

September 17, 2020

By Online Submission

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai 400 001
Email [corp.relations@bseindia.com]
Stock Code : 517380

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor ,Plot No.C/1,
G-Block, Bandra Kurla Complex, Bandra (East),
Mumbai 400 051
Email [cmlist@nse.co.in]
Stock Code : IGARASHI

Kind Attn: Compliance Dept

Dear Sir/Madam,

Subject: Outcome of 28th Annual General Meeting –reg.

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
Letter No. IMIL/SE/AR/08/2020 dated August 18, 2020.**

Further to our letter dated above, the 28th Annual General Meeting (“AGM”) of the Company was held on Thursday, September 17, 2020 started at 11.00 A.M (IST) and ended at 12.05 P.M through Video Conference (VC) / Other Audio Visual Means (OAVM), consider the following business which was mentioned in the our AGM notice dated July 30, 2020.

S. No	Particulars	Nature of Resolution
Ordinary Business		
1	Adoption of Audited Financial Statement for the financial year ended March 31, 2020, and the Reports of the Board of Directors and Auditors' Report thereon	Ordinary
2	Approval for payment of final Dividend of Rs. 1.20/- per equity share	Ordinary
3	Appointment of Mr. Keiichi Igarashi (DIN: 00356779) who retires by rotation and being eligible, seeks re-appointment	Ordinary
Special Business		
4	Appointment of Mrs. SM Vinodhini (DIN : 08719578) as Independent Woman Director for 5 years	Ordinary
5	Approval of Material Transactions with Crompton Greaves Consumer Electricals Ltd	Ordinary
6	To Amend the Articles of Association for Insertion of Clause- “Appointment of Chairman Emeritus”	Special
7	Appointment of Mr. L Ramkumar (DIN : 00090089) as Independent Director for 5 years	Ordinary
8	Appointment of Mr. Hemant M Nerurkar (DIN : 00265887) as Director retire by rotation	Special

We herewith enclosed Annual Report for the financial year ended 2019-20 which was approved and adopted by the Members at the Annual General Meeting.

Kindly take the above information on your records and acknowledge the receipt of the same.

Thanking you,
Yours truly,
For Igarashi Motors India Limited

P Dinakara Babu
Company Secretary

Enclosed: 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: igarashi@igarashimotors.co.in
Tel: +91-44-42298199/22628199 Fax: +91-44-22628143



IGARASHI MOTORS INDIA LTD
28TH ANNUAL REPORT
2019-20

www.igarashimotors.com



OUR PHILOSOPHY ON CORPORATE GOVERNANCE



MISSION TO ENHANCE CUSTOMERS COMPETITIVENESS



GLOBAL VISION THROUGH INDIAN DOORWAY



WEALTH FOR ALL PARTNERS THROUGH THE WHEEL OF ENGINEERING

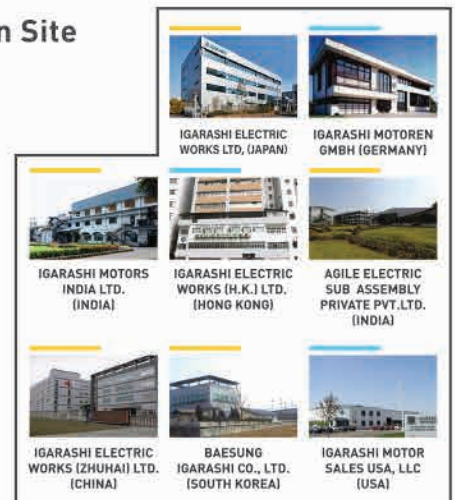


TRANSPARENCY AND COMPLIANCE

IGARASHI GLOBAL LOCATIONS



- Sales Site
- Production Site





IGARASHI

MOTORS INDIA LTD.

Board of Directors	Mr. K K Nohria (Chairman) [DIN 00060015], (until 04-June-2020) Mr. Hemant M Nerurkar [DIN 00265887], (Chairman w.e.f 05-June-2020) Mr. Keiichi Igarashi [DIN 00356779] Mr. S Radhakrishnan [DIN 01246033], (until 29-July-2020) Mrs. Eva Maria Rosa Schork [DIN 07159550] Mrs. Vinodhini Sendhil Manian [DIN 08719578], (w.e.f. 01-April-2020) Mr. L Ramkumar [DIN 00090089], (w.e.f. 30-July-2020)
Managing Director	Mr. P Mukund [DIN 00007788], (until 30-Sep-2019) Mr. R Chandrasekaran [DIN 00012643], (w.e.f. 01-Oct-2019)
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, 1 st & 2 nd Floor, No.1 Harrington Road, Chetpet, Chennai- 600 031 Ph: +91-44-46083100
Internal Auditor	Ernst & Young LLP, Chartered Accountants 6 th & 7 th Floor, A Block, Tidel Park, No. 4, Rajiv Gandhi Salai, Taramani, Chennai- 600 113 Ph:+91-44-66548100
Secretarial Auditor	BP & Associates, Company Secretaries 74/62, Third Floor, Akshaya Flats, 12 th Avenue, Ashok Nagar, Chennai- 600 083 Ph: +91-44-42047894
Bankers	Axis Bank IDFC First Bank
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 CIN : L29142TN1992PLC021997 Website : www.igarashimotors.com

PAST 5 YEARS PERFORMANCE SUMMARY

Key Performance Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
1. Revenues from Operations (₹ crs)	445.00	516.44	458.44	606.16	534.39
2. Operating Profit (₹ crs)	107.03	120.77	102.26	115.58	77.40
3. Operating profit Margin %	24.10%	23.40%	22.30%	19.10%	14.50%
4. Net Profit (₹ crs)	63.64	75.32	66.27	57.41	29.91
5. Net Worth (₹ crs)	294.41	365.17	411.07	429.58	422.85
6. Debt Equity Ratio	0.15	0.06	0.06	0.28	0.26
7. Earnings Per Share (₹)	20.79	24.61	21.65	18.24	9.50
8. Book Value Per Share (₹)	96.19	119.30	134.30	136.48	134.35
9. Dividend Per Share (₹)	5.50	6.61	6.00	4.90	1.20

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NOTICE

NOTICE IS HEREBY GIVEN THAT The Twenty Eight Annual General Meeting ('AGM') of Igarashi Motors India Limited will be held on Thursday, September 17, 2020 at 11.00 a.m (Indian Standard Time) 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, 2020, and the Reports of the Board of Directors and Auditor's Report thereon.
2. To declare a final dividend of ₹1.20 per equity share for the financial year ended March 31, 2020.
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. Keiichi Igarashi (DIN: 00356779), 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. Appointment of Independent Woman Director

To consider and if thought fit to pass with or without modification the following resolution as **Ordinary Resolution thereof**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 (1) read with Schedule IV of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Mrs. Vinodhini Sendhil Manian (DIN : 08719578) (Independent Director Data Bank Registration No. IDDB-NR-202003-020537) who was appointed as an Additional Director and an Independent Woman Director by the Board for a period of five years with effect from April 01, 2020 and who being an additional Director holds office upto the date of this Annual General Meeting and, who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160(1) of the Act from a member of the Company proposing her candidature as Director of the Company and who has consented, if appointed, to act as Director, be and is hereby appointed as an Independent Woman Director of the Company not liable to retire by rotation for a term of five consecutive years with effect from April 01, 2020.

RESOLVED FURTHER THAT all the actions taken by the Board with regard to appointment of Mrs. Vinodhini Sendhil Manian as an Independent Woman Director of the Company with effect from April 01, 2020 be and are hereby ratified and the Board is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do or to authorise any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto."

5. Approval of Material Transactions with Crompton Greaves Consumer Electricals Ltd

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

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Company's Policy on Related Party Transactions and consent of the members of the Company be accorded for entering into related party transactions with Crompton Greaves

Consumer Electricals Ltd of Sale of goods/materials/services of value ₹150 Crores in ordinary course of business and at arm's length as detailed in the Explanatory Statement annexed.

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred herein, to any one of its Director or Committee of Directors with power to further delegate to or any Key Managerial Personnel of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To Amend the Articles of Association for Insertion of Clause- "Appointment of Chairman Emeritus"

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approval(s) from the concerned Statutory Authority(ies), be and is hereby altered, by inserting the Article 112A i.e. "Appointment of Chairman Emeritus of the Company" after the present Article 112 of the Articles of Association of the Company which shall read as follows:

112A - Appointment of Chairman Emeritus of the Company

- (i) The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company;
- (ii) The Chairman Emeritus shall hold office until he resigns;
- (iii) The Chairman Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote or shall not be deemed to be a party to any decision of the Board or Committee thereof;
- (iv) The Chairman Emeritus shall be entitled to receive all notices of the Board meetings or meetings of the committees thereof, along with all other relevant documents (including the agenda, notes to agenda, etc.), simultaneous to the same being sent to the directors of the Company prior to convening the Board meeting or meetings of the committees thereof;
- (v) The Chairman Emeritus shall not be deemed to be a Director or "Officer" for any purposes of the Act or any other statute or Rules made thereunder or these Articles including for the purpose of determining the maximum number of directors which the Company can appoint;
- (vi) The Chairman Emeritus may provide guidance, mentorship and support to the Company and its Board and management and generally advise the Company/ Board/ management of the Company, from time to time;
- (vii) The advice provided by the Chairman Emeritus will not be binding on the Board/ Board committees/ Company;
- (viii) Subject to applicable statutory provisions, the Board may decide to make payments and provide amenities and facilities to the Chairman Emeritus for any services rendered by the Chairman Emeritus towards the Company; and

- (ix) The Chairman Emeritus of the Company shall be indemnified by the Company out of the funds of the Company to pay all costs, losses and expenses which such Chairman Emeritus, acting in relation to any of the affairs of the Company may incur or become liable to by reason of any act or deed done by him in discharge of his duties.”

RESOLVED FURTHER THAT Mr. R Chandrasekaran, Managing Director, and Mr. P Dinakara Babu, Company Secretary of the Company be and are hereby authorized jointly or severally to file all relevant forms, returns and other necessary documents to the concerned Registrar of Companies, Stock Exchanges and any other authority and take all necessary steps for alteration of Articles of Association of the Company.”

7. Appointment of Independent Director

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 provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactments thereof for the time being in force), Mr. L Ramkumar (DIN: 00090089) (Independent Director Data Bank Registration No. IDDB-DI-202006-028453), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective July 30, 2020 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. L Ramkumar (DIN: 00090089) as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years with effect from July 30, 2020 and the term shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT all the actions taken by the Board with regard to appointment of Mr. L Ramkumar as an Independent Director of the Company with effect from July 30, 2020 be and are hereby ratified and the Board is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT Mr. R Chandrasekaran, Managing Director and Mr. P Dinakara Babu, Company Secretary, be and are hereby severally authorized to file forms, returns, and memorandum of information in respect of the above with the Registrar of Companies and other authorities concerned and to do all such acts, deeds and things, as may be required, considered necessary and incidental thereto.”

8. Appointment of Mr. Hemant M Nerurkar (DIN: 00265887) as Director

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Hemant M Nerurkar (DIN: 00265887) who was appointed as an Additional Director with effect from July 30, 2020 by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director, liable to retirement by rotation, of the Company.

RESOLVED FURTHER THAT Mr. R Chandrasekaran, Managing Director and Mr. P Dinakara Babu, Company Secretary, be and are hereby severally authorized to file forms, returns and memorandum of information in respect of the above with the Registrar of Companies and other authorities concerned and to do all such acts, deeds and things, as may be required, considered necessary and incidental thereto.”

Place: Chennai
Date: July 30, 2020

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
CIN: L29142TN1992PLC021997
Website: 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 under Item No. 4 to 8 is annexed hereto and forms part of this Notice.
- b) Members may note that to protect the health and safety of all the stakeholders including the shareholders in view of the continuing COVID-19 pandemic, the 28th Annual General Meeting (“AGM”) of the members of the Company will be held as an electronic AGM (“e-AGM”) in virtual mode, through Video Conferencing (“VC”)/ Other permitted Audio Visual Means (“OAVM”), as permitted by the Ministry of Corporate Affairs (“MCA”) vide its circular No. 20/2020 dated May 05, 2020 read with circulars dated 8th April 2020 and 13th April 2020, (“Collectively referred to as MCA circulars”) and by the Securities and Exchange Board of India (“SEBI”) vide its circular dated 12th May 2020. Accordingly, there will be no physical meeting of the shareholders taking place at a common venue in respect of the 28th AGM. Hence, Members have to attend and participate in the ensuing AGM through VC/OAVM.
- c) Pursuant to the MCA Circulars, 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.
- d) As per the MCA circulars read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Notice of 28th 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.
- e) Those Shareholders holding in physical mode whose email IDs/ Mobile number are not registered, are requested to register their email ID/ Mobile number with Registrar & Share Transfer Agent (RTA) by visiting <https://Investors.cameoindia.com> by providing scanned copy of signed request letter by member submitting details viz Address, email ID, Bank Account details, PAN, DPID/Client ID or Folio Number and Number of shares held by them to enable to send communications by email. In this regard Notice to the shareholders was published in Business Standard and Tamil Hindu on July 18, 2020.
- f) The Members can join the 28th 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 and Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.
- g) The attendance of the Members attending the 28th 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 28th 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 28th AGM will be provided by CDSL. The procedures and instructions for remote e-voting, attending the meeting through VC/OAVM and e-voting at the meeting are furnished as **Annexure A** to this Notice. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

- i) The Board of Directors appointed M/s. BP & Associates, Company Secretaries, Chennai (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.
- j) In line with the Ministry of Corporate Affairs (MCA) Circular No. 20/2020 dated May 05, 2020, the Notice calling the 28th AGM has been uploaded on the website of the Company at <http://www.igarashimotors.com/investor-list.php?invescatid=17>. 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 and 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.
- k) 28th AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020. Instructions for members for attending the 28th AGM through VC/OAVM are given as **Annexure B**.
- l) Register of Members of the Company will remain closed from **September 11, 2020 to September 17, 2020 (both days inclusive)** for the purpose of the final dividend for the financial year ended March 31, 2020 and AGM.

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 September 10, 2020** may approach the RTA by e-mail sofia@cameoindia.com for issuance of the User ID and Password for exercising their right to vote by electronic means.

- 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 September 21, 2020 to those members whose names appear on the register of members as on **September 10, 2020 ('cut-off date')**.
- n) Members may note that the Income Tax Act, 1961, (“the IT Act”) as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act :-

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

Members having valid PAN	7.5% 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 2020-21 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. 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 sofia@cameoindia.com & investorservices@igarashimotors.co.in

by 11.00 a.m (IST) on **September 10,2020**. 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 **September 10, 2020** 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:

- i) Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- ii) Copy of Tax Residency Certificate (TRC) for the FY 2020-21 obtained from the revenue authorities of the country of tax residence, duly attested by member
- iii) Self-declaration in Form 10F
- iv) Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- v) Self-declaration of beneficial ownership by the non-resident shareholder
- vi) 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 sofia@cameoindia.com by **11.00 a.m (IST) on September 10, 2020**. No communication would be accepted from members after September 10, 2020 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. (+91-44-28460395).

- o) As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations], the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in demat mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their demat account and Members holding shares in physical mode are requested to submit the said bank details to the Company's RTA by sofia@cameoindia.com.
- p) SEBI 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). Members holding shares in physical form are required to submit their PAN details to the RTA by e-mail to sofia@cameoindia.com.

- q) 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 RTA by visiting <https://Investors.cameoindia.com>.
- r) Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the Directors seeking appointment / reappointment at the AGM, forms part of this Notice.
- s) Members who have not so far encashed dividend warrant(s) for the Financial Year 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 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' Unpaid Dividend Account, as per Section 124 of the Companies Act, 2013 will be transferred to the Investor Education and Protection Fund (IEPF). Details of unclaimed dividend are available on the Company's website www.igarashimotors.com under the section 'Investor Relations'. Also all such shares in respect of which dividend has not been paid or claimed for seven consecutive years are required to be transferred to the demat account of the IEPF authority. The due dates are given below:

Year	Type of dividend	Dividend per share (in ₹)	Date of declaration	Due Date for transfer to IEPF	Unpaid / Unclaimed amount (in ₹) as on 31.03.2020
2013-14	Interim	1.00	13.02.2014	19.03.2021	2,23,669.00
2013-14	Final	2.00	30.07.2014	05.08.2021	3,64,618.00
2014-15	Final	4.44	22.07.2015	28.08.2022	10,40,741.48
2015-16	Interim	4.00	14.03.2016	20.04.2023	6,62,408.00
2015-16	Final	1.50	04.08.2016	10.09.2023	2,74,204.00
2016-17	Final	6.61	02.08.2017	08.09.2024	11,25,577.41
2017-18	Final	6.00	14.09.2018	17.11.2025	9,62,124.29
2018-19	Final	4.90	27.09.2019	03.10.2026	8,99,017.55

- t) 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 is 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 www.igarashimotors.com.
- u) The remote e-voting period starts on **Monday, September 14, 2020, at 9.00 am (IST) and ends on Wednesday, September 16, 2020 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 **September 10, 2020** may cast their votes electronically.
- v) The Company's website is www.igarashimotors.com. Annual Reports of the Company, unclaimed dividend list, and other shareholder communications are made available on the Company's website.
- w) 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. September 17, 2020. Members seeking to inspect such documents can send an email to investorservices@igarashimotors.co.in

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- x) 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, 2020, 99.28% 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.

- y) 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.

STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement set out all the material facts relating to the business mentioned under Item Nos. 4 to 8 of the accompanying Notice

Item No. 4 : Appointment of Independent Woman Director

Pursuant to the recommendation of the Nomination and Remuneration Committee in this regard, Mrs. Vinodhini Sendhil Manian (DIN: 08719578) (Independent Director Registration No. IDDB-NR-202003-020537) was appointed as an Additional Director and an Independent Woman Director by the Board of Directors of the Company (the "Board") at its meeting held on 23rd March, 2020 in order that the Company may meet the criteria of having an Independent Woman Director on its Board as specified in the amended SEBI (LODR) Regulations, 2015 with effect from 1st April, 2020. Her appointment was in accordance with the provisions of Sections 149(1), 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and the provisions of the Articles of Association of the Company.

Subject to the approval of the Members in General Meeting, Mrs. Vinodhini Sendhil Manian holds office of Independent Woman Director for a term of five consecutive years with effect from April 01, 2020 and being an Additional Director she holds office of Director upto the date of this Annual General Meeting. The Company has received a notice from a member in pursuance of Section 160(1) of the Act signifying his intention to propose the appointment of Mrs. Vinodhini Sendhil Manian as Independent Woman Director of the Company. She has given her consent to act as an Independent Woman Director and a declaration to the effect that she meets the criteria of Independence as provided in Section 149(6) of the Act.

Mrs. Vinodhini Sendhil Manian ("Mrs. SM Vinodhini") (Age: 44 years) a Graduate in Economics and Post Graduate in Business Administration from Bharathidasan Institute of Management (BIM). Having over 20 years' experience including (1) Corporate Sector leadership role Sales Management - retail/institutional sales, Team Management, Sales Budget, Sales Promotion events, Marketing Management - brand strategy, marketing research tools, Advertising & Sales Promotion, Customer & channel management in the Companies viz., CavinKare, Castrol India, Amararaja Batteries and World Space. (2) Academic experience includes teaching the Post Graduate Management Students - Human Resource Management, Strategic Management, International Business, Marketing Management, Soft Skills/motivational training.

Currently, she is working as Assistant Professor – School of Management, MOP Vaishnav College of Women, Chennai. She is not holding directorship in Companies. She is holding NIL shares of the Company. She is in no way related to any of the Directors of the Company.

Other than Mrs. Vinodhini Sendhil Manian, none of the Directors or Key Managerial Personnel of the Company and/or their relatives is/are in any way concerned or interested financially or otherwise in the resolution to be passed with regard to Item No 4 of the Notice.

Additional disclosures as required under the Act, Secretarial Standard 2 and Regulation 36 of SEBI (LODR) Regulations, 2015 have been provided as an **Annexure 1** to this Notice.

The Board recommends her appointment as an Independent Woman Director on the Board of Directors of the Company for a term of five consecutive years with effect from April 01, 2020 and not liable to retire by rotation.

ITEM No. 5: Approval for Material transactions with Crompton Greaves Consumer Electricals Ltd

Pursuant to Section 188 of the Companies Act, 2013, the Company can enter into transactions mentioned in aforesaid resolution, which are not in the ordinary course of business and / or are not arm's length basis, only with prior approval of the Shareholders accorded by way of Ordinary resolution.

Though, your Company always seeks to enter into transactions with related parties in the ordinary course of business and at arm's length basis with the prior approval of Audit Committee, as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, material related party transactions (i.e value exceeding 10% of the annual consolidated turnover) require shareholders' approval.

Your Company had been supplying Brush Less DC Motors for fan application to Crompton Greaves Consumer Electricals Ltd (CGCEL) from second half of FY20. Your Company seeks members approval voluntarily for material transactions with CGCEL.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, Particulars of related interest of related parties given below:

Name of the related party	Name of the Director or Key Managerial Personnel who is related if any	Nature of relationship	Nature, material terms, monetary value and particular of contract or arrangement , Manner of determining pricing & other commercial terms	Any other information
CGCEL	Mr. Hemant M Nerurkar, Director [DIN 00265887]	Mr. Hemant M Nerurkar is Chairman and Independent Director of CGCEL. He does not hold shares in the Company and also CGCEL	Refer Resolution 5 Pricing & payment terms: consideration At arm's length for each transaction shall be mutually determined by the Parties. During financial year 2019-20, cumulative value of Sale transactions ₹693 Lakhs.	The Company has been supplying Brush Less DC Motors, Sub-assemblies and parts for fan applications to CGCEL. The above limit would cover related party transactions for 2~3 years.

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.

The Audit Committee and Board of Directors of your Company have approved this item in their meetings held on June 04, 2020 and recommends the resolution No. 5 as set out accompanying notice for the approval of members of the Company as an **Ordinary Resolution**.

None of the Promoter(s) and promoter group companies are interested in this resolution except to the extent of their respective shareholding in the Company.

None of Director or Key Managerial Personnel or their relatives other than mentioned above, is concerned or interested in the said resolution.

ITEM No. 6 : To Amend the Articles of Association for Insertion of Clause- "Appointment of Chairman Emeritus"

Under Section 14 of the Companies Act, 2013 ("the Act"), the Board of Directors of a Company cannot, except with the consent of the Members in General Meeting by a Special Resolution, amend the Articles of Association of the Company.

It is proposed to insert new Article 112A in the Articles of Association after the existing Article 112 so as to include provision relating to appointment of any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as Appointment of Chairman Emeritus of the Company on the terms mentioned therein.

Your Directors recommend to pass this resolution as **Special Resolution**.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the said resolution.

ITEM No. 7 : Appointment of Mr. L Ramkumar (DIN: 00090089) as Independent Director

Pursuant to the recommendation of the Nomination and Remuneration Committee in this regard, Mr. L Ramkumar (DIN: 00090089) (Independent Director Data Bank Registration No. IDDB-DI-202006-028453) was appointed as an Additional Director, Non-Executive and an Independent Director by the Board of Directors of the Company (the "Board") at its meeting held on July 16, 2020 in order that the Company may meet the criteria of having an Independent Director on its Board as was specified in the amended SEBI (LODR) Regulations, 2015 with effect from July 30, 2020. His appointment is in accordance with the provisions of Sections 149(1), 160(1) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Rules") and the provisions of the Articles of Association of the Company.

Subject to the approval of the Members in general meeting, Mr. L Ramkumar holds office of Independent Director for a term of five consecutive years with effect from July 30, 2020 and being an Additional Director he holds office of Director upto the date of this Annual General Meeting. The Company has received a notice from a member in pursuance of Section 160(1) of the Act signifying his intention to propose the appointment of Mr. L Ramkumar as Director of the Company. He has given his consent to act as a Director and a declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Act.

Mr. L Ramkumar (Age : 64 years), is a Commerce Graduate, Cost Accountant and had a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad.

He has over 39 years of rich and varied experience (across consumer goods, automotive, mechanical and engineering goods, telecom cable and optical fibre industries) in senior management including 27 years in Tube Investments of India Ltd in various capacities viz., Managing Director & President, Chief Financial Officer.

Currently, he is Chairman of Shanti Gears Limited. He is holding NIL shares of the Company. He is in no way related to any of the Directors of the Company.

Other than Mr. L Ramkumar, none of the Directors or Key Managerial Personnel of the Company and/or their relatives is/are in any way concerned or interested financially or otherwise in the **Ordinary Resolution** to be passed with regard to Item No 7 of the Notice.

Additional disclosures as required under the Act, Secretarial Standard 2 and Regulation 36 of SEBI (LODR) Regulations, 2015 have been provided as an **Annexure 1** to this Notice.

The Board recommends his appointment as an Independent Director on the Board of Directors of the Company for a term of five consecutive years with effect from July 30, 2020 and not liable to retire by rotation.

ITEM No. 8 : Appointment of Mr. Hemant M Nerurkar (DIN: 00265887) as Director

Mr. Hemant M Nerurkar (DIN: 00265887) is a Non-Executive, Independent Director of the Company and also the Chairman of the Company. He is the Chairman of the Audit Committee of the Board of Directors of the Company. He joined the Board of the Company in July, 2014. Mr. Hemant M Nerurkar Second term as Independent Director was ended on July 29, 2020.

