



IGARASHI MOTORS INDIA LIMITED
(Regd.office: Plots No.B-12 to B-15, Phase II, MEPZ-SEZ, Tambaram, Chennai - 600 045, India)
[CIN: L29142TN1992PLC021997]

Audited financial results for the year ended March 31, 2015

Particulars	Rs. Lakhs				
	Audited	Unaudited	Audited	Audited	Audited
	3 months ended			Year ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
PART I					
1. Income from operations					
(a) Net sales / income from operations (Net of excise duty)	10,183.90	10,182.90	9,227.27	38,507.83	36,122.79
(b) Other operating income	-	-	-	-	-
Total income from operations (net)	10,183.90	10,182.90	9,227.27	38,507.83	36,122.79
2. Expenses					
(a) Cost of materials consumed	6,467.05	6,353.39	6,023.61	24,686.51	23,580.89
(b) Purchases of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(63.28)	(16.85)	123.35	(94.82)	(88.50)
(d) Employee benefits expense	695.03	709.36	701.00	2,768.34	2,564.95
(e) Depreciation and Amortisation expense	(10.03)	611.32	409.77	1,879.82	1,561.36
(f) Other expenses	929.66	802.72	950.06	3,243.35	3,349.55
Total expenses	8,018.43	8,459.94	8,207.79	32,483.20	30,968.25
3. Profit from operations before other income, finance costs and exceptional items (1-2)	2,165.47	1,722.96	1,019.48	6,024.63	5,154.54
4. Other income (including interest income)	501.56	402.91	405.44	1,714.37	967.56
5. Profit from ordinary activities before finance costs and exceptional items (3+4)	2,667.03	2,125.87	1,424.92	7,739.00	6,122.10
6. Finance costs					
(a) Interest expense	75.30	89.13	195.24	340.17	756.96
(b) Exchange (gain) / loss on foreign currency (net)	(47.29)	111.22	(41.01)	234.06	351.00
	28.01	200.35	154.23	574.23	1,107.96
7. Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	2,639.02	1,925.52	1,270.69	7,164.77	5,014.14
8. Exceptional items	-	-	-	-	824.96
9. Profit from ordinary activities before tax (7 + 8)	2,639.02	1,925.52	1,270.69	7,164.77	5,839.10
10. Tax expense	934.59	646.97	276.32	2,269.60	1,224.72
11. Net Profit from ordinary activities after tax (9 - 10)	1,704.43	1,278.55	994.37	4,895.17	4,614.38
12. Extraordinary items (net of tax expense Rs. Nil)	-	-	-	-	-
13. Net Profit for the period (11-12)	1,704.43	1,278.55	994.37	4,895.17	4,614.38
14. Paid-up equity share capital (Face value Rs.10 per share)	3,060.84	3,060.84	3,044.54	3,060.84	3,044.54
15. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	22,034.41	18,882.01
16. (i) Earnings Per Share (EPS) (before extraordinary items) (of Rs. 10/- each) (not annualized)					
(a) Basic	5.57	4.18	3.44	16.01	20.22
(b) Diluted	5.57	4.18	3.43	16.01	20.14
16. (ii) Earnings Per Share (EPS) (after extraordinary items) (of Rs. 10/- each) (not annualized)					
(a) Basic	5.57	4.18	3.44	16.01	20.22
(b) Diluted	5.57	4.18	3.43	16.01	20.14
See accompanying notes to the financial results.					
PART II					
A. PARTICULARS OF SHAREHOLDING					
1. Public shareholding					
- Number of shares	7,800,001	7,800,001	7,637,001	7,800,001	7,637,001
- Percentage of shareholding	25.48%	25.48%	25.08%	25.48%	25.08%
2. Promoters and Promoter Group Shareholding					
a) Pledged / Encumbered					
- Number of equity shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter Group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
b) Non- encumbered					
- Number of equity shares	22,808,443	22,808,443	22,808,443	22,808,443	22,808,443
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	74.52%	74.52%	74.92%	74.52%	74.92%
B. INVESTOR COMPLAINTS					
Pending at the beginning of the quarter	Nil				
Received during the quarter	2				
Disposed during the quarter	2				
Remaining unresolved at the end of the quarter	Nil				



P. Mahalingam



Audited financial results for the year ended March 31, 2015

STATEMENT OF ASSETS AND LIABILITIES

Rs. Lakhs

Particulars	As at current year ended 31.03.2015	As at previous year ended 31.03.2014
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	3,060.84	3,044.54
(b) Reserves and surplus	22,034.41	18,882.01
Sub-total - Shareholders' funds	25,095.25	21,926.55
2 Non-current liabilities		
(a) Long-term borrowings	4,169.93	3,732.97
(b) Deferred tax liabilities (net)	893.47	1,023.24
Sub-total - Non-current liabilities	5,063.40	4,756.21
3 Current liabilities		
(a) Short-term borrowings	0.13	299.76
(b) Trade payables	6,823.23	4,306.04
(c) Other current liabilities	2,998.82	2,626.76
(d) Short-term provisions	4,060.64	2,056.92
Sub-total - Current liabilities	13,882.82	9,289.48
TOTAL - EQUITY AND LIABILITIES	44,041.47	35,972.24
B ASSETS		
1 Non-current assets		
(a) Fixed assets	12,226.50	12,682.03
(b) Non-current investments	2,612.65	2,118.65
(c) Long-term loans and advances	338.17	349.96
Sub-total - Non-current assets	15,177.32	15,150.64
2 Current assets		
(a) Inventories	3,306.15	2,465.10
(b) Trade receivables	7,851.77	6,963.82
(c) Cash and bank balances	9,114.29	4,013.06
(d) Short-term loans and advances	8,591.94	7,379.62
Sub-total - Current assets	28,864.15	20,821.60
TOTAL - ASSETS	44,041.47	35,972.24

