



Igarashi Motors India Limited

BOARD OF DIRECTORS

K.K. NOHRIA (CHAIRMAN)
K. IGARASHI
C.P. DUSAD
G.N. MANI
T. IGARASHI
KEIICHI IGARASHI

MANAGING DIRECTOR

P. MUKUND

HEAD - FINANCE

R. CHANDRASEKARAN

COMPANY SECRETARY

T.S.MAHARANI

AUDITORS

SHARP & TANNAN
CHARTERED ACCOUNTANTS
PARSN MANERE, A-WING
3RD FLOOR, 602 ANNA SALAI
CHENNAI – 600 006

BANKERS

STATE BANK OF INDIA
INDIAN BANK
THE BANK OF TOKYO MITSUBISHI (UFJ) LIMITED
ICICI BANK LIMITED

REGISTERED OFFICE & FACTORY

PLOTS NO.B–12 TO B–15, PHASE II
MEPZ – SEZ, TAMBARAM
CHENNAI – 600 045.

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



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Igarashi Motors India Limited

From the Chairman's desk.....

Dear Shareholders,

In my last message I had mentioned the difficulties that your company faced during the year 2008-09.

In the same message, I had also mentioned that the year 2009-10 presents great challenges and I had indicated my confidence in the management overcoming these challenges with determination and commitment.

I am happy that your management has lived up to my faith and demonstrated their competence and commitment in overcoming these challenges.

We started seeing results in second half of the year and during the last quarter, your company posted net profit.

The demand from our customers continues to be robust and operations are showing consistent month to month improvement during the year so far.

While we still have various issues on our hand, I am sure we will soon overcome these.

Based on the strength of the management, demand and commitment from our customers, I feel reasonably certain that year 2010-11 will show marked improvement in all facets of our operations.

I would like you to join me in complementing our management team for their dedication and commitment which has resulted in faster turnaround of our operations.

As always I am extremely grateful to you, shareholders, for your understanding and patience.

With kind regards,



K.K. Nohria.
Chairman



A message from

K.Igarashi

President, Igarashi Group

My Dear Shareholders,

In my lifetime I have not seen a devastating period like FY 09 and at the same time, I have not also seen such a rapid turnaround in FY 10.

All our Businesses in all locations were very drastically affected negatively in FY 09. The impact of the Japan economy was felt by us. The Operations in China slided steeply and India lost heavily in FY 09.

I am happy to share with all our Stakeholders, that I have been right on top of all the issues with my core and capable team and we have turned around substantially in all our Businesses in all Igarashi locations. Of course I would discount the impact over the medium term but in the short term, there is good traction of business from all our customers.

Right from the beginning we have been customer oriented players and the downturn gave us tremendous confidence in terms of Customer faith in us and mutual dependence on each other, since we have the advantage of providing products to our customers – both from China and India which are clearly the two largest growth markets of the world and at the same time, Factories to the World. I am now confident that our position will be of great advantage to our Customers and Suppliers and consequently, I look forward to the years ahead with a positive optimism for our Company.

Notwithstanding this, my experience over the past decades would strongly recommend to all the Global Business Model Companies that the impact of the Euro Zone crisis and the slow recovery in some other economies including Japan, will need to be factored in our future planning.

I wish to mention that all our Customers, Suppliers, Bankers and Financiers have demonstrated their faith in us and I offer immense gratitude to all of them. Our Employees have demonstrated the material they are made of to pull up from the unprecedented crisis and return to good times once again.

While our Business Model has proved itself right, needless to mention that since we are still nursing some of the wounds caused by the Economic Tsunami, we still need to keep our fists tight in the coming year to build robustness in our Business. And, as the opportunities of Business are getting better, we will be expanding our Capital in a manner that is beneficial to all present and future stakeholders.

Yours sincerely

K. Igarashi

Igarashi Motors India Limited

NOTICE

NOTICE IS HEREBY GIVEN THAT The Eighteenth Annual General Meeting of Igarashi Motors India Limited will be held on Thursday the 16th September, 2010, at 3.00 PM at the Music Academy, Mini Hall, 306, T.T.K. Road, Chennai 600 014 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March 2010, the Profit and Loss Account for the year ended 31st March 2010 and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. K.K.Nohria who retires at this meeting and is eligible for re-appointment.
3. To appoint a Director in place of Mr. C.P. Dusad who retires at this meeting and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

M/s. Sharp & Tannan, Chartered Accountants, Chennai are the retiring auditors and are eligible for reappointment.

SPECIAL BUSINESS

5. To consider, approve and, if thought fit, to pass with or without modification(s) the following resolution as SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, (including any amendment to or re-enactment thereof for the time being in force) and in accordance with the existing guidelines for preferential issue contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and other applicable guidelines/regulations issued by the Securities and Exchange Board of India ("SEBI") and subject to all necessary approvals, consents, permissions and/or sanctions of Government of India, Reserve Bank of India, and subject to the permissions, consents and sanctions, as may be necessary of other appropriate authorities, institutions or bodies, the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and further subject to such terms, conditions, alterations, modifications as may be prescribed and specified by them while granting such approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any committee(s) which the Board may constitute to exercise the power of the Board including the powers conferred by these resolutions) the consent, authority and approval of the Company be and is hereby accorded to the Board to issue, offer and allot in the course of offerings, equity shares, and/or securities linked to or convertible in to or exchangeable with equity shares including Cumulative Convertible Preference Shares (CCPS) and / or convertible debentures (compulsorily and/or optionally, fully and/or partly) and/or non-convertible debentures or other securities with or without warrants or any other securities / instruments / warrants convertible into or exchangeable with equity shares at the option of the Company or the holders of the Securities and / or Securities linked to equity shares (hereinafter collectively referred to as "Securities") in one or more tranches, either at premium or at par, to any eligible person as permitted under applicable laws including foreign/resident investors (whether institutions, incorporated bodies, mutual funds, companies, individuals or otherwise) Indian and/or Multilateral



Financial Institutions, Qualified Institutional Buyers, Foreign Institutional Investors, Venture Capital Funds (Foreign or Indian), Mutual Funds, Non-Resident Indians, and/or any other category of investor whether they be holders of the shares of the company or not, in one or more tranches by preferential issues or public issues as may be deemed appropriate by the Board for an amount not exceeding Rs.50 Crores (Rupees Fifty Crores) on such terms and conditions as the Board may in its discretion think fit, including the form and the terms of the issue and the persons to whom such securities may be issued and all other terms and conditions and matters connected therewith and deemed appropriate by the Board.

RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the company with the Stock Exchanges where the securities of the company are listed and subject to the provisions of the Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended and subject to any guidelines, regulations, approvals, consent, permission or sanction of the Government of India (GOI), Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), the applicable provisions of Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, Stock Exchanges and any other appropriate authorities, Institutions or bodies ("the appropriate authorities") and subject to such conditions as may be prescribed by any one of them while granting such approval, consent, permission and/or sanction ("the requisite approvals"), which may be agreed to by the Board of Directors of the Company ("the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the power conferred by this resolution), the Board of Directors be and is hereby authorized to create, offer, issue or allot equity shares, fully convertible debentures, partly convertible debentures, non-convertible debentures with or without warrants or any securities which are convertible into or exchangeable with equity shares (collectively referred to as "QIP Securities") for an aggregate amount not exceeding Rs. 50 crores (Rupees Fifty Crores) or equivalent thereof in one or more foreign currency and/ or Indian rupees inclusive of such premium to Qualified Institutional Buyers (QIBs) pursuant to Qualified