Based on the performance evaluation of Independent Directors and as per recommendation of Nomination and Remuneration Committee and given the background, experience and contribution made by Mr. Nerurkar during

his tenure, the Board considers that the continued association of Mr. Nerurkar would be beneficial to the Company and it is desirable to continue to avail his services as Director.

The members are informed that Mr. Hemant M Nerurkar (DIN: 00265887) has been appointed as Additional Director in the capacity of Non-executive and Non-Independent Director on the Board of Company from July 30, 2020 and he holds office upto the ensuing General Meeting of the Company.

The Nomination & Remuneration Committee at their meeting held on July 16, 2020 and Board of Directors at its meeting held on July 16,2020 has recommended his appointment for approval of the shareholders.

The Company has received a notice under Section 160 of the Companies Act, 2013 ("the Act") from a member proposing his candidature for the office of Director of the Company. Mr. Hemant M Nerurkar (DIN: 00265887) is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Mr. Hemant M Nerurkar (Age : 71 years) holds a Bachelor's degree in Metallurgical Engineering from the College of Engineering, Pune (CoEP) University. He has vast experience of over 35 years in Tata Steel across various positions. He joined Tata Steel in the year 1972 and rose to the level of Managing Director, as in-charge of India and South East Asia operations. Currently, he is the Chairman of TRL Krosaki Refractories Limited (formerly Tata Refractories Limited - a JV between Tata Steel and Krosaki Harima Corporation, Japan) and Chairman & Independent Director of Crompton Greaves Consumer Electricals Limited and NCC Ltd (formerly Nagarjuna Construction Company Limited). He has attended several management courses in India and abroad, including CEDEP in France.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Hemant M Nerurkar (DIN: 00265887) is appointed as Director and the Board recommends the **Special Resolution** for approval of the members.

Mr. Hemant M Nerurkar is interested in the resolution set out at Item No. 8 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Additional disclosures as required under the Act, Secretarial Standard 2 and Regulation 36 of SEBI (LODR) Regulations, 2015 have been provided as an **Annexure 1** to this Notice.

Place: Chennai
Date: July 30, 2020

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
CIN: L29142TN1992PLC021997
Website: www.igarashimotors.com

Annexure 1

Details of Director(s) seeking appointment/re-appointment in the forthcoming Annual General Meeting

(In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36 of the Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations, 2015)

Name of the Director	Mrs. SM Vinodhini	Mr. L Ramkumar	Mr. Hemant M Nerurkar	Mr. Keiichi Igarashi
Director Identification Number	08719578	00090089	00265887	00356779
Category	Non-Executive, Independent Woman Director	Non-Executive, Independent Director	Non-Executive, Non-Independent Director	Non-Executive, Non-Independent Director
Date of Birth	December 07, 1975	April 09, 1956	October 20, 1948	June 24, 1966
Age (years)	44	64	71	54
Nationality	India	India	India	Japan
Date of First appointment on the Board	April 01, 2020	July 30, 2020	June 23, 2014	July 17, 2003
Relationship with Directors and KMPs	There is no relationship with other Directors on the Board.	There is no relationship with other Directors on the Board.	There is no relationship with other Directors on the Board.	There is no relationship with other Directors on the Board.
Qualifications	Graduate in Economics and Post Graduate in Business Administration (BIM)	Graduate in Commerce, Cost and Management Accountant, Post Graduate Degree in Management (IIM-Ahmadabad)	BE (Metallurgical Engineering)	BA of Engineering from Chuo University
Expertise in specific functional area	Wide managerial experience in the area of Business Management	Wide managerial experience in across Industries consumer goods, automotive, mechanical and engineering goods, telecom cable and optical fibre industries	Wide managerial experience in Steel Industry	Wide managerial experience in Automotive Industry
Details of Board Meetings attended by the Directors during the year	Not Applicable	Not Applicable	Refer Corporate Governance Report	Refer Corporate Governance Report
Terms and Conditions of Appointment or reappointment along with remuneration	Mrs. S M Vinodhini has been appointed as Non-Executive, Independent Woman Director. She will be entitled to Sitting Fee(s) for attending Board and Committee Meeting(s) and Commission	Mr. L Ramkumar has been appointed as Non- Executive, Independent Director. He will be entitled to Sitting Fee(s) for attending Board and Committee Meeting(s) and Commission.	Mr. Hemant M. Nerurkar has been appointed as Non- Executive, Non-Independent Director. He will be entitled to Sitting Fee(s) for attending Board and Committee Meeting(s) and Commission.	Liable to retire by rotation and eligible to offer himself for the re-appointment.
Remuneration last drawn by such person, if applicable	Nil	Nil	₹10.25 Lakhs*	Nil

*Includes sitting fee for Board & Committee Meetings and Commission

Name of the Director	Mrs. SM Vinodhini	Mr. L Ramkumar	Mr. Hemant M Nerurkar	Mr. Keiichi Igarashi
Membership of Committees of Igarashi Motors India Limited	<ol style="list-style-type: none"> 1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholders' Relationship Committee 4. Corporate Social Responsibility Committee 5. Risk Management Committee 	<ol style="list-style-type: none"> 1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholders' Relationship Committee 4. Corporate Social Responsibility Committee 5. Risk Management Committee 	<ol style="list-style-type: none"> 1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholders' Relationship Committee 4. Corporate Social Responsibility Committee 5. Risk Management Committee 	<ol style="list-style-type: none"> 1. Risk Management Committee
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Nil	Shanti Gears Limited (SGL)	<ol style="list-style-type: none"> 1. DFM Foods Limited 2. Crompton Greaves Consumer Electricals Limited 3. Adani Enterprises Limited 4. NCC Limited 5. Tega Industries (SEZ) Limited 6. Tega Industries Limited 7. TRL Krosaki Refractories Limited 8. OM Besco Rail Products Limited 	NYL Electric Limited
Other Directorships and Membership / Chairmanship of committees of other boards (Only Public Company and Audit Committee and Stakeholders Relationship Committee)	Nil	SGL- Stakeholder Relationship Committee (Chairman)	<ol style="list-style-type: none"> 1) NCC Limited:- Audit Committee (Member), 2) Adani Enterprises Limited- Audit Committee (Chairman) 3) DFM Foods Limited- Stakeholders' Relationship Committee (Chairman), Audit Committee (Member) 4) Crompton Greaves Consumer Electricals Limited - Stakeholders' Relationship Committee (Chairman), Audit Committee (Member) 	Nil
Shareholding in Igarashi Motors India Limited	Nil	Nil	Nil	Nil

ANNEXURE A

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

1. 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) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming 28th AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing 28th AGM through VC/OAVM.
2. 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), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 28th 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 e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the 28th 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 28th AGM through VC/OAVM will be made available to at least 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 Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the 28th AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this 28th AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 28th AGM has been uploaded on the website of the Company at 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 and www.nseindia.com respectively. The 28th AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on **Monday, September 14, 2020 at 9.00 am (IST) and ends on Wednesday, September 16, 2020 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 **September 10, 2020** 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 vote at the meeting.
- (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iv) Click on “Shareholders” module.
- (v) 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.

OR

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
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"> • Members who have not updated their PAN with the Company / Depository participant are requested to use the first two letters of their names and the 8 digits of the sequence number in the PAN field
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"> • 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 as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **"Igarashi Motors India Limited"** on which you choose to vote.
- (xiii) 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.

- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
 - 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 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 viz; prabhakar@bpcorpadvisors.com and to the Company at the email address viz; 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.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (+91-22- 23058738) or Mr. Mehboob Lakhani (+91-22-23058543) or Mr. Rakesh Dalvi (+91-22-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 or call on +91-22-23058542/43.

LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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 RTA email safia@cameoindia.com.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to RTA email sofia@cameoindia.com.
3. The Company / RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned members.

ANNEXURE B

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system on **September 17, 2020 at 11.00 A.M. (IST)**. Shareholders may access the same at **<https://www.evotingindia.com>** under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. **Registration as speaker at the e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request along with queries in advance at least 7 days prior to meeting [by **September 10, 2020, 5.00 P.M. (IST)**] mentioning their name, demat account number/folio number, email id, mobile number at investorservices@igarashimotors.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investorservices@igarashimotors.co.in. These queries will be replied at the 28th AGM. The Company reserves the right to restrict the number of questions depending upon the availability of time for the AGM.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions, which have already been submitted 7 days in advance, during the meeting.

ANNEXURE C

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM

- i. The procedure for e-Voting on the day of the 28th AGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those shareholders, who are present in the 28th 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 28th AGM.
- iii. If any Votes are cast by the shareholders through the e-voting available during the 28th 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.
- iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the 28th AGM. However, they will not be eligible to vote at the 28th AGM.

DIRECTORS' REPORT

To

The Shareholders,

Your Directors have pleasure in presenting their Twenty Eight Annual Report of your Company, together with the Audited Accounts for the year ended 31st March 2020.

FINANCIAL RESULTS

Your Company's performance during the year as compared with that during the previous year is summarized below: (₹ in Lakhs)

Particulars	2019-20	2018-19
Manufacturing Sales	53,439	60,616
Add: Other Income	1,167	2,504
Total Income	54,607	63,210
Less:		
(i) Materials & Manufacturing Expenses	31,315	33,510
(ii) Value Addition Cost	15,793	17,025
Profit before Depreciation, Amortization	7,499	12,585
Less: Depreciation & Amortization Expenses	4,254	3,993
Profit before Tax	3,246	8,593

OPERATIONS

Your Company's Revenues for the year stood at ₹53,439 Lakhs as against ₹60,616 Lakhs for previous year. Operating Profit before Depreciation & Amortization amounted to ₹7,499 Lakhs as against ₹12,585 Lakhs for previous year. Profit before Tax amounted to ₹3,246 Lakhs as against ₹8,593 Lakhs for previous year.

DIVIDEND

Given the uncertain economic outlook and to continue liquidity for operations, the Board considered it prudent to recommend a dividend of ₹1.20/- per Equity Share on Face value of ₹10/- each for the year ended March 31, 2020.

Your Company's Dividend Distribution Policy was hosted on the website of the Company at: http://www.igarashimotors.com/uploads/investor/pdf/147883833871MIL-Dividend_Distribution_Policy.pdf

The Board has not recommended any transfer to general reserve from the profits of the year under review.

TRANSFER OF UNPAID & UNCLAIMED DIVIDEND AND UNCLAIMED SHARES TO IEPF

During the year, there are no unclaimed dividends and unclaimed shares which have to be transferred to Investor Education and Protection Fund ('IEPF') by the Company.

RESERVES

The Reserves at the end of the year 31st March, 2020 is at ₹42,285 Lakhs as against the Total Reserves of ₹42,958 Lakhs as at 31st March 2019.

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.

INDIAN ACCOUNTING STANDARDS

Pursuant to The Companies (Indian Accounting Standards) Rules, 2015, your Company has to comply with Indian Accounting Standards (IndAS) from April 01, 2017. Accordingly, the financial statements of the Company for the financial year 2019-20 have been prepared as per IndAS.

INCOME TAX BENEFIT

Pursuant to the Taxation Laws (Amendment) Ordinance, 2019, your Company availed lower income tax rate benefit with effect from April 01,2019.

COVID-19- PANDEMIC

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lockdown on March 24, 2020. Your Company formed Management Taskforce comprising key functions for action plan & concerted efforts and suspended operations, in the interest of employees health and wellbeing, during March 23,2020 and May 06,2020.

During this time, your Company facilitated Senior Level employees to work from home. Your Company has ensured regular communication with all stakeholders viz., Customers, Key Suppliers, Employees, Banks and Investors. With the approval of Government Authorities, your Company re-started partial operations from May 07,2020 after taking all measures to comply with COVID-19 Guidelines relating to safety, health, hygiene, reduced manpower, social distancing and other precautionary measures. Since, COVID-19 situation evolves in India and Globally, your Company will continue to closely monitor COVID-19 pandemic material impact on business operations and financial resources.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your Company is has no Subsidiary / Associate / Joint Venture Companies as on March 31, 2020. Report under Form AOC-1 is annexed to this report.

Your Company is holding 9.20% stake in Bosch Electrical Drives India Private Limited (BEDPL). Your Company continues to be an investment partner of Bosch.

Your Company's investment in BEDPL has been assessed and appropriate impairment has been provided.

DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public under Section 76 of the Companies Act, 2013 and Rules made there under.

EMPLOYEE STOCK OPTION SCHEME

At 25th Annual General Meeting held on August 02,2017, the Shareholders approved Employee Stock Option Scheme ('The Igarashi Motors Employees Stock Option Scheme 2017') covering 6,00,000 equity shares. There has been no material changes to the Scheme during the year under review. The relevant disclosures pursuant to Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is forming part of Annual report.

Your Company has received a certificate from the Statutory Auditors of the Company that ESOP Scheme 2017 has been implemented in accordance with Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolution(s) passed by the Members of the Company. The certificate would be placed at the ensuing AGM for inspection by Members of the Company.

PAID-UP SHARE CAPITAL

Your Company's Paid-up equity share capital is ₹3,147.50 Lakhs as on March 31, 2020.

OUTGOING PROMOTER RE-CLASSIFICATION

On August 28, 2019, Igarashi Electric Works Ltd, Japan ('Promoter') ['IGJ'] along with Agile Electric Sub Assembly Pvt Ltd ('Promoter Group' & Holding Company) ['AESPL'] acquired 21.15% stake in the Company held by Mr. P Mukund ('Promoter') as inter-se transfer of shares between Promoters. Despite of this transaction, Promoter & Promoter Group continues to hold 75% stake in the Company. Also IGJ increased its stake to 91.35% from 56.84% in AESPL by acquiring stake from Mr. P Mukund and Igarashi Motors Sales Pvt Ltd.

On November 07, 2019, the Board of Directors approved re-classification request of Mr. Padamanabhan Mukund ("P Mukund") and MAPE Securities Private Limited ("Outgoing promoters") status from "Promoter Category" to "Public Category" as per Regulation 31A Listing Regulations. Subsequently, the Shareholders at the Extraordinary General Meeting held on February 14, 2020, approved said re-classification by passing an Ordinary Resolution and also approved appointment of Mr. P Mukund as Advisor by passing an Ordinary resolution.

On February 20, 2020, your Company submitted application with Stock Exchanges (NSE & BSE) for re-classification of Outgoing Promoters as Public Category and await Stock Exchanges approval of the same.

DIRECTORS

During the year, Mrs. Eva Maria Rosa Schork (DIN: 07159550) re-appointed as Director.

INDEPENDENT DIRECTORS

Mr. Hemant M Nerurkar (DIN: 00265887) and Mr. S Radhakrishnan (DIN: 01246033) as Non-Executive Independent Directors not liable to retire by rotation.

The Board at its meeting held on March 23, 2020, based on Nomination & Remuneration Committee recommendation, appointed Mrs. Vinodhini Sendhil Manian (DIN: 08719578) as Additional Director, Non-Executive and Independent Woman Director for a term of 5 years from April 01, 2020 subject to the approval of shareholders at the ensuing 28th Annual General 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').

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. Keiichi Igarashi (DIN: 00356779) Director retires by rotation at forthcoming 28th Annual General Meeting and being eligible, offers himself for re-appointment.

The Nomination and Remuneration Committee and the Board of Directors recommend re-appointment of Mr. Keiichi Igarashi as Director and Mrs. Vinodhini Sendhil Manian as Independent Woman Director for your approval.

Further, the brief profiles of above Directors are given in the Notice of 28th Annual General Meeting being sent to the shareholders along with the Annual Report.

RESIGNATION OF MANAGING DIRECTOR

Mr. P Mukund (DIN: 00007788) resigned as Managing Director and as KMP effective September 30, 2019 due to a strategic role within Igarashi Group. Your Directors wish to place on record their sincere appreciation of all achievements, efforts in shaping the business and product portfolio especially taking care of employee welfare and excellent Human Resource Management by Mr. P Mukund since 1992.

CHANGE IN DESIGNATION – APPOINTMENT OF MANAGING DIRECTOR

The Board upon resignation of Mr. P Mukund, appointed Mr. R Chandrasekaran, Chief Financial Officer, (DIN: 00012643) as an Additional Director and Managing Director for a period of 3 years from October 01, 2019 at its meeting held on September 10, 2019. Consequently, Mr. R Chandrasekaran resigned as Chief Financial Officer effective September 30, 2019.

On November 06, 2019, shareholders, by way of Postal Ballot, approved by passing Special Resolution for appointment of Mr. R Chandrasekaran (DIN 00012643) as Managing Director for 3 years from October 01, 2019.

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 (FY 2019-20) of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Committee. 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 Seven Board Meetings were held on May 16, 2019, August 08, 2019, September 10, 2019, September 27, 2019, November 14, 2019, February 13, 2020 and March 23, 2020. The Company's last Annual General Meeting was held on September 27, 2019. The particulars of Directors, their attendance during the financial year 2019-2020 have 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.

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, 2020, 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, 2020 and of the profit of the Company for that period;
- c) Proper care has been taken for maintenance of adequate accounting for safeguarding 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

99.28% of the Company's paid-up Equity Share Capital is in dematerialized form as on March 31, 2020 and balance 0.72% is in physical form. Your Company has already sent three reminders to all concerned shareholders advising them to convert physical shares into demat form. The Company's Registrars and Share Transfer Agent (RTA) Cameo Corporate Services Limited, No.1, Subramaniam Building, Club House Road, Chennai 600 002.

CREDIT RATING

During the year under view, CARE has given credit ratings of CARE A+ for long term debt, 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 obtained shareholders' approval by way of Postal Ballots on February 10, 2018 and November 06, 2019 for material related party transactions though such transactions being entered during ordinary course of business and on arm's length basis as required under Listing Regulations. Your Board has reviewed Policy on Related Party Transaction at their Meeting held on June 04, 2020.

Your Company's 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 holding 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. ICC has meet at regular intervals for review of implementation and grievances, if any.

During the year ended March 31, 2020, 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, Managing Director, Mr. S Vivekchandranth Chief Financial Officer and Mr. P Dinakara Babu, Company Secretary.

During the year, there were changes in the Key Managerial Personnel, Resignation of Mr. P Mukund as Managing Director effective September 30, 2019, Resignation of Mr. R Chandrasekaran, as Chief Financial Officer effective September 30, 2019 and appointment of Mr. R Chandrasekaran, Managing Director from October 01, 2019. Also appointment of Mr. S Vivekchandranth, who was working as Business Leader-Finance, as Chief Financial Officer effective October 01, 2019. Based on Nomination & Remuneration Committee recommendation, the Board approved, at its meeting held on September 10, 2019, the above changes.

AUDITORS

M/s. B S R & Co LL.P, Chartered Accountants (Firm Registration No. 101248W/W-100022), were appointed by the Shareholders at the 25th Annual General Meeting held on August 02, 2017 as Statutory Auditors for a term of five consecutive years to hold office until conclusion of 30th Annual General Meeting. The appointment is however, subject to ratification by members at every Annual General Meeting in accordance with Section 139 of the Companies Act, 2013 read with applicable rules made thereunder.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 effective May 07, 2018, ratification by shareholders every year for the appointment of Statutory Auditors is no longer required and accordingly, the Notice of ensuring 28th 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 2020-21.

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 2019-20.

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 2019-20.

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 (Membership No. A30433; Certificate of Practice No. 11033) to undertake the secretarial audit of the Company for the year ended March 31, 2020. 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.

Also the Secretarial Audit Report issued under Regulation 24A of SEBI (LODR) Regulations is given in Annexure to this Report.

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 AUDITOR

As your Company has been operating from MEPZ-Special Economic Zone, appointment of Cost Auditor is exempted under Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014. Your Company has been maintaining such accounts and cost records as required under the Rules.

EXTRACT OF THE ANNUAL RETURN

Relevant extract of annual return in Form MGT-9 as required under Section 92(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014 (as amended) to be filed with the Registrar of Companies for financial year 2019-20 is given in Annexure to this Report.

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 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 16, 2019. 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 REPORT (BRR)

As required under Regulation 34(2)(f) of Listing Regulations, your Company has provided BRR for the year ended March 31, 2020 as Annexure to this report.

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 Management 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(2) & 5(3) 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 723 number of permanent employees on the rolls of the Company as on March 31, 2020. 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 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>

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 2019-20.

28TH ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCE

As per Ministry of Corporate Affairs Circular No. 20/2020 dated May 05, 2020 read with other circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 regarding COVID-19 Pandemic and relaxations (e.g VC, no physical report) thereon, your Company made arrangement to conduct 28th AGM through Video Conference / Other Audio Visual Means for which necessary information has been given separately in Notice of 28th AGM.

Also your Company will be complying with said Circulars by sending 28th 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 RTA of the Company.

ACKNOWLEDGEMENT

The Board places on record its sincere appreciation for the continued support from 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

KK Nohria

Chairman

DIN: 00060015

Place: Chennai

Date: June 04, 2020

ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

- 1) Energy Conservation Measures Taken
 - i. Additional LED lights installed instead of T5 –TL in which 40% of energy is saved for the same lux requirement. 400 KWh/ month is being saved.
 - ii. In-house built BLDC fans installed in canteens and in manufacturing areas in some of our facilities thereby saving 750 KWh / Month.
- 2) Steps taken by the Company for utilizing alternate sources of energy are
 - i. The Company uses green energy at a tariff less than Tamil Nadu Electricity Board
- 3) The capital investment on energy conservation equipment's
 - i. HVLS fans installed to circulate air in large manufacturing area avoiding numerous air circulators thereby reducing substantial energy consumption

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 : ₹Nil (₹Nil lakhs previous year)
 - b) Recurring : ₹412.59 lakhs (₹391.57 lakhs previous year)
 - c) Total : ₹412.59 (₹391.57 Lakhs previous year)

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

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.

S. No.	Name	Designation	Remuneration paid FY 2019-20 (₹ Lakhs)	Remuneration paid FY 2018-19 (₹ Lakhs)	Increase in remuneration from previous year (₹ Lakhs)	Ratio/Times per Median of employee remuneration
1	Mr. P Mukund [§]	Managing Director	183.13 ^{§§}	87.08	NA	16.95 ^{§§}
2	Mr. R Chandrasekaran [#]	Managing Director	128.82 ^{##}	NA	NA	11.92 ^{##}
3	Mr. K K Nohria	Chairman	13.25 [*]	12.50 [*]	0.75	1.22
4	Mr. Hemant M Nerurkar	Director	10.25 [*]	9.25 [*]	1.0	0.95
5	Mr. S. Radhakrishnan	Director	10.25 [*]	9.25 [*]	1.0	0.95
6	Mr. Keiichi Igarashi	Director	Nil	Nil	NA	NA
7	Mrs. Eva Maria Rosa Schork	Director	Nil	Nil	NA	NA

§ Resigned as Managing Director (M.D) from September 30, 2019

§§ Includes Gratuity and Leave Encashment on retirement

Resigned as CFO from September 30, 2019 and was Appointed as M.D from October 01, 2019 for a period of 3 years

Includes Remuneration as CFO from April 01, 2019 to September 30, 2019 and remuneration as M.D from October 01, 2019 to March 31, 2020

* Includes sitting fees paid for Board & Committee meetings and remuneration

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

Mr. K K Nohria, Director - 6%*

Mr. Hemant M Nerurkar, Director – 11%*

Mr. S. Radhakrishnan, Director – 11%*

Mr. P Mukund, Managing Director[§] – N.A

Mr. R Chandrasekaran, Managing Director[#] – N.A

Mr. P Dinakara Babu, Company Secretary – 9.5%

Mr. S Vivekchandranth, Chief Financial Officer[@] –N.A

§ Resigned as Managing Director (M.D) from September 30, 2019

Resigned as CFO from September 30, 2019 and was Appointed as M.D from October 01, 2019 for a period of 3 years

@ Appointed as CFO from October 01, 2019

* Includes sitting fees paid for Board & Committee meetings and remuneration

- iii) The percentage increase in the median remuneration of employees in the financial year : 9%

- iv) The number of permanent employees on the rolls of Company : 723

- v) The explanation on the relationship between average increase in remuneration and Company performance: Not Applicable.

- vi) Comparison of the remuneration of the key managerial personnel against the performance of the Company:
During the year, the Company has not done any fixed remuneration revision to employees and compensated employees through variable earnings based on individual performance vis-a-vis Company performance.
- vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2020	March 31, 2019	% Change
Market Capitalization (₹ in Crores)	580.24	1089.19	(47%)
P/E Ratio	19.40	18.97	2%

- viii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2020 (₹)	IPO*	% Change
Market Price (BSE)	185.90	10	1759
Market Price (NSE)	184.25	10	1742

*During the year 1993-94

- ix) 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: Not Applicable

Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Particulars	Mr. P Mukund, Managing Director [§]	Mr. R Chandrasekaran, Managing Director [#]	Mr.S Vivekchandranath Chief Financial Officer [@]	Mr. P Dinakara Babu, Company Secretary
Remuneration in FY19-20 (₹ Lakhs)	183.13 ^{\$\$}	128.82 ^{##}	31.50	50.54
Revenue (₹ Lakhs)	54,607			
Remuneration % of Revenue	0.34	0.24	0.06	0.09
Profit before Tax (PBT) (₹ Lakhs)	3,246			
Remuneration (as % of PBT)	5.64	3.97	0.97	1.56

§ Resigned as Managing Director (M.D) from September 30, 2019

\$\$ Includes Gratuity and Leave Encashment on retirement

Resigned as CFO from September 30, 2019 and was Appointed as M.D from October 01, 2019 for a period of 3 years

Includes Remuneration as CFO from April 01, 2019 to September 30, 2019 and remuneration as M.D from October 01, 2019 to March 31, 2020

@ Business Leader- Finance until September 30, 2019 and designated as CFO from October 01, 2019

- x) The key parameters for any variable component of remuneration availed by the directors –
Not Applicable
- xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None
- xii) 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.

DETAILS OF STOCK OPTIONS PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATION, 2014 READ WITH SEBI CIRCULAR DATED 16TH JUNE, 2015 FOR THE FINANCIAL YEAR 2019-20

Description	ESOP Scheme - 2017
A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Please refer Notes to Accounts of the 28 th Annual Report 2019-20
B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	₹9.50/-
C Details related to ESOS	
i A description of Each ESOS that existed at any time during the year, including general terms and conditions of each ESOS	
a) Date of shareholders approval b) Total number of Options approved under ESOS c) Vesting requirements d) Exercise Price or formula e) Maximum term of options granted f) Source of shares (primary, secondary or combination) g) Variation of terms of options	a) August 02,2017 b) 6,00,000 c) 2 years d) ₹650/- e) 2 years f) Primary g) Nil
ii Method used to account for ESOS - Intrinsic or fair value.	The Company has calculated the employee compensation cost using fair value method of accounting to account for options issued under "ESOP-2017"
iii Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not applicable
iv Option movement during the year	
Particulars	Details
Number of options outstanding at the beginning of the period	4,55,850
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	29,225
Number of options vested during the year	2,27,925
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	Not applicable
Number of options outstanding at the end of the year	4,26,625
Number of options exercisable at the end of the year	Nil
v Weighted-average market price of Company's shares on NSE at the time of grant i.e 22-May-2018	₹795.85/-

vi	Employee-wise details of options granted to	Details as under :
	i) Senior Managerial Personnel ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	34,000 No employee of the Company received grant of options during the year amounting to 5% or more of options granted or exceeding 1% of issued capital of the Company
vii	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information : 1) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model 2) the method used and the assumptions made to incorporate the effects of expected early exercise 3) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility 4) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	1) Risk free interest rate -7.28% (Vesting 1) ~7.48% (Vesting 2) Expected life -1.5 (Vesting 1) ~2.5 (Vesting 2) volatility – 27% (Vesting 1) ~ 33% (Vesting 2) Expected Dividends -0.88% The Price of underlying share in the market at the time of option grant : ₹795.85 Option Exercise Price : ₹650 Option Fair value : ₹255 2) Fair-valuation of ESOP under Black Scholes method. 3) Daily volatility of stock price on NSE over a period prior to the date of grant corresponding with expected life of options. Daily volatility is then annualized. 4) The expected life of share option is based on historical data. Future market conditions are not used for measurement of fair value

For and on behalf of the Board of Directors

K K Nohria

Chairman

DIN: 00060015

Place: Chennai

Date: June 04, 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL AUTOMOTIVE MARKET

The World is in a volatile situation today due to Geopolitical tensions, Trade wars and Pandemics besides other local factors for different Geographies. The Automotive industry is in a higher state of flux due to the slowdown that the world saw in 2019, coupled with the Volatility. In addition, the High level Technology changes in Mobility solutions, coupled with the Emission norms tightening and changes in Consumer patterns have created the most uncertainties in the recent times ever. The commonly used V.U.C.A^s World is the order of the day.

All Vehicle manufacturers in the Globe have shut down their Operations sequentially from January. While there is news of gradual resumption, it is estimated that Supply Chain normalcy will take a few more weeks and the year 2020 could end up with a significant drop over the last year. Some foresee a drop upto 20 % over the last year.

This has no doubt drawn a haze on the ability of Businesses to forecast but at the same time, the disruptions also drive Businesses to innovate and find new opportunities amidst challenges.

In the Automotive space, while Full and Partial Electrification of Vehicles is a common drive among Vehicle manufacturers across the globe, intense research is being progressed by some tall industry players in the areas of Fuel cells and Synthetic Fuels, in addition to improving the performance of the Internal Combustion Engine.

It is expected that Year 2021 and 2022 will be a period when much of the haze will melt down and clarity of the Markets and Technologies will become visible.

ELECTRIC MOTORS

The effect of the slowdown will impact all related to Automotive, including Electric Motor manufacturers. New applications of Motors for Hybrid Vehicles, Electric Vehicles are taking place, in addition to improvements being called for in the Motors being presently used. While Electric Motor usage per Vehicle will continue to increase, the total Volume will much depend upon the recovery of the overall Global Volumes.

Our Motors for the Engine, Turbo and Exhaust, which had been developed with the future Platforms in mind are progressing with our key customers and the domestic market has also opened up. We believe that once the Vehicle Volumes recover, the business for Motors for these applications will continue to grow as per the market.

A Global scan of applications of Electric Motors clearly indicate several new applications coming up in areas of Robotics, Appliances and Speciality applications among others. COVID-19 is driving demand for Air Purifiers and Hi function Purifiers are calling for Electric Motors for circulating the Air for purification.

An interesting statistic by Global leaders assess that about half the Power consumed Globally is consumed in running Electric Motors. This throws up large opportunities no doubt but at the same time, there is a strong drive towards Energy Efficient motors.

We have deliberated internally and decided to adopt “Electric Motors with Energy Competence” as our Strategic theme.

With this theme, our Company has been working on a Platform of Applications in the Energy Efficient Appliance area like Domestic Fans, Industrial fans, Cooler Motors, Electric Chimneys and other such applications where an aggressive substitution of the existing Motors to substantially reduce the Energy consumption is the driver.

On the lower power range of Motors, our Company is working on a range from 20 watts to 200 watts for applications where energy consumption can be halved by usage of Energy Competence Motors.

\$ Volatility, Uncertainty, Complexity, Ambiguity

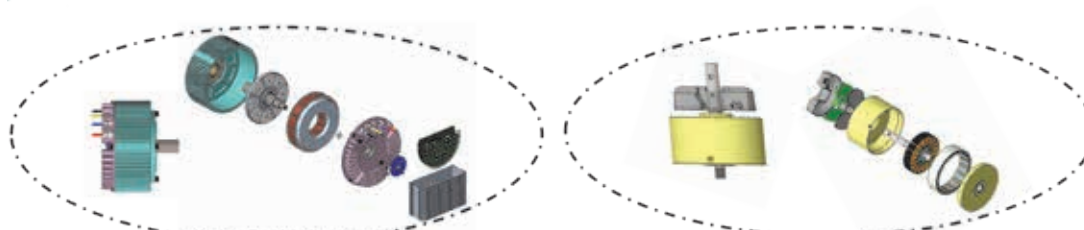
A platform has also been developed for the Electric Vehicle Applications. While multiple players are working on Electric Vehicles in the 2, 3 and 4 wheeler space, the actual Model which will be the volume runner is yet under evolution.

Keeping our ears to the ground on what is happening in the industry, our Company is building a Strategic Platform of EV Motor with Drivers for a range between 3 and 10 kW initially, which primarily addresses the 2 and the 3 wheeler applications.

Seizing the Opportunity to design and develop Power Electronics Devices to Drive and Control Motors, we have built capability in our Eco System to Design, Proto type and Manufacture in series, Electronic Controllers and Drivers for Motors.

A graphic view of our work done is represented below where a range from 20 watts to 10 kilowatts being a part of the two platforms being built.

IG Platform for Energy Efficient BLDC Motors



Platform Motors and Controllers for Electric Vehicles – eVA Series

Power	Applications
1kW ~ 2 kW	E-Scooter & E-Rickshaw
3kW ~ 5kW	E-Bike & 3W Auto
7.5 Kw ~ 10 kW	3W Auto and Load Carrier

Platform Motors and Controllers for Energy Efficient Appliances- eTA Series

Power	Applications
20 ~ 50 watts	Ceiling Fans, Vacuum Cleaners, Purifiers
70 ~ 130 watts	Industrial Fans, Coolers, Chimneys, Robots
150 ~ 250 watts	Hi Power Fans, Coolers, Purifiers

Facilitated by BIS regulations on the revised Star Ratings of Ceiling Fans, substantial progress was made during the year on the development of variants of BLDC motors for a Platform of Ceiling Fans. Seven Models have been launched and have attracted gainful attention. A good backlog of orders is built for the coming year. Since we have set up Modular capacities, initially at 1 million / year and scalable upto 2 million / year within 12 weeks of call, we believe that we will build ourselves into the largest manufacturer in India of BLDC Motors for the Fans.

Key leading Brands in the Indian Market have launched Models based on the topology of our BLDC Motors for Fans which save 50 % in Energy consumption. Multiple features have been developed which make our Motors suitable for Fans with Conventional Regulators, Remote Unit as well as IOT enabled.

This has positioned us as a Specialist BLDC Motor manufacturer aimed at Energy Efficiency of Appliances used in India. We are working to launch some of these Motors for Global markets as well.

While the usage of Motors is being broad banded for different variants of Ceiling Fans, the same Motor and Controller Platform is being standardised for various Appliances as in table above.

ESDM- A Business Vertical

With the Geopolitical matters with China, there is a mid term opportunity for India to be a significant player in the Electronic System Design and Manufacturing (ESDM) space. Our work in the last 3 years in the area of Electric Motor Drivers and Controllers has given us the necessary base for engaging in new opportunities in the ESDM space.

With the ESDM Supply Chains being re-organised in the last couple of years and India being looked as an important player in the future, we are carefully examining the Opportunities with our partners to leverage our recent competences built, in addition to the Electrical and Mechatronic competences available with us.

Our foray into ESDM has been launched with the establishment of the Driver and Controller line for BLDC for an initial capacity of 2.5 million Controllers per year as pictured below.



IGARASHI, JAPAN - FUTURE CONFIDENCE IN INDIA

During the year, Igarashi, Japan acquired substantial stake in the Company with a clear Long Term Strategic Intent to build the India Business, commensurate with the new Opportunities coming up in India and the consequence of the Trade war waged with China by US. There will be a significant shift of the Supply Chain from China to other geographies and India will also be a beneficiary to this. With the GeoPolitical advantages of India, the Future Domestic Markets and being an alternate to China Supply Chain- it is planned that our Company benefits in the Mid Term out of the above opportunities.

QUALITY IMPROVEMENT PROGRESS

Constant pursuits in Continuous Quality Improvement in all our Products and Processes remain Top priority and we have accentuated the “NIL SPILL” culture across our organization.

Dedicated internal teams, well supported by Customers and Quality Experts continue to work on quality improvement projects across all areas of Operations and Structured reviews take place with the Senior teams. Grass Root Quality Improvement projects with full involvement of the Shop floor members has been a high order of focus, especially on the new products launched during the last two years, which are in ramp up phases.

Striving for elimination of singular defect part skipping to customer, Automated Optical Inspection (AOI) based equipments were introduced in critical inspection stages of assembly lines to enable accurate, reliable and fatigue free defect detection.

Igarashi Global has established a Multifunction, Multi Geography team with members from Japan, China, Europe and USA and Global Company wide initiatives are progressing to learn from each other and be close to the Internal and External Customer Voice.

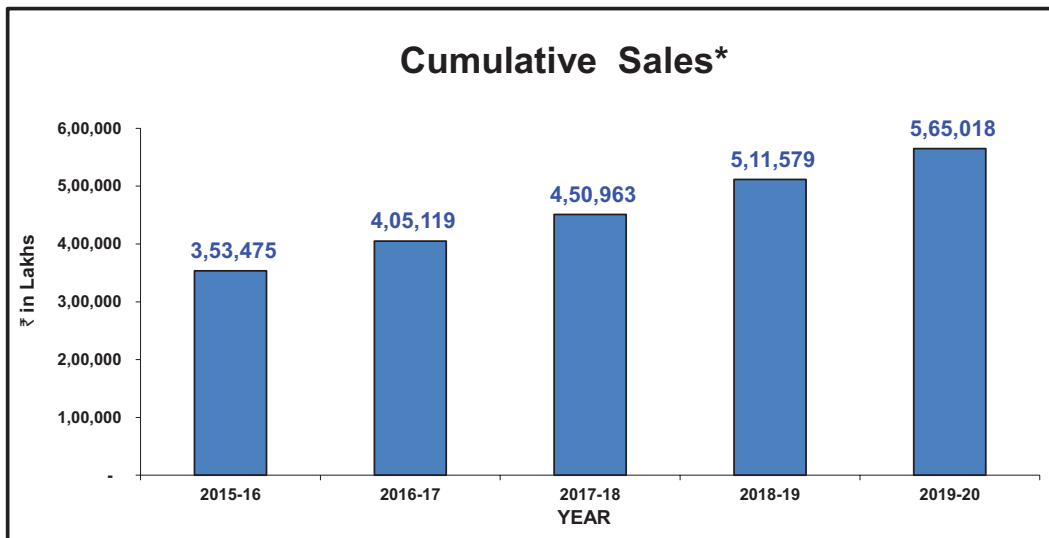
MANUFACTURING STRATEGY

“Process Engineering Inflexion for Smart Manufacturing” (PRISM) which was launched two years back, continue to be the driving force to improve efficiency and upgradation of our manufacturing processes. In alignment with customer demand and market trends, we focused on stage automation for the existing production lines more than 100 Projects have been completed which resulted in significant improvement in productivity.

Integrated automation of set of processes, widely known as Cluster Automation, which was developed on pilot basis in our new production line has now been successfully productionized. Capability of building Internet of things (IOT) based robotic equipments has played vital role in successful implementation of cluster automation.

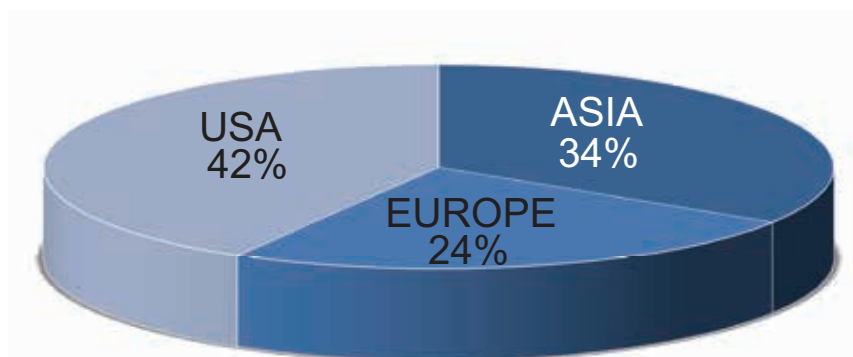
With this experience, we are now embarking on expansion mode to incorporate similar IOT based cluster automation in select processes of existing production lines. This will facilitate significant milestones in our productivity improvement journey.

PERFORMANCE 2019-20



*Since 1996

Geographical Split of Sales - 2019-20*

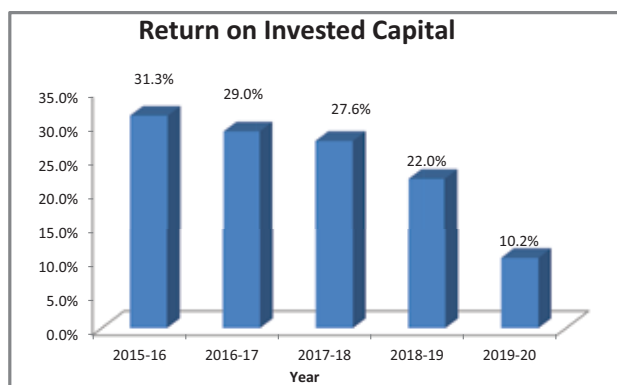
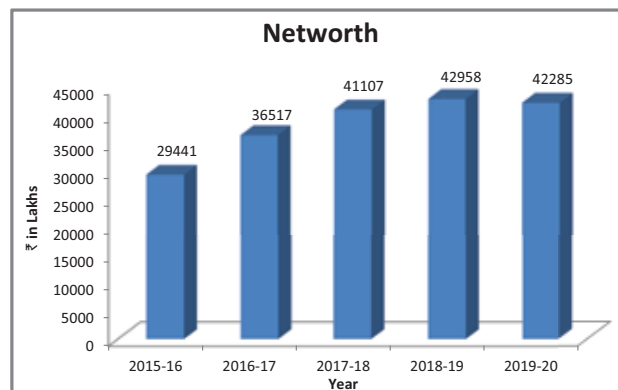
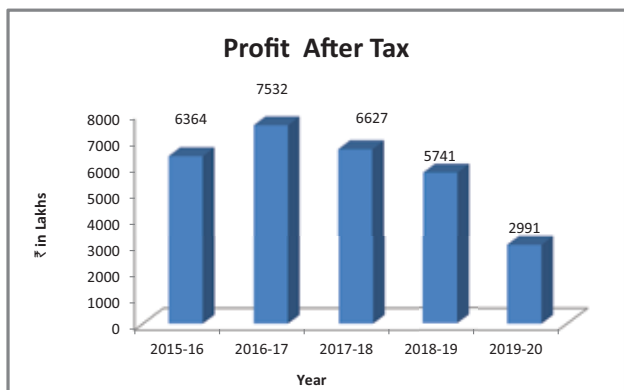
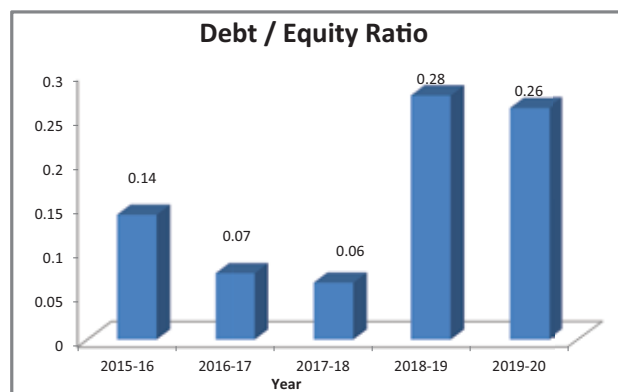
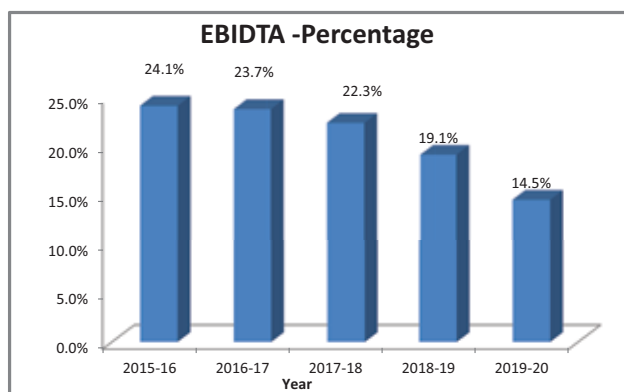
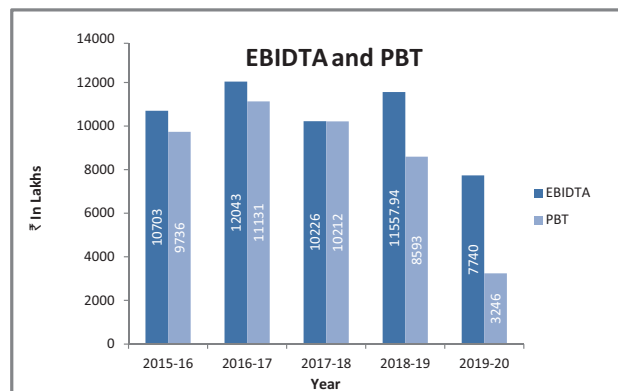
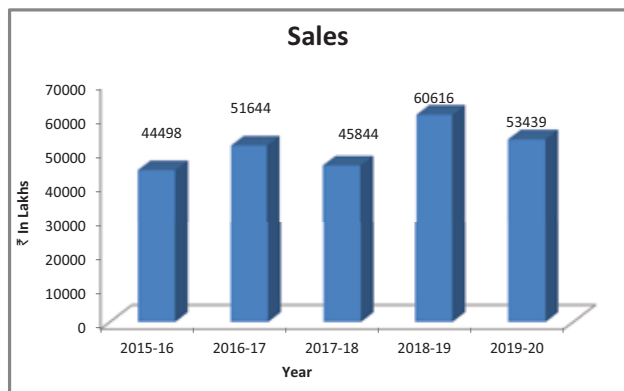


*Based on end customers location

KEY RATIOS

Key Ratios	FY2019-20	FY2018-19
Debtors Turnover	3.98	4.28
Inventory Turnover	7.14	9.82
Interest Coverage Ratio	3.30	6.82
Current Ratio	1.27	1.30
Debt Equity Ratio	0.26	0.28
Operating Profit Margin (%)	14.5%	19.1%
Net Profit Margin (%)	5.6%	9.5%
Return on Net Worth (%)	7.1%	13.4%

PAST 5 YEARS PERFORMANCE



RISKS & CONCERNS

Your Company has formulated a Risk Management Policy which will guide the Risk Management Committee and the Internal Risk Management team to effectively manage the risks that the business faces. The Risk Management Committee met on November 13, 2019. The Risk Management Committee Consists of Mr. K K Nohria (Chairman), Mr. S Radhakrishnan, Mr. Hemant M Nerurkar, Mr. Keiichi Igarashi and Mr. R Chandrasekaran. The key risks that the business faces are enumerated as follows:

Nature of Risk	Mitigation
Macro Global Risks <ul style="list-style-type: none"> • Global Trade Relationships & Realignment • Slowdown in Global Markets due to Economic / Political factors 	<ul style="list-style-type: none"> – Diversification of products and markets – Strengthening customer relationship to align all resources in-line with markets for mutual benefit – Exploring possibilities for non-organic growth and strategic alliances
Technology Risks <ul style="list-style-type: none"> • Electrification & Autonomous Cars • Changes in Consumer preferences like Ride sharing • Changes in Product Technologies 	<ul style="list-style-type: none"> – Expanding band-width of products for Electric Vehicles and improving performance of existing products for Autonomous Cars – Constantly upgrading technology of existing products for enhanced application requirements – Aggressive introduction of BLDC Motors
Market Risks <ul style="list-style-type: none"> • New entrants and aggression from existing players • Geographical Localization of facilities • Pricing Pressures from Customers • Customer/ Geography concentration 	<ul style="list-style-type: none"> – Improve co-operation with customers by offering multiple value propositions on products and services – Real-time monitoring of logistics pipeline and global warehouses to ensure Just-In-Time availability to customers at all locations – Continuous cost-competitive actions across value-stream and offer higher performance products to remain preferred supplier to customers – New customers and new geographies to be pursued in the business mix regularly
Operational Risks <ul style="list-style-type: none"> • Stringent Quality Requirements with new performance specifications • Supply Chain Security • Manufacturing Automation • Capital Expenditure and Capacity • Skilled Human Resources 	<ul style="list-style-type: none"> – Robust FMEA processes in Design/ Development and Process / Manufacturing Lines to address superior demands in performance and quality of products – Strengthen relationships with key supply-chain partners and focus strongly on in-house manufacturing where capacities and capabilities are available – Increase low-cost automation and robotics on manufacturing lines with minimal investment – Flexible higher capacities to use same line for multiple products and multiskilling of human resources
Financial Risks <ul style="list-style-type: none"> • Financial Stability • Liquidity and Capital Access • Foreign Exchange fluctuation • Commodity Price movements; • Product Liability and Warranty 	<ul style="list-style-type: none"> – Maintain low levels of leverage and continuous dialogues with financial institutions – Entering into Forward Contracts in-line with the hedging policy and monitored by the Audit Committee on a regular basis; – Arrangement of pass-through mechanisms for commodity price movements – Optimal coverage of liability insurance in-line with industry practices and customer requirements

Nature of Risk	Mitigation
Cyber Security Risks <ul style="list-style-type: none"> • Cyber-attacks is a fast –evolving nature of the threat • Protection of IT systems and data 	<ul style="list-style-type: none"> – Internal Control Measures taken to protect networks, computers, programs and data – Cyber Security Threat Audits by external Experts at regular intervals – Continued reinforcement of stringent security policies and procedures
Health Environment and Safety Risks	<ul style="list-style-type: none"> – Complying with regulatory and customer requirements on Environment requirements & Global sustainability policies – Planned wellness programs for all employees – Ensuring work safety practices with periodic audits
COVID-19 Pandemic <ul style="list-style-type: none"> • Disruption of Business operations 	<ul style="list-style-type: none"> – Established Management Task Force comprising Business Leaders of key functions – Implemented work from home provision for Senior Level employees – Regular communication with Customers about measures taken for business operations and status reports – Regular Communication with Key suppliers on status and ensuring supplies – Implemented COVID Guidelines relating to safety, health, hygiene, reduced manpower, social distancing and other precautionary measures

Best efforts have been put for the above mitigation plans with a caveat that, they may not be realized completely for reasons beyond control.

SEGMENT WISE/ PRODUCT WISE PERFORMANCE

Your Company is engaged in the business of auto components for automobiles. This is only one segment, hence there is no segment wise reporting.

INTERNAL CONTROL SYSTEMS & ADEQUACY

Your Company has an adequate system of internal controls to ensure that transactions are properly authorised, recorded and reported, apart from safeguarding its assets. The internal control system is supplemented by well documented policies and procedures and reviews carried out by the Company's Internal Auditor which submits reports periodically to the Management and the Audit Committee of the Board.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your Company recognizes importance of leadership, technical and behavioural development for employees across the Company. Your Company has launched continuous improvement & training programs aimed for increasing knowledge level of employees and offer rewards to those employees who performed well in such programs. Apart from this, your Company has devised training plans and executed for each employee based on their skills, roles and aspirations.