NOTES :

- 1) The above results are based on the same set of accounting policies as of the previous year and have been subjected to review by the Audit Committee and thereafter were approved by the Board of Directors in their meeting held on May 25, 2015.
- 2) The Company is operating primarily in the Automotive Component Segment, and hence, no segment reporting has been made.
- 3) Tax expense for the year comprises current tax expense of Rs. 2,320.00 lakhs and is net of deferred tax credit of Rs.50.40 lakhs
- 4) The Basic and Diluted Earnings per Share (EPS) for the year is Rs. 16.01 (Previous year Basic EPS Rs. 20.22 and Diluted EPS Rs. 20.14). The weighted average number of equity shares considered for the purpose of calculation of EPS in the previous year takes into account, the equity shares allotted on January 16, 2014. Had these shares been allotted at the beginning of the previous year, Basic and Diluted EPS for the previous year would have been Rs. 15.16 and Rs. 15.11 respectively.
- 5) Effective April 1, 2014, the Company has revised the useful life of fixed assets based on Schedule II to the Companies Act, 2013 for the purpose of providing depreciation on fixed assets. Accordingly, the carrying amount of fixed assets as on April 1, 2014 has been depreciated over the remaining useful life of the fixed assets. Consequently, the depreciation for the year ended March 31, 2015 is higher and the profit before tax is lower to the extent of Rs. 196.24 lakhs. Further, an amount of Rs. 149.99 lakhs (net of deferred tax credit of Rs. 79.38 lakhs) representing the carrying amount of fixed assets with remaining useful life as Nil, has been charged to the opening balance of Reserves as on April 1, 2014 pursuant to the Companies Act, 2013. Depreciation charge accounted for the quarter is lower by Rs. 596.28 lakhs pursuant to adoption of the provisions of Application Guide on the provisions of Schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India (ICAI) with effect from April 1, 2014 for determining remaining useful lives of assets used on multiple shifts.
- 6) During the year, the Company has amortised proportionate employee stock based compensation expense amounting to Rs.0.90 lakhs, which has been included in employee benefits expense.
- 7) The Board of Directors of the Company have recommended a Dividend of Rs. 4.44 per share (i.e. 44.40%) on Equity Shares of the Company for the financial year 2014-15, subject to the approval of the shareholders in the Annual General Meeting.
- 8) The figures of the last quarter are the balancing figures between the audited figures in respect of full year and the unaudited published figures upto the third quarter ended December 31, 2014.
- 9) Figures of the previous periods / year have been regrouped / reclassified wherever necessary.

Place : Chennai
Date : May 25, 2015



By Order of the Board
For Igarashi Motors India Limited

P. Mukund
P. Mukund
Managing Director



INDEPENDENT AUDITOR'S REPORT

To the members of Igarashi Motors India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Igarashi Motors India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Parsn Manere, A-Wing, 602, Anna Salai, Chennai 600 006, India.
Tel. (044) 2827 4368, 2822 9534, 2822 8386 Fax (044) 2826 6858
E-mail : chennai@sharandtannan.com

Farook M. Kobla
V. R. Lalitha

Shreedhar T. Kunte
V. Viswanathan

Milind P. Phadke
P. Rajesh Kumar

Also at Bangalore. Associate Offices : Mumbai, New Delhi & Pune

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 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, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in para 3 and 4 of the said Order.
- 2) 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 on its financial position in its financial statements - Refer Note 17 (a) (ii) and (iii) to the financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)



V. Viswanathan
Partner

Membership No. 215565

Place: Chennai
Date: 25th May 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Igarashi Motors India Limited ("the Company") on the financial statements for the year ended March 31, 2015, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted an unsecured loan to a company covered in the register maintained under section 189 of the Act. The principal amount has not become due during the year and hence reporting on the regularity of receipt of principal does not arise. The receipt of interest has been regular.
- (b) There is no overdue amount more than rupees one lakh for the loan granted and hence reporting under clause 3(iii) (b) of the Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with respect to purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Hence, reporting under clause 3 (v) of the Order does not arise.



- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, the contents of these records have not been examined by us.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, dues in respect of income-tax as at March 31, 2015, which have not been deposited on account of disputes pending is as under :

Name of the statute	Nature of the disputed dues	Amount ₹	Period to which the amount relates	Forum where disputes are pending
Income-tax Act, 1961	Disallowance under section 14A (Read with Rule 8D), disallowance of additional depreciation on certain machinery, addition under section 2(24)(x) read with section 36(1)(va) and TDS credit mismatch	4,470	Assessment Year 2011-12 (Financial year 2010-11)	Commissioner of Income Tax (Appeals)
	Disallowance under section 14A (Read with Rule 8D), addition under section 2(24)(x) read with section 36(1)(va) and TDS credit mismatch	1,661,180	Assessment Year 2012-13 (Financial year 2011-12)	
	Total	1,665,650		

According to the information and explanations given to us and the records of the Company examined by us, there are no dues in respect of sales tax, wealth tax, service tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute.

- (c) The amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses as at March 31, 2015. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of dues to a financial institution or bank during the year. The Company has not issued any debentures during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, reporting under clause 3 (x) of the Order does not arise.
- (xi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on the Company or any instances of fraud by the Company noticed or reported during the year, nor have we been informed of such cases by the management.

for SHARP & TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)



V. Viswanathan
Partner

Membership No. 215565

Place: Chennai
Date : 25th May 2015