:** Not applicable

**xv) Credit Rating Obtained:** CARE has given credit ratings of CARE A+ for long term debt, CARE A1+ for short term debt.

**xvi) Commodity Price Risk / Foreign Exchange Currency Risk and Commodity Hedging activities:**

The Company manages foreign exchange risk as per its adopted policies. The Company uses forward contracts to manage foreign exchange risk. The details of foreign exchange exposures are disclosed in Notes to Financial Statements for the year ended March 31, 2023.

Regarding Commodity risk, your Company had arrangement with Key Customers for passing on increase/ decrease of commodity prices from agreed base price. As such your Company does not undertake commodity hedging activity through commodity derivatives.

**xii) Plant Location:**

1. Plot B-12 to B –15, Phase II, MEPZ-SEZ, Tambaram, Chennai 600045
2. Plot 8,9,10, Phase I, MEPZ-SEZ, Tambaram, Chennai 600045
3. Plot D-6/II-D & C, D6-III, Phase II, MEPZ-SEZ, Tambaram, Chennai 600045
4. Plot B-3 & 4 , Phase I, MEPZ-SEZ, Tambaram, Chennai 600045
5. Plot A-17 & 18, Phase II, MEPZ-SEZ, Tambaram, Chennai 600045
6. Plot B-16, Phase II, MEPZ-SEZ, Tambaram, Chennai 600045.
7. Plot A-33 & 36, Phase I, MEPZ-SEZ, Tambaram, Chennai 600045
8. Plot A-34, Phase I, MEPZ-SEZ, Tambaram, Chennai 600045
9. Plot No. 7 & 8, Subramaniya Siva Salai Industrial Estate, Maraimalai Nagar 603209

**xiii) Investor Correspondence:**

The Company Secretary  
Igarashi Motors India Ltd  
Plot B-12 to B –15, Phase II  
MEPZ-SEZ, Tambaram,  
Chennai 600045.  
Phone No.: +91-44-42298199  
E-mail: investorservices@igarashimotors.co.in

**11. DISCLOSURES**

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the financial year ended March 31, 2023. Transactions with related parties are disclosed in Notes to the Annual Accounts.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years – Nil
- c) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 regarding Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee etc., and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations pertaining to certain data on the Company's website.
- d) The Company has complied with Secretarial Standards viz. SS-1 and SS-2 with respect to General and Board Meetings issued by the Institute of Company Secretaries of India.
- e) The Company has no Subsidiary Company.
- f) Policy on dealing with related parties is displayed on the Company's website (Web link): <http://www.igarashimotors.com/investor-relations.php>
- g) During the year ended March 31, 2023, the Internal Complaints Committee (ICC) has received Nil complaints pertaining to sexual harassment/discrimination at work place.
- h) The Company has not given any Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
- i) Details of material subsidiaries of the listed entity including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries – Not Applicable



## 12. WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Board has established a Vigil Mechanism to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct 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 Chairman.

## 13. COMPLIANCE WITH MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

During the financial year 2022-23, the Company has complied with Corporate Governance requirements specified in the Listing Regulations.

## 14. COMPLIANCE WITH NON- MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

### i) The Board:

The Company does not maintain a separate office for non executive chairman.

The independent directors are having requisite qualification and experience to act as director on the Board.

### ii) Shareholders rights:

Quarterly results were published in widely circulating national and local daily newspapers such as the Business Standard and The Hindu Tamil. These were not sent individually to the shareholders.

### iii) Audit Qualifications:

The auditor's report does not contain any qualification.

### iv) Separate post of Chairman and Chief Executive Officer:

The Company has separate person to the post of Chairman and Managing Director.

### v) Reporting of Internal Auditor:

The internal auditor reports to the Audit Committee

### vi) Total Fee paid to the Statutory Auditors:

Please refer Note 33 (a) of financial statements.

## 15. CODE OF CONDUCT & INSIDER TRADING CODE

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and the same was posted on the website of the Company viz. [www.igarashimotors.com](http://www.igarashimotors.com). All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2023.

The Company also has in place a prevention of Insider Trading Code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. 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.

## 16. MAINTENANCE OF A WEBSITE

In order to ensure / enhance public dissemination of all basic information about the Company, we have been maintaining functional website containing basic information about the Company with duly updated all statutory filings. The Website of the Company is <https://www.igarashimotors.com/disclosure-under-regulation46.php>

## 17. COMPLIANCE CERTIFICATE

As on March 31, 2023, Mr. R Chandrasekaran, Managing Director and Mr. S Vivekchandranath, CFO have certified to the Board with respect to the Financial Statements, Internal Controls and other matters as required by the Regulation 17(8) read with Schedule II of the Listing Regulations and said Certificate is contained in this Annual Report.

## 18. 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 Listing Regulations, which is attached herewith.

## 19. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

- a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year – No. of Shareholders 539 and outstanding shares 6,986.
- b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year – 01
- c) Number of shareholders to whom shares were transferred from suspense account during the year – 01 (12 Shares)
- d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year No. of Shareholders 538 and outstanding shares - 6,974.
- e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares – 6,974.

## 20. NOTE TO THE INVESTORS / SHAREHOLDERS

- a. Transfer of Shares in Demat Mode Only: As per the SEBI Norms, with effect from 5th December 2018 (or such other date as may be notified) only transmission or transposition requests for transfer of securities shall be processed in physical form, all other transfers shall be processed in dematerialised form only. You may refer our Website - [www.igarashimotors.com](http://www.igarashimotors.com) for additional details.
- b. Updation of KYC Details: As per the SEBI Norms, efforts are underway to update Permanent Account Number (PAN) and Bank Account details of its concerned Shareholder(s) and Four Communications have already been sent by the Company to eligible shareholders in this regard. It is requested to update these details with our RTA/ Company at the earliest.
- c. Electronic fund transfer details for remittance: It is in Shareholders' interest to claim any Un-encashed dividend and for future, opt for providing National Electronic Clearance System (NECS) / National Automated Clearing House (NACH) mandate to company in case of shares in physical form and ensure that correct and updated particulars of bank account are available with Depository Participant (DP) in case shares held in dematerialised Form, so that dividends paid by the company are credited to shareholder(s) account on time.
- d. Nomination: it has been observed by the company that many of its shareholders have not opted for nomination to the shares held by them and in case of demise of the shareholders without nomination, the lengthy and costly process of Transmission of shares has to be followed. Thus, Shareholders who have not yet provided their nomination are requested to do so at an early date by filling and submitting the nomination forms (to the Company / RTA Cameo Corporate Services Limited – for physical shares to DP – for dematerialised shares).

## DECLARATION

As provided under Listing Regulations, the Board of Directors and select employees have confirmed Compliance with the Code of Conduct.

For **IGARASHI MOTORS INDIA LIMITED**

**R. Chandrasekaran**  
Managing Director  
DIN: 00012643

Place: Chennai  
Date: May 25, 2023

## **INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To the Members of **Igarashi Motors India Limited**

1. The Certificate is issued in accordance with the terms of our engagement letter dated May 16, 2023.
2. We have examined the compliance of conditions of Corporate Governance by **Igarashi Motors India Limited**, for the year ended March 31, 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### **Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance of conditions of Corporate Governance as stipulated under the Listing Regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### **Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2023.
6. We conducted our examination of the above Corporate Governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enabling the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**  
Partner  
Membership No. 222432  
ICAI UDIN: 23222432BGYLAZ8365

Place: Chennai

Date: May 25, 2023

## MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

(Pursuant to Regulation 17(8) read with Schedule II of the Listing Regulations)

To,  
The Board of Directors,  
Igarashi Motors India Limited

We, R Chandrasekaran, Managing Director and S Vivekchandranath, Chief Financial Officer, hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2023 and that to the best of our knowledge and belief:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated wherever applicable, to the Auditors and the Audit committee
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **IGARASHI MOTORS INDIA LIMITED**

Place: Chennai  
Date: May 25, 2023

**R Chandrasekaran**  
Managing Director

**S Vivekchandranath**  
Chief Financial Officer

# Corporate Social Responsibility (CSR)

Your Company has constituted a Corporate Social Responsibility committee (CSR) pursuant to provisions of Section 135 of The Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below:

## 1. A brief outline of the Company's CSR policy

Our Corporate Social Responsibility program is based on to promote women skill development, Health, Environment protection and other activities covered under Schedule VII of the Companies Act, 2013

## 2. The Composition of the CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Hemant M Nerurkar	Chairman, Non-Executive, Non-Independent Director	1	1
2	Mr. L Ramkumar	Non-Executive, Independent Director	1	1
3	Mrs.S M Vinodhini	Non-Executive, Independent Director	1	1
4	Mr. R Chandrasekaran	Managing Director	1	1

## 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

The Company's CSR policy has been uploaded on the website of the Company under the web link; [http://www.igarashimotors.com/uploads/investor/pdf/14531240404IMIL-CSR\\_Policy.pdf](http://www.igarashimotors.com/uploads/investor/pdf/14531240404IMIL-CSR_Policy.pdf)

## 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

## 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be setoff for the financial year, if any
1	2022-23	-	-

## 6. Average net profit of the company as per section 135(5)

₹ 2,240.62 Lakhs (2019-20, 2020-21, 2021-22)

## 7. (a) Two percent of average net profit of the company as per section 135(5)

₹ 44.81 Lakhs

## (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

NIL



(c) Amount required to be set off for the financial year, if any

NIL

(d) Total CSR obligation for the financial year (7a+7b- 7c)

₹ 44.81 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

(₹ In Lakhs)

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
55.00	-	-	-	-	-

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
			State	District.						Name	CSR Registration number

Nil

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of implementation – Through implementing agency	
			State	District			Name	CSR registration number
1	Cancer awareness Project	Health	All over India	All over India	30.00	No	Through Indian Cancer Society	CSR00000792
2	MEPZMA Health Center	Health	Tamil Nadu	Chennai	10.00	No	MEPZ Manufacturers Association	CSR000008983
3	Patient Health and Hygiene Services at Hospitals	Health	Tamil Nadu	Chennai	10.00	No	Through Viswajayam Foundation	CSR000004440
4	Multiple Sclerosis Patient Care	Health	All over India	All over India	5.00	No	Through Multiple Sclerosis Society of India	CSR000004961

- (d) Amount spent in Administrative Overheads – Not applicable
- (e) Amount spent on Impact Assessment, if applicable – Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 55.00 Lakhs
- (g) Excess amount for set off, if any

(₹ In Lakhs)

Particular	Amount
(i) Two percent of average net profit of the company as per section 135(5)	44.81
(ii) Total amount spent for the Financial Year	55.00
(iii) Excess amount spent for the financial year [(ii)-(i)]	10.19
(iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v) Amount available for set off in succeeding financial years [(iii)-(iv)]	10.19

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
Nil								

TOTAL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s) – NA
- (b) Amount of CSR spent for creation or acquisition of capital asset - NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset - NA
- (e) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- NA

On behalf of the CSR Committee of the Board

**Hemant M Nerurkar**  
Chairman of the CSR Committee

**R Chandrasekaran**  
Member of the CSR Committee

Place: Chennai  
Date : May 25, 2023

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Igarashi Motors India Limited  
Plot No. B-12 to B-15,  
Phase-II, MEPZ-SEZ, Tambaram,  
Chennai – 600 045.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Igarashi Motors India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Igarashi Motors India Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit.

We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Igarashi Motors India Limited for the financial year ended on 31st March, 2023 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of

Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - f. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- vi. The Special Economic Zones Act, 2005;
- vii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- viii. Other laws applicable to the Company as per the representations made by the Management;

With respect to Fiscal laws such as Income Tax and Goods and Service Tax, we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company,

we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, issued by The Institute of Company Secretaries of India have been generally complied with.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review there were no events which required specific compliance of the provisions of

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate/ Shorter notice has been given to all directors to schedule the Board Meetings, agenda and detailed notes on the agenda. The same were sent at least seven days in advance or at a short date, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The decisions were carried unanimously.

We report that there are adequate systems and processes in the Company commensurate with the size and operations

of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period, the following significant events have taken place:

- 1 Re-Appointment of Managing Director Mr. R Chandrasekaran (DIN: 00012643) for a further period of 5 years.  
Mr. R Chandrasekaran was Re-Appointed as Managing Director of the Company for a period of Five years from 01st October, 2022 to 30th September, 2027 via Special resolution passed by the members of the Company at the 30th Annual general meeting held on 10th August, 2022 and Remuneration was fixed for a period of three years from 01st October, 2022 to 30th September, 2025.
- 2 Cessation of Directors Ms. Eva Maria Rosa Schork (DIN:07159550) and Mr. Keiichi Igarashi (DIN 00356779)  
Ms. Eva Mari Rosa Schork (DIN : 07159550) and Mr.Keiichi Igarashi (DIN 00356779) have resigned from the Board with effect from 24th May, 2022.
- 3 Appointment of Mr. Haruo Igarashi and Mr. Thomas Francis Mckeough as Non-Independent and Non-Executive Directors  
Mr. Hauro Igarashi (DIN : 08587832) and Mr. Thomas Francis Mckeough (DIN: 09510485) were appointed as an additional directors (Non-Executive & Non-Independent Director) w.e.f. 24th May, 2022 by the Board of Directors of the Company and subsequently appointed as Directors of the Company at the 30th Annual general meeting held on 10th August, 2022.

For **BP & Associates**  
Company Secretaries  
Peer Review No: P2015TN040200

**C. Prabhakar**  
Partner  
M. NO:F11722| CP NO: 11033  
UDIN: F011722E000338565

Place: Chennai  
Date: May 25, 2023

## ANNEXURE A

To  
The Members,  
Igarashi Motors India Limited,  
Plot No.B-12 to B-15, Phase-II, MEPZ-SEZ,  
Tambaram, Chennai- 600 045.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **BP & Associates**  
Company Secretaries  
Peer Review No: P2015TN040200

**C. Prabhakar**  
Partner

M.NO: F11722| CP NO: 11033  
UDIN: F011722E000338565

Place: Chennai  
Date: May 25, 2023



## SECRETARIAL COMPLIANCE REPORT OF IGARASHI MOTORS INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2023

[Pursuant to Regulation 24A of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Igarashi Motors India Limited (hereinafter referred as 'the listed entity'), having its Registered Office at Plot No. B-12 to B-15, Phase-II, MEPZ-SEZ, Tambaram, Chennai – 600 045, Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter :

We have examined:

- a) All the documents and records made available to us and explanations provided by **IGARASHI MOTORS INDIA LIMITED**.
- b) The filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2023 ("Review Period") in respect of compliance with the provisions of:
  - i. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, and guidelines issued thereunder;
  - ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, and guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- iii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- iv. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period)
- v. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- vi. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder;
- vii. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)

viii. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and based on the above examination, we hereby report that, during the Review Period:

- I. a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
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NIL

- b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
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NIL

- II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS
<b>1. Compliances with the following conditions while appointing/re-appointing an auditor</b>			
i.	If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	No Such Instance occurred during the period under review other than that, Re-appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a second term of five consecutive years (FY 2022-23 to FY 2026-27).
ii.	If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or		
iii.	If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.		
<b>2. Other conditions relating to resignation of statutory auditor</b>			
I.	Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:		
a.	In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non- cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA	No Such Instance occurred during the period under review

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS
b.	In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	NA	No Such Instance occurred during the period under review.
c.	The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	No Such Instance occurred during the period under review
II.	Disclaimer in case of non-receipt of information:  The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.		
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	No Such Instance occurred during the period under review

III. we hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS
1	<b>Secretarial Standards:</b>  The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI) as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	None
2	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/ circulars/guidelines issued by SEBI</li> </ul>	Yes	None
3	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> <li>Timely dissemination of the documents/ information under a separate section on the website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul>	Yes	None

<b>4</b>	<b>Disqualification of Director:</b> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	None
<b>5</b>	<b>To examine details related to Subsidiaries of listed entities:</b> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA	NA
<b>6</b>	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	None
<b>7</b>	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	None
<b>8</b>	<b>Related Party Transactions:</b> a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	Yes	None
<b>9</b>	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
<b>10</b>	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	None
<b>11</b>	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	None
<b>12</b>	<b>Additional Non-compliances, if any:</b> No any additional non-compliance observed for all SEBI regulation/ circular/guidance note etc	Yes	None

#### Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.

3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **BP & Associates**  
Company Secretaries  
Peer Review No: P2015TN040200

**C. Prabhakar**  
Partner  
M No: F11722 | CP No: 11033  
UDIN: F011722E000338686

Place: Chennai  
Date: May 25, 2023

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

Igarashi Motors India Limited

Plot No. B-12 to B-15,

Phase-II, MEPZ-SEZ, Tambaram, Chennai – 600 045.

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of Igarashi Motors India Limited having CIN L29142TN1992PLC021997 and having registered office at Plot No.B-12 to B-15,Phase-II,MEPZ-SEZ, Tambaram, Chennai -600045 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Hemant Nerurkar Madhusudan	00265887	23/06/2014
2.	Haruo Igarashi	08587832	24/05/2022
3.	Thomas Francis Mckeough	09510485	24/05/2022
4.	Rajagopalan Chandrasekaran	00012643	01/10/2019
5.	Ramkumar Lakshminarayanan	00090089	30/07/2020
6.	Vinodhini Sendhil Manian	08719578	01/04/2020

\*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BP & Associates**  
Company Secretaries  
Peer Review No: P2015TN040200

**C Prabhakar**  
Partner

M No: F11722 | CP No: 11033  
UDIN: F011722E000338719

Place: Chennai

Date: May 25, 2023



# Independent Auditor's Report

To  
The Members of **Igarashi Motors India Limited**  
**Report on the Audit of the Financial Statements**

## Opinion

We have audited the financial statements of Igarashi Motors India Limited (the "Company") which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

**Revenue recognition and related party transactions**  
**See Note 26 and 37 to the financial statements**

The key audit matter	How the matter was addressed in our audit
<p>Related party transactions are regulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013. In addition, the relevant accounting standards require specific disclosures of related parties and transactions with them to be made in the financial statements.</p> <p>Majority of the revenues of the Company is derived from related parties.</p> <p>We identified revenue from related party transactions as a key audit matter due to the significance of the amounts, the frequency of such transactions and risk of non-compliance with various regulations.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- To obtain an understanding of the Company's related party relationships and transactions, we obtained a list of related party relationships and significant related party transactions (RPT) from the management. We also made inquiries of management regarding the identity of the related parties including changes from the prior year and the nature of relationships and of the transactions with them. We also maintained alertness regarding related party information when examining records or documents regarding undisclosed related party relationships or transactions and whether the same has been conducted in ordinary course of business or not.</li> <li>- We evaluated the design, implementation and operating effectiveness of key internal controls over identification and authorisation of significant related party transactions and controls relating to revenue recognition.</li> </ul>

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

## Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>- Evaluated compliance of such related party transactions with applicable laws and regulations. Tested whether the pricing of related party transaction's are at arm's length with the help of our transfer pricing specialists.</li> <li>- Evaluated the appropriateness of the revenue recognition accounting policies in compliance with accounting standards and performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents.</li> <li>- Testing, on a sample basis using specified risk based criteria, journal entries affecting revenue recognised during the year to identify unusual items.</li> <li>- Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard and applicable laws and regulations.</li> </ul>

#### Impairment of non-automotive business - a cash generating unit

See Note 5 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company has identified non-automotive business as a separate cash generating unit ('CGU'), which has carrying value of INR 9,551 lakhs as at March 31, 2023.</p> <p>Due to losses incurred by the CGU, there is a risk that the carrying value of the CGU is higher than its recoverable values as at the year end, thereby triggering the impairment. Based on the assessment carried out by the management, no impairment loss exists as at March 31, 2023.</p> <p>The determination of the recoverable value of the CGU, which is based on the discounted cashflows, involves significant judgements and estimates, including estimates of revenue growth rate, terminal growth rate, discount rate, etc.</p> <p>We have identified the assessment of impairment of CGU as a key audit matter since it involves significant judgement / estimation in making the above estimates especially in view of uncertain market conditions and hence the actual results may differ from those estimated at the date of approval of these financial statements.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- Assessed the design and implementation of key internal financial controls with respect to impairment of CGU and tested the operating effectiveness of such controls.</li> <li>- Involved our valuation specialist to assist us in evaluating the appropriateness of the valuation model, the assumptions and methodologies used by the Company for assessing the recoverable values of the CGU.</li> <li>- Evaluated the appropriateness of the key assumptions used in estimating future cash flows such as revenue growth rate, discount rate, terminal growth rate, etc. This evaluation was based on our knowledge of the Company and the industry, observable market data, past performances, consistency with the Board approved plans.</li> <li>- Performed procedures in respect of sensitivity analysis of the key assumptions used in the impairment assessment.</li> <li>- Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standards.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and 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 it appears from our examination of those books.

- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the IndAS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 23 to the financial statements.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate

- Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.

- f. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm’s Registration  
No.:101248W/W-100022

**Harsh Vardhan Lakhotia**  
Partner

Place: Chennai

Date: 25 May 2023

Membership No.: 222432

ICAI UDIN:23222432BGYLAY6215

## Annexure A to the Independent Auditor's Report on the Financial Statements of Igarashi Motors India Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records.
- In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as disclosed in Appendix I.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year except for investments made in mutual funds. Accordingly, clause (iii) (a), (c), (d), (e) and (f) of the order is not applicable.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, during the year are, prima facie, not prejudicial to the interest of the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.



- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	24.95	2018-19	April 15, 2019	NA	Not yet paid

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) 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 purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended March 31, 2023. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx) (b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration

No.:101248W/W-100022

**Harsh Vardhan Lakhotia**

Partner

Membership No.: 222432

Place: Chennai

Date: 25 May 2023

ICAI UDIN:23222432BGYLAY6215

## Annexure B to the Independent Auditor's Report on the financial statements of Igarashi Motors India Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

We have audited the internal financial controls with reference to financial statements of Igarashi Motors India Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk

that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration

No.:101248W/W-100022

**Harsh Vardhan Lakhota**

Partner

Membership No.: 222432

ICAI UDIN:23222432BGYLAY6215

Place: Chennai

Date: 25 May 2023

# Balance Sheet

as at 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	34,471.06	34,842.87
Capital work-in-progress	5	1,013.57	1,041.72
Right-of-use assets	6	2,704.28	2,049.56
Intangible assets	7	695.41	927.95
Intangible assets under development	7	237.36	11.31
Financial assets			
Investments	8	35.86	62.90
Other financial assets	14	329.48	465.29
Income tax assets (net)		215.05	684.60
Other non-current assets	15	17.04	145.41
<b>Total non-current assets</b>		<b>39,719.11</b>	<b>40,231.61</b>
<b>Current assets</b>			
Inventories	9	10,860.21	8,196.18
Financial assets			
Investments	10	1,701.22	2,023.88
Trade receivables	11	17,554.13	13,471.38
Cash and cash equivalents	12	493.35	606.95
Bank balances other than cash and cash equivalents	13	44.92	56.02
Other financial assets	14	431.04	813.19
Other current assets	15	1,818.66	2,263.64
<b>Total current assets</b>		<b>32,903.53</b>	<b>27,431.24</b>
<b>Total assets</b>		<b>72,622.64</b>	<b>67,662.85</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	3,147.50	3,147.50
Other equity	17		
Securities premium		13,432.35	13,432.35
Retained earnings		27,034.27	26,529.90
Others (including items of Other Comprehensive Income)		339.21	718.44
<b>Total equity</b>		<b>43,953.33</b>	<b>43,828.19</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	20	817.59	2,008.90
Lease liabilities	6	2,481.57	1,616.70
Other financial liabilities	23	68.72	-
Deferred tax liabilities (net)	34	1,988.80	2,075.59
<b>Total non-current liabilities</b>		<b>5,356.68</b>	<b>5,701.19</b>

# Balance Sheet (Contd.)

as at 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	As at 31 March 2023	As at 31 March 2022
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	8,405.24	5,969.30
Lease liabilities	6	373.76	436.01
Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		1,017.71	773.14
Total outstanding dues of creditors other than micro enterprises and small enterprises		10,336.07	8,527.41
Other financial liabilities	23	859.14	606.87
Other current liabilities	24	1,278.14	679.93
Provisions	21	1,020.77	1,140.81
Current tax liabilities (net)		21.80	-
<b>Total current liabilities</b>		<b>23,312.63</b>	<b>18,133.47</b>
<b>Total liabilities</b>		<b>28,669.31</b>	<b>23,834.66</b>
<b>Total equity and liabilities</b>		<b>72,622.64</b>	<b>67,662.85</b>
Significant accounting policies	3		

The notes referred to above form an integral part of financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**

Partner

Membership No. 222432

Place: Chennai

Date: 25 May 2023

for and on behalf of the board of directors of

**Igarashi Motors India Limited**

(CIN: L29142TN1992PLC021997)

**R Chandrasekaran**

Managing Director

DIN: 00012643

**S Vivekchandranath**

Chief Financial Officer

Place: Chennai

Date: 25 May 2023

**L Ramkumar**

Director

DIN: 00090089

**P Dinakara Babu**

Company Secretary

Membership No. A14812



# Statement of Profit and Loss

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
<b>Income</b>			
Revenue from operations	26	65,624.58	55,640.46
Other income	27	801.76	693.30
<b>Total Income</b>		<b>66,426.34</b>	<b>56,333.76</b>
<b>Expenses</b>			
Cost of materials consumed	28	44,582.46	36,254.57
Changes in inventories of finished goods and work-in-progress	29	(964.19)	563.49
Employee benefits expense	30	5,852.65	4,943.72
Finance costs	31	1,214.14	655.04
Depreciation and amortization expenses	32	4,715.55	4,447.16
Other expenses	33	10,115.61	9,238.36
<b>Total expenses</b>		<b>65,516.22</b>	<b>56,102.34</b>
<b>Profit before tax</b>		<b>910.12</b>	<b>231.42</b>
<b>Tax expense</b>	34		
Current tax		339.07	-
Deferred tax charge / (credit)		47.28	112.42
<b>Total tax expense</b>		<b>386.35</b>	<b>112.42</b>
<b>Profit for the year</b>		<b>523.77</b>	<b>119.00</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of defined benefit liability	21	(25.92)	60.60
Income tax relating to items that will not be reclassified to profit or loss	34	6.52	(15.25)
<b>Net other comprehensive income/ (loss) that will not be reclassified subsequently to profit or loss</b>		<b>(19.40)</b>	<b>45.35</b>
<b>Items that will be subsequently reclassified to profit or loss</b>			
Effective portion of gains / (losses) on hedging instruments in cash flow hedges		(506.78)	332.15
Income tax relating to items that will be reclassified to profit or loss	34	127.55	(83.60)
<b>Net other comprehensive income that will be reclassified subsequently to profit or loss</b>		<b>(379.23)</b>	<b>248.55</b>
<b>Other comprehensive income/ (loss) for the year, net of income tax</b>		<b>(398.63)</b>	<b>293.90</b>
<b>Total comprehensive income for the year</b>		<b>125.14</b>	<b>412.90</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (in Indian Rupees)	18	1.66	0.38
Significant accounting policies	3		

The notes referred to above form an integral part of financial statements  
As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**  
Partner  
Membership No. 222432

Place: Chennai  
Date: 25 May 2023

for and on behalf of the board of directors of  
**Igarashi Motors India Limited**  
(CIN: L29142TN1992PLC021997)

**R Chandrasekaran**  
Managing Director  
DIN: 00012643

**S Vivekchandranath**  
Chief Financial Officer

Place: Chennai  
Date: 25 May 2023

**L Ramkumar**  
Director  
DIN: 00090089

**P Dinakara Babu**  
Company Secretary  
Membership No. A14812

# Statement of Cash Flows

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Cash flow from operating activities</b>		
Profit for the year	523.77	119.00
Adjustments for:		
Depreciation and amortization	4,715.55	4,447.16
Provision for loss allowance for expected credit losses	2.09	(130.05)
Unrealised foreign exchange (gain) / loss	117.12	40.37
Finance costs	1,098.58	644.46
Lease rent concessions	(77.90)	(48.00)
Interest income on others	(18.14)	(14.36)
Gain on sale of investments	(93.39)	(26.32)
Provision/ liabilities no longer required written back	(2.07)	(25.62)
Interest income on cash and bank balances	-	(3.53)
Income tax expense	386.35	112.42
	<b>6,651.96</b>	<b>5,115.53</b>
<b>Working capital adjustments:</b>		
(Increase) / decrease in inventories	(2,664.03)	1,920.11
(Increase) / decrease in trade receivables	(4,099.32)	3,361.33
Decrease / (increase) in other current / non-current financial assets	495.75	(388.13)
Decrease / decrease in other current / non-current assets	451.18	628.36
Increase / (decrease) in trade payable and other financial liabilities	1,963.37	(2,761.85)
Increase in provisions and other current liabilities	452.25	82.66
	<b>3,251.15</b>	<b>7,958.01</b>
<b>Cash generated from operating activities</b>	<b>3,251.15</b>	<b>7,958.01</b>
Income tax (paid) / refund (net)	152.28	(681.31)
<b>Net cash generated from operating activities (A)</b>	<b>3,403.43</b>	<b>7,276.70</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment, intangible assets and capital work-in-progress net of payable for capital goods and capital advances	(3,604.10)	(3,618.04)
Proceeds from sale of investments in equity shares	27.04	33.70
Investments in mutual funds (net)	416.05	(1,997.56)
Investments in equity shares	-	(6.89)
Interest received on cash and bank balances	-	3.53
Investments in bank deposits / earmarked balances (net)	-	127.65
<b>Net cash used in investing activities (B)</b>	<b>(3,161.01)</b>	<b>(5,457.61)</b>
<b>Cash flow from financing activities</b>		
Repayment of borrowings (net)	(1,444.08)	(2,458.93)
Proceeds from borrowings (net)	2,175.15	1,648.63
Repayment of lease liabilities	(602.21)	(499.00)
Interest paid	(484.88)	(588.67)
Dividend paid (and related dividend distribution tax)	-	(472.68)
<b>Net cash used in financing activities (C)</b>	<b>(356.02)</b>	<b>(2,370.65)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(113.60)</b>	<b>(551.56)</b>
Cash and cash equivalents at the beginning of year (refer note below)	12	606.95
Cash and cash equivalents as at the year end	12	493.35

# Statement of Cash Flows (Contd.)

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## Reconciliation of cash and cash equivalents as per cash flow statement

	Note	As at 31 March 2023	As at 31 March 2022
Balance with banks:			
- in current accounts	12	493.35	606.95
		<b>493.35</b>	<b>606.95</b>

## Changes in liabilities arising from financing activities

		As at 31 March 2023	As at 31 March 2022
<b>Long-term borrowings (including current maturities)</b>			
At the beginning of the year		3,430.80	3,804.23
Cash flows (net)		(1,444.08)	(403.81)
Foreign exchange movement		128.41	30.38
As at the year end		<b>2,115.13</b>	<b>3,430.80</b>
<b>Short-term borrowings</b>			
At the beginning of the year		4,547.40	4,930.53
Cash flows (net)		2,175.15	(406.49)
Foreign exchange movement		385.15	23.36
As at the year end		<b>7,107.70</b>	<b>4,547.40</b>
<b>Lease liabilities</b>			
At the beginning of the year		2,052.71	777.49
Additions		1,275.57	1,823.06
Repayments		(602.21)	(499.00)
Non-cash adjustments		129.26	(48.84)
As at the year end		<b>2,855.33</b>	<b>2,052.71</b>
Significant accounting policies	3		

The notes referred to above form an integral part of financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**

Partner

Membership No. 222432

for and on behalf of the board of directors of

**Igarashi Motors India Limited**

(CIN: L29142TN1992PLC021997)

**R Chandrasekaran**

Managing Director

DIN: 00012643

**L Ramkumar**

Director

DIN: 00090089

**S Vivekchandranath**

Chief Financial Officer

**P Dinakara Babu**

Company Secretary

Membership No. A14812

Place: Chennai

Date: 25 May 2023

Place: Chennai

Date: 25 May 2023

# Statement of Changes in Equity

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## (a) Equity share capital

Particulars	Note	As at 31 March 2023		As at 31 March 2022	
		No. of shares	Amount	No. of shares	Amount
<b>Equity shares of ₹ 10 each issued, subscribed and fully paid</b>	16				
<b>Balance as at 1 April</b>		<b>31,475,048</b>	<b>3,147.50</b>	<b>31,475,048</b>	<b>3,147.50</b>
Changes in Equity Share Capital due to prior period errors		-	-	-	-
<b>Restated balance at 1 April</b>	16	<b>31,475,048</b>	<b>3,147.50</b>	<b>31,475,048</b>	<b>3,147.50</b>
Issue of share capital		-	-	-	-
<b>Balance as at 31 March</b>	16	<b>31,475,048</b>	<b>3,147.50</b>	<b>31,475,048</b>	<b>3,147.50</b>

## (b) Other equity

	Reserves and surplus			Other comprehensive income (OCI)				Total
	Securities premium	Retained earnings	General reserve	ESOP Outstanding	Effective portion of cash flow hedges	Equity investments through OCI	Other items of OCI	
<b>Balance as at 1 April 2021</b>	13,432.35	29,608.05	464.42	610.25	5.47	(3,336.35)	-	40,784.19
Changes in accounting policy or to prior period errors	-	-	-	-	-	-	-	-
<b>Restated balance at 1 April 2021</b>	13,432.35	29,608.05	464.42	610.25	5.47	(3,336.35)	-	40,784.19
<b>Total comprehensive income for the year ended 31 March 2022</b>								
Profit for the year	-	119.00	-	-	-	-	-	119.00
Other comprehensive income for the year (net of tax)	-	-	-	-	248.55	-	45.35	293.90
Transfer on account of expiry of exercise period of stock options - own employees	-	565.98	-	(565.98)	-	-	-	-
Transfer on account of expiry of exercise period of stock options - employees of group companies	-	-	-	(44.27)	-	-	-	(44.27)
Transfer to retained earnings	-	(3,291.00)	-	-	-	3,336.35	(45.35)	-
<b>Total comprehensive income</b>	-	<b>(2,606.02)</b>	-	<b>(610.25)</b>	<b>248.55</b>	<b>3,336.35</b>	-	<b>368.63</b>
<b>Transactions with owners, recorded directly in equity</b>								
<b>Contributions by and distributions to owners</b>								

# Statement of Changes in Equity (Contd.)

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Reserves and surplus				Other comprehensive income (OCI)			Total
	Securities premium	Retained earnings	General reserve	ESOP Outstanding	Effective portion of cash flow hedges	Equity investments through OCI	Other items of OCI	
Dividends	-	(472.13)	-	-	-	-	-	(472.13)
<b>Total contributions and distributions to owners</b>	-	<b>(472.13)</b>	-	-	-	-	-	<b>(472.13)</b>
<b>Balance as at 31 March 2022</b>	<b>13,432.35</b>	<b>26,529.90</b>	<b>464.42</b>	-	<b>254.02</b>	-	-	<b>40,680.69</b>
<b>Balance as at 1 April 2022</b>	<b>13,432.35</b>	<b>26,529.90</b>	<b>464.42</b>	-	<b>254.02</b>	-	-	<b>40,680.69</b>
Changes in accounting policy or to prior period errors	-	-	-	-	-	-	-	-
<b>Restated balance at 1 April 2022</b>	<b>13,432.35</b>	<b>26,529.90</b>	<b>464.42</b>	-	<b>254.02</b>	-	-	<b>40,680.69</b>
<b>Total comprehensive income for the year ended 31 March 2023</b>								
Profit for the year	-	523.77	-	-	-	-	-	523.77
Remeasurements of defined benefit liability	-	-	-	-	-	-	-	-
Other comprehensive income for the year (net of tax)	-	-	-	-	(379.23)	-	(19.40)	(398.63)
Transfer to retained earnings	-	(19.40)	-	-	-	-	19.40	-
<b>Total comprehensive income</b>	-	<b>504.37</b>	-	-	<b>(379.23)</b>	-	-	<b>125.14</b>
<b>Balance as at 31 March 2023</b>	<b>13,432.35</b>	<b>27,034.27</b>	<b>464.42</b>	-	<b>(125.21)</b>	-	-	<b>40,805.83</b>

Significant accounting policies 3

The notes referred to above form an integral part of financial statements  
As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**  
Partner  
Membership No. 222432

Place: Chennai  
Date: 25 May 2023

for and on behalf of the board of directors of  
**Igarashi Motors India Limited**  
(CIN: L29142TN1992PLC021997)

**R Chandrasekaran**  
Managing Director  
DIN: 00012643

**S Vivekchandranath**  
Chief Financial Officer

Place: Chennai  
Date: 25 May 2023

**L Ramkumar**  
Director  
DIN: 00090089

**P Dinakara Babu**  
Company Secretary  
Membership No. A14812

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 1 Background

Igarashi Motors India Limited ('IMIL' / 'Company') is engaged in the manufacture of micro motors and its accessories for the automotive sector and motors for BLDC fans. The Company is a public limited company incorporated and domiciled in India and has its registered office in Chennai, Tamil Nadu, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

These financial statements were authorised for issue by the Company's Board of Directors on 25 May 2023.

## 2 Basis of preparation

### 2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note 3

### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

### 2.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

Items	Measurement basis
- Certain financial assets and liabilities (including derivative instruments)	Fair value
- Net defined benefit asset / (liability)	Fair value of plan assets, less present value of defined benefit obligations

### 2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### Judgements

Information about judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 35 – fair valuation of financial assets

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 is included in the following notes:

- Note 3.3 – estimation of useful lives of property, plant and equipment and intangible assets

- Note 3.10 – measurement of lease liabilities and right of use assets

- Note 21 – measurement of defined benefit obligations: key actuarial assumptions

- Note 35 – fair valuation of financial assets

- Note 34 – recognition of deferred tax assets

- Note 36 – recognition and measurement of provisions and contingencies

- Note 35 – Impairment of financial assets



# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 35 – financial instruments.

## 2.6 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

## 3 Significant accounting policies

### 3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from translation of qualifying cash flow hedges to the extent that the hedges are effective, which are recognised in Other Comprehensive Income.

### 3.2 Financial instruments

#### i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## ii. Classification and subsequent measurement

### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company

may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, refer Note 3.2 (v) for derivatives designated as hedging instruments.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### iii. Derecognition

#### *Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### *Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis

or to realise the asset and settle the liability simultaneously.

### v. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

#### *Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold,

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit and loss in the same period or periods as the hedged expected future cash flows affect profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to statement of profit and loss.

## vi. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### *Cash dividend to equity holders*

The Company recognises a liability to make cash to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## 3.3 Property, plant and equipment

### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Building	3 - 60 years	30 - 60 years
Plant and equipment	3 - 20 years	15 years
Office equipments	2 - 5 years	5 years
Furniture and fixtures	5 - 10 years	10 years
Vehicles	8 years	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

#### iv. Capital work-in-progress

Capital work-in-progress includes property, plant and equipment which are in process of being ready for its intended use and it is probable that the expected future economic benefits, that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

### 3.4 Intangible assets

#### i. Recognition and measurement

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

#### iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Management estimate of useful life
Product design expenses	5 - 6 years
Software	6 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

#### iv. Intangible assets under development

Intangible assets under development includes intangible assets which are in process of being ready for its intended use and it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

### 3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

### 3.6 Impairment

#### i. Impairment of financial instruments

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## ii. Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount in the statement of profit and loss.

The Company's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce

the carrying amounts of the other assets of the CGU (or groups of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 3.7 Employee benefits

### i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### ii. Gratuity

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company.

Liability with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by fund administered by Life Insurance Corporation of India for this purpose.



# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### iii. Provident fund

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

### iv. Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

### v. Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. Grant date fair value of the equity settled share-based payment awards granted to the employees of group companies is recognised as a receivable from the group Company, with a corresponding adjustment to equity.

## 3.8 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

## 3.9 Revenue recognition

### i. Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

agreed with the customers. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

## ii. Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

## 3.10 Leases

The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the

commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in Balance sheet and lease payments have been classified as financing activities in the Cash Flow Statement.

## 3.11 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

## 3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint

arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

## 3.13 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 3.14 Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

## 4 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

The Company does not expect this amendment to have any significant impact in its financial statements.

### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 5 Property, plant and equipment and capital work-in-progress

### A Reconciliation of the carrying amount

Particulars	Buildings	Plant and equipment	Office equipments	Furniture and fixtures	Vehicles	Total (A)	Capital work-in-progress (B)	Total (A+B)
<b>Gross carrying amount</b>								
<b>Balance at 1 April 2021</b>	<b>8,530.39</b>	<b>43,167.63</b>	<b>152.84</b>	<b>383.20</b>	<b>41.44</b>	<b>52,275.50</b>	<b>592.81</b>	<b>52,868.31</b>
Additions	49.24	3,004.15	1.22	22.84	-	3,077.45	3,526.36	6,603.81
Disposals / Deletions	-	-	-	-	-	-	(3,077.45)	(3,077.45)
<b>Balance at 31 March 2022</b>	<b>8,579.63</b>	<b>46,171.78</b>	<b>154.06</b>	<b>406.04</b>	<b>41.44</b>	<b>55,352.95</b>	<b>1,041.72</b>	<b>56,394.67</b>
Additions	95.51	3,156.61	31.24	107.90	-	3,391.26	3,363.11	6,754.37
Disposals / Deletions	-	(12.06)	-	-	-	(12.06)	(3,391.26)	(3,403.32)
<b>Balance at 31 March 2023</b>	<b>8,675.14</b>	<b>49,316.34</b>	<b>185.30</b>	<b>513.94</b>	<b>41.44</b>	<b>58,732.15</b>	<b>1,013.57</b>	<b>59,745.72</b>
<b>Accumulated depreciation</b>								
<b>Balance at 1 April 2021</b>	<b>1,344.41</b>	<b>15,284.53</b>	<b>108.56</b>	<b>118.37</b>	<b>25.28</b>	<b>16,881.15</b>	<b>-</b>	<b>16,881.15</b>
Depreciation for the year	332.30	3,225.05	22.80	44.36	4.42	3,628.93	-	3,628.93
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>1,676.71</b>	<b>18,509.58</b>	<b>131.36</b>	<b>162.73</b>	<b>29.70</b>	<b>20,510.08</b>	<b>-</b>	<b>20,510.08</b>
Depreciation for the year	334.44	3,356.36	22.12	42.10	4.42	3,759.44	-	3,759.44
Accumulated depreciation on disposals	-	(8.43)	-	-	-	(8.43)	-	(8.43)
<b>Balance at 31 March 2023</b>	<b>2,011.15</b>	<b>21,857.52</b>	<b>153.48</b>	<b>204.83</b>	<b>34.12</b>	<b>24,261.09</b>	<b>-</b>	<b>24,261.09</b>
<b>Carrying amount (net)</b>								
<b>As at 31 March 2022</b>	<b>6,902.92</b>	<b>27,662.20</b>	<b>22.70</b>	<b>243.31</b>	<b>11.74</b>	<b>34,842.87</b>	<b>1,041.72</b>	<b>35,884.59</b>
<b>As at 31 March 2023</b>	<b>6,663.99</b>	<b>27,458.82</b>	<b>31.82</b>	<b>309.12</b>	<b>7.32</b>	<b>34,471.06</b>	<b>1,013.57</b>	<b>35,484.63</b>

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets, refer note 6), during the year.

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

There are no immovable properties for which title deeds are not in the name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## B Ageing schedule for capital work-in-progress

As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,013.57	-	-	-	1,013.57
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,041.72	-	-	-	1,041.72
Projects temporarily suspended	-	-	-	-	-

The Company does not have any capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

## C Impairment assessment

As at 31 March 2023, due to the existence of operating losses, the Company has assessed the recoverable amount of the carrying value of the non-automotive segment, which represents a single cash generating unit (CGU). Based on such assessment, no impairment loss exists as at 31 March 2023. In order to carry out the above assessment, the Company has considered projections of future cash flows of the CGU based on the most recent long-term forecasts.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars	As at	As at
	31 March 2023	31 March 2022
Discount rate	18.7%	12.5%
Terminal value growth rate	5.0%	4.0%
Primary value of CGU	6,260.00	3,582.13
Terminal value of CGU	8,260.00	8,879.13
Total value in use	14,520.00	12,461.26
<b>Carrying value of CGU</b>	<b>9,551.11</b>	<b>7,358.80</b>

### Sensitivity analysis:

For the impairment of assets, the adjusted Value in Use for the given range of discount rates and terminal growth rates is as follows:

Particulars	Impact on carrying value	
	Increase	Decrease
<b>31 March 2023</b>		
Discount rate (1% movement)	13,490.00	15,720.00
Terminal value growth rate (1% movement)	15,030.00	14,080.00
<b>31 March 2022</b>		
Discount rate (1% movement)	11,064.82	14,225.85
Terminal value growth rate (1% movement)	13,791.59	11,405.77



# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 6 Right-of-use assets - Leases

### Reconciliation of the carrying amount

Particulars	Leasehold land
<b>Gross carrying amount</b>	
Balance at 1 April 2021	1,706.39
Additions	1,859.30
Deletions	-
<b>Balance at 31 March 2022</b>	<b>3,565.69</b>
Additions	1,299.56
Deletions	(1,706.39)
<b>Balance at 31 March 2023</b>	<b>3,158.86</b>
<b>Accumulated depreciation</b>	
Balance at 1 April 2021	997.81
Depreciation for the year	518.32
Accumulated depreciation on deletions	-
<b>Balance at 31 March 2022</b>	<b>1,516.13</b>
Depreciation for the year	644.84
Accumulated depreciation on deletions	(1,706.39)
<b>Balance at 31 March 2023</b>	<b>454.58</b>
<b>Carrying amount (net)</b>	
As at 31 March 2022	2,049.56
<b>As at 31 March 2023</b>	<b>2,704.28</b>

### Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	373.76	436.01
Non-current lease liabilities	2,481.57	1,616.70
	<b>2,855.33</b>	<b>2,052.71</b>

The following is the movement in lease liabilities during the year ended 31 March;

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at 1 April	2,052.71	777.49
Additions made during the year	1,275.57	1,823.06
Finance cost accrued during the period	205.38	84.22
Deletions	(76.12)	(48.00)
Payment of lease liabilities (including interest)	(602.21)	(584.06)
	<b>2,855.33</b>	<b>2,052.71</b>

Rental expense recorded for short-term leases was ₹ 72 lakhs (31 March 2022: ₹65.10 lakhs) for the year ended 31 March 2023.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Maturity analysis- contractual undiscounted cash flows

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	632.52	526.67
One to five years	2,997.58	1,637.06
More than 5 years	-	387.33
<b>Total undiscounted cash flows</b>	<b>3,630.10</b>	<b>2,551.07</b>

## 7 Intangible assets

### A Reconciliation of the carrying amount

Particulars	Product design expenses	Specialised software	Total (A)	Intangible assets under development (B)	Total (A+B)
<b>Gross carrying amount</b>					
<b>Balance at 1 April 2021</b>	<b>1,202.13</b>	<b>340.78</b>	<b>1,542.91</b>	<b>358.19</b>	<b>1,901.10</b>
Additions	373.95	-	373.95	27.06	401.01
Disposals	-	-	-	(373.94)	(373.94)
<b>Balance at 31 March 2022</b>	<b>1,576.08</b>	<b>340.78</b>	<b>1,916.86</b>	<b>11.31</b>	<b>1,928.17</b>
Additions	13.88	64.85	78.73	302.52	381.25
Disposals/ Written off	(147.50)	(177.27)	(324.77)	(76.47)	(401.24)
<b>Balance at 31 March 2023</b>	<b>1,442.46</b>	<b>228.36</b>	<b>1,670.82</b>	<b>237.36</b>	<b>1,908.18</b>
<b>Accumulated amortisation</b>					
<b>Balance at 1 April 2021</b>	<b>415.44</b>	<b>273.56</b>	<b>689.00</b>	-	<b>689.00</b>
Amortisation for the year	273.42	26.49	299.91	-	299.91
Accumulated amortisation on disposals	-	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>688.86</b>	<b>300.05</b>	<b>988.91</b>	-	<b>988.91</b>
Amortisation for the year	284.35	26.92	311.27	-	311.27
Accumulated amortisation on disposals	(147.50)	(177.27)	(324.77)	-	(324.77)
<b>Balance at 31 March 2023</b>	<b>825.71</b>	<b>149.70</b>	<b>975.41</b>	-	<b>975.41</b>
<b>Carrying amount (net)</b>					
<b>As at 31 March 2022</b>	<b>887.22</b>	<b>40.73</b>	<b>927.95</b>	<b>11.31</b>	<b>939.26</b>
<b>As at 31 March 2023</b>	<b>616.75</b>	<b>78.66</b>	<b>695.41</b>	<b>237.36</b>	<b>932.77</b>

### B Ageing schedule for Intangible assets under development

As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	226.05	11.31	-	-	237.36
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Projects in progress	11.31	-	-	-	11.31
Projects temporarily suspended	-	-	-	-	-

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

The Company does not have intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

## 8 Non-current investments

	As at 31 March 2023	As at 31 March 2022
<b>Unquoted instruments</b>		
Equity shares at Amortised Cost		
188,762 (31 March 2022: 188,762) equity shares of Beta Wind Farm Private Limited	35.86	35.86
Nil (31 March 2022: 270,345) equity shares of Hexa Wind Farm Private Limited	-	27.04
	<b>35.86</b>	<b>62.90</b>
Aggregate value of unquoted investments	35.86	62.90
Aggregate amount of impairment in value of investments	-	-

## 9 Inventories

	As at 31 March 2023	As at 31 March 2022
Raw materials and components (includes raw materials in transit amounting to ₹ 1514.10 lakhs; 31 March 2022: ₹ 1,055.56 lakhs)	8,508.00	6,909.92
Work-in-progress	361.94	262.88
Finished goods	1,393.11	527.98
Stores and spares	243.66	297.97
Tools	353.50	197.43
	<b>10,860.21</b>	<b>8,196.18</b>

## 10 Current investments

	As at 31 March 2023	As at 31 March 2022
<b>Quoted investments carried at FVTPL</b>		
Units in mutual funds		
ICICI Prudential Ultra Short Term Fund - Direct Plan Growth Plan- 6,726,156.58 units (31 March 2022: 8,464,248.286 units)	1,701.22	2,023.88
	<b>1,701.22</b>	<b>2,023.88</b>
Aggregate value of unquoted investments	-	-
Aggregate value of quoted investments	1,701.22	2,023.88
Aggregate market value of quoted investments	1,701.22	2,023.88

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Aggregate amount of impairment in value of investments	-	-
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## 11 Trade receivables

	As at 31 March 2023	As at 31 March 2022
<b>Trade receivables</b>		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	17,591.42	13,498.14
Trade receivables which have significant increase in credit risk	-	8.44
Trade receivables - credit impaired	-	-
	<b>17,591.42</b>	<b>13,506.58</b>
<b>Loss allowance for expected credit loss</b>		
Trade receivables considered good - unsecured	(37.29)	(26.76)
Trade receivables which have significant increase in credit risk	-	(8.44)
Trade receivables - credit impaired	-	-
	<b>(37.29)</b>	<b>(35.20)</b>
<b>Net trade receivables</b>	<b>17,554.13</b>	<b>13,471.38</b>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	8,382.65	6,105.27
Less : Loss allowance for expected credit losses	(4.59)	(5.99)
<b>Net trade receivables</b>	<b>8,378.06</b>	<b>6,099.28</b>

The Company's exposure to credit and currency risks, loss allowances are disclosed in Note 35.

For receivables secured against borrowings, see Note 20.

Trade receivables ageing schedule

As at 31 March, 2023

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2- 3 years	More than 3 years	Total
<b>Undisputed</b>						
(i) Considered good	17,591.42	-	-	-	-	17,591.42
(ii) Considered to have significant increase in credit risk	-	-	-	-	-	-
(iii) Considered credit impaired	-	-	-	-	-	-
<b>Sub-Total (i+ii+iii)</b>	<b>17,591.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,591.42</b>
<b>Disputed</b>						
(iv) Considered good	-	-	-	-	-	-
(v) Considered to have significant increase in credit risk	-	-	-	-	-	-
(vi) Considered credit impaired	-	-	-	-	-	-
<b>Sub-Total (iv+v+vi)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>17,591.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,591.42</b>
<b>Unbilled revenue (refer note 14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>17,591.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,591.42</b>

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## As at 31 March, 2022

Particulars	Less than 6 months	6 months-1 year	1-2 years	2- 3 years	More than 3 years	Total
<b>Undisputed</b>						
(i) Considered good	13,498.14	-	-	-	-	13,498.14
(ii) Considered to have significant increase in credit risk	-	7.43	1.02	-	-	8.44
(iii) Considered credit impaired	-	-	-	-	-	-
<b>Sub-Total (i+ii+iii)</b>	<b>13,498.14</b>	<b>7.43</b>	<b>1.02</b>	<b>-</b>	<b>-</b>	<b>13,506.58</b>
<b>Disputed</b>						
(iv) Considered good	-	-	-	-	-	-
(v) Considered to have significant increase in credit risk	-	-	-	-	-	-
(vi) Considered credit impaired	-	-	-	-	-	-
<b>Sub-Total (iv+v+vi)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>13,498.14</b>	<b>7.43</b>	<b>1.02</b>	<b>-</b>	<b>-</b>	<b>13,506.58</b>
<b>Unbilled revenue (refer note 14)</b>	<b>217.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217.29</b>
<b>Grand total</b>	<b>13,715.43</b>	<b>7.43</b>	<b>1.02</b>	<b>-</b>	<b>-</b>	<b>13,723.87</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

## 12 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balance with banks:		
- in current accounts	493.35	606.95
<b>Cash and cash equivalents in balance sheet</b>	<b>493.35</b>	<b>606.95</b>
<b>Cash and cash equivalents in the statements of cash flows</b>	<b>493.35</b>	<b>606.95</b>

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## 13 Bank balances other than cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks - unpaid dividend accounts	44.92	56.02
	<b>44.92</b>	<b>56.02</b>

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 14 Other financial assets

	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
Security deposit	329.48	229.44
Forward exchange contracts - cash flow hedges	-	233.93
Advance to employees	-	1.92
	<b>329.48</b>	<b>465.29</b>
<b>Current</b>		
Security deposit	142.21	236.71
Forward exchange contracts used for hedging	-	127.36
Unbilled revenue	-	217.29
Insurance claims receivable	288.83	229.53
Advance to employees	-	2.30
	<b>431.04</b>	<b>813.19</b>

## 15 Other assets

	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
Capital advances	-	140.31
Prepayments	17.04	5.10
	<b>17.04</b>	<b>145.41</b>
<b>Current</b>		
Prepayments	389.14	392.47
Balances with statutory authorities	1,299.19	861.06
Export incentive receivable	-	176.46
Others	130.33	833.65
	<b>1,818.66</b>	<b>2,263.64</b>

## 16 Share Capital

	As at 31 March 2023	As at 31 March 2022
<b>Authorised</b>		
35,000,000 (31 March 2022: 35,000,000) equity shares of ₹ 10 each	3,500.00	3,500.00
<b>Issued, subscribed and paid-up</b>		
31,475,048 (31 March 2022: 31,475,048) equity shares of ₹ 10 each fully paid up	3,147.50	3,147.50



# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## a Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	31 March 2023		31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares</b>				
At the commencement of the year	31,475,048	3,147.50	31,475,048	3,147.50
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>31,475,048</b>	<b>3,147.50</b>	<b>31,475,048</b>	<b>3,147.50</b>

## b Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares of par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees and all shares issued carry equal rights for dividend declared. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c Employee stock options

There are no options outstanding at 31 March 2022 and 31 March 2023.

## d Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Agile Electric Sub Assembly Private Limited, the Holding Company	17,142,121	1,714.21	17,142,121	1,714.21
Igarashi Electric Works (H.K) Limited, Hong Kong, the subsidiary of the ultimate holding company	2,499,993	250.00	2,499,993	250.00
Igarashi Electric Works Limited, Japan, the ultimate holding company	3,964,174	396.42	3,964,174	396.42

## e Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	% of total shares	No. of Shares	% of total shares
Agile Electric Sub Assembly Private Limited	17,142,121	54.46%	17,142,121	54.46%
Igarashi Electric Works (H.K) Limited, Hong Kong	2,499,993	7.94%	2,499,993	7.94%
Igarashi Electric Works Limited, Japan	3,964,174	12.60%	3,964,174	12.60%

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## f Shares reserved for issue under options

Under Employee Stock Option Scheme, 2017: 600,000 equity shares of ₹ 10 each, at an exercise price of ₹ 650 per share (see Note 19)

	Year ended 31 March 2023	Year ended 31 March 2022
	-	60.00

## g In the period of five years immediately preceding 31 March 2023:

- The Company has allotted 866,604 fully paid up equity shares of face value ₹ 10/- each during the year ended 31 March 2019 pursuant to a bonus issue approved by the shareholders through postal ballot. Record date fixed by the Board of Directors was 28 September 2018. The bonus shares were issued by utilization of securities premium.
- The Company has not allotted any other equity shares as fully paid up without payment being received in cash.

## h Shareholding of Promoters

Name of Promoter	As at 31 March 2023				
	No. of shares at the beginning of the period	Movement during the year	No. of shares at the end of the period	% of total shares	% of change during the period
Agile Electric Sub Assembly Private Limited, the Holding Company	17,142,121	-	17,142,121	54.46%	0%
Igarashi Electric Works (H.K) Limited, Hong Kong, the subsidiary of the ultimate holding company	2,499,993	-	2,499,993	7.94%	0%
Igarashi Electric Works Limited, Japan, the ultimate holding company	3,964,174	-	3,964,174	12.60%	0%
<b>Total</b>	<b>23,606,288</b>	<b>-</b>	<b>23,606,288</b>	<b>75.00%</b>	<b>0%</b>

Name of Promoter	As at 31 March 2022				
	No. of shares at the beginning of the period	Movement during the year	No. of shares at the end of the period	% of total shares	% of change during the period
Agile Electric Sub Assembly Private Limited, the Holding Company	17,142,121	-	17,142,121	54.46%	0%
Igarashi Electric Works (H.K) Limited, Hong Kong, the subsidiary of the ultimate holding company	2,499,993	-	2,499,993	7.94%	0%
Igarashi Electric Works Limited, Japan, the ultimate holding company	3,964,174	-	3,964,174	12.60%	0%
<b>Grand Total</b>	<b>23,606,288</b>	<b>-</b>	<b>23,606,288</b>	<b>75.00%</b>	<b>0%</b>

### Note

- Promoter means promoter as defined in section 2(69) of the Companies Act, 2013.
- Percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 17 Other equity

### A.i Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

### A.ii General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

## B Dividends

The following dividends were declared and paid by the Company during the year

	Year ended 31 March 2023	Year ended 31 March 2022
Nil per equity share (31 March 2022: ₹ 1.50/- per equity share)	-	472.13
	-	<b>472.13</b>

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

	Year ended 31 March 2023	Year ended 31 March 2022
₹ 1/- per equity share (31 March 2022: Nil)	314.75	-

## C Analysis of accumulated OCI (net of tax)

### (i) Other items of OCI

#### Remeasurements of defined benefit liability

	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	-	-
Remeasurements of defined benefit liability	(25.92)	60.60
Income tax relating to items that will not be reclassified to profit or loss	6.52	(15.25)
Transfer to retained earnings	19.40	(45.35)
<b>Closing balance</b>	-	-

### (ii) Disaggregation of changes in items of OCI (net of tax)

	Effective portion of cash flow hedges (a)	Remeasurement of defined benefit liability (b)	Total (a+b)
<b>Year ended 31 March 2022</b>			
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	248.55	-	248.55
Remeasurement of defined benefit liability	-	45.35	45.35
	<b>248.55</b>	<b>45.35</b>	<b>293.90</b>
<b>Year ended 31 March 2023</b>			
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	(379.23)	-	(379.23)
Remeasurement of defined benefit liability	-	(19.40)	(19.40)
	<b>(379.23)</b>	<b>(19.40)</b>	<b>(398.63)</b>

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## a Effective portion of cash flow hedges

This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

## b. Remeasurement of defined benefit liability

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

## E. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

## 18 Earnings per share

### Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

	As at 31 March 2023	As at 31 March 2022
<b>(i) Profit attributable to equity shareholders (basic and diluted)</b>		
Profit for the year, attributable to the equity holders (₹ in lakhs)	523.77	119.00
<b>(ii) Weighted average number of equity shares (for computing basic earnings per share)</b>		
Weighted average number of equity shares for the year	31,475,048	31,475,048
<b>(iii) Weighted average number of equity shares (for computing diluted earnings per share)</b>		
Opening balance (number of equity shares)	31,475,048	31,475,048
Effect of dilutive common equivalent shares - share options outstanding	-	-
<b>Weighted average number of equity shares for the year</b>	<b>31,475,048</b>	<b>31,475,048</b>
Equity stock options were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been antidilutive.		
<b>(iv) Earnings per share</b>		
<b>Basic and diluted earnings per share (in Indian Rupees)</b>	<b>1.66</b>	<b>0.38</b>

## 19 Share-based payments

There are no options outstanding at 31 March 2023 and 31 March 2022. During the previous year, 198,700 share options were forfeited/ lapsed.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 20 Borrowings

	As at 31 March 2023	As at 31 March 2022
<b>Non-current borrowings</b>		
<i>Term Loan from banks (Secured)</i>		
Term loan from banks	817.59	2,008.90
	<b>817.59</b>	<b>2,008.90</b>
<b>Current borrowings</b>		
<i>Loan from banks (Secured)</i>		
Current maturities of long term borrowings	1,297.54	1,421.90
Working capital facilities from banks - (Packing credit)	7,107.70	4,547.40
	<b>8,405.24</b>	<b>5,969.30</b>
	<b>8,405.24</b>	<b>5,969.30</b>

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 35

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

### A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 March 2023	Carrying amount at 31 March 2022
Term loan from banks - IV	INR	MCLR + 1%	2020-23	497.00	1,165.00
Term loan from banks - V	INR	MCLR + 0.55%	2020-23	250.00	750.00
Term loan from banks - VI	USD	Libor + 2.75%	2023-26	1,368.15	1,515.80
Packing credit - I	USD	Libor + 2.50%	2022-23	3,779.80	1,515.80
Packing credit - II	USD	Libor + 2.75%	2022-23	3,327.88	3,031.60
				<b>9,222.83</b>	<b>7,978.20</b>

### B. Secured bank loans

Term loan from banks are secured by first pari passu charge on the entire moveable and immoveable fixed assets of the Company, both present and future; and pari passu second charge on the current assets of the Company, both present and future.

Working capital facilities (Packing credit - I and packing credit - II) are secured by first pari passu charge on the entire current assets of the Company, both present and future; and pari passu second charge on the movable fixed assets of the Company, both present and future.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 21 Provisions

	As at 31 March 2023	As at 31 March 2022
<b>Provision for employee benefit</b>		
Net defined liability for gratuity	224.38	140.27
Liability for compensated absences	187.75	120.89
Other provisions	608.64	879.65
	<b>1,020.77</b>	<b>1,140.81</b>
Non current	-	-
Current	<b>1,020.77</b>	<b>1,140.81</b>
	<b>1,020.77</b>	<b>1,140.81</b>

For details about the related employee benefit expenses, see Note 30

The Company operates the following post-employment defined benefit plans:

The Company has a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Liabilities for the same are determined through an actuarial valuation as at the reporting dates using the "projected unit cost method".

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The Company provides the gratuity benefit through annual contribution to Life Insurance Corporation of India (LIC)

### A. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

#### Reconciliation of present value of defined benefit obligation

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	1,214.15	1,062.96
Benefits paid	(61.08)	(49.59)
Current service cost	99.23	89.93
Past service cost	80.39	83.59
Interest cost	77.10	61.68
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	-	4.95
- changes in financial assumptions	(63.06)	(33.19)
- experience adjustments	99.87	(6.18)
<b>Balance at the end of the year</b>	<b>1,446.60</b>	<b>1,214.15</b>



# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## Reconciliation of present value of plan assets

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	1,073.81	846.70
Benefits paid	(61.08)	(49.59)
Contributions paid into the plan	130.39	201.40
Interest income	68.20	49.13
Return on plan assets recognised in other comprehensive income	10.88	26.18
<b>Balance at the end of the year</b>	<b>1,222.21</b>	<b>1,073.81</b>
<b>Net defined benefit obligation</b>	<b>224.39</b>	<b>140.33</b>

## B. Expense recognised in the statement of profit or loss

	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	99.23	89.93
Past service cost	80.39	83.59
Interest cost	77.10	61.68
Interest income	(68.20)	(49.13)
	<b>188.52</b>	<b>186.07</b>

## Remeasurements recognised in other comprehensive income

	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain) loss on defined benefit obligations	36.81	(34.42)
Return on plan assets excluding interest income	(10.88)	(26.18)
	<b>25.93</b>	<b>(60.60)</b>

## C. Defined benefit obligation

### i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.30%	6.35%
Future salary growth	8.00%	8.00%
Attrition rate	16%	16%

### ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(61.07)	66.78	(59.12)	65.34
Future salary growth (1% movement)	60.52	(57.55)	61.30	(57.61)
Attrition rate (50% of attrition rates movement)	(10.78)	18.18	(30.57)	62.29

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 4 years (31 March 2022: 5 years). The expected maturity analysis of undiscounted gratuity is as follows:

Expected cash flows over the next	As at 31 March 2023	As at 31 March 2022
1 year	375.76	288.35
2 to 5 years	795.89	600.15
6 to 10 years	504.37	438.04
More than 10 years	444.31	451.58

## D. Movement in other provisions

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	879.65	541.44
Add: Provision made during the year	78.91	445.26
Less: Amount utilized/reversed during the year	(349.92)	(107.05)
<b>Balance at the end of the year</b>	<b>608.64</b>	<b>879.65</b>

## 22 Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer Note 39)	1,017.71	773.14
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Dues to related parties (refer Note 37)	598.05	354.13
Dues to others	9,738.02	8,173.28
	10,336.07	8,527.41
	<b>11,353.78</b>	<b>9,300.55</b>

All trades payables are 'current'

The Company has no transactions with struck off companies during the year.

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in Note 35. Also, refer Note 39 for disclosure required under Micro, Small and Medium Enterprises Development Act, 2006.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Trade payables ageing schedules

**As at 31 March 2023**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	1,017.71	-	-	-	1,017.71
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9,482.10	-	-	-	9,482.10
(iii) Disputed dues, of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues, of creditors other than micro enterprises and small enterprises	-	-	-	-	-
(v) Unbilled dues and other dues	853.96	-	-	-	853.96
	<b>11,353.78</b>	-	-	-	<b>11,353.78</b>

**As at 31 March 2022**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	773.14	-	-	-	773.14
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,988.05	-	-	-	7,988.05
(iii) Disputed dues, of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues, of creditors other than micro enterprises and small enterprises	-	-	-	-	-
(v) Unbilled dues and other dues	539.36	-	-	-	539.36
	<b>9,300.55</b>	-	-	-	<b>9,300.55</b>

## 23 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
Forward exchange contracts used for hedging	68.72	-
	<b>68.72</b>	-
<b>Current</b>		
Payables for capital goods	254.27	334.42
Contract liabilities	396.45	205.08
Forward exchange contracts used for hedging	141.84	-
Others	21.66	11.35
Unpaid dividends	44.92	56.02
	<b>859.14</b>	<b>606.87</b>

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in Note 35.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 24 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Dues to employees	593.38	379.04
Advances from customers	465.01	177.94
Statutory dues	219.75	122.95
	<b>1,278.14</b>	<b>679.93</b>

## 25 Operating segments

### A Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has determined two reporting segments viz. automotive and non-automotive based on the nature of products, risk and returns and information reviewed by the Company's Chief Operating Decision Maker. The Company's operations are entirely domiciled in India and as such all its non-current assets are located in India.

### B Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's MD. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Particulars	Automotive		Non-automotive		Total	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
<b>Segment revenue</b>						
External revenue	57,313.92	49,819.75	8,310.66	5,820.71	65,624.58	55,640.46
Inter-segment revenue	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>57,313.92</b>	<b>49,819.75</b>	<b>8,310.66</b>	<b>5,820.71</b>	<b>65,624.58</b>	<b>55,640.46</b>
<b>Segment results</b>	<b>7,625.10</b>	4,811.01	<b>(497.46)</b>	(459.13)	<b>7,127.64</b>	<b>4,351.88</b>
<b>Unallocable corporate income / (expenses)</b>						
Other income					191.50	462.24
Employee benefits expense					(3,060.51)	(2,500.17)
Finance costs					(1,214.14)	(655.04)
Depreciation and amortization expenses					(330.67)	(334.73)
Other expenses					(1,803.69)	(1,092.76)
<b>Profit before tax</b>					<b>910.13</b>	<b>231.42</b>
<b>Tax expense</b>						
Current tax					339.07	-

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Particulars	Automotive		Non-automotive		Total	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax charge / (credit)					47.28	112.42
<b>Profit for the year</b>					<b>523.78</b>	<b>119.00</b>
<b>Other information</b>						
Segment assets	57,056.55	54,224.91	11,164.57	8,237.84	<b>68,221.12</b>	<b>62,462.75</b>
Unallocable corporate assets					4,401.52	5,200.10
<b>Total assets</b>					<b>72,622.64</b>	<b>67,662.85</b>
<b>Segment liabilities</b>	<b>14,920.74</b>	12,462.11	<b>1,613.46</b>	879.04	<b>16,534.20</b>	<b>13,341.15</b>
Unallocable corporate liabilities					12,135.11	10,493.51
<b>Total liabilities</b>					<b>28,669.31</b>	<b>23,834.66</b>
<b>Depreciation and amortization expense</b>	<b>3,972.30</b>	3,756.00	<b>412.58</b>	356.43	<b>4,384.88</b>	<b>4,112.43</b>
Unallocable corporate expense					330.67	334.73
<b>Total expense</b>					<b>4,715.55</b>	<b>4,447.16</b>

## D Geographic information :

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

	Year ended 31 March 2023	Year ended 31 March 2022
Japan	31,149.07	29,730.24
India	23,747.92	16,698.44
Hong Kong	2,749.06	3,235.15
Germany	412.43	1,304.96
United States of America	2,304.38	688.90
Rest of the world	5,261.72	3,982.77
	<b>65,624.58</b>	<b>55,640.46</b>

The Company's operations are entirely carried out in India and as such all its non-current assets are located in India.

## E Major Customers

Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Customer A	31,149.07	29,730.24
Customer B	5,593.73	5,218.37

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 26 Revenue from operations

### Disaggregation of revenue / revenue streams

	Year ended 31 March 2023	Year ended 31 March 2022
<b>a Revenue streams</b>		
Sale of products	63,594.18	54,036.94
Other operating revenue		
Scrap Sales	2,030.40	1,603.52
	<b>65,624.58</b>	<b>55,640.46</b>
<b>b Reconciliation of sale of products and services with the contracted price</b>		
<b>Contracted price</b>	63,711.25	53,671.56
Less: Variable consideration components like commodity price adjustments	(117.07)	365.38
<b>Sale of products</b>	<b>63,594.18</b>	<b>54,036.94</b>
<b>c Timing of revenue recognition</b>		
Goods transferred at a point in time	65,624.58	55,640.46
Services transferred over time	-	-
<b>Total revenue from contracts with customers</b>	<b>65,624.58</b>	<b>55,640.46</b>
<b>d Contract balances</b>		
The following disclosure provide information about receivables, contract assets and liabilities from contract with customers.		
Receivable which are included in trade receivables (refer Note 11)	17,554.13	13,471.38
Payable which are included in other financial liabilities (refer Note 23)	396.45	205.08
Payable which are included in other current liabilities (refer Note 24)	465.01	177.94

## 27 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Income from MEIS scrips	-	16.16
Interest income on		
Cash and bank balances	-	3.53
Others	18.14	14.36
Financial assets at FVTPL-net change in fair value	93.39	26.32
Gain on foreign currency transactions (net)	-	203.95
Provision/ liabilities no longer required written back	2.07	155.67
Insurance claim (net)	610.26	214.89
Miscellaneous income	77.90	58.42
	<b>801.76</b>	<b>693.30</b>



# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 28 Cost of materials consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Inventory of materials at the beginning of the year	7,107.35	8,380.00
Add: Purchases	46,336.61	34,981.92
Less: Inventory of materials at the end of the year	(8,861.50)	(7,107.35)
	<b>44,582.46</b>	<b>36,254.57</b>

## 29 Changes in inventories of finished goods and work-in-progress

	Year ended 31 March 2023			Year ended 31 March 2022		
	Opening stock	Closing stock	(Increase) / Decrease	Opening stock	Closing stock	(Increase) / Decrease
Finished goods	527.98	1,393.11	(865.13)	990.60	527.98	462.62
Work-in-progress	262.88	361.94	(99.06)	363.75	262.88	100.87
	<b>790.86</b>	<b>1,755.05</b>	<b>(964.19)</b>	<b>1,354.35</b>	<b>790.86</b>	<b>563.49</b>

## 30 Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	4,383.93	3,734.21
Contribution to provident funds	276.96	242.05
Expenses related to post-employment defined benefit plans	188.52	186.07
Expenses related to compensated absences	134.75	36.84
Staff welfare expenses	868.49	744.55
	<b>5,852.65</b>	<b>4,943.72</b>

## 31 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on financial liabilities (other than lease liabilities) measured at amortised cost	574.96	397.26
Interest expense on lease liabilities	205.38	84.22
Applicable net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	319.66	53.74
Others	114.14	119.82
	<b>1,214.14</b>	<b>655.04</b>

## 32 Depreciation and amortization expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment (refer Note 5)	3,759.44	3,628.93
Depreciation of right-of-use assets (refer Note 6)	644.84	518.32
Amortization of intangible assets (refer Note 7)	311.27	299.91
	<b>4,715.55</b>	<b>4,447.16</b>

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 33 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and tools	1,020.57	919.87
Freight, delivery and shipping charges	679.00	680.62
Rent	72.00	65.10
Outsourced manpower cost	1,902.87	1,903.58
Commission	4.93	24.92
Power and fuel	1,418.36	1,248.00
Rates and taxes	75.19	56.88
Insurance	287.15	263.19
Repairs and maintenance		
Buildings	40.27	32.73
Machinery	1,400.46	1,239.26
Others	54.60	49.03
Legal and professional charges (refer note (a) below)	639.56	477.11
Royalty	361.73	353.61
Travel and Conveyance	556.91	463.74
Communication expenses	38.38	37.85
Recruitment and training	11.00	4.26
Sitting fees and commission to Independent Directors' (including taxes)	48.48	34.95
Security expenses	248.78	247.37
Printing and stationery	52.76	33.04
Quality cost (net)	78.91	445.26
Provision for loss allowance for expected credit losses	2.09	-
Bank charges	71.06	66.35
Loss on foreign currency transactions (net)	436.25	-
Expenditure on corporate social responsibility (refer note (b) below)	55.00	105.00
Miscellaneous expenses	559.30	486.64
	<b>10,115.61</b>	<b>9,238.36</b>

### a. Payment to auditors (excluding taxes)

	Year ended 31 March 2023	Year ended 31 March 2022
<b>As auditor</b>		
Statutory audit	55.00	53.00
Tax audit	5.60	5.00
Limited review of quarterly results	30.00	27.00
<b>In other capacity</b>		
Tax services	-	3.00
Certification	5.00	7.00
Reimbursement of expenses	7.37	4.11
	<b>102.97</b>	<b>99.11</b>

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## b. Details of expenditure on Corporate social responsibility

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Amount required to be spent by the company during the year,	44.81	100.56
(ii) Amount of expenditure incurred,	55.00	105.00
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	55.00	105.00
(iii) Shortfall at the end of the year,	-	-
(iv) Total of previous years shortfall,	-	-
(v) Reason for shortfall,	Not applicable	Not applicable
(vi) Nature of CSR activities,	Healthcare and community development	
(vii) Details of related party transactions	Nil	Nil

## 34 Income tax

### A. Amount recognised in the statement of profit and loss

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Current tax</b>		
Current period	181.81	-
Tax for earlier years	157.26	-
Total current tax expense	339.07	-
<b>Deferred tax</b>		
Origination and reversal of temporary difference	47.28	112.42
Total deferred tax expense / (benefit)	47.28	112.42
	386.35	112.42

### B. Income tax recognised in other comprehensive income

	Year ended 31 March 2023			Year ended 31 March 2022		
	Before tax	Tax benefit	Net of tax	Before tax	Tax expense	Net of tax
Remeasurement of defined benefit liability (asset)	(25.92)	6.52	(19.40)	60.60	(15.25)	45.35
Effective portion of gains (losses) on hedging instruments in cash flow hedges	(506.78)	127.55	(379.23)	332.15	(83.60)	248.55
	(532.70)	134.07	(398.63)	392.75	(98.85)	293.90

### C. Reconciliation of effective tax rate

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Profit before tax</b>	910.12	231.42
Tax using the Company's domestic tax rate	25.17%	25.17%
Tax related to prior years	17.28%	0.00%
Effect of non-deductible expenses	0.00%	23.41%
<b>Income tax expense</b>	42.45%	48.58%

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## D. Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		Deferred tax liabilities		Net Deferred tax (assets) / liabilities	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment	-	-	2,318.26	2,271.67	2,318.26	2,271.67
Leases	(37.42)	-	-	9.56	(37.42)	9.56
Provision - employee benefits	(47.25)	(3.53)	-	-	(47.25)	(3.53)
Effective portion of cash flow hedges	(42.11)	-	-	83.60	(42.11)	83.60
Other provisions	(175.22)	(243.43)	-	-	(175.22)	(243.43)
Business loss as per taxation laws	-	(75.01)	-	-	-	(75.01)
Other items	(27.45)	-	-	32.73	(27.45)	32.73
<b>Net deferred tax (assets) / liabilities</b>	<b>(329.46)</b>	<b>(321.97)</b>	<b>2,318.26</b>	<b>2,397.56</b>	<b>1,988.80</b>	<b>2,075.59</b>

Note: Pursuant to Ind AS - 12 "Income Taxes", where there are unused tax losses and unused tax credits, deferred tax asset shall be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Movement in temporary differences:

	Balance as at 1 April 2021	Recognized in profit or loss during 2021-22	Recognized in OCI during 2021-22	Balance as at 31 March 2022	Recognized in profit or loss during 2022-23	Recognized in OCI during 2022-23	Balance as at 31 March 2023
Property, plant and equipment	2,154.46	117.21	-	2,271.67	46.59	-	2,318.26
Leases	(17.34)	26.90	-	9.56	(46.98)	-	(37.42)
Provision - employee benefits	(96.92)	78.14	15.25	(3.53)	(37.20)	(6.52)	(47.25)
Effective portion of cash flow hedges	9.57	(9.57)	83.60	83.60	1.84	(127.55)	(42.11)
Other provisions	(136.27)	(107.16)	-	(243.43)	68.21	-	(175.22)
Business loss as per taxation laws	-	(75.01)	-	(75.01)	75.01	-	-
Other items	(49.18)	81.91	-	32.73	(60.18)	-	(27.45)
	<b>1,864.32</b>	<b>112.42</b>	<b>98.85</b>	<b>2,075.59</b>	<b>47.29</b>	<b>(134.07)</b>	<b>1,988.80</b>

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 35 Financial instruments - Fair values and risk management

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

### A. Accounting classification and fair values

31 March 2023

	Note	Carrying amount					Fair value				
		Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI -equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value</b>											
Investments											
-Mutual funds	10	-	1,701.22	-	-	-	1,701.22	1,701.22	-	-	1,701.22
Forward exchange contracts used for hedging	23	(210.56)	-	-	-	-	(210.56)	-	(210.56)	-	(210.56)
		(210.56)	1,701.22	-	-	-	1,490.66	1,701.22	(210.56)	-	1,490.66
<b>Financial assets not measured at fair value (Refer Note 1 below)</b>											
Investments											
-Equity shares	8	-	-	-	35.86	-	35.86				
Trade receivables	11	-	-	-	17,554.13	-	17,554.13				
Cash and cash equivalents	12	-	-	-	493.35	-	493.35				
Bank balances other than cash and cash equivalents	13	-	-	-	44.92	-	44.92				
Other financial assets	14	-	-	-	760.52	-	760.52				
		-	-	-	18,888.78	-	18,888.78				
<b>Financial liabilities not measured at fair value (Refer Note 1 below)</b>											
Trade payables	22	-	-	-	-	11,353.78	11,353.78				
Lease Liabilities	6	-	-	-	-	2,855.33	2,855.33				
Borrowings	20	-	-	-	-	9,222.83	9,222.83				
Other financial liabilities	23	-	-	-	-	717.30	717.30				
		-	-	-	-	24,149.24	24,149.24				

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## 31 March 2022

	Note	Carrying amount					Fair value				
		Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI -equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value</b>											
Investments											
- Mutual funds	10	-	2,023.88	-	-	-	2,023.88	2,023.88	-	-	2,023.88
Forward exchange contracts used for hedging	23	361.29	-	-	-	-	361.29	-	361.29	-	361.29
		<b>361.29</b>	<b>2,023.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,385.17</b>	<b>2,023.88</b>	<b>361.29</b>	<b>-</b>	<b>2,385.17</b>
<b>Financial assets not measured at fair value (Refer Note 1 below)</b>											
Investments											
-Equity shares	8	-	-	-	62.90	-	62.90				
Trade receivables	11	-	-	-	13,471.38	-	13,471.38				
Cash and cash equivalents	12	-	-	-	606.95	-	606.95				
Bank balances other than cash and cash equivalents	13	-	-	-	56.02	-	56.02				
Other financial assets	14	-	-	-	917.19	-	917.19				
		<b>-</b>	<b>-</b>	<b>-</b>	<b>15,114.44</b>	<b>-</b>	<b>15,114.44</b>				
<b>Financial liabilities not measured at fair value (Refer Note 1 below)</b>											
Trade payables	22	-	-	-	-	9,300.55	9,300.55				
Borrowings	20	-	-	-	-	7,978.20	7,978.20				
Lease Liabilities	6	-	-	-	-	2,052.71	2,052.71				
Other financial liabilities	23	-	-	-	-	606.87	606.87				
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,938.33</b>	<b>19,938.33</b>				

**Note 1:** The Company has not disclosed fair values of financial instruments such as trade receivables, cash and bank balances, deposits and other receivables, other receivables from related parties, trade payables, borrowings because their carrying amounts are reasonable approximations of their fair values.



# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## B. Measurement of fair values

### i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation process are described in Note 2.5

Type	Valuation technique used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward contracts used for hedging	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable	Not applicable

### ii. Level 3 fair values

	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	-	(3,336.35)
Loss included in OCI - net change in fair value (unrealised)	-	-
Transfer to retained earnings on disposal	-	3,336.35
<b>Closing balance</b>	<b>-</b>	<b>-</b>

## C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see C.ii);
- liquidity risk (see C.iii); and
- market risk (see C.iv)

### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

*a. Trade receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about customers. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

More than 52% of the Company's customers are related parties who have been transacting with the Company for over five years, and none of these customers' balances have been credit-impaired in the past. In monitoring customer credit risk, customers are grouped according to their credit characteristics, and their geographic location and existence of previous financial difficulties.

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

	As at 31 March 2023	As at 31 March 2022
Japan	7,933.46	5,877.36
India	7,158.23	5,482.94
Hong Kong	732.13	1,188.71
United States of America	788.50	223.33
Germany	150.61	113.78
Rest of the world	828.49	620.46
<b>Total receivables (Gross)</b>	<b>17,591.42</b>	<b>13,506.58</b>

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

The ageing of trade receivables that were not impaired as at the reporting date was:

## As at 31 March 2023

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit-impaired
Not due	15,113.66	0.14%	(20.40)	No
Past due 1-90 days	2,336.49	0.14%	(3.21)	No
Past due 90-180 days	141.27	9.68%	(13.68)	No
Past due 181-365 days	-	0.00%	-	No
Past due 365 - 720 days	-	0.00%	-	No
<b>Total</b>	<b>17,591.42</b>		<b>(37.29)</b>	

## As at 31 March 2022

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit-impaired
Not due	11,743.01	0.09%	(11.14)	No
Past due 1-90 days	1,646.77	0.30%	(4.95)	No
Past due 90-180 days	108.35	9.84%	(10.66)	No
Past due 181-365 days	7.43	99.93%	(7.43)	No
Past due 365 - 720 days	1.02	100.00%	(1.02)	No
<b>Total</b>	<b>13,506.58</b>		<b>(35.20)</b>	

*Movements in the allowance for impairment in respect of trade receivables and loans:*

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

	31 March 2023	31 March 2022
Balances at 1 April	35.20	165.25
Provision (reversed and write offs) / made for the year	2.09	(130.05)
<b>Balance at 31 March</b>	<b>37.29</b>	<b>35.20</b>

- b. *Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivable)*

The Company holds cash and bank balances of INR 538.27 lakhs as at 31 March 2023 (31 March 2022: INR 662.97 lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

- c. *Security deposits*

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

- d. *Advance to employees*

This balance is primarily constituted by advances given to the employees. The Company does not expect any losses from non-performance by these counter-parties as the amounts are recoverable by salary deductions.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (excluding trade payables).

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Contractual cash flows					
	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>31 March 2023</b>						
<b>Non derivative financial liabilities</b>						
Borrowings	9,222.83	7,966.97	438.27	550.54	267.05	-
Trade payables	11,353.78	11,353.78	-	-	-	-
Lease Liabilities	2,855.33	316.26	316.26	695.78	2,301.80	-
Other financial liabilities	717.30	717.30	-	-	-	-
	<b>24,149.24</b>	<b>20,354.31</b>	<b>754.53</b>	<b>1,246.32</b>	<b>2,568.85</b>	<b>-</b>

	Contractual cash flows					
	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>31 March 2022</b>						
<b>Non derivative financial liabilities</b>						
Borrowings	7,978.20	5,131.40	837.90	1,254.79	754.11	-
Trade payables	9,300.55	9,300.55	-	-	-	-
Lease Liabilities	2,052.71	297.67	229.00	352.74	1,284.32	387.33
Other financial liabilities	606.87	606.87	-	-	-	-
	<b>19,938.33</b>	<b>15,336.49</b>	<b>1,066.90</b>	<b>1,607.53</b>	<b>2,038.43</b>	<b>387.33</b>

As disclosed in Note 20, the Company has borrowings that contains loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

## iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Companies income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

a. *Currency risk*

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows:

	USD	Others
<b>31 March 2023</b>		
<b>Financial assets:</b>		
Trade receivables	10,045.00	388.19
<b>Financial liabilities:</b>		
Borrowings	8,475.83	-
Trade payables	6,522.11	1,133.43
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>(4,952.94)</b>	<b>(745.24)</b>

	USD	Others
<b>31 March 2022</b>		
<b>Financial assets:</b>		
Trade receivables	8,023.64	-
<b>Financial liabilities:</b>		
Borrowings	4,547.40	-
Trade payables	5,635.09	824.11
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>(2,158.85)</b>	<b>(824.11)</b>

*Sensitivity analysis*

A reasonably possible strengthening (weakening) of the US dollar against INR at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2023</b>				
USD (1% movement)	(49.53)	49.53	(37.06)	37.06
<b>31 March 2022</b>				
USD (1% movement)	(21.59)	21.59	(16.16)	16.16

b. *Hedge accounting*

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated.

Company's risk management policy is to hedge using forward contracts. Hedge exposure is calculated based on highly probable forecast transactions received from each customer. Hedging Strategy on the net exposure is limited to the 75%, 50%, 25% rule as below:

- 75% coverage of hedge exposure of current year
- 50% coverage of hedge exposure of next year
- 25% coverage of hedge exposure of third year

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

At 31 March 2023, the Company holds the following instruments to hedge exposures to changes in foreign currency:

	Maturity		
	1-6 months	6-12 months	More than one year
<b>Foreign currency risk</b>			
<b>Forward exchange contracts</b>			
Net exposure	6,162.75	5,423.22	6,327.09
Average INR:USD forward contract rate	81.29	83.03	84.11

At 31 March 2022, the Company holds the following instruments to hedge exposures to changes in foreign currency:

	Maturity		
	1-6 months	6-12 months	More than one year
<b>Foreign currency risk</b>			
<b>Forward exchange contracts</b>			
Net exposure	3,789.63	3,638.04	10,080.40
Average INR:USD forward contract rate	77.64	78.28	79.94

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

	31 March 2023 Equity head 'Effective portion of cash flow hedges'	31 March 2022 Equity head 'Effective portion of cash flow hedges'
Balance as at 1 April	254.02	5.47
Effective portion of changes in fair value		
Foreign currency risk – Sales	(506.78)	332.15
Tax on movements in relevant items of OCI during the year	127.55	(83.60)
<b>Balance as at 31 March</b>	<b>(125.21)</b>	<b>254.02</b>

c. *Interest rate risk*

The Company has only variable rate instruments i.e. external commercial borrowings, term loans, packing credit and buyer's credit.

*Exposure to interest rate risk*

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

	31 March 2023	31 March 2022
Fixed rate borrowings	-	-
Variable rate borrowings	9,222.83	7,978.20
	<b>9,222.83</b>	<b>7,978.20</b>



# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basis points (bp) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Effect on profit and loss before tax	
	100 bp increase	100 bp decrease
<b>31 March 2023</b>		
Variable rate instrument	(92.23)	92.23
<b>Cash flow sensitivity (net)</b>	<b>(92.23)</b>	<b>92.23</b>
<b>31 March 2022</b>		
Variable rate instrument	(79.78)	79.78
<b>Cash flow sensitivity (net)</b>	<b>(79.78)</b>	<b>79.78</b>

## 36 Commitments and contingent liabilities

	As at 31 March 2023	As at 31 March 2022
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided	347.08	400.59
<b>Claims against the Company not acknowledged as debts</b>		
Employees State Insurance demand on dues for trainees	-	24.34

In addition to the above, there are certain claims which the Company receives from time to time in the ordinary course of business for which the amount of obligation cannot be measured with sufficient reliability. Management is of the view that such claims will not have any material adverse effect on the Company's financial position and result of operations.

## 37 Related parties

### A. Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Ultimate Holding Company	Igarashi Electric Works Limited, Japan
Holding Company	Agile Electric Sub Assembly Private Limited
Fellow subsidiaries	Igarashi Electric Works International Limited, Hong Kong
	Igarashi Electric Works (H.K) Limited, Hong Kong
	Igarashi Motoren GmbH, Germany
	Igarashi Motor Sales USA LLC, USA
	Igarashi Electric Works (Shenzhen) Ltd, China
	Igarashi Electric Works (Zhuhai) Ltd, China
	Yat Yue Industrial Co.(HK) Ltd, Hong Kong
Key Managerial Personnel	Mr. R. Chandrasekaran, Managing Director
	Mr. S. Vivekchandranath, Chief Financial Officer
	Mr. P. Dinakara Babu, Company Secretary

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

## B. Transaction with key managerial personnel

Key management personnel of the Company comprise of key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation during the year are as follows:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Short term employee benefits	338.85	226.50
Post-employment defined benefits	*	*
Compensated absences	*	*
Equity-settled share based payments	-	-
<b>Total</b>	<b>338.85</b>	<b>226.50</b>

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 30).

\* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

## C. Related party transactions other than key managerial personnel compensation

	Transaction value		Gross balance outstanding Receivable / (Payable)	
	For the year ended 31 March 2023	For the year ended 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Sale of goods and services</b>				
Ultimate Holding Company	31,149.07	29,730.24	7,933.46	5,877.36
Holding Company	693.22	721.75	246.06	246.30
<i>Fellow subsidiaries</i>				
Igarashi Electric Works International Limited, Hong Kong	1.68	7.14	(0.65)	0.53
Igarashi Motoren Gmbh, Germany	462.97	66.50	5.22	(0.40)
Igarashi Motor Sales USA LLC, USA	1,025.66	33.09	198.56	(20.27)
Igarashi Electric Works (Shenzhen) Ltd, China	54.07	1.75	-	1.74
<b>Acquisition of property, plant and equipment, intangible assets and capital work-in-progress</b>				
<i>Fellow subsidiaries</i>				
Igarashi Motoren Gmbh, Germany	-	5.24	-	-
<b>Purchase of goods</b>				
Ultimate Holding Company	341.50	356.08	(119.58)	(96.09)
Holding Company	333.43	207.14	(156.15)	(82.65)
<i>Fellow subsidiaries</i>				
Igarashi Electric Works (Shenzhen) Ltd, China	-	-	-	-

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Transaction value		Gross balance outstanding Receivable / (Payable)	
	For the year ended 31 March 2023	For the year ended 31 March 2022	As at 31 March 2023	As at 31 March 2022
Igarashi Electric Works (Zhuhai) Ltd, China	0.68	0.55	-	(0.45)
Yat Yue Industrial Co.(HK) Ltd, Hong Kong	531.36	403.59	(213.63)	(99.56)
Igarashi Motoren Gmbh, Germany	-	0.10	-	-
<b>Dividend paid</b>				
Ultimate Holding Company	-	59.46	-	-
Holding Company	-	257.13	-	-
<i>Fellow subsidiaries</i>				
Igarashi Electric Works (H.K) Limited, Hong Kong	-	37.50	-	-
<b>Royalty</b>				
Ultimate Holding Company	361.73	353.61	(102.20)	(65.90)
<b>Quality cost</b>				
Ultimate Holding Company	94.32	9.03	-	-
Holding Company	-	-	-	-
<i>Fellow subsidiaries</i>				
Igarashi Electric Works International Limited, Hong Kong	-	0.04	-	-
Igarashi Motoren Gmbh, Germany	-	16.19	-	-
Igarashi Motor Sales USA LLC, USA	12.59	2.36	-	-
<b>Reimbursement of expenses paid</b>				
Ultimate Holding Company	0.45	1.09	-	-
Holding company	1.93	4.79	-	-
<i>Fellow subsidiaries</i>				
Igarashi Electric Works International Limited, Hong Kong	1.29	0.94	-	-
Igarashi Motoren Gmbh, Germany	1.17	1.70	-	-
Igarashi Electric Works (Zhuhai) Ltd, China	8.04	14.95	-	(3.00)
Igarashi Motor Sales USA LLC, USA	-	21.05	-	-
<b>Reimbursement of expenses received</b>				
Ultimate Holding Company	-	14.84	-	-
<i>Fellow subsidiaries</i>				
Igarashi Electric Works International Limited, Hong Kong	-	-	-	-

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Transaction value		Gross balance outstanding Receivable / (Payable)	
	For the year ended 31 March 2023	For the year ended 31 March 2022	As at 31 March 2023	As at 31 March 2022
Igarashi Motor Sales USA LLC, USA	0.10	4.46	-	-
Yat Yue Industrial Co.(HK) Ltd, Hong Kong	0.09	5.00	-	-
<b>Advances received</b>				
<i>Fellow subsidiaries</i>				
Igarashi Motoren Gmbh, Germany	(315.10)	-	(315.10)	-
Igarashi Motor Sales USA LLC, USA	(58.41)	-	(58.41)	-
<b>Rental deposit</b>				
Holding company	13.80	-	36.00	22.20
<b>Rent and power expense</b>				
Holding company	189.60	169.21	(6.48)	(6.48)

All transactions with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in cash within six months of the reporting date. None of the balances are secured.

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 38 Analytical Ratios

Particulars	Numerator	Denominator	Year ended 31 March 2023	Year ended 31 March 2022	Variance	Reason for variance (above 25%)
<b>A. Liquidity ratio</b>						
a) Current ratio	Current assets	Current liabilities	1.41	1.51	-6.62%	Not applicable
<b>B. Solvency ratio</b>						
a) Debt-Equity ratio	Total debt	Shareholder's equity	0.21	0.18	16.67%	Not applicable
b) Debt Service Coverage Ratio	Earnings available for debt service*	Debt service**	2.86	1.75	63.43%	Due to improved profits on account of higher sales

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Particulars	Numerator	Denominator	Year ended 31 March 2023	Year ended 31 March 2022	Variance	Reason for variance (above 25%)
<b>C. Utilization ratio</b>						
a) Net capital turnover ratio	Revenue from operations	Average working capital	6.95	6.02	15.45%	Not applicable
b) Inventory turnover ratio	Cost of Goods Sold	Average Inventory	4.68	3.96	18.18%	Not applicable
c) Trade receivables turnover ratio	Revenue from operations	Average accounts receivables	4.23	3.69	14.63%	Not applicable
d) Trade payables turnover ratio	Purchases	Average accounts payables	4.49	3.26	37.73%	Due to increase in purchases
<b>D. Profitability ratio</b>						
a) Return on Equity Ratio (%)	Net profit after tax	Average net worth	1.00%	0.00%	100.00%	
b) Net profit ratio (%)	Net profit	Net sales	1.00%	0.00%	100.00%	Due to improved profits on account of higher sales
c) Return on Capital employed (%)	Net profit before taxes and finance cost	Capital employed***	4.00%	2.00%	100.00%	
d) Return on investment (%)	Income generated from invested funds	Average investments	5.00%	3.00%	66.67%	The return on investment has increased due to increase in market interest rates.

Notes:

\*Earnings available for debt services = Net profit after taxes+Non-cash operating expenses like depreciation and amortization+Interest+other adjustments

\*\*Debt Service = Interest & Lease Payments + Principal repayments

\*\*\*Capital Employed = Net worth+ Total debt + Deferred Tax liability

## 39 Due to micro, small and medium enterprises

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006.

	As at 31 March 2023	As at 31 March 2022
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	1,017.71	773.14
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

# Notes forming part of the Financial Statements

for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

The above disclosures are provided based on the information available with the Company in respect of the registration status of its vendors/suppliers. (Also refer Note 22)

## 40 Transfer pricing

The Company has entered into transactions with certain related parties during the year ended 31 March 2023. The management believes that all such transactions are in compliance with the provisions of Income-tax Act, 1961 and also confirms that it maintains documentation as prescribed, to prove that the transactions are at arm's length. Further, management also believes the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

## 41 Other statutory information

Quarterly returns or statements of current assets filed by the Company for the sanctioned working capital loans with banks or financial institutions along with reconciliation and reasons for discrepancies is as follows:

Name of banks	Quarter	Particulars of information submitted	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
(i) Axis Bank	Mar-23	Inventory	10,648.65	9,094.84	1,553.81	
(ii) IDFC Bank		Trade receivables	17,807.23	17,798.76	8.47	The amount reported excludes Goods in transit and valuation or other book closure related adjustment.
(i) Axis Bank	Dec-22	Trade receivables	16,607.09	16,583.86	23.23	
(ii) IDFC Bank		Trade receivables	16,593.38	16,597.17	(3.79)	

## 42 Events after the reporting period

There are no subsequent events that have occurred after the reporting period till the date of approval of these financial statements other than dividend recommended by the Board. (Refer Note 17)

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**

Partner

Membership No. 222432

Place: Chennai

Date: 25 May 2023

for and on behalf of the board of directors of

**Igarashi Motors India Limited**

(CIN: L29142TN1992PLC021997)

**R Chandrasekaran**

Managing Director

DIN: 00012643

**S Vivekchandranath**

Chief Financial Officer

Place: Chennai

Date: 25 May 2023

**L Ramkumar**

Director

DIN: 00090089

**P Dinakara Babu**

Company Secretary

Membership No. A14812



# Glossary

**AHC** – Automated Height Control

**BEV** – Battery Electric Vehicle

**BLDC** – Brushless DC Motor

**DC Motor** – Direct Current Motor

**CCV** – Coolant Control Valve

**CCH** – Coolant Control Hub

**CFM** – Ceiling Fan Motor

**ECD** – Electrical Consumer Durables

**EGR** Exhaust Gas Recirculation

**EPB** – Electric Parking Brake

**ESG** – Environment, Social and Governance

**ESDM** – Electronic System Design & Manufacturing

**ETC** – Electronic Throttle Control

**EV** – Electric Vehicle

**EVP** – Electric Vacuum Pump

**E2W** – Electric Two Wheeler

**E3W** – Electric Three Wheeler

**FMEG** – Fast Moving Electrical Goods

**FP** – Fuel Pump

**ICE** – Internal Combustion Engine

**IMIL** – Igarashi Motors India Limited

**OEM** – Original Equipment Manufacturer

**PCB** – Printed Circuit Board

**PLA** – Park Lock Actuators

**PMDCM** – Permanent Magnet Direct Current Motor

**REQ** – Request for Quotation

**TAM** – Torque Actuator Motors

**TOCD** – Trunk Opening & Closing Device

**TPW** – Table Pedestal Wall – Mount Fan

**VGT** – Variable Geometry Turbine

**WGA** – Waste Gate Actuator

**WLM** – Window Lift Motor



## Igarashi Motors India Limited

### Registered Office

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CIN : L29142TN1992PLC021997