Your Company has total employee strength of 723 as on March 31, 2020.

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.

For and on behalf of the Board of Directors

R Chandrasekaran
Managing Director
DIN: 00012643

Place: Chennai

Date: June 04,2020

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 ₹)

S.No	Particulars	
1	Name of the Subsidiary	NIL
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	
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

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

- 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.

Particulars of Loans, Guarantees, or investments Pursuant to Section 134(g) of the Companies Act, 2013

A. Amount Outstanding as on March 31, 2020

Particulars	Amount (₹ Lakhs)	Purpose
Loans given	Nil	Nil
Guarantees Given	Nil	Nil
Investments made	2,782.19	Business

Refer Notes to Accounts given along with Financial Statements for the year ended March 31, 2020

B. Loans , Guarantees, Investments made during financial year 2019-20

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
Hexa Wind Farm Private Limited	Not Related	20.15	Investment in 201,470 Equity Shares	Captive wind power Consumption
ICICI Prudential Mutual Funds	Not Related	2,052.17	Investments in short term funds	Liquidity

Refer Notes to Accounts given along with Financial Statements for the year ended March 31,2020

For and on behalf of the Board of Directors

K K Nohria

Chairman

DIN: 00060015

Place: Chennai

Date: June 04, 2020

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 arms 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 31st March, 2020 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions^s 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 31st March, 2020 are as follows:

S. 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: (₹ in Lakhs)
1	Agile Electric Sub Assembly Private Limited – [Holding Company]	Sale of goods and services	892.29	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held as on 09/11/2017 and 10/09/2019. Also the Public shareholders of the company by Ordinary Resolution passed through Postal Ballot on 10/02/2018 and 06/11/2019, accorded their approval.	Nil
		Purchase of goods	65.04				
2	Igarashi Electric Works Limited, Japan- [Ultimate Holding Company]	Sale of goods and services	10,439.49	year on year basis	As stated above	As stated above	Nil
		Purchase of goods and services [@]	823.00				
3	Igarashi Electric Works International Limited, Hong Kong-	Sale of goods and services	8,313.32	year on year basis	As stated above	As stated above	Nil
		Purchase of goods	10.94				
4	Igarashi Motoren GmbH, Germany	Sale of goods and services	7,063.12	year on year basis	As stated above	As stated above	Nil
5	Igarashi Motor Sales USA LLC, USA	Sale of goods and services	15,861.95	year on year basis	As stated above	As stated above	Nil

S. 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: (₹ in Lakhs)
6	Igarashi Electric Works (Zhuhai) Ltd, China	Sale of goods and services	22.93	year on year basis	As stated above	As stated above	Nil
		Purchase of goods	40.22				
7	Yat Yue Industrial Co.(HK) Ltd, Hong Kong	Purchase of goods	555.15	year on year basis	As stated above	As stated above	Nil

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

\$ Also refer Note 38 of Related Party Schedule to the Financial Statements

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

K K Nohria

Chairman

DIN: 00060015

Place: Chennai

Date: June 04, 2020

REPORT ON 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, Environment protection and other activities covered under Schedule VII of the Companies Act, 2013

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

2. The Composition of the CSR Committee

The composition of the CSR Committee comprises following directors as members:

- a) Mr. K K Nohria, (Chairman), Non-Executive, Non-Independent Director
- b) Mr. Hemant M Nerurkar, Member, Non-Executive, Independent Director
- c) Mr. S. Radhakrishnan, Member, Non-Executive, Independent Director
- d) Mr. R Chandrasekaran, Member, Managing Director

3. Average profit (PBT) of the company for last three financial years

₹10,054.27 Lakhs (2016-17, 2017-18, 2018-19)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

₹201.90 Lakhs

5. Details of CSR spent during the financial year 2019-20

- a) Total amount to be spent for the financial year: ₹202.19 Lakhs
- b) Amount unspent, if any; - Nil
- c) Manner in which the amount spent during the financial year is detailed below:-

S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) local area or other area (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ Lakhs)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads - (₹ Lakhs)	Cumulative Expenditure upto to the reporting period – (₹ Lakhs)	Amount spent : Direct or through implementing agency
1	Promoting Civic Learning among children	Education	Chennai School students, Tamil Nadu as part of I Change My City Challenge Program	25.80	25.80	25.80	Through Janagraha Centre for Citizenship and Democracy
2	Cancer awareness Project	Health	All over India	30.39	30.39	30.39	Through Indian Cancer Society
3	Multiple Sclerosis Patient Care	Health	All over India	5.00	5.00	5.00	Through Multiple Sclerosis Society of India
4	Prime Minister's National Relief Fund (PMNRF)	For medical assistance, floods, drought, terrorist violence and other such unforeseen occurrences, with a reserve for emergencies.	All over India	131.00	131.00	131.00	Direct (PMNRF)
5	MEPZMA Health Center	Health	MEPZ- SEZ Chennai, Tamil Nadu	10.00	10.00	10.00	MEPZ Manufacturers Association
	Total			202.19	202.19	202.19	

6. Reasons for not spending the prescribed amount

Not applicable

7. Responsibility statement of the CSR Committee

We hereby affirm that the implementation and monitoring of CSR activities is in compliance with CSR objectives and CSR Policy of the Company.

On behalf of the CSR Committee of the Board

Place: Chennai
Date: June 04, 2020

K K Nohria
Chairman
DIN: 00060015

R Chandrasekaran
Member
DIN: 00012643

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

Sl. No	General Information	Details
1	Corporate Identity Number (CIN) of the Company	L29142TN1992PLC021997
2	Name of the Company	IGARASHI MOTORS INDIA LIMITED
3	Registered address	Plot No. B-12 to B-15, Phase-II, MEPZ-SEZ, Tambaram, Chennai – 600 045
4	Website	www.igarashimotors.com
5	E-mail id	investorservices@igarashimotors.co.in
6	Financial Year Reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Electric Micro Motors – 2710 Stamping and Motor Components – 2591
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Electric Micro Motors Stamping and Motor Components
9	Total number of locations where business activity is undertaken by the Company	One location, Chennai, Tamil Nadu
a	Number of International Locations (Provide details of major 5)	Nil
b	Number of National Locations	One location, Chennai, Tamil Nadu
10	Markets served by the Company: Local/State/National/International	India, USA, Europe, China and Asia

Section B: Financial Details of the Company

Sl. No	Particulars	Amount
1	Paid-up Capital (₹)	314,750,480
2	Total Turnover (₹ in Lakhs)	54,607
3	Total profit after taxes (₹ in Lakhs)	2,990
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2
5	List of activities in which expenditure in 4 above has been incurred	Promoting Civic Learning among children Cancer Awareness Project Health and Medical Support Prime Minister's National Relief Fund (PMNRF)

Section C: Other Details

Sl. No	Other Details	Details
1	Does the Company have any Subsidiary Company/Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	All our customers are Global Tier I and as per our understanding & information, all of them have their own BR initiatives.

Section D: BR Information

1. Details of Director/Directors Responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN	00012643
Name	Mr. R Chandrasekaran
Designation	Managing Director

b. Details of the BR head

DIN (if applicable)	00012643
Name	Mr. R Chandrasekaran
Designation	Managing Director
Telephone Number	+91 - 44 - 42298199
e-mail id	investorservices@igarashimotors.co.in

List of Principles:

Principle - 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle - 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle - 3	Businesses should promote the wellbeing of all employees
Principle - 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle - 5	Businesses should respect and promote human rights
Principle - 6	Business should respect, protect, and make efforts to restore the environment
Principle - 7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle - 8	Businesses should support inclusive growth and equitable development
Principle - 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

2. Principle - Wise (As per National Voluntary Guidelines) Business Responsibility Policy/Policies (Reply in Y/N)

Sl. No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (The policies conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, SA 8000, UNGC guidelines and ILO principles and meet the regulatory requirements such as Clause 49 of listing agreement, Sarbanes Oxley Act etc. The policies reflect IMIL commitment to improve the quality of life of the communities it serves and practice of returning to society what it earns)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	N	Y	Y	Y	N	N	Y	Y	Y
5	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all its internal stakeholders and external stakeholders based on their relevance.								

Sl. No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
6	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes, the Company has an internal persons to evaluated the workings of this Policy								

2 A. If answer to Sl. No 1 against any principle, is 'No', Please explain why:

(Tick Up to 2 Options)

Sl. No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Your Company's Board of Directors reviews the performance on quarterly basis. The action points emerged from the discussion at the meetings is reviewed in the subsequent meeting for their closure.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Your Company is among top 1000 listed entities (by Market Capitalization as on March 31, 2019), your Company has hosted Business Responsibility Report on the Company's website: www.igarashimotors.com as part of green initiative under Regulation 34(2)(f) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Section E: Principle wise Performance

Principle -1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company?

Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Igarashi Motors India Limited adopted Whistle Blower Policy in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior in consonance with Code of Conduct.

The Company in order to attain the highest legal and ethical standard has adopted Anti-Corruption Compliance Policy. The policy covers instances pertaining to bribery, kickbacks, or corruption of any kind directly or

through third parties, whether or not explicitly prohibited by this policy or law. The policy applies to all the stakeholders involved in the business environment.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof

Stakeholders Complaint Received – 2

Stakeholders Complaint Resolved – 2

Stakeholders Complaint Pending – 0

Percentage of Stakeholders Complaint Resolved – 100%

Principle – 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

Given below is a list of products whose design has incorporated social or environmental concerns:

- a. Electric DC Micro Motors.
- b. Stamping and Motor Components.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

Steel and copper are the major raw material in all these three products. All the resources used in the production of these products are used efficiently and hence it reduces the impacts on the environment.

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Your Company is working closely with Global Suppliers for reducing wastage and achieving optimum utilization.

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company adopts the latest Tier - I technology in its products to provide high fuel efficiency, better emission control and stronger engine dynamics. During the year 2019-20, the following activities have been taken care :

- i. Additional LED lights installed instead of T5 –TL in which 40% of energy is saved for the same lux requirement. 400 KWh/ month is being saved.
- ii. In-house built BLDC fans installed in canteens and in manufacturing areas in some of our facilities thereby saving 750 KWh / Month

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so

Your Company, being a major exporter to Global Tier I customers, has to meet the huge demands of the customers by providing timely delivery and international standard quality products, hence to meet the demand

it has to obtain its inputs from global market. As the local suppliers find it difficult to meet the vast quantity and global demands, ~81% of raw material, components, stores and spares are being imported. The Company continuously works with its vendors and suppliers to reduce the environmental impact of sourcing.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Your Company has to sustain the global market competition and to the meet the demands of the Global Tier I customers. In this capacity, many local and small communities including communities surrounding their place of work are encouraged and utilized for their products and services. These local firms are given adequate quality and safety standards, including guidance, to achieve and they are also rewarded for their performance.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%) Also, provide details thereof, in about 50 words or so

Your Company efficiently uses its raw material and products. In the process of continuous learning and effective usage of resources, 100% of waste materials are being given to identified recycle suppliers.

Principle – 3 Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

The total number of employees was 723 as on 31st March, 2020 in the Company.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis

The total contractual/temporary manpower employed was 1063 as on 31st March, 2020 in the Company.

3. Please indicate the Number of permanent women employees

There were 317 permanent female employees as on 31st March, 2020 in the Company.

4. Please indicate the Number of permanent employees with disabilities

There were no employees with disabilities as on 31st March, 2020

5. Do you have an employee association that is recognized by management

No

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

Sl. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child Labour/Forced Labour/Involuntary Labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sl. No	Particulars	Percentage
a	Permanent Employees	100%
b	Permanent Women Employees	100%
c	Casual/Temporary/Contractual Employees	100%
d	Employees with Disabilities	Nil

Principle – 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders?

Yes, the Company has mapped all its internal stakeholders and external stakeholders based on their relevance. Individual Departments within the company have their own roles and responsibilities to be identified with its stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so:

Yes, your Company has implemented the following CSR initiatives

a. Promoting Civic Learning among children:

Your Company along with Bala Janaagraha (NGO) have promoted civic learning among children through web-based online teaching by different faculties (Political Representatives, Corporate Volunteers, Community volunteers etc.) Delivering improved Civic Learning to students in Chennai, Tamil Nadu, then lesson plans aligned to the NCERT curriculum by School Teachers -I Change My City Challenge (ICMC) National Civic Fest in Chennai. ICMC program an opportunity to engage with a civic issue or any other issue that affects them, their school or their community. Civic Learning, in the long run, has the potential to transform India’s cities and towns by creating a generation of change agents who are civically aware and engaged with their Government.

b. Cancer awareness Project:

Your Company has joined hands with Indian Cancer Society and created cancer awareness programs to remove the fear of cancer from Individuals & Society, start conversations on busting myths, lead people to go for regular check-ups, advise to act promptly if diagnosed, promote healthy life style to prevent the occurrence of cancer.

c. Multiple Sclerosis Patient Care Project:

Your Company has joined hands with Multiple Sclerosis Society of India for supporting Multiple Sclerosis patient care support covering rehabilitation care, personal care and general wellness by trained staff.

d. MEPZMA Helath Center Project:

Your Company has joined hands with MEPZ Manufacturers Association for refurbishing Health Center for providing immediate medical health facility, medical services for minor ailments, health check-up and

emergency treatment to the employees working in the SEZ Units located in MEPZ-SEZ, Tambaram, Chennai. This project would improve medical facilities in the MEPZ-SEZ.

e. Prime Minister's National Relief Fund (PMNRF):

Your Company has contributed the PMNRF for medical assistance, floods, drought, terrorist violence and other such unforeseen occurrences, with a reserve for emergencies.

Principle – 5 Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

Yes the policy extends to suppliers and contractors also.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any stakeholder complaint regarding Human Rights in the year 2019-20

Principle – 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others

The Company has adopted Environment Policy and it extends to all the personnel under the control of the organization.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.

The Company has taken several initiatives to reduce the consumption of power. Refer Directors Report for details in Conservation of Energy, Technology and Absorption.

3. Does the company identify and assess potential environmental risks?

Yes, potential environmental risks are identified as part of the company's risk management policy. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The company has adopted ISO/TS 16949:2009 certification by DQS UL Management Solutions for their design, development and manufacture.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc

The Company has taken several initiatives to reduce the consumption of power by taking initiatives of LED Lighting and BLDC Fans. Refer Directors Report for details in Conservation of Energy, Technology and Absorption.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes, all the emission/waste generated by the company is within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year

There were no show cause/ legal notices received during the year 2019-20

Principle – 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, member of Export Promotion Council for EOUs & SEZs

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

Principle – 8 Businesses should support inclusive growth and equitable development

1. Does the company have specified program/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. The Company has initiated projects like Janaagraha Centre for Citizenship and Democracy, Indian Cancer Society, Multiple Sclerosis Society of India, MEPZ Manufacturers Association, Prime Minister's National Relief Fund (PMNRF).

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

The CSR programs of the company are run through external NGO and other organizations having experience.

3. Have you done any impact assessment of your initiative?

The CSR programs and their impacts/ outcomes are monitored and reviewed by the CSR Committee periodically.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

- a. Janaagraha Centre for Citizenship & Democracy - ₹25.80 Lakhs
- b. Indian Cancer Society - ₹30.39 Lakhs
- c. Multiple Sclerosis Society of India - ₹5 Lakhs
- d. MEPZ Manufacturers Association - ₹10 Lakhs
- e. PMNRF - ₹131 Lakhs

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

Yes, Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits gained by the community through CSR Committee

Principle – 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year

During the year 2019-20 there were no customer complaints or cases pending at the year end.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Not applicable as the company's product is not directly visible to the end user

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

There were no cases filed by any stakeholder against the company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

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 31st March, 2020, your Company had complied with the provisions set out on Corporate Governance Practices required under Listing Regulations.

2. BOARD OF DIRECTORS

As on 31st March, 2020 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 2020, the Board consists of 6 Directors comprising One Executive Director, Three Non-Executive - Non Independent Directors and Two Independent Directors. The Chairman of the Board is a Non-Executive, Non-Independent Director.

During the year, Seven Board Meetings were held on May 16, 2019, August 08, 2019, September 10, 2019, September 27, 2019, November 14, 2019, February 13, 2020 and March 23, 2020.

Mr. C Prabhakar, Partner, BP & Associates, Company Secretaries (Membership No: A30433 & CP No: 11033) have certified none of the Directors on the Board of the Company as stated for the Financial Year ending on 31st March, 2020 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 2019-20 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 [§]
Mr. K.K. Nohria (Chairman)	Non-Executive Non-Independent	6	Yes	6	4 (Member)
Mr. P Mukund [#] (Managing Director)	Executive Director	4	Yes	Nil	1(member)
Mr. R. Chandrasekaran [@] (Managing Director)	Executive Director	3	NA	Nil	1 (Member)

Name of Director & Designation	Category	Attendance		Other Board Representations	
		Board Meetings	Last AGM	Directorship in Indian Public Companies	Committees ^s
Mr. Hemant M Nerurkar	Non-Executive Independent	7	No	8	4 (Member) 4(Chairperson)
Mr. S. Radhakrishnan	Non-Executive Independent	7	Yes	Nil	1 (Member) 1(Chairperson)
Mr. Keiichi Igarashi	Non-Executive Non-Independent	4	Yes	1	Nil
Mrs. Eva Maria Rosa Schork	Non-Executive Non Independent	2	Yes	Nil	Nil

\$ Committees considered are Audit Committee & Stakeholders' Relationship Committee including of Igarashi Motors India Limited.

Resigned as Managing Director (M.D) from September 30, 2019

@ Appointed as M.D from October 01, 2019 & Resigned as CFO from September 30, 2019

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

1. Mr. K.K.Nohria (DIN: 00060015)

S.No	CIN	Company Name	Category Of Directorship
1	L99999MH1982PLC026191	Pradeep Metals Limited	Non-Executive - Non Independent Director

2. Mr. Hemant M Nerurkar (DIN: 00265887)

S.No	CIN	Company Name	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

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

Mr. K.K. Nohria is holding 5,000 shares held in his name as on March 31, 2020.

During the year, separate meeting of the Independent Directors was held on May 16, 2019 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-list.php?invescatid=18>

Board Skill Matrix:

Skill & Experience	Names of Directors
A) Governance & Industry Skills	
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. K K Nohria Mr. Hemant M Nerurkar Mr. Keiichi Igarashi Mr. S Radhakrishnan Mrs. Eva Maria Rosa Schork Mr. R Chandrasekaran
2) Financial Acumen Senior Executive experience in financial accounting & reporting, Corporate Finance, Risk and Internal Controls	Mr. K K Nohria Mr. Hemant M Nerurkar Mr. Keiichi Igarashi Mr. S Radhakrishnan Mrs. Eva Maria Rosa Schork 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. K K Nohria Mr. Hemant M Nerurkar Mr. Keiichi Igarashi Mr. S Radhakrishnan Mrs. Eva Maria Rosa Schork Mr. R Chandrasekaran
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. K K Nohria Mr. Hemant M Nerurkar Mr. Keiichi Igarashi Mr. S Radhakrishnan Mrs. Eva Maria Rosa Schork Mr. R Chandrasekaran
B) Human Resource & Development Skills	
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 framework governing remuneration	Mr. K K Nohria Mr. Hemant M Nerurkar Mr. Keiichi Igarashi Mr. S Radhakrishnan Mr. R Chandrasekaran

Skill & Experience	Names of Directors
6) Learning & Development Experience relating to education and growth of knowledge base.	Mr. K K Nohria Mr. Hemant M Nerurkar Mr. Keiichi Igarashi Mr. S Radhakrishnan Mrs. Eva Maria Rosa Schork Mr. R Chandrasekaran
C) Other Skills	
7) Work, Health , safety , Information Technology and sustainability Experience related to health, safety, environment, Social Responsibility, Information Technology and Sustainability	Mr. K K Nohria Mr. Hemant M Nerurkar Mr. S Radhakrishnan Mr. R Chandrasekaran
8) Governance & Board Prior experience as a Board Member, Industry or membership of Governance bodies	Mr. K K Nohria Mr. Hemant M Nerurkar Mr. Keiichi Igarashi Mr. S Radhakrishnan Mrs. Eva Maria Rosa Schork Mr. R Chandrasekaran
9) Regulatory and Public Policy Legal background or experience in regulatory and public policy	Mr. K K Nohria Mr. Hemant M Nerurkar Mr. S Radhakrishnan 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 and reviewing the functioning of the whistle blower mechanism.

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

Mr. S Radhakrishnan, Independent Director and Mr. K K Nohria, Non-Independent Non-Executive Director are members of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

During the year, the Audit Committee met Six times on May 16, 2019, August 08, 2019, September 10, 2019,

September 27, 2019, November 14, 2019 and February 13, 2020. 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)	6
Mr. S Radhakrishnan	6
Mr. K K Nohria	5

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. S. Radhakrishnan, Independent, Non-Executive Director, is the Chairman of the Committee. Mr. Hemant M Nerurkar, Independent Non-Executive Director and Mr. K K Nohria, Non-Independent, Non-Executive Director are the members of Committee.

During the year, the Nomination and Remuneration Committee met Five times on May 16, 2019, September 10, 2019, September 27, 2019, February 13, 2020 and March 23, 2020.

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

Name of the Director	No of Meetings Attended
Mr. S Radhakrishnan (Chairman)	5
Mr. Hemant M Nerurkar	5
Mr. K K Nohria	4

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/uploads/investor/pdf/14630459265Nonimation_-Remuneration_-Policy.pdf

c) Details of Remuneration paid to Directors

(₹ in Lakhs)

Name of the Director	Sitting Fee *	Salary	Perquisites	Performance Incentive/ Commission	Other Allowances	Total
Mr. K K Nohria, Chairman	5.25	0	0	8.00	0	13.25
Mr. Hemant M Nerurkar, Independent Director	6.25	0	0	4.00	0	10.25
Mr. S Radhakrishnan, Independent Director	6.25	0	0	4.00	0	10.25
Mr. P Mukund, Managing Director [§]	0	32.40	150.73 ^{\$\$}	0		183.13 ^{\$\$}
Mr. R Chandrasekaran Managing Director [#]	0	85.19 ^{##}	14.17 ^{##}	0	29.46 ^{##}	128.82 ^{##}

§ Resigned as Managing Director (M.D) from September 30, 2019

\$\$ Includes Gratuity and Leave Encashment on retirement

Resigned as CFO from September 30, 2019 and was Appointed as M.D from October 01, 2019 for a period of 3 years

Includes Remuneration as CFO from April 01, 2019 to September 30, 2019 and remuneration as M.D from October 01, 2019 to March 31, 2020

* Includes sitting fees paid for Board & Committee meetings

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 3 years.

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 as determined by the Board 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, exchange of new design share certificates, recording dematerialisation / rematerialization of shares and related matters.

Mr. S. Radhakrishnan, Independent, Non-Executive Director, is the Chairman of the Committee.

Mr. P Mukund, Managing Director (Until 30-Sep-2019), Mr. R Chandrasekaran, Managing Director (w.e.f. 01-Oct-2019), Mr. Hemant M Nerurkar, Non-Executive, Independent Director and Mr. K K Nohria, Non- Executive, Non-Independent 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 16, 2019, August 08, 2019, November 14, 2019 and February 13, 2020.

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

Name of the Director	No of Meetings Attended
Mr. S Radhakrishnan (Chairman)	4
Mr. K K Nohria	3
Mr. Hemant M Nerurkar	4
Mr. P Mukund (Until 30-Sep-2019)	2
Mr. R Chandrasekaran (w.e.f. 01-Oct-2019)	2

During the year 2019-20, the Company received 2 (Two) complaints from the investors. As on March 31, 2020, there were no investor grievances pending and no transfers were pending for approval.

7. GENERAL BODY MEETINGS

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

Financial Year	Date	Venue	Time	Special Resolutions Passed
2018-19	27th September, 2019 ^{\$}	Welcome Hotel (Formerly 'Hotel Chola') Cathedral Road, Chennai - 600 086.	2.00 P.M	NIL
2017-18	14th September, 2018 [@]	Welcome Hotel (Formerly 'Hotel Chola') Cathedral Road, Chennai - 600 086.	2.00 P.M	Approval for Appointment of Mr. K K Nohria (DIN: 00060015) as Non Executive, Non Independent Director, liable to retire by rotation.
2016-17	02nd August 2017	Hotel My Fortune Chennai (Formerly 'Hotel Chola'), Cathedral Road, Chennai - 600 086.	3.00 P.M	a) Approval for Re-appointment of Mr. Hemant M Nerurkar as an Independent Director b) Approval for Re-appointment of Mr. S Radhakrishnan as an Independent Director c) Approval for ESOP 2017 d) Approval for ESOP 2017 to the Employees of the Holding Company e) Approval of amendment of Articles of Association of the Company

^{\$} Re-scheduled from August 08, 2019; [@] Re-scheduled from August 08, 2018

B) Extra Ordinary General Meeting held during the year- Yes

Ordinary Resolution was passed in Extra Ordinary General Meeting on 14th February, 2020 by the shareholders on the following matter-

1. Reclassification of Mr. Padmanabhan Mukund and MAPE Securities Pvt Ltd from Promoters to Public category - Ordinary Resolution
2. Appointment of Mr. Padmanabhan Mukund as Advisor for three years - Ordinary Resolution

C) Details of Special Resolutions passed last year through Postal Ballot - Yes

Postal Ballot was passed on 06th November, 2019 by the shareholders on the following matter:

1. Approval of Material transactions with related parties - Ordinary Resolution
2. Appointment of Mr. R Chandrasekaran as Managing Director for 3-year period from October 01, 2019 -Special Resolution

D) Person who conducted the Postal Ballot exercise - Mr. C Prabhakar, Partner, BP & Associates, Company Secretaries, (Membership No. A30433 & Certificate of Practice No: 11033)

E) Details of Special Resolution was proposed to be conducted through postal ballot: Not Applicable

F) Procedure for Postal Ballot: Not Applicable

8. 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. The Management's Discussion and Analysis forms part of the Annual Report.

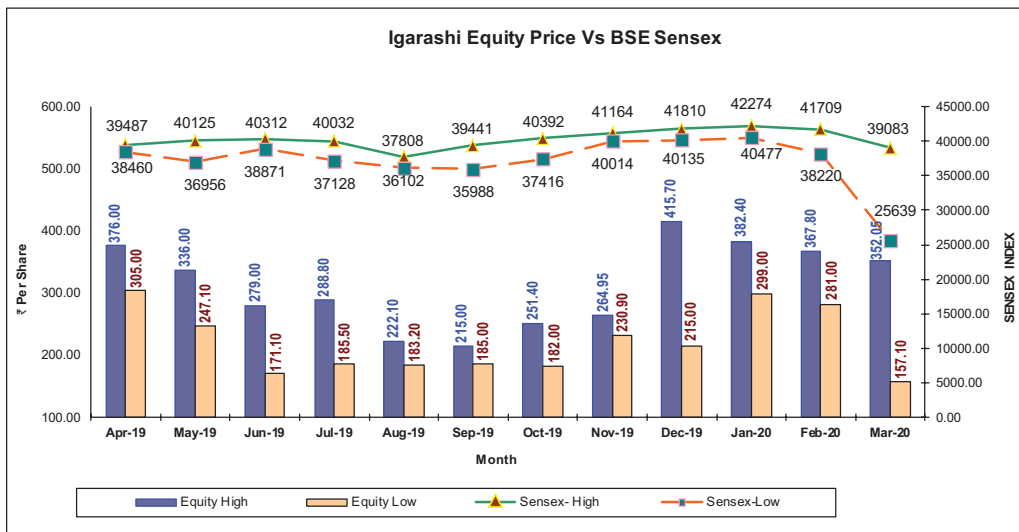
9. GENERAL SHAREHOLDER INFORMATION

- i) Annual General Meeting (AGM)
- Date : September 17, 2020 (Thursday)
- Venue : Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
- Time : 11.00 A.M (IST)
- ii) Financial Calendar : 1st April 2019 to 31st March 2020
- a) First Quarter Results : August 08, 2019
- b) Second Quarter Results : November 14, 2019
- c) Third Quarter Results : February 13, 2020
- d) Last quarter Results and Annual : June 04, 2020
- iii) Date of Book Closure : September 11, 2020 to September 17, 2020
- iv) Dividend Payment Date : On or after September 21, 2020
- 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 of India Limited (NSE), Exchange Plaza, 5th Floor, G-Block, Bandra Kurla Complex, Bandra (West), Mumbai – 400051.
- vi) Listing Fee : The Listing fee of all the stock exchanges for the Year 2019-20 has already been paid.
- vii) Stock Code :
- | Name of the Stock Exchange | Stock Code |
|----------------------------|------------|
| NSE | IGARASHI |
| BSE | 517380 |
- viii) International Securities identification Number (ISIN) : INE188B01013 (NSDL & CDSL)

ix) Market Price Data:

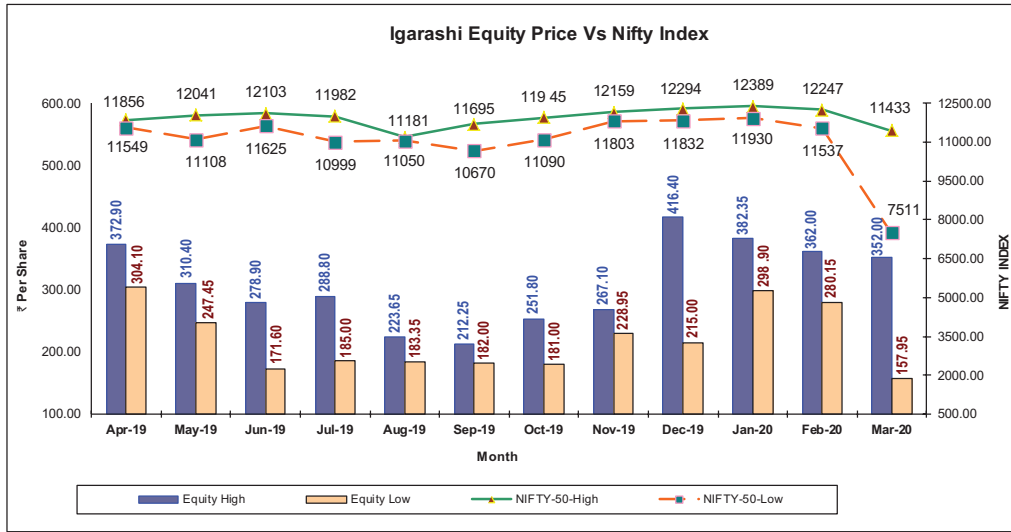
IGARASHI PRICE VS BSE SENSEX

MONTH	IGARASHI 2019-20		BSE SENSEX 2019-20	
	Equity High (₹)	Equity Low (₹)	SENSEX-High	SENSEX-Low
Apr-19	376.00	305.00	39487.45	38460.25
May-19	336.00	247.10	40124.96	36956.10
Jun-19	279.00	171.10	40312.07	38870.96
Jul-19	288.80	185.50	40032.41	37128.26
Aug-19	222.10	183.20	37807.55	36102.35
Sep-19	215.00	185.00	39441.12	35987.80
Oct-19	251.40	182.00	40392.22	37415.83
Nov-19	264.95	230.90	41163.79	40014.23
Dec-19	415.70	215.00	41809.96	40135.37
Jan-20	382.40	299.00	42273.87	40476.55
Feb-20	367.80	281.00	41709.30	38219.97
Mar-20	352.05	157.10	39083.17	25638.90



SHARE PRICE VS NSE NIFTY 50

MONTH	IGARASHI 2019-20		NIFTY 50 2019-20	
	Equity High (₹)	Equity Low (₹)	NIFTY-50-High	NIFTY-50-Low
Apr-19	372.90	304.10	11856.15	11549.10
May-19	310.40	247.45	12041.15	11108.30
Jun-19	278.90	171.60	12103.05	11625.10
Jul-19	288.80	185.00	11981.75	10999.40
Aug-19	223.65	183.35	11181.45	11049.50
Sep-19	212.25	182.00	11694.85	10670.25
Oct-19	251.8	181.00	11945.00	11090.15
Nov-19	267.10	228.95	12158.80	11802.65
Dec-19	416.40	215.00	12293.90	11832.30
Jan-20	382.35	298.90	12389.05	11929.60
Feb-20	362.00	280.15	12246.70	11536.70
Mar-20	352.00	157.95	11433.00	7511.10



x) Registrar and share Transfer Agent : Cameo Corporate Services Ltd
 “Subramanian Building”
 1, Club House Road, Chennai – 600002
 Phone: + 91-44-28460390
 E-mail: sofia@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.

xii) Distribution schedule as on 31st March 2020:

Category	No of Shareholders	Percentage of Shareholders	No of shares	Percentage of Shares
1 - 100	13,406	62.92	4,19,113	1.33
101 - 500	6,574	30.85	11,58,081	3.67
501- 1000	682	3.20	4,95,782	1.57
1001-2000	337	1.58	4,59,326	1.45
2001 - 3000	125	0.58	3,03,467	0.96
3001 - 4000	42	0.19	1,46,265	0.46
4001 - 5000	28	0.13	1,26,015	0.40
5001 - 10000	54	0.25	3,86,115	1.22
10001 - and Above	56	0.26	2,79,80,884	88.89
Total	21,304	100.00	3,14,75,048	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH 2020

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	PERCENTAGE OF HOLDING
Promoters and Promoter Group	3	2,36,06,288	75.00%
Body Corporate	250	8,22,355	2.61%
Mutual Fund	5	27,39,736	8.70%
NRI/FII/FPI/Banks/Clearing Members	971	18,24,345	2.99%
Public	19,281	24,85,820	10.70%
Total	20,510	3,14,75,048	100.00%

TOP 10 SHAREHOLDERS AS ON 31ST MARCH 2020 (OTHER THAN PROMOTERS)

SERIAL NO	CATEGORY	NO OF SHARES	PERCENTAGE OF HOLDING
1	UTI - EQUITY FUND	8,61,900	2.73%
2	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS SMALL CAP FUND	4,72,058	1.49 %
3	IDFC STERLING VALUE FUND	3,90,000	1.23 %
4	UTI-MNC FUND	3,25,891	1.03 %
5	UTI INDIA DYNAMIC EQUITY FUND	2,20,822	0.70 %
6	KOTAK PIONEER FUND	2,00,000	0.63 %
7	UTI TRANSPORTATION AND LOGISTICS FUND	1,73,059	0.54 %
8	TATA AIA LIFE INSURANCE CO LTD-WHOLE LIFE MID CAP EQUITY FUND-ULIF 009 04/01/07 WLE 110	1,68,192	0.53 %
9	SHINSEI UTI INDIA FUND (MAURITIUS) LIMITED	1,46,731	0.46 %
10	UTI-UNIT LINKED INSURANCE PLAN	1,44,008	0.45 %

- xiii) Dematerialization of Shares : 99.28% of equity shares have been dematerialized Up to 31st March 2020.
- xiv) Outstanding GDRs/ADRs/Warrants : Not applicable Or any Convertible Instruments.
- 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, 2020.

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.

xvii) Plant Location(s)	:	<ol style="list-style-type: none"> 1. Plots B-12 to B –15, Phase II MEPZ-SEZ, Tambaram, Chennai 600 045 2. Plots 8,9,10, Phase I MEPZ-SEZ, Tambaram, Chennai 600 045 3. Plot D-6/II-D & C, Phase II, MEPZ-SEZ, Tambaram, Chennai 600045 4. Plot D-6/III, Phase II, MEPZ-SEZ, Tambaram, Chennai 600045 5. Plot B-3 & 4, Phase I, MEPZ-SEZ, Tambaram, Chennai 600045 6. Plot A-17 & 18, Phase I, MEPZ-SEZ, Tambaram, Chennai 600045 7. Plot B 16, Phase I, MEPZ-SEZ, Tambaram, Chennai 600045. 8. Plot A-33 & 36, Phase I, MEPZ-SEZ, Tambaram, Chennai 600045 9. Plot B 16, Phase I, MEPZ-SEZ, Tambaram, Chennai 600045. 10. Plot No. 7 & 8, Subramaniya Siva Salai Industrial Estate, Maraimalai Nagar Kancheepuram 603209
xviii) Investor Correspondence	:	<p>The Company Secretary Igarashi Motors India Ltd Plots B-12 to B –15, Phase II MEPZ-SEZ, Tambaram, Chennai 600045. Phone No.: +91-44-42298199 E-mail: investorservices@igarashimotors.co.in</p>

10. 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, 2020. 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 Companies website (Web link): http://www.igarashimotors.com/uploads/investor/pdf/14531242482IMIL-Related_Party_Transaction_Policy_051115.pdf
- g) During the year ended March 31, 2020, the Internal Complaints Committee (ICC) has received Nil complaints pertaining to sexual harassment/discrimination at work place.

11. 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 behaviour, 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.

12. COMPLIANCE WITH MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

During the financial year 2019-20, the Company has complied with Corporate Governance requirements specified in the Listing Regulations.

13. 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 Tamil Hindu. These were not sent individually to the shareholders.

iii) Audit Qualifications:

The auditors 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.

14. CODE OF CONDUCT AND 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. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2020.

The Company 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.

*The Code has been amended by the Board of Directors at its meeting held on 03rd April, 2019 as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 effective from 1st April, 2019.

15. 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 www.igarashimotors.com.

16. COMPLIANCE CERTIFICATE

As on March 31, 2020, 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.

17. 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.

18. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As on March 31, 2020 there are no shares lying in the demat suspense account or unclaimed suspense account.

19. 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.
- 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 three Communications (AGM Notice, Postal Ballot Notice & EGM Notice) have already been sent by the Company to eligible shareholders in this regard. It is requested to update these details with our RTA by e-mail: sofia@cameoindia.com.

- c. Electronic fund transfer details for remittance: It is in shareholders interest to claim any Unencashed 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 RTA by e-mail: sofia@cameoindia.com. Cameo Corporate Services Limited – for physical shares; to DP – for dematerialised shares)

20. 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: July 27, 2020

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 2020 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.

Place: Chennai
Date: June 04, 2020

R Chandrasekaran
Managing Director
DIN: 00012643

S Vivekchandranath
Chief Financial Officer

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 6 June 2020.
2. This certificate contains details of compliance of conditions of Corporate Governance by Igarashi Motors India Limited ('the Company') for the year ended 31 March 2020, 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('the Listing Regulations'), pursuant to the Listing Agreement of the Company with the National Stock Exchange Limited and the Bombay Stock Exchange Limited (collectively referred to as the "Stock exchanges").

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

3. The Company's Management is responsible for compliance of conditions of Corporate Governance including the preparation and maintenance of all relevant supporting records and documents as stipulated under the Listing Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with 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 2020.
6. We conducted our examination of the 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') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes 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 per the Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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 enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person 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 save where expressly agreed by 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: 20222432AAAABC4639

Place: Chennai
Date: July 27, 2020

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[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 authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020 generally 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, 2020 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 thereunder;
- 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. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
- d. The 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. The 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 Services 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 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 notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

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. DECLARATION OF DIVIDEND:

The Company has declared during the year 2019-20 and paid a dividend of ₹ 4.90 per Equity Share as Dividend for the financial year ended 31st March, 2019.

2. INTER-SE PROMOTER TRANSACTION BETWEEN Mr. P MUKUND, IGARASHI ELECTRIC WORKS LTD, JAPAN AND AGILE ELECTRIC SUB ASSEMBLY PVT LTD:

Mr. Padmanabhan Mukund ('Promoter of the Company') has transferred his entire shareholding of 6,658,033 (21.15%) in the Company by way of inter-se promoter sale of 29,96,526 (9.52%) shares to Igarashi Electric Works Ltd, Japan ('IGJ') ('Promoter of the Company') and 3,661,507 (11.63%) shares to Agile Electric Sub Assembly Private Ltd ('Agile') (Promoter Group) on 28th August, 2019.

3. RESIGNATION OF Mr. P MUKUND AS THE MANAGING DIRECTOR OF THE COMPANY:

Mr. Padmanabhan Mukund (DIN: 00007788) as Managing Director of the Company was relieved from all the liabilities and responsibilities of the company with effect from closure of the business hours of 30th September, 2019 due to resignation.

4. RESIGNATION OF Mr. R CHANDRASEKARAN AS CHIEF FINANCIAL OFFICER OF THE COMPANY:

Mr. R Chandrasekaran resigned as Chief Financial Officer effective 30th September, 2019 due to his appointment as Managing Director of the Company from 01st October, 2019.

5. APPOINTMENT OF Mr. R CHANDRASEKARAN AS MANAGING DIRECTOR OF THE COMPANY FOR 3 (THREE) YEARS FROM OCTOBER 01, 2019:

Mr. R Chandrasekaran (DIN: 00012643), appointed as Managing Director for a period of 3 (Three) years from 01st October, 2019 to 30th September, 2022 at the Board Meeting held on 10th September, 2019 and subsequently obtained members approval through postal ballot dated 06th November, 2019.

6. APPOINTMENT OF Mr. S VIVEKCHANDRANATH AS CHIEF FINANCIAL OFFICER OF THE COMPANY FROM OCTOBER 01, 2019:

Mr. S Vivekchandranath appointed as Chief Financial Officer of the Company effective 01st October, 2019 at the Board Meeting held on 10th September, 2019.

7. MATERIAL TRANSACTIONS WITH RELATED PARTIES:

The Company has obtained Members approval for material transactions with Related Parties by way of postal ballot dated 06th November, 2019.

8. RECLASSIFICATION OF PROMOTERS VIZ., Mr. PADMANABHAN MUKUND AND MAPE SECURITIES PVT LTD AS PUBLIC:

Mr. Padmanabhan Mukund (Former Managing Director of the Company) promoter of the Company Since 28th August, 2013 and MAPE Securities Private Limited Promoter of the Company from 30th July, 2015, sought for reclassification of their status from "Promoter Category" to "Public Category" as per Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Consequently, the Public Shareholders approval was obtained for such reclassification at the Extra-Ordinary General Meeting held on 14th February, 2020. Subsequently, the Company submitted reclassification application with Stock Exchanges and the same is under review.

9. APPOINTMENT OF Mrs. VINODHINI SENDHIL MANIAN (DIN: 08719578) AS AN ADDITIONAL DIRECTOR OF THE COMPANY (NON-EXECUTIVE & INDEPENDENT WOMAN DIRECTOR):

Mrs. Vinodhini Sendhil Manian appointed as an Additional Director of the Company (Non-Executive & Independent Woman Director) in the Board with effect from 01st April, 2020 upto March 31, 2025.

For BP & Associates

Company Secretaries

C Prabhakar

Partner

M No: A30433

CP No: 11033

UDIN: A030433B000294686

Date : June 04,2020

Place: Chennai

'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

C Prabhakar
Partner

M No: A30433

CP No: 11033

UDIN: A030433B000294686

Date : June 04, 2020

Place: Chennai

**SECRETARIAL COMPLIANCE REPORT OF IGARASHI MOTORS INDIA LIMITED
FOR THE YEAR ENDED 31ST MARCH 2020.**

[Pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined:

- a) all the documents and records made available to us and explanation 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 2020 ("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, guidelines issued thereunder; and
 - ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, 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 (Share Based Employee Benefits) Regulations, 2014; (not applicable to the Company during this audit period),
- v) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- vi) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars / guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period :
 - 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	Deviations	Observations/ Remarks
1	Nil	Nil	Nil

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued thereunder in so far as it appears from my/our examination of those records.

- c) The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder:

Sr.No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks
NIL				

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr.No	Observations in the previous reports	Observations made in the secretarial compliance report for the year ended 31 st March 2019	Actions taken by the listed entity, if any	Comments on the actions taken by the listed entity
NIL				

For BP & Associates
Company Secretaries

C Prabhakar
Partner

M No: A30433

CP No: 11033

UDIN: A030433B000294686

Date : June 04, 2020

Place: Chennai

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 and 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) as considered necessary and explanations furnished to us by the Company & its officers, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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, 2020 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	Kewal Krishan Nohria	00060015	23/07/2015
2	Hemant Nerurkar Madhusudan	00265887	23/06/2014
3	Keiichi Igarashi	00356779	17/07/2003
4	Radhakrishnan Singaram	01246033	23/06/2014
5	Eva Maria Rosa Schork Geb Zoeller	07159550	28/01/2016
6	Rajagopalan Chandrasekaran	00012643	01/10/2019

* 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

Date : June 04, 2020

Place: Chennai

C Prabhakar

Partner

M No: A30433

CP No: 11033

UDIN: A030433B000294807

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

I	CIN	L29142TN1992PLC021997
II	Registration Date	January 10, 1992
III	Name of the Company	Igarashi Motors India Limited
IV	Category / Sub-Category of the Company	Company Limited by Shares/Non-Govt Company
V	Address of the Registered office and contact details	Plot B-12 to B-15, Phase II, MEPZ-SEZ, Tambaram, Chennai – 600045 Phone : +91-44-42298199/22628199, e-mail: investorservices@igarashimotors.co.in Website - www.igarashimotors.com
VI	Whether listed company Yes / No	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any.	Cameo Corporate Services Ltd "Subramanian Building" 1, Club House Road, Chennai – 600002 Phone: + 91-44-28460390 E-mail: sofia@cameoindia.com/ investor3@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Electric Micro Motors & Motor Components	85013301	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Agile Electric Sub Assembly Pvt Ltd Plot No. 7 & 8, Subramaniya Siva Salai, Industrial Estate, Maraimalai Nagar, Kancheepuram 603209 - Tamil Nadu, India	U34300TN2005PTC057151	Holding Company	54.46%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) CATEGORY WISE SHAREHOLDING

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	66,58,033	0	66,58,033	21.15	0	0	0	0	(21.15)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp...	1,34,80,614	0	1,34,80,614	42.83	1,71,42,121	0	1,71,42,121	54.46	11.63
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any Other...	0	0	0	0	0	0	0	0	0
SubTotal(A)(1)	2,01,38,647	0	2,01,38,647	63.98	1,71,42,121	0	1,71,42,121	54.46	(9.52)
(2) Foreign									
a) NRIs Individual	0	0	0	0	0	0	0	0	0
b) Other Individual	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	34,67,641	0	34,67,641	11.02	64,64,167	0	64,64,167	20.53	9.51
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	34,67,641	0	34,67,641	11.02	64,64,167	0	64,64,167	20.53	9.51
Total Shareholding of Promoter (A) = (A)(1)+A(2)	2,36,06,288	0	2,36,06,288	75.00	2,36,06,288	0	2,36,06,288	75.00	0
B. Public Shareholding									
(1) Institution									
a) Mutual Funds	23,91,694	0	23,91,694	7.60	27,39,736	0	27,39,736	8.70	1.1
b) Banks/ FI	29,708	0	29,708	0.09	44,880	0	44,880	0.14	0.05
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	1,25,000	0	1,25,000	0.40	0.40
h) Foreign VCF	16,72,174	0	16,72,174	5.31	0	0	0	0	(5.31)

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (Foreign Portfolio Investors, Alternate Investment Funds)	0	0	0	0	4,27,569	0	4,27,569	1.36	1.36
Sub Total (B) (1)	40,93,576	0	40,93,576	13.01	33,37,185	0	33,37,185	10.60	(2.40)
(2) Non Institutions Bodies Corporate									
i) Indian	11,65,667	1,234	11,66,901	3.71	8,21,121	1,234	8,22,355	2.61	(1.1)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individual	0	0	0	0	0	0	0	0	0
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	17,88,816	2,33,524	20,22,340	6.43	27,11,977	2,25,082	29,37,059	9.33	2.9
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	3,32,547	0	3,32,547	1.06	4,29,689	0	4,29,689	1.37	0.3
C) Others (Specify)									
NRI	66,083	0	66,083	0.21	90,672	0	90,672	0.29	0.07
HUF	1,30,932	1	1,30,933	0.42	1,80,846	1	1,80,847	0.57	0.15
Clearing Member	56,380	0	56,380	0.18	33,953	0	33,953	0.11	(0.07)
Directors and their Relatives	0	0	0	0	5,000	0	5,000	0.02	0.02
Trusts~Others	0	0	0	0	32,000	0	32,000	0.10	0.10
Sub Total (B) (2)	35,40,425	2,34,759	37,75,184	11.99	43,05,258	2,26,317	45,31,575	14.39	2.4
Total Public Shareholding (B) =(B)(1)+(B)(2)	76,34,001	2,34,759	78,68,760	25.00	76,42,443	2,26,317	78,68,760	25.00	0
C. Shares held by Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B=C)	3,12,40,289	2,34,759	3,14,75,048	100	3,12,48,731	2,26,317	3,14,75,048	100	0

B) SHAREHOLDING OF PROMOTERS

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No of shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	% change in shareholding during the year
1	Agile Electric Sub Assembly Private Limited	1,34,80,614	42.83	0	1,71,42,121	54.46	0	11.63
2	Igarashi Electric Works Limited, Japan	9,67,648	3.08	0	39,64,174	12.59	0	9.52
3	Igarashi Electric Works, (H.K) Ltd, Hong Kong	24,99,993	7.94	0	24,99,993	7.94	0	0
4	P. Mukund	66,58,033	21.15	100	0	0	0	0

C) CHANGE IN PROMOTERS SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

S. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Agile Electric Sub Assembly Private Limited				
	At the beginning of the year	1,34,80,614	42.83%	-	-
	Datewise increase / decrease in promoters shareholding during the year specifying the reason for increase or decrease			Aug 28,2019-36,61,507-increase/inter-se transfer	11.63%
	At the end of the year	-	-	1,71,42,121	54.46%
2	P. Mukund				
	At the beginning of the year	66,58,033	21.15%	-	-
	Datewise increase / decrease in promoters shareholding during the year specifying the reason for increase or decrease	-	-	Aug 28,2019-66,58,033-reduce/inter-se transfer	21.15%
	At the end of the year			Nil	Nil
3	Igarashi Electric Works Limited, Japan				
	At the beginning of the year	9,67,648	3.08%	-	-
	Datewise increase / decrease in promoters shareholding during the year specifying the reason for increase or decrease	-	-	Aug 28,2019-29,96,526-increase/inter-se transfer	9.52%
	At the end of the year			39,64,174	12.59%
4	Igarashi Electric Works (H.K) Ltd, Hong Kong				
	At the beginning of the year	24,99,993			
	Datewise increase / decrease in promoters shareholding during the year specifying the reason for increase or decrease	No Change in shareholding			
	At the end of the year	24,99,993			

D) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN PROMOTERS, DIRECTORS, AND HOLDERS OF ADRs AND GDRs)

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	PINEBRIDGE INVESTMENTS GF MAURITIUS LIMITED				
	At the beginning of the year 01-Apr-2019	8,81,285	2.79	8,81,285	2.79
	Sale 05-Apr-2019	-92,193	0.29	7,89,092	2.50
	Sale 19-Apr-2019	-9,287	0.02	7,79,805	2.47
	Sale 26-Apr-2019	-2,191	0.00	7,77,614	2.47
	Sale 29-Jun-2019	-7,77,614	2.47	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
2A	UTI - EQUITY FUND				
	At the beginning of the year 01-Apr-2019	8,71,900	2.77	8,71,900	2.77
	Sale 29-Nov-2019	-10,000	0.03	8,61,900	2.73
	At the end of the Year 31-Mar-2020	8,61,900	2.74	8,61,900	2.74
B	UTI-MNC FUND				
	At the beginning of the year 01-Apr-2019	3,25,891	1.03	3,25,891	1.03
	At the end of the Year 31-Mar-2020	3,25,891	1.03	3,25,891	1.03
C	UTI TRANSPORTATION AND LOGISTICS FUND				
	At the beginning of the year 01-Apr-2019	1,73,059	0.54	1,73,059	0.54
	At the end of the Year 31-Mar-2020	1,73,059	0.54	1,73,059	0.54
D	UTI-UNIT LINKED INSURANCE PLAN				
	At the beginning of the year 01-Apr-2019	1,71,508	0.54	1,71,508	0.54
	Sale 29-Nov-2019	-15,000	0.04	1,56,508	0.49
	Sale 31-Jan-2020	-7,500	0.02	1,49,008	0.47
	Sale 07-Feb-2020	-5,000	0.01	1,44,008	0.45
	At the end of the Year 31-Mar-2020	1,44,008	0.45	1,44,008	0.45
E	UTI - REGULAR SAVINGS FUND				
	At the beginning of the year 01-Apr-2019	58,470	0.18	58,470	0.18
	Sale 29-Nov-2019	-10,000	0.03	48,470	0.15
	Sale 31-Dec-2019	-5,000	0.01	43,470	0.13
	Sale 07-Feb-2020	-4,000	0.01	39,470	0.12
	At the end of the Year 31-Mar-2020	39,470	0.12	39,470	0.12
F	UTI - CCF -INVESTMENT PLAN				
	At the beginning of the year 01-Apr-2019	34,836	0.11	34,836	0.11
	Sale 06-Dec-2019	-7,394	0.02	27,442	0.08
	Sale 13-Dec-2019	-27,442	0.08	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
3A	TATA AIA LIFE INSURANCE CO LTD-WHOLE LIFE MID CAP EQUITY FUND				
	At the beginning of the year 01-Apr-2019	4,83,834	1.53	4,83,834	1.53
	Sale 28-Jun-2019	-64,394	0.20	4,19,440	1.33
	Sale 31-Dec-2019	-1,01,169	0.32	3,18,271	1.01
	Sale 03-Jan-2020	-1,25,000	0.39	1,93,271	0.61
	Sale 10-Jan-2020	-25,079	0.07	1,68,192	0.53
	At the end of the Year 31-Mar-2020	1,68,192	0.53	1,68,192	0.53
B	TATA AIA LIFE INSURANCE CO LTD-LARGE CAP EQUITY FUND				
	At the beginning of the year 01-Apr-2019	44,245	0.14	44,245	0.14
	Sale 21-Jun-2019	-10,000	0.03	34,245	0.10
	Sale 28-Jun-2019	-34,245	0.10	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
C	TATA AIA LIFE INSURANCE CO LTD-SUPER SELECT EQUITY FUND				
	At the beginning of the year 01-Apr-2019	30,574	0.09	30,574	0.09
	Sale 28-Jun-2019	-30,574	0.09	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
D	TATA AIA LIFE INSURANCE CO LTD-TOP 200 FUND				
	At the beginning of the year 01-Apr-2019	25,846	0.08	25,846	0.08
	Sale 28-Jun-2019	-25,846	0.08	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
E	TATA AIA LIFE INSURANCE CO LTD-WHOLE LIFE AGGRESSIVE GROWTH FUND				
	At the beginning of the year 01-Apr-2019	24,447	0.07	24,447	0.07
	Sale 05-Jul-2019	-10,241	0.03	14,206	0.04
	Sale 12-Jul-2019	-14,206	0.04	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
F	TATA AIA LIFE INSURANCE CO LTD-FUTURE EQUITY PENSION FUND				
	At the beginning of the year 01-Apr-2019	22,475	0.07	22,475	0.07
	Sale 14-Jun-2019	-22,475	0.07	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
G	TATA AIA LIFE INSURANCE CO LTD-SELECT EQUITY FUND				
	At the beginning of the year 01-Apr-2019	6,288	0.01	6,288	0.01
	Sale 28-Jun-2019	-6,288	0.01	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
H	TATA AIA LIFE INSURANCE CO LTD-LIFE WHOLE LIFE STABLE GROWTH FUND				
	At the beginning of the year 01-Apr-2019	5,618	0.01	5,618	0.01
	Sale 05-Jul-2019	-2,354	0.00	3,264	0.01
	Sale 12-Jul-2019	-3,264	0.01	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
I	TATA AIA LIFE INSURANCE CO LTD-INFRASTRUCTURE FUND				
	At the beginning of the year 01-Apr-2019	2,247	0.00	2,247	0.00
	Sale 31-Dec-2019	-542	0.00	1,705	0.00

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sale 03-Jan-2020	-1,705	0.00	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
4	IDFC STERLING VALUE FUND				
	At the beginning of the year 01-Apr-2019	3,45,949	1.09	3,45,949	1.09
	Purchase 12-Apr-2019	14,051	0.04	3,60,000	1.14
	Purchase 21-Jun-2019	7,669	0.02	3,67,669	1.16
	Purchase 13-Sep-2019	4,301	0.01	3,71,970	1.18
	Purchase 20-Sep-2019	2,316	0.00	3,74,286	1.18
	Purchase 27-Sep-2019	4,213	0.01	3,78,499	1.20
	Purchase 11-Oct-2019	16,196	0.05	3,94,695	1.25
	Sale 27-Dec-2019	-4,695	0.01	3,90,000	1.23
	At the end of the Year 31-Mar-2020	3,90,000	1.23	3,90,000	1.23
5	DSP SMALL CAP FUND				
	At the beginning of the year 01-Apr-2019	3,37,954	1.07	3,37,954	1.07
	Sale 05-Apr-2019	-4,375	0.01	3,33,579	1.05
	Sale 12-Apr-2019	-3,907	0.01	3,29,672	1.04
	Sale 19-Apr-2019	-5,198	0.01	3,24,474	1.03
	Sale 26-Apr-2019	-17,471	0.05	3,07,003	0.97
	Sale 03-May-2019	-2,046	0.00	3,04,957	0.96
	Sale 10-May-2019	-9,562	0.03	2,95,395	0.93
	Sale 17-May-2019	-7,993	0.02	2,87,402	0.91
	Sale 24-May-2019	-38,143	0.12	2,49,259	0.79
	Sale 31-May-2019	-42,345	0.13	2,06,914	0.65
	Sale 07-Jun-2019	-10,155	0.03	1,96,759	0.62
	Sale 14-Jun-2019	-20,242	0.06	1,76,517	0.56
	Sale 21-Jun-2019	-1,76,517	0.56	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
6	INDUS INDIA FUND (SV) LIMITED				
	At the beginning of the year 01-Apr-2019	3,28,011	1.04	3,28,011	1.04
	Sale 21-Jun-2019	-3,405	0.01	3,24,606	1.03
	Sale 23-Aug-2019	-35,652	0.11	2,88,954	0.91
	Sale 13-Sep-2019	-20,376	0.06	2,68,578	0.85
	Sale 20-Sep-2019	-268,578	0.85	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
7	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2019	1,84,838	0.58	1,84,838	0.58
	Sale 29-Nov-2019	-14,000	0.04	1,70,838	0.54
	Sale 20-Dec-2019	-3,691	0.01	1,67,147	0.53
	Sale 31-Dec-2019	-1,00,000	0.31	67,147	0.21
	Sale 03-Jan-2020	-33,713	0.10	33,434	0.10
	At the end of the Year 31-Mar-2020	33,434	0.1062	33,434	0.10

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
8	SHINSEI UTI INDIA FUND (MAURITIUS) LIMITED				
	At the beginning of the year 01-Apr-2019	1,56,731	0.49	1,56,731	0.49
	Sale 29-Nov-2019	-10,000	0.03	1,46,731	0.46
	At the end of the Year 31-Mar-2020	1,46,731	0.46	1,46,731	0.46
9	UTI INDIA DYNAMIC EQUITY FUND				
	At the beginning of the year 01-Apr-2019	1,24,372	0.39	1,24,372	0.39
	Purchase 03-May-2019	1,500	0.00	1,25,872	0.39
	Purchase 06-Dec-2019	45,000	0.14	17,0872	0.54
	Purchase 20-Dec-2019	1,450	0.00	1,72,322	0.54
	Purchase 03-Jan-2020	25,000	0.07	1,97,322	0.62
	Purchase 31-Jan-2020	7,500	0.02	2,04,822	0.65
	Purchase 07-Feb-2020	16,000	0.05	2,20,822	0.70
	At the end of the Year 31-Mar-2020	2,20,822	0.70	2,20,822	0.70
10	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS SMALL CAP FUND				
	At the beginning of the year 01-Apr-2019	72,127	0.22	72,127	0.22
	Purchase 05-Apr-2019	6,303	0.02	78,430	0.24
	Purchase 20-Sep-2019	1,07,975	0.34	1,86,405	0.59
	Purchase 27-Sep-2019	1,26,015	0.40	3,12,420	0.99
	Purchase 25-Oct-2019	1,59,638	0.50	4,72,058	1.49
	At the end of the Year 31-Mar-2020	4,72,058	1.49	4,72,058	1.49

E) SHAREHOLDING OF DIRECTORS AND KMP

S.No	Name of the Director and KMP	Shareholding at the beginning of the year 01-Apr-2019		Cumulative Shareholding during the year 31-Mar-20	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. K K Nohria	Nil	Nil	5,000	0.02
2	Mr. Hemant M Nerurkar	Nil	Nil	Nil	Nil
3	Mr. S Radhakrishnan	Nil	Nil	Nil	Nil
4	Mr. Keiichi Igarashi	Nil	Nil	Nil	Nil
5	Ms. Eva Maria Rosa Schork	Nil	Nil	Nil	Nil
6	Mr. P Mukund, Managing Director ^{\$}	66,58,033	21.15	Nil	Nil
7	Mr. R Chandrasekaran, Managing Director [@]	Nil	Nil	Nil	Nil
8	Mr. S Vivekchandranath Chief Financial Officer [@]	Nil	Nil	Nil	Nil
9	Mr. P Dinakara Babu, Company Secretary	Nil	Nil	Nil	Nil

^{\$} Until September 30, 2019 @ From October 01, 2019

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-Apr-2019				
i) Principal Amount	11,831.96	-	-	11,831.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	26.72	-	-	26.72
Total (i+ii+iii)	11,858.68	-	-	11,858.68
Change in Indebtedness during the financial year				
Addition	4,877.62	-	-	4,877.62
Reduction	(5,668.23)	-	-	(5,668.23)
Net Change	(790.61)	-	-	(790.61)
Indebtedness at the end of the financial year 31-Mar-2020				
i) Principal Amount	11,026.78	-	-	11,026.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	41.29	-	-	41.29
Total (i+ii+iii)	11,068.07	-	-	11,068.07

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR / MANAGER

Sl. No	Particulars of Remuneration	Name of the MD/ WTD/Manager	Name of the MD/WTD/ Manager	Total Amount (₹ In Lakhs)
		Mr P. Mukund Managing Director ^{\$}	Mr R. Chandrasekaran Managing Director [#]	
1	Gross Salary			
	a) Salary as per the Provisions contained in Section 17(1) of the Income Tax Act, 1961	32.40	85.19 ^{##}	117.59
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	150.73 ^{\$\$}	14.17 ^{##}	164.90
	c) Profits in lieu of Salary u/s 17(3) of the Income Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of Profits	-	-	-
5	Others, Please Specify	-	29.46 ^{##}	29.46
	Total (A)	183.13^{\$\$}	128.82^{##}	311.95
Ceiling as per the Act - 5% of the net profits				

^{\$} Resigned as Managing Director (M.D) from September 30, 2019

^{\$\$} Includes Gratuity and Leave Encashment on retirement

[#] Resigned as CFO from September 30, 2019 and was Appointed as M.D from October 01, 2019 for a period of 3 years

^{##} Includes Remuneration as CFO from April 01, 2019 to September 30, 2019 and remuneration as M.D from October 01, 2019 to March 31, 2020

B. REMUNERATION TO OTHER DIRECTORS:

Particulars of Remuneration	Name of the Directors			Total Amount (₹ In Lakhs)
	Mr. K K Nohria	Mr. Hemant M Nerurkar	Mr S. Radhakrishnan	
Independent Directors				
- Fee for attending board & committee meetings	5.25	6.25	6.25	17.75
- Commission	8.00	4.00	4.00	16.00
- Others please specify	-	-	-	-
Total (1)	13.25	10.25	10.25	33.75
Other Non-Executive Directors	Mr Keiichi Igarashi	Mrs. Eva Maria Rosa Schork	-	-
- Fee for attending board & committee meetings	-	-	-	-
- Commission	-	-	-	-
- Others. Please specify	-	-	-	-
Total (2)	-	-	-	-
Total (B) = (1 + 2)	13.25	10.25	10.25	33.75
Overall Ceiling as per the Act-1% of net profit (excluding sitting fees)				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / WTD / MANAGER

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹ In Lakhs)
		Mr S. Vivekchandranath CFO**	Mr P. Dinakara Babu, Company Secretary	
1	Gross Salary			
	a) Salary as per the Provisions contained in Section 17(1) of the Income Tax Act, 1961	23.55	36.68	60.23
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	5.16	10.54	15.70
	c) Profits in lieu of Salary u/s 17(3) of the Income Act, 1961	-	-	-
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission as % of Profits	0	0	0
5	Others, Please Specify (Performance Incentive)	2.79	3.32	6.11
	Total	31.50	50.54	82.04

** Business Leader - Finance until September 30, 2019 and designated as Chief Financial Officer from October 01, 2019.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made, if any
A. COMPANY					
Penalty Punishment Compounding	Nil	Nil	Nil	Nil	N.A
B. DIRECTORS					
Penalty Punishment Compounding	Nil	Nil	Nil	Nil	N.A
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding	Nil	Nil	Nil	Nil	N.A

For and on behalf of the Board of Directors

K K Nohria

Chairman

DIN: 00060015

Place: Chennai

Date: June 04, 2020

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 March 31, 2020, 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 the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 Matters

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.

Independent Auditor's Report to the members of Igarashi Motors India Limited (continued)

The key audit matter	How the matter was addressed in our audit
<p>Related party transactions (Refer note 38 to the financial statements)</p> <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 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"> - 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. - We evaluated the design, implementation and operating effectiveness of key internal controls over identification and authorisation of significant related party transactions. - Evaluated compliance of such related party transactions with applicable laws and regulations. Tested whether the pricing of related party transaction's is at arm's length with the help of our transfer pricing specialists. - Evaluated the rights and obligations as per the terms and conditions of the agreements. - Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard and applicable laws and regulations.
<p>Fair value of company's investment in equity shares of Bosch Electrical Drives India Private Limited (Refer note 8 and note 36 to the financial statements)</p> <p>The Company's investment in equity shares of Bosch Electrical Drives India Private Limited ("Bosch") is required to be measured at fair value at each reporting date in accordance with relevant accounting standard. This investment is not publicly traded and hence its fair valuation involves techniques which uses significant unobservable inputs.</p> <p>We identified this as a key audit matter due to the judgements / estimates involved in establishing the relevant valuation technique and the relevant inputs thereof and because the impact of the fair valuation on the financial statements is material.</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"> - Understood the valuation technique and assumptions used by the independent valuation expert appointed by the management to carry out the fair valuation and evaluated whether the same was in accordance with the relevant accounting standard relating to the fair valuation. - With the help of our valuation specialists, evaluated the reasonableness of key assumptions specifically those relating to revenue multiples, discount factors and their comparison with revenue multiples of comparable companies and evaluated the final computation of the fair valuation as per the aforesaid assumptions. - Considered the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard.

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 our Auditor's Report 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 Responsibility 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 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 Auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements - Refer Note 37 to the financial statements.
 - ii. 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 24 to the financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid 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 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) which are required to be commented upon by us.

for **BSR & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Harsh Vardhan Lakhotia
Partner
Membership No. 222432
ICAI UDIN: 20222432AAAAAN9109

Place: Chennai
Date: June 4, 2020

Annexure A to the Independent Auditor's Report on the financial statements of Igarashi Motors India Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the examination of records produced by the Company, the title deeds of the immoveable properties included in fixed assets is in the name of the Company.
- (ii) Inventories apart from goods in transit have been physically verified by the Management during the year and the discrepancies noticed on such verification between the physical stock and book records were not material. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the investments made. The Company has not granted any loans or provided any guarantee or security to the parties covered under Section 185 and 186 of the Act. Accordingly, to that extent paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of customs, goods and services tax, employees' state insurance, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, duty of customs, goods and services tax, employees' state insurance and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable other than the following dues:

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Financial year to which the amount relates	Due date
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	24.95	2018-19	April 15, 2019

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, duty of excise, duty of customs and service tax which have not been deposited with the appropriate authorities on account of any disputes other than the following dues:

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Financial year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	16.61	10.00	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	12.18	-	2012-13	Commissioner of Income Tax (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks / financial institutions. The Company did not have any dues to debenture holders or loans or borrowings from the Government.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans raised by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals as per provision of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on 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, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **BSR & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Harsh Vardhan Lakhotia
Partner
Membership No. 222432
ICAI UDIN: 20222432AAAAAN9109

Place: Chennai
Date: June 4, 2020

Annexure B to the Independent Auditor's Report on the financial statements of Igarashi Motors India Limited

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 Companies Act, 2013

(Referred to in paragraph (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 March 31, 2020 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 March 31, 2020, 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 Responsibility 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 Companies Act, 2013 (hereinafter referred to as "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 whether 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 such internal financial controls, 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 Number: 101248W/W-100022

Harsh Vardhan Lakhotia

Partner

Membership No. 222432

ICAI UDIN: 20222432AAAAAN9109

Place: Chennai

Date: June 4, 2020

Balance Sheet as at 31st March 2020

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	5	37,714.53	37,862.65
Capital work-in-progress	5	517.52	1,902.93
Right-of-use assets	6	1,205.04	-
Intangible assets	7	457.43	388.62
Intangible assets under development	7	615.33	400.64
Financial assets			
Investments	8	730.02	2,159.00
Deposits and other receivables	14	440.60	514.73
Other financial assets	15	-	233.67
Income tax assets		608.45	87.61
Other non-current assets	16	15.12	82.61
Total non-current assets		42,304.04	43,632.46
Current assets			
Inventories	9	7,646.68	6,171.22
Financial assets			
Investments	10	2,052.17	1,254.05
Trade receivables	11	13,711.01	14,172.05
Cash and cash equivalents	12	282.11	255.53
Other bank balances	13	59.42	46.68
Deposits and other receivables	14	110.69	104.63
Other financial assets	15	65.92	504.07
Other current assets	16	1,069.63	889.16
Total current assets		24,997.63	23,397.39
Total assets		67,301.67	67,029.85
Equity and liabilities			
Equity			
Equity share capital	17	3,147.50	3,147.50
Other equity			
Securities premium		13,432.35	13,432.35
Retained earnings		27,254.66	26,272.24
Others (including items of Other Comprehensive Income)		(1,549.38)	106.38
Total equity		42,285.13	42,958.47
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	6	687.63	-
Borrowings	21	2,829.09	4,050.68
Deferred tax liabilities (net)	35	1,752.83	2,044.56
Total non-current liabilities		5,269.55	6,095.24

Balance Sheet as at 31st March 2020

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	As at 31 March 2020	As at 31 March 2019
Current liabilities			
Financial liabilities			
Lease Liabilities	6	673.91	-
Borrowings	21	4,641.71	1,764.09
Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		243.86	222.29
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,491.07	7,744.93
Other financial liabilities	24	3,865.16	7,064.38
Other current liabilities	25	300.37	674.84
Provisions	22	530.91	129.68
Income tax liabilities		-	375.93
Total current liabilities		19,746.99	17,976.14
Total liabilities		25,016.54	24,071.38
Total equity and liabilities		67,301.67	67,029.85
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

for and on behalf of the board of directors of

Igarashi Motors India Limited

(CIN: L29142TN1992PLC021997)

Harsh Vardhan Lakhotia

Partner

Membership No. 222432

R Chandrasekaran

Managing Director

DIN: 00012643

S M Vinodhini

Director

DIN: 08719578

S Vivekchandranath

Chief Financial Officer

P Dinakara Babu

Company secretary

Membership No. A14812

Place: Chennai

Date: 04 June 2020

Statement of Profit and Loss for the year ended 31st March 2020

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	27	53,439.48	60,616.01
Other income	28	1,167.49	2,504.45
Total Income		54,606.97	63,120.46
Expenses			
Cost of materials consumed	29	31,760.27	33,600.01
Changes in inventory of finished goods and work-in-progress	30	(445.33)	(89.73)
Employee benefits expense	31	5,152.14	5,619.48
Finance costs	32	1,408.16	1,476.89
Depreciation and amortization expense	33	4,253.50	3,992.72
Other expenses	34	9,232.65	9,928.31
Total expenses		51,361.39	54,527.68
Profit before tax		3,245.58	8,592.78
Tax expense	35		
Current tax		610.59	2,370.74
Deferred tax charge / (credit)		(417.07)	554.03
Tax for earlier years		61.20	(73.48)
Total tax expense		254.72	2,851.29
Profit for the year		2,990.86	5,741.49
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability	22	(291.07)	2.39
Equity investments through other comprehensive income - net change in fair value		(1,449.12)	(1,350.44)
Income tax relating to items that will not be reclassified to profit or loss	35	53.89	(0.84)
Net other comprehensive income that will not be reclassified subsequently to profit or loss		(1,686.30)	(1,348.89)
Items that will be subsequently reclassified to profit or loss			
Effective portion of gains / (losses) on hedging instruments in cash flow hedges		(470.22)	206.64
Income tax relating to items that will be reclassified to profit or loss	35	155.70	(72.21)
Net other comprehensive income that will be reclassified subsequently to profit or loss		(314.52)	134.43
Other comprehensive income for the year, net of income tax		(2,000.82)	(1,214.46)
Total comprehensive income for the year		990.04	4,527.03
Earnings per share			
Basic and diluted earnings per share (in Indian Rupees)	19	9.50	18.24
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: 04 June 2020

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

S M Vinodhini

Director

DIN: 08719578

P Dinakara Babu

Company secretary

Membership No. A14812

Statement of Changes in Equity for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

(a) Equity share capital

Particulars	Amount	No. of shares
Equity shares of ₹10 each issued, subscribed and fully paid		
Balance as at 1 April 2019	3,147.50	3,14,75,048
Issue during the year	-	-
Balance as at 31 March 2020	3,147.50	3,14,75,048

(b) Other equity

	Reserves and surplus				Other comprehensive income (OCI)			Total
	Securities premium	Retained earnings	General reserve	ESOP Out standing	Effective portion of cash flow hedges	Equity investments through OCI	Other items of OCI	
Balance as at 1 April 2018	13,519.01	22,744.85	464.42	-	114.67	103.52	(130.34)	36,816.13
Total comprehensive income for the year ended 31 March 2019								
Share based payment	-	-	-	768.57	-	-	-	768.57
Less: Bonus issue during the year	(86.66)	-	-	-	-	-	-	(86.66)
Profit for the year	-	5,741.49	-	-	-	-	-	5,741.49
Other comprehensive income for the year (net of tax)	-	-	-	-	134.43	(1,350.44)	1.55	(1,214.46)
Total comprehensive income	(86.66)	5,741.49	-	768.57	134.43	(1,350.44)	1.55	5,208.94
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends	-	(1,836.51)	-	-	-	-	-	(1,836.51)
Dividend distribution tax	-	(377.59)	-	-	-	-	-	(377.59)
Total Contributions and distributions to owners	-	(2,214.10)	-	-	-	-	-	(2,214.10)
Balance as at 31 March 2019	13,432.35	26,272.24	464.42	768.57	249.10	(1,246.92)	(128.79)	39,810.97

Statement of Changes in Equity for the year ended 31 March 2020

(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 Out standing	Effective portion of cash flow hedges	Equity investments through OCI	Other items of OCI	
Balance as at 1 April 2019	13,432.35	26,272.24	464.42	768.57	249.10	(1,246.92)	(128.79)	39,810.97
Total comprehensive income for the year ended 31 March 2020								
Share based payment	-	-	-	345.06	-	-	-	345.06
Impact on account of Ind AS 116 (refer Note 3.10 and Note 6)	-	(149.14)	-	-	-	-	-	(149.14)
Profit for the year	-	2,990.86	-	-	-	-	-	2,990.86
Other comprehensive income for the year (net of tax)	-	-	-	-	(314.52)	(1,449.12)	(237.18)	(2,000.82)
Total comprehensive income	-	2,841.72	-	345.06	(314.52)	(1,449.12)	(237.18)	1,185.96
Contributions and distributions to owners								
Dividends	-	(1,542.28)	-	-	-	-	-	(1,542.28)
Dividend distribution tax	-	(317.02)	-	-	-	-	-	(317.02)
Total Contributions and distributions to owners	-	(1,859.30)	-	-	-	-	-	(1,859.30)
Total transactions with owners	-	(1,859.30)	-	-	-	-	-	(1,859.30)
Balance as at 31 March 2020	13,432.35	27,254.66	464.42	1,113.63	(65.42)	(2,696.04)	(365.97)	39,137.63

Significant accounting policies 3

The notes referred to above form an integral part of standalone 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

for and on behalf of the board of directors of

Igarashi Motors India Limited

(CIN: L29142TN1992PLC021997)

Harsh Vardhan Lakhota

Partner

Membership No. 222432

R Chandrasekaran

Managing Director

DIN: 00012643

S M Vinodhini

Director

DIN: 08719578

S Vivekchandranath

Chief Financial Officer

P Dinakara Babu

Company secretary

Membership No. A14812

Place: Chennai

Date: 04 June 2020

Statement of Cash Flows for the year ended 31 March 2020

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit for the year	2,990.86	5,741.49
Adjustments for:		
Depreciation and amortization	4,253.50	3,992.72
Equity-settled share based payments	350.28	768.57
Provision for doubtful debts	21.60	31.52
Unrealised foreign exchange (gain) / loss	248.24	197.26
Loss / (gain) on sale of assets	1.39	(4.60)
Finance costs	1,408.16	1,476.89
Interest income on others	(11.24)	(28.74)
Gain on sale of investments	(153.84)	(257.40)
Interest income on cash and bank balances	(16.10)	(270.28)
Income tax expense	254.72	2,851.29
	9,347.57	14,498.72
Working capital adjustments:		
(Increase) / decrease in inventories	(1,475.46)	(82.94)
(Increase) / decrease in trade receivables	918.91	2,532.97
(Increase) / decrease in deposits and other receivables	79.31	(31.62)
(Increase) / decrease in other current / non-current financial assets	671.82	2,094.55
(Increase) / decrease in other current / non-current assets	(587.98)	836.48
Increase / (decrease) in trade payable and other financial liabilities	1,541.20	(1,062.33)
Increase / (decrease) in provisions and other current liabilities	(264.31)	81.49
Cash generated from operating activities	10,231.06	18,867.32
Income tax paid (net)	(1,171.56)	(2,472.80)
Net cash generated from operating activities (A)	9,059.50	16,394.52
Cash flow from investing activities		
Interest received on cash and bank balances	16.10	270.28
Acquisition of property, plant and equipment, intangible assets and capital work-in-progress net of payable for capital goods and capital advances	(3,409.34)	(8,094.39)
Proceeds from sale of fixed assets	6.91	78.88
Investments in mutual funds (net)	(644.28)	527.19
Investments in equity shares	(20.14)	(2.38)
Investments in bank deposits (net)	(12.74)	10,372.95
Payment for acquisition of exports division	-	(13,562.82)
Net cash used in investing activities (B)	(4,063.49)	(10,410.29)

Statement of Cash Flows for the year ended 31 March 2020

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

		Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from financing activities			
Repayment of borrowings (net) *		(6,120.15)	(10,059.19)
Proceeds from borrowings (net) *		4,877.62	7,820.60
Repayment of lease liabilities		(486.75)	-
Interest paid		(1,393.59)	(1,504.31)
Dividend paid (and related dividend distribution tax)		(1,846.56)	(2,204.30)
Net cash used in financing activities (C)		(4,969.43)	(5,947.20)
* Also refer Note 21 for disclosure on changes in liabilities arising from financing activities			
Net increase in cash and cash equivalents (A+B+C)		26.58	37.03
Cash and cash equivalents as at April 1	12	255.53	218.50
Cash and cash equivalents as at March 31	12	282.11	255.53
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

S Vivekchandranath

Chief Financial Officer

S M Vinodhini

Director

DIN: 08719578

P Dinakara Babu

Company secretary

Membership No. A14812

Place: Chennai

Date: 04 June 2020

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

1 Background

Igarashi Motors India Limited ('IMIL' / 'Company') is primarily engaged in the manufacture of micro motors and its accessories mainly for the automotive sector. 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 04 June 2020.

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
- Share based payment transactions	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 36 – fair valuation of financial assets

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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 2020 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 22 – measurement of defined benefit obligations: key actuarial assumptions
- Note 36 – fair valuation of financial assets
- Note 35 – recognition of deferred tax assets
- Note 37 – recognition and measurement of provisions and contingencies
- Note 36 – Impairment of financial assets

2.4 Use of estimates and judgements (contd.)

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Company had to shut down its plant from 24 March 2020 till 6 May 2020 due to the lockdown and emergency measures taken by the Government of India. Subsequently, it has resumed its operations and taken measures to protect the health of its employees and ensure business continuity with minimal disruption.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, property plant and equipment, intangibles etc as well as liabilities accrued. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID 19 situation evolves in India and globally. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The Management also performed an evaluation of the Company's ability to continue as a going concern and believes that the company will not have any challenge in meeting its financial obligations for the next 12 months based on the financial position and liquidity (i.e. the net current assets) as on the date of the balance sheet and as on the date of signing of these financial results. However, the Company will continue to closely monitor any material changes to future economic conditions.

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:

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

- 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 36 – financial instruments and in Note 20 - share-based payments.

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 2020

(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.

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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 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.

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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, 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.

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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 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).

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.

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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.

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. 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 assesses 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

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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 prorata 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.

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

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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 increase in 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 good 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 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

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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

With effect from 1 April 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company’s incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognition of ‘Right of Use’ asset of ₹1,729 lakhs, lease liability of ₹1,880 lakhs and transfer of prepaid rent of ₹80 lakhs to right-of-use asset. The cumulative effect of applying the standard, amounting to ₹149 lakhs [net of deferred tax asset created of ₹82 lakhs] has been adjusted to retained earnings as at 1st April 2019.

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.

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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 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:

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

- 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.

iii. Minimum alternate tax

Minimum Alternative Tax (“MAT”) under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an deferred tax asset only when and to the extent there is convincing evidence that the branch will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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.

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.

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

4 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

5 Property, plant and equipment

	Buildings	Plant and equipment	Office equipments	Furniture and fixtures	Vehicles	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount								
Balance at 1 April 2018	6,467.27	31,732.47	144.37	186.42	52.39	38,582.92	4,163.72	42,746.64
Additions	2,033.70	7,851.99	43.21	95.94	-	10,024.84	7,162.91	17,187.75
Disposals / Deletions	-	(763.17)	(39.56)	(28.01)	(10.95)	(841.69)	(9,423.70)	(10,265.39)
Balance at 31 March 2019	8,500.97	38,821.29	148.02	254.35	41.44	47,766.07	1,902.93	49,669.00
Additions	23.39	3,388.98	2.15	76.38	-	3,490.90	2,185.01	5,675.91
Disposals / Deletions	-	(15.65)	-	-	-	(15.65)	(3,570.42)	(3,586.07)
Balance at 31 March 2020	8,524.36	42,194.62	150.17	330.73	41.44	51,241.32	517.52	51,758.84
Accumulated depreciation								
Balance at 1 April 2018	377.62	6,254.88	53.70	37.77	15.05	6,739.02	-	6,739.02
Depreciation for the year	302.15	3,558.47	35.64	28.02	7.53	3,931.81	-	3,931.81
Accumulated depreciation on disposals	-	(690.32)	(39.46)	(27.83)	(9.80)	(767.41)	-	(767.41)
Balance at 31 March 2019	679.77	9,123.03	49.88	37.96	12.78	9,903.42	-	9,903.42
Depreciation for the year	332.32	3,225.87	30.57	35.80	6.16	3,630.72	-	3,630.72
Accumulated depreciation on disposals	-	(7.35)	-	-	-	(7.35)	-	(7.35)
Balance at 31 March 2020	1,012.09	12,341.55	80.45	73.76	18.94	13,526.79	-	13,526.79
Carrying amount (net)								
As at 31 March 2019	7,821.20	29,698.26	98.14	216.39	28.66	37,862.65	1,902.93	39,765.58
As at 31 March 2020	7,512.27	29,853.07	69.72	256.97	22.50	37,714.53	517.52	38,232.05

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

6 Right-of-use assets - Leases

Right-of-use assets	Leasehold land
Balance at 1 April 2019	-
Additions on account of Transition to Ind AS 116 - 1st April 2019	1,728.58
Additions	-
Disposals	(22.19)
Balance at 31 March 2020	1,706.39
Accumulated depreciation	
Balance at 1 April 2019	-
Additions on account of Transition to Ind AS 116 - 1st April 2019	519.35
Additions	-
Disposals	(18.00)
Balance at 31 March 2020	501.35
Carrying amount (net)	
As at 31 March 2020	1,205.04

Lease liabilities

	As at 31 March 2020
Current lease liabilities	673.91
Non-current lease liabilities	687.63
	1,361.54

The following is the movement in lease liabilities during the year ended 31 March 2020:

	As at 31 March 2020
Balance at 1 April 2019	-
Additions on account of Transition to Ind AS 116 - 1st April 2019	1,879.63
Finance cost accrued during the period	157.91
Deletions	(27.62)
Payment of lease liabilities	(648.38)
Balance at 31 March 2020	1,361.54

Rental expense recorded for short-term leases was ₹48.56 lakhs for the year ended 31 March 2020. (Also refer note 3.10)

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

7 Intangible assets

	Product design expenses	Specialised software	Intangible assets under development	Total
Gross carrying amount				
Balance at 1 April 2018	147.49	296.96	216.00	660.45
Additions	277.70	32.54	184.64	494.88
Disposals / Deletions	-	-	-	-
Balance at 31 March 2019	425.19	329.50	400.64	1,155.33
Additions	190.24	-	404.93	595.17
Disposals / Deletions	-	-	(190.24)	(190.24)
Balance at 31 March 2020	615.43	329.50	615.33	1,560.26
Accumulated amortization				
Balance at 1 April 2018	112.04	193.12	-	305.16
Amortization for the year	35.44	25.47	-	60.91
Disposals / Deletions	-	-	-	-
Balance at 31 March 2019	147.48	218.59	-	366.07
Amortization for the year	93.90	27.53	-	121.43
Disposals / Deletions	-	-	-	-
Balance at 31 March 2020	241.38	246.12	-	487.50
Carrying amount (net)				
As at 31 March 2019	277.71	110.91	400.64	789.26
As at 31 March 2020	374.05	83.38	615.33	1,072.76

8 Non-current investments

	As at 31 March 2020	As at 31 March 2019
Unquoted instruments		
<i>Equity shares at FVOCI</i>		
3,370,049 (31 March 2019: 3,370,049) equity shares of Bosch Electrical Drives India Private Limited	674.01	2,123.14
188,762 (31 March 2019: 188,762) equity shares of Beta Wind Farm Private Limited	35.86	35.86
201,470 (31 March 2019: Nil) equity shares of Hexa Wind Farm Private Limited	20.15	-
	730.02	2,159.00
Aggregate value of unquoted investments	730.02	2,159.00
Aggregate amount of impairment in value of investments	2,696.04	1,246.92

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

9 Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials and components (includes raw materials in transit amounting to ₹1,150.47 lakhs; 31 March 2019: ₹1,021.44 lakhs)	5,332.25	3,944.18
Work in progress	342.46	672.75
Finished goods	1,057.38	281.76
Stores and spares (includes stores and spares in transit amounting to Nil; 31 March 2019: ₹18.71 lakhs)	438.05	495.43
Tools	476.54	777.10
	7,646.68	6,171.22

10 Current investments

Particulars	As at 31 March 2020	As at 31 March 2019
Unquoted investments carried at FVTPL		
Units in mutual funds		
ICICI Prudential Mutual fund - Money Market Fund - DRT Growth Plan 167,582 units (31 March 2019 - 461,430 units)	468.00	1,200.46
Tata Liquid Fund - Growth Plan - Nil units (31 March 2019 - 1,820 units)	-	53.59
ICICI Prudential Short Term Fund- DP Growth Plan - 1,949,523 units (31 March 2019 - Nil units)	864.93	-
ICICI Prudential Ultra Short Term Fund - DP Growth Plan 3,349,450 units (31 March 2019- Nil units)	719.24	-
	2,052.17	1,254.05
Aggregate value of unquoted investments	2,052.17	1,254.05

11 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	13,811.16	14,250.60
Less : Loss allowance for expected credit losses	(100.15)	(78.55)
	13,711.01	14,172.05
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	9,835.79	11,299.91
Less : Loss allowance for expected credit losses	(11.08)	(51.32)
Net trade receivables	9,824.71	11,248.59
The Company's exposure to credit and currency risks, loss allowances are disclosed in Note 36.		
For receivables secured against borrowings, see Note 21.		

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

12 Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with banks:		
- in current accounts	282.11	255.53
Cash and cash equivalents in balance sheet	282.11	255.53
Cash and cash equivalents in the statements of cash flows	282.11	255.53

13 Other bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
Earmarked balances with banks - unpaid dividend accounts	59.42	46.68
	59.42	46.68

14 Deposits and other receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposit	435.98	432.83
Advance to employees	4.62	81.90
	440.60	514.73
Current		
Security deposit	89.73	73.53
Advance to employees	20.96	31.10
	110.69	104.63

15 Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Forward exchange contracts used for hedging	-	233.67
	-	233.67
Current		
Forward exchange contracts used for hedging	-	175.35
MEIS scrips available for sale	65.92	328.72
	65.92	504.07

16 Other assets

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Prepayments	15.12	82.61
	15.12	82.61
Current		
Prepayments	225.46	292.20
Balances with statutory authorities	315.74	171.94

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Export incentive receivable	430.42	400.16
Others	98.01	24.86
	1,069.63	889.16

17 Share Capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
35,000,000 (31 March 2019: 35,000,000) equity shares of ₹10 each	3,500.00	3,500.00
Issued, Subscribed and Paid-up		
31,475,048 (31 March 2019: 31,475,048) equity shares of ₹10 each fully paid up	3,147.50	3,147.50

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	31 March 2020		31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
At the commencement of the year	3,14,75,048	3,147.50	3,06,08,444	3,060.84
Issue of bonus shares during the year	-	-	8,66,604	86.66
At the end of the year	3,14,75,048	3,147.50	3,14,75,048	3,147.50

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

Terms attached to stock options granted are described in Note 20 regarding share-based payments.

d. Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Agile Electric Sub Assembly Private Limited, the Holding Company	1,71,42,121	1,714.21	1,34,80,614	1,348.06
Igarashi Electric Works (H.K) Limited, Hong Kong, the subsidiary of the ultimate holding company	24,99,993	250.00	24,99,993	250.00
Igarashi Electric Works Limited, Japan, the ultimate holding company	39,64,174	396.42	9,67,648	96.76

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

e. Particulars of shareholders holding more than 5% shares of a class of shares

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of total shares	No. of Shares	% of total shares
Agile Electric Sub Assembly Private Limited	1,71,42,121	54.46%	1,34,80,614	42.83%
Mr. P. Mukund	-	-	66,58,033	21.15%
Igarashi Electric Works (H.K) Limited, Hong Kong	24,99,993	7.94%	24,99,993	7.94%
UTI Mutual Fund	15,44,328	4.91%	16,35,664	5.20%
Igarashi Electric Works Limited, Japan	39,64,174	12.59%	9,67,648	3.16%

f. Shares reserved for issue under options

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Under Employee Stock Option Scheme, 2017: 600,000 equity shares of ₹10 each, at an exercise price of ₹650 per share (see Note 20)	60.00	60.00

g. In the period of five years immediately preceding March 31, 2020:

- i) 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.
- ii) The Company has not allotted any other equity shares as fully paid up without payment being received in cash.

18 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. ESOP Outstanding account

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance	768.57	-
Share-based payments	345.06	768.57
	1,113.63	768.57

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

C. Dividends

The following dividends were declared and paid by the Company during the year

	Year ended 31 March 2020	Year ended 31 March 2019
₹4.90/- per equity share (31 March 2019: ₹6.00/- per equity share)	1,542.28	1,836.51
Dividend distribution tax (DDT) on dividend to equity shareholders	317.02	377.59
	1,859.30	2,214.10

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax as per the applicable tax laws.

	Year ended 31 March 2020	Year ended 31 March 2019
₹1.20/- per equity share (31 March 2019: ₹4.90/- per equity share)	377.70	1,542.28

D. Analysis of accumulated OCI (net of tax)

(i) Other items of OCI

	As at 31 March 2020	As at 31 March 2019
Remeasurements of defined benefit liability	(365.97)	(128.79)
	(365.97)	(128.79)

Remeasurements of defined benefit liability

	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance	(128.79)	(130.34)
Remeasurements of defined benefit liability	(237.18)	1.55
Closing balance	(365.97)	(128.79)

(ii) Disaggregation of changes in items of OCI (net of tax)

	Equity investments through OCI (a)	Effective portion of cash flow hedges (b)	Remeasurement of defined benefit liability (c)	Total
Year ended 31 March 2019				
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	-	134.43	-	134.43
Equity investments through other comprehensive income - net change in fair value	(1,350.44)	-	-	(1,350.44)
Remeasurement of defined benefit liability	-	-	1.55	1.55
	(1,350.44)	134.43	1.55	(1,214.46)
Year ended 31 March 2020				

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

	Equity investments through OCI (a)	Effective portion of cash flow hedges (b)	Remeasurement of defined benefit liability (c)	Total
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	-	(314.52)	-	(314.52)
Equity investments through other comprehensive income - net change in fair value	(1,449.12)	-	-	(1,449.12)
Remeasurement of defined benefit liability	-	-	(237.18)	(237.18)
	(1,449.12)	(314.52)	(237.18)	(2,000.82)

a. Equity investments through OCI

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Company transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

b. 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.

c. 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.

19 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:

(i) Profit attributable to equity shareholders (basic and diluted)

	Year ended 31 March 2020	Year ended 31 March 2019
Profit for the year, attributable to the equity holders	2,990.86	5,741.49

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

(ii) Weighted average number of equity shares (for computing basic earnings per share)

Opening balance (number of equity shares)	3,14,75,048	3,06,08,444
Effect of fresh issue of shares (bonus issue)	-	8,66,604
Weighted average number of equity shares for the year	3,14,75,048	3,14,75,048

(iii) Weighted average number of equity shares (for computing diluted earnings per share)

Opening balance (number of equity shares)	3,14,75,048	3,06,08,444
Effect of fresh issue of shares (bonus issue)	-	8,66,604
Effect of dilutive common equivalent shares - share options outstanding	-	-
Weighted average number of equity shares for the year	3,14,75,048	3,14,75,048

Equity stock options were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

20 Share-based payments

A. Description of share-based payment arrangements

At 31 March 2020, the Company has the following share-based payment arrangements:

Employees Stock Option Scheme - 2017 (equity settled)

The scheme was approved by a resolution of the Board of Directors of Igarashi Motors India Limited duly passed on 11 May 2017 and by a special resolution of shareholders on 2 August 2017. The scheme provides for issuance of 600,000 options, convertible to equivalent number of equity shares of Face Value of ₹10 each, to the eligible employees (key management personnel, employees of the Holding Company and other employees of the Company). The exercise price shall be ₹650 per option or such other price as may be fixed by the Board or Committee. The options will vest over a period of 2 years, with 50% vesting each year. The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Grant date/employees entitled	Number of instruments granted	Vesting conditions	Contractual life of options
Option grant to key management personnel of the Company on 22 May 2018	17,000	Options will lapse on resignation	2 years
Option grant to key management personnel of the Company on 22 May 2018	17,000	Same as above	3 years
Option grant to employees of Holding Company on 22 May 2018	19,450	Same as above	2 years
Option grant to employees of Holding Company on 22 May 2018	19,450	Same as above	3 years
Option grant to other employees of the Company on 22 May 2018	217,350	Same as above	2 years
Option grant to other employees of the Company on 22 May 2018	217,350	Same as above	3 years
Total share options	507,600		

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

B. Measurement of fair values

	Year ended 31 March 2020	Year ended 31 March 2019
Fair value at grant date (value based on Black-Scholes Merton formula)	254.96	254.96
Share price at grant date	795.85	795.85
Exercise price	650	650
Expected volatility (weighted average volatility)	30%	30%
Expected life (expected weighted average life)	1.5 to 2.5 years	1.5 to 2.5 years
Expected dividends	0.88%	0.88%
Risk-free interest rate (based on government bonds) (weighted average rate)	7.28%	7.28%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price.

Measurement of fair values for key management personnel and other employees is done using same assumptions / values.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans are as follows.

	Year ended 31 March 2020		Year ended 31 March 2019	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Opening balance	650.00	455,850	-	-
Granted during the period	-	-	650.00	507,600
Forfeited during the period	650.00	(29,225)	650.00	(51,750)
Outstanding at 31 March	650.00	426,625	650.00	455,850
Exercisable at 31 March		-		-

The options outstanding at 31 March 2020 have an exercise price of ₹650 per share and a weighted average remaining contractual life of 1.5 years.

D. Expense recognised in statement of profit and loss

The Company has granted 507,600 options (468,700 options to its employees and 38,900 stock options to the employees of the Holding Company) under its stock option plan during the year ended 31 March 2019. Accordingly, the Company has recorded net employee benefit expenses amounting to ₹350.28 lakhs for the year ended 31 March 2020 (₹721.60 lakhs for the year ended 31 March 2019) based on the fair value of the options granted. Also see Note 31.

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

21 Borrowings

	As at 31 March 2020	As at 31 March 2019
Non-current borrowings		
<i>Term Loan from banks (Secured)</i>		
External commercial borrowings (ECB)	-	566.10
Term loan from banks	2,829.09	3,484.58
	2,829.09	4,050.68
Current borrowings		
<i>Loan from banks (Secured)</i>		
Current maturities of long term borrowings (ECB and term loan)	3,555.97	6,017.19
Working capital facilities from banks - (Buyer's credit, cash credit and packing credit)	4,641.71	1,764.09
	8,197.68	7,781.28
Less: Amount included under 'other financial liabilities'	(3,555.97)	(6,017.19)
	4,641.71	1,764.09

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 36

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 2020	Carrying amount at 31 March 2019
ECB	USD	Libor + 2.95%	2017-21	618.90	1,701.61
ECB	USD	Libor + 3.40%	2016-20	-	389.09
Term loan from banks - I	INR	Base rate + 1%	2016-20	-	1,250.00
Term loan from banks - II	INR	Base rate + 1%	2017-21	369.79	1,109.38
Term loan from banks - III	USD	Libor + 2.75%	2018-22	3,396.36	5,617.79
Term loan from banks - IV	INR	MCLR + 1%	2020-23	2,000.00	-
Packing credit - I	USD	Libor + 2.50%	2019-20	2,641.63	899.34
Packing credit - II	USD	Libor + 2.75%	2019-20	2,000.09	864.75
				11,026.77	11,831.96

B. Secured bank loans

External commercial borrowings 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.

Term loan from banks (I, II, III & IV) 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.

Packing credit - I 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 fixed assets of the Company, both present and future.

Packing credit - II are secured by first pari passu charge on the current assets of the Company; and pari passu second charge on moveable fixed assets of the Company.

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

C. Changes in liabilities arising from financing activities

	As at 31 March 2019	Cash flows	Foreign exchange movement	As at 31 March 2020
Long-term borrowings (including current maturities)	10,067.87	(3,907.60)	224.79	6,385.06
Short-term borrowings	1,764.09	2,665.07	212.55	4,641.71
Total liabilities from financing activities	11,831.96	(1,242.53)	437.34	11,026.77

	As at 31 March 2018	Cash flows	Foreign exchange movement	As at 31 March 2019
Long-term borrowings (including current maturities)	7,771.91	2,189.10	106.86	10,067.87
Short-term borrowings	6,203.80	(4,427.69)	(12.02)	1,764.09
Total liabilities from financing activities	13,975.71	(2,238.59)	94.84	11,831.96

22 Provisions

	As at 31 March 2020	As at 31 March 2019
Provision for employee benefit		
Net defined liability for gratuity	349.93	56.46
Liability for compensated absences	159.79	73.22
Other provisions	21.19	-
	530.91	129.68
Non current	-	-
Current	530.91	129.68
	530.91	129.68

For details about the related employee benefit expenses, see Note 31

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)

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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 2020	As at 31 March 2019
Balance at the beginning of the year	706.70	644.74
Benefits paid	(164.24)	(41.30)
Current service cost	80.20	66.73
Interest cost	53.54	49.11
Acquisition adjustment	(4.35)	(13.48)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	(58.66)	-
- changes in financial assumptions	129.53	(6.13)
- experience adjustments	218.69	7.03
Balance at the end of the year	961.41	706.70

Reconciliation of present value of plan assets

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	650.24	409.82
Benefits paid	(164.24)	(41.30)
Contributions paid into the plan	82.07	226.09
Interest income	49.27	35.57
Employee transfer adjustment	(4.35)	16.77
Return on plan assets recognised in other comprehensive income	(1.51)	3.29
Balance at the end of the year	611.48	650.24
Net defined benefit obligation	349.93	56.46

B. Expense recognised in the statement of profit or loss

	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	80.20	66.73
Interest cost	53.54	49.11
Interest income	(49.27)	(35.57)
	84.47	80.27

Remeasurements recognised in other comprehensive income

	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial (gain) loss on defined benefit obligations	289.56	0.90
Return on plan assets excluding interest income	1.51	(3.29)
	291.07	(2.39)

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

C. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2020	As at 31 March 2019
Discount rate	5.85%	7.65%
Future salary growth	8.00%	8.00%
Attrition rate	17%	10%

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 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(50.41)	55.83	(49.69)	56.82
Future salary growth (1% movement)	52.49	(48.77)	54.01	(48.09)
Attrition rate (50% of attrition rates movement)	(35.29)	78.80	(7.99)	13.22

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

D. Movement in other provisions

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	-	-
Add: Provision made during the year	1,118.90	495.47
Less: Amount utilized during the year	(1,097.71)	(495.47)
Balance at the end of the year	21.19	-

23 Trade payables

	As at 31 March 2020	As at 31 March 2019
Dues to micro, small and medium enterprises (refer Note 39)	243.86	222.29
Dues of creditors other than micro enterprises and small enterprises		
Dues to related parties (refer Note 38)	441.12	311.14
Dues to others	9,049.95	7,433.79
	9,491.07	7,744.93
	9,734.93	7,967.22

All trades payables are 'current'

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in Note 36. 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 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

24 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (refer Note 21)	3,555.97	6,017.19
Payables for capital goods	74.87	973.79
Forward exchange contracts used for hedging	133.61	-
Interest accrued but not due	41.29	26.72
Unpaid dividends	59.42	46.68
	3,865.16	7,064.38

All other financial liabilities are 'current'

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in Note 36.

25 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Dues to employees	5.82	459.22
Advances from customers	133.82	34.30
Statutory dues	160.73	181.32
	300.37	674.84

26 Operating segments

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 is predominantly engaged in the business of manufacture of micro motors and its accessories mainly for the automotive sector. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these financial statements are reflective of the information required by the Ind AS 108 for micro motors segment. The Company's operations are entirely domiciled in India and as such all its non-current assets are located in India.

A. 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 2020	Year ended 31 March 2019
United States of America	16,488.50	28,364.38
Japan	10,439.49	685.95
Germany	9,036.23	13,244.10
Hong Kong	8,313.32	8,013.25
India	5,916.63	6,493.87
Rest of the world	3,245.31	3,814.46
	53,439.48	60,616.01

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

The Company's operations are entirely carried out of India and as such all its non-current assets are located in India.

B. Major Customers

Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Igarashi Motoren Gmbh, Germany	7,063.12	11,679.26
Igarashi Motor Sales USA LLC, USA	15,861.95	27,692.70
Igarashi Electric Works Limited, Japan	10,439.49	685.95
Igarashi Electric Works International Limited, Hong Kong	8,313.32	8,013.25

27 Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
a Revenue streams		
Sale of products	52,381.51	58,604.79
Other operating revenue		
Scrap Sales	1,057.97	1,325.27
Capacity commitment fees	-	685.95
	53,439.48	60,616.01

b Revenue from contract with customers have been disaggregated based on customer markets (refer Note 26)

c Contract balances

The following disclosure provide information about receivables, contract assets and liabilities from contract with customers.

	Year ended 31 March 2020	Year ended 31 March 2019
Receivable which are included in trade receivables (refer Note 11)	13,711.01	14,172.05
Payable which are included in other current liabilities (refer Note 25)	133.82	34.30

28 Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Income from MEIS scrips	859.03	1,928.02
Interest income on		
Cash and bank balances	16.10	270.28
Others	11.24	28.74
Financial assets at FVTPL-net change in fair value		
Mandatorily measured at FVTPL - others	153.84	257.40
Gain on foreign currency transactions (net)	96.46	-
Miscellaneous income	30.82	20.01
	1,167.49	2,504.45

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

29 Cost of materials consumed

	Year ended 31 March 2020	Year ended 31 March 2019
Inventory of materials at the beginning of the year	4,721.28	4,650.35
Add: Purchases	32,847.78	33,670.94
Less: Inventory of materials at the end of the year	(5,808.79)	(4,721.28)
	31,760.27	33,600.01

30 Changes in inventory of finished goods and work-in-progress

	Year ended 31 March 2020			Year ended 31 March 2019		
	Opening stock	Closing stock	(Increase) / Decrease	Opening stock	Closing stock	(Increase) / Decrease
Finished goods	281.76	1,057.38	(775.62)	369.26	281.76	87.50
Work-in-progress	672.75	342.46	330.29	495.52	672.75	(177.23)
	954.51	1,399.84	(445.33)	864.78	954.51	(89.73)

31 Employee benefits expense

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	3,532.49	3,803.42
Contribution to provident funds	229.73	206.21
Expenses related to post-employment defined benefit plans	84.47	80.27
Expenses related to compensated absences	162.87	22.11
Equity-settled share based payments	350.28	721.60
Staff welfare expenses	792.30	785.87
	5,152.14	5,619.48

32 Finance costs

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on financial liabilities (other than lease liabilities) measured at amortised cost	673.10	1,036.86
Interest expense on lease liabilities	157.91	-
Applicable net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	417.46	229.97
Others	159.69	210.06
	1,408.16	1,476.89

33 Depreciation and amortization expense

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment (refer Note 5)	3,630.72	3,931.81
Amortization of right-of-use assets (refer Note 6)	501.35	-
Amortization of intangible assets (refer Note 7)	121.43	60.91
	4,253.50	3,992.72

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

34 Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and tools	797.23	1,327.72
Freight, delivery and shipping charges	288.69	362.05
Rent	48.56	448.21
Outsourced manpower cost	2,010.52	1,850.38
Commission	103.61	40.52
Power and fuel	1,143.32	1,127.65
Rates and taxes	108.75	87.64
Insurance	152.25	161.80
Repairs and maintenance		
Buildings	16.67	42.24
Machinery	917.96	1,037.32
Others	31.29	29.20
Legal and professional charges (refer note (a) below)	835.61	811.63
Royalty	73.48	-
Travel and Conveyance	476.36	533.37
Communication expenses	56.88	78.85
Recruitment and training	9.36	82.31
Sitting fees and commission to Independent Directors' (including taxes)	39.83	37.75
Security expenses	234.31	207.28
Printing and stationery	54.87	54.10
Quality cost	1,118.90	495.47
Provision for loss allowance for expected credit losses	21.60	31.52
Bank charges	93.76	95.80
Expenditure on corporate social responsibility (refer note (b) below)	202.20	210.71
Loss on foreign currency transactions (net)	-	154.39
Miscellaneous expenses	396.64	620.40
	9,232.65	9,928.31

a. Payment to auditors (excluding taxes)

	Year ended 31 March 2020	Year ended 31 March 2019
As auditor		
Statutory audit	45.00	45.00
Tax audit	4.50	4.50
Limited review of quarterly results	29.00	22.00
	-	-
In other capacity		
Tax services	5.75	16.55
Certification	9.00	11.00
Reimbursement of expenses	6.30	6.80
	99.55	105.85

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

b. Details of corporate social responsibility expenditure

	Year ended 31 March 2020	Year ended 31 March 2019
Amount required to be spent by the Company during the year	199.57	207.19
Amount spent during the year (in cash) :		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	202.20	210.71

c. Expenditure incurred on research and development

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue expenditure - charged to statement of profit and loss	412.58	391.57

35 Income tax

A. Amount recognised in the statement of profit and loss

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current period	610.59	2,370.74
Tax for earlier years	61.20	(73.48)
Total current tax expense	671.79	2,297.26
Deferred tax		
Origination and reversal of temporary difference	(417.07)	554.03
Total deferred tax expense / (benefit)	(417.07)	554.03
	254.72	2,851.29

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2020			Year ended 31 March 2019		
	Before tax	Tax benefit	Net of tax	Before tax	Tax expense	Net of tax
Remeasurement of defined benefit liability (asset)	(291.07)	53.89	(237.18)	2.39	(0.84)	1.55
Effective portion of gains (losses) on hedging instruments in cash flow hedges	(470.22)	155.70	(314.52)	206.64	(72.21)	134.43
	(761.29)	209.59	(551.70)	209.03	(73.05)	135.98

C. Reconciliation of effective tax rate

	Year ended 31 March 2020		Year ended 31 March 2019	
Profit before tax		3,245.58		8,592.78
Tax using the Company's domestic tax rate	25.17%	816.85	34.94%	3,002.66
Tax incentives	0.00%	-	-0.80%	(68.42)
Effect of tax rate changes on deferred tax	-19.41%	(630.07)	0.00%	-
Tax related to prior years	1.89%	61.20	-0.86%	(73.48)
Effect of business acquisition	0.00%	-	-1.26%	(108.36)
Effect of non-deductible expenses	0.21%	6.74	1.15%	98.88
Income tax expense	7.85%	254.72	33.18%	2,851.29

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

35 Income tax (contd.)

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 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Property, Plant and Equipment	-	-	2,038.72	2,463.87	2,038.72	2,463.87
Leases	(51.90)	-	-	-	(51.90)	-
Provision - employee benefits	(128.29)	(91.78)	-	-	(128.29)	(91.78)
Effective portion of cash flow hedges	-	-	(14.27)	141.43	(14.27)	141.43
Minimum Alternate Tax	-	(417.00)	-	-	-	(417.00)
Other items	(100.19)	(60.59)	8.76	8.63	(91.43)	(51.96)
Net deferred tax (assets) / liabilities	(280.38)	(569.37)	2,033.21	2,613.93	1,752.83	2,044.56

Movement in temporary differences:

	Balance as at 1 April 2018	Recognized in profit or loss during 2018-19	Recognized in OCI during 2018-19	Balance as at 31 March 2019	Transition impact on adoption of Ind AS 116	Recognized in profit or loss during 2019-20	Recognized in OCI during 2019-20	Balance as at 31 March 2020
Property, Plant and Equipment	1,439.02	1,024.85	-	2,463.87	-	(425.15)	-	2,038.72
Leases	-	-	-	-	(82.07)	30.17	-	(51.90)
Provision - employee benefits	(89.06)	(3.56)	0.84	(91.78)	-	17.38	(53.89)	(128.29)
Investments at fair value through profit or loss	6.99	(6.99)	-	-	-	-	-	-
Effective portion of cash flow hedges	69.22	-	72.21	141.43	-	-	(155.70)	(14.27)
Other items	(8.69)	(43.27)	-	(51.96)	-	(39.47)	-	(91.43)
	1,417.48	971.03	73.05	2,461.56	(417.00)	(417.07)	(209.59)	1,752.83
Minimum Alternate Tax*	-	(417.00)	-	(417.00)	-	417.00	-	-
	1,417.48	554.03	73.05	2,044.56	-	(0.07)	(209.59)	1,752.83

During the year, the Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) was promulgated on 20 September 2019, which provides an option to domestic companies to pay income tax at reduced rates applicable from 1 April 2019, subject to certain conditions therein. Company after detailed evaluation, has opted for new tax regime. Accordingly the tax rate used for the 2019-20 is 22% plus applicable surcharges and cess.

* In 2019-20, Minimum Alternate Tax has been adjusted with provision for taxes based on the actual returns filed by the Company and presented as net in tax for earlier years.

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

36 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 2020

	Carrying amount							Fair value			
	Note	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
Financial assets and liabilities measured at fair value											
Investments											
-Equity shares	8	-	-	730.02	-	-	730.02	-	-	730.02	730.02
-Mutual funds	10	-	2,052.17	-	-	-	2,052.17	2,052.17	-	-	2,052.17
		-	2,052.17	730.02	-	-	2,782.19	2,052.17	-	730.02	2,782.19
Financial assets and liabilities measured at fair value											
Forward exchange contracts used for hedging	24	133.61	-	-	-	-	133.61	-	133.61	-	133.61
		133.61	-	-	-	-	133.61	-	133.61	-	133.61

Financial assets not measured at fair value (Refer Note 1 below)

Trade receivables	11	-	-	-	-	-	13,711.01	-	-	13,711.01
Cash and cash equivalents	12	-	-	-	-	-	282.11	-	-	282.11
Other bank balances	13	-	-	-	-	-	59.42	-	-	59.42
MEIS scrips available for sale	15	-	-	-	-	-	65.92	-	-	65.92
Deposits and other receivables	14	-	-	-	-	-	551.29	-	-	551.29
		-	-	-	-	-	14,669.75	-	-	14,669.75

Financial liabilities not measured at fair value (Refer Note 1 below)

Trade payables	23	-	-	-	-	-	-	9,734.93	-	9,734.93
Lease Liabilities	6	-	-	-	-	-	-	1,361.54	-	1,361.54
Borrowings	21	-	-	-	-	-	-	11,026.77	-	11,026.77
Other financial liabilities	24	-	-	-	-	-	-	175.58	-	175.58
		-	-	-	-	-	-	22,298.82	-	22,298.82

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

31 March 2019

Financial assets measured at fair value

	Note	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
Investments											
- Equity shares	8	-	-	2,159.00	-	-	2,159.00	-	-	2,159.00	2,159.00
- Mutual funds	10	-	1,254.05	-	-	-	1,254.05	1,254.05	-	-	1,254.05
Forward exchange contracts used for hedging	15	409.02	-	-	-	-	409.02	-	409.02	-	409.02
		409.02	1,254.05	2,159.00	-	-	3,822.07	1,254.05	409.02	2,159.00	3,822.07

Financial assets not measured at fair value (Refer Note 1 below)

Trade receivables	11	-	-	-	14,172.05	-	14,172.05				
Cash and cash equivalents	12	-	-	-	255.53	-	255.53				
Other bank balances	13	-	-	-	46.68	-	46.68				
MEIS scrips available for sale	15	-	-	-	328.72	-	328.72				
Deposits and other receivables	14	-	-	-	619.36	-	619.36				
		-	-	-	15,422.34	-	15,422.34				

Financial liabilities not measured at fair value (Refer Note 1 below)

Trade payables	23	-	-	-	-	7,967.22	7,967.22				
Borrowings	21	-	-	-	-	11,831.96	11,831.96				
Other financial liabilities	24	-	-	-	-	1,047.19	1,047.19				
		-	-	-	-	20,846.37	20,846.37				

Note 1: The Company has not disclosed fair values of financial instruments such as trade receivables, cash and bank balances, deposits and other receivables, MEIS scrips available for sale, other receivables from related parties, trade payables, borrowings because their carrying amounts are reasonable approximations of their fair values.

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

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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

B. Measurement of fair values (contd.)

i. Valuation techniques and significant unobservable inputs (contd.)

Type	Valuation technique used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments in unquoted equity shares	31 March 2020 Market approach – in this approach, multiples and other relevant information generated by companies in similar business or market transactions involving identical or comparable (i.e. similar) companies are used to arrive at the fair value.	<ul style="list-style-type: none"> - Revenue multiples for comparable companies (31 March 2020: 0.8x to 0.9x) - Revenue multiples for comparable transactions (31 March 2020: 0.7x to 0.9x) 	The estimated fair value would increase / (decrease) if the revenue multiples were higher (lower).
	31 March 2019 Market approach – in this approach, multiples and other relevant information generated by companies in similar business or market transactions involving identical or comparable (i.e. similar) companies are used to arrive at the fair value.	<ul style="list-style-type: none"> - Revenue multiples for comparable companies (31 March 2019: 0.8x) - Revenue multiples for comparable transactions (31 March 2019: 1.3x to 1.5x) 	The estimated fair value would increase / (decrease) if the revenue multiples were higher (lower).

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

ii. Level 3 fair values

	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance	(1,246.92)	103.52
Gain included in OCI - net change in fair value (unrealised)	(1,449.12)	(1,350.44)
Closing balance	(2,696.04)	(1,246.92)

Sensitivity analysis

For the fair values of FVOCI equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	OCI, net of tax		OCI, net of tax	
	Increase	Decrease	Increase	Decrease
Revenue multiples for comparable companies (0.1x movement)	134.80	(134.80)	206.68	206.68
Revenue multiples for comparable transactions (0.1x movement)	134.80	(134.80)	51.67	51.67

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.

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.

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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 70% 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 2020	As at 31 March 2019
Japan	8,038.34	337.30
United States of America	179.46	5,552.06
Germany	1,289.68	2,959.19
Hong Kong	1,075.19	2,622.76
India	2,728.56	2,066.56
Rest of the world	499.93	712.73
Total receivables (Gross)	13,811.16	14,250.60

The ageing of trade receivables that were not impaired as at the reporting date was:

As at 31 March 2020

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit-impaired
Not due	9,529.32	0.26%	(25.03)	No
Past due 1-90 days	4,189.59	0.56%	(23.58)	No
Past due 90-180 days	87.13	53.28%	(46.42)	No
Past due 181-365 days	-	-	-	No
Past due 365 - 720 days	5.12	100.00%	(5.12)	No
Total	13,811.16		(100.15)	

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

As at 31 March 2019

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	10,777.36	0.00%	-	No
Past due 1-90 days	2,945.96	0.47%	(13.89)	No
Past due 90-180 days	508.42	9.84%	(50.05)	No
Past due 181-365 days	0.62	40.32%	(0.25)	No
Past due 365 - 720 days	18.24	78.78%	(14.37)	No
Total	14,250.60		(78.55)	

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 2020	31 March 2019
Balances at 1 April	78.55	47.03
Provision for the year	21.60	31.52
Balance at 31 March	100.15	78.55

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 ₹341.53 lakhs as at 31 March 2020 (31 March 2019: ₹302.21 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.

e. MEIS receivable from Government

This balance is primarily constituted by MEIS scrips and applications pending with authorities. The Company does not expect any losses from non-performance by these counter-parties as the amounts are due from Government.

Notes forming part of the financial statements for the year ended 31 March 2020

(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
31 March 2020						
Non derivative financial liabilities						
Borrowings	11,026.77	6,664.53	1,533.16	1,664.08	1,165.00	-
Trade payables	9,734.93	9,734.93	-	-	-	-
Lease Liabilities	1,361.54	336.96	336.96	556.59	131.03	-
Other financial liabilities	175.58	175.58	-	-	-	-
	22,298.82	16,912.00	1,870.12	2,220.67	1,296.03	-

	Contractual cash flows					
	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 March 2019						
Non derivative financial liabilities						
Borrowings	11,831.96	4,402.60	3,379.02	3,441.15	609.19	-
Trade payables	7,967.22	7,967.22	-	-	-	-
Other financial liabilities	1,047.19	1,047.19	-	-	-	-
	20,846.37	13,417.01	3,379.02	3,441.15	609.19	-

As disclosed in Note 21, 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

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

36 Financial instruments - Fair values and risk management (contd.)

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Company's 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.

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
31 March 2020		
Financial assets:		
Trade receivables	11,140.28	-
Financial liabilities:		
Borrowings	8,656.98	-
Trade payables	6,605.41	1,445.04
Others	2.35	-
Net exposure in respect of recognised assets and liabilities	(4,124.46)	(1,445.04)

	USD	Others
31 March 2019		
Financial assets:		
Trade receivables	12,184.04	-
Financial liabilities:		
Borrowings	9,472.58	-
Trade payables	5,162.57	840.92
Others	395.91	10.51
Net exposure in respect of recognised assets and liabilities	(2,847.02)	(851.43)

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
31 March 2020				
USD (1% movement)	(41.24)	41.24	(30.86)	30.86
31 March 2019				
USD (1% movement)	(28.47)	28.47	(18.52)	18.52

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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

At 31 March 2020, 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
Foreign currency risk			
Forward exchange contracts			
Net exposure	5,170.52	3,731.32	-
Average INR:USD forward contract rate	75.20	77.00	-

At 31 March 2019, 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
Foreign currency risk			
Forward exchange contracts			
Net exposure	3,390.71	3,044.86	5,358.43
Average INR:USD forward contract rate	71.44	73.10	76.37

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 2020 Equity head 'Effective portion of cash flow hedges'	31 March 2019 Equity head 'Effective portion of cash flow hedges'
Balance as at 1 April	249.10	114.67
Effective portion of changes in fair value		
Foreign currency risk – Sales	(470.22)	206.64
Tax on movements in relevant items of OCI during the year	155.70	(72.21)
Balance as at 31 March	(65.42)	249.10

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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 2020	31 March 2019
Fixed rate borrowings	-	-
Variable rate borrowings	11,026.77	11,831.96
	11,026.77	11,831.96

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
31 March 2020		
Variable rate instrument	(110.27)	110.27
Cash flow sensitivity (net)	(110.27)	110.27
31 March 2019		
Variable rate instrument	(118.32)	118.32
Cash flow sensitivity (net)	(118.32)	118.32

37 Commitments and contingent liabilities

	As at 31 March 2020	As at 31 March 2019
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided	88.12	624.09
Claims against the Company not acknowledged as debts		
Income tax liability that may arise in respect of matters for which the Company is under appeal	53.91	110.26
Employees State Insurance demand on dues for trainees	24.34	24.34

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

Also, the income tax authorities have disallowed carry forward losses in AY 2013-14, but no demand orders have been raised in the subsequent years. Hence, the Company is unable to determine the amount of obligation with sufficient reliability. Management is of the view that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

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.

38 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 Motoren GmbH, Germany
	Igarashi Motor Sales USA LLC, USA
	Igarashi Electric Works (Zhuhai) Ltd
	Yat Yue Industrial Co.(HK) Ltd
Key Managerial Personnel	Mr. R. Chandrasekaran, Managing Director (from 1 October 2019)
	Mr. R. Chandrasekaran, Chief Financial Officer (till 30 September 2019)
	Mr. S. Vivekchandranath, Chief Financial Officer (from 1 October 2019)
	Mr. P. Mukund, Managing Director (till 30 September 2019)
	Mr. P. Dinakara Babu, Company Secretary

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 2020	For the year ended 31 March 2019
Short term employee benefits	214.34	250.92
Post-employment defined benefits	*	*
Compensated absences	*	*
Equity-settled share based payments	33.58	53.63
Total	247.92	304.55

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 31).

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

* 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 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Sale of goods and services				
Holding Company	892.29	497.63	303.22	289.00
Ultimate Holding Company	10,439.49	685.95	8,038.34	337.47
<i>Fellow subsidiaries</i>				
Igarashi Electric Works International Limited, Hong Kong	8,313.32	8,013.25	1,075.19	2,622.76
Igarashi Motoren Gmbh, Germany	7,063.12	11,679.26	394.66	2,656.29
Igarashi Motor Sales USA LLC, USA	15,861.95	27,692.70	-	5,394.39
Igarashi Electric Works (Zhuhai) Ltd	22.93	-	24.38	-
Acquisition of property, plant and equipment, intangible assets and capital work-in-progress				
Ultimate Holding Company	400.36	338.61	-	-
Holding Company	8.65	-	-	-
<i>Fellow subsidiaries</i>				
Igarashi Motoren Gmbh, Germany	2.72	5.92	-	-

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

C. Related party transactions other than key managerial personnel compensation (contd.)

	Transaction value		Balance outstanding Receivable / (Payable)	
	For the year ended 31 March 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Purchase of goods				
Ultimate Holding Company	442.98	461.02	(138.46)	(268.64)
Holding Company	65.04	14.83	(65.04)	(2.61)
<i>Fellow subsidiaries</i>				
Igarashi Electric Works International Limited, Hong Kong	10.94	-	-	-
Igarashi Electric Works (Zhuhai) Ltd	40.22	-	(24.65)	-
Yat Yue Industrial Co.(HK) Ltd	555.15	-	(204.64)	-
Acquisition of business				
Holding Company	-	13,562.82	-	-
Dividend paid				
Ultimate Holding Company	194.24	58.06	-	-
Holding Company	839.96	808.84	-	-
<i>Fellow subsidiaries</i>				
Igarashi Electric Works (H.K) Limited, Hong Kong	122.50	150.00	-	-
<i>Key Managerial Personnel</i>				
Mr. P. Mukund	-	399.48	-	-
Commission				
Ultimate Holding Company	84.98	-	-	-
Royalty				
Ultimate Holding Company	73.48	-	(73.48)	-
Professional fees				
Ultimate Holding Company	221.57	-	(150.95)	-
<i>Fellow subsidiaries</i>				
Igarashi Electric Works (Zhuhai) Ltd	7.55	-	-	-
Reimbursement of Quality cost paid				
<i>Fellow subsidiaries</i>				
Igarashi Electric Works International Limited, Hong Kong	191.97	-	-	-
Igarashi Motoren GmbH, Germany	185.39	-	-	-
Igarashi Motor Sales USA LLC, USA	218.72	-	(8.33)	-
Reimbursement of expenses received				
Holding company	-	46.97	-	-
Reimbursement of expenses paid				
Holding company	5.77	39.89	(23.52)	(39.89)
Rental deposit				
Holding company	-	-	22.20	-
Rent paid				
Holding company	49.56	22.20	-	-

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts are in Indian rupees in lakhs, except share data and as stated)

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 2020	As at 31 March 2019
(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;	243.86	222.29
(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;	1.21	-
(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	-	10.65
(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.	-	-

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 23)

40 Transfer pricing

The Company has entered into transactions with certain related parties during the year ended 31 March 2020. 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 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 18)

for **BSR & Co. LLP**
Chartered Accountants
Firm's Registration
No. 101248W/W-100022
Harsh Vardhan Lakhotia
Partner
Membership No. 222432

Place: Chennai
Date: 04 June 2020

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

S M Vinodhini
Director
DIN: 08719578

P. Dinakara Babu
Company Secretary
Membership No. A14812

GLOBAL IGARASHI MOTOR APPLICATIONS



 Manufactured in India



Registered Office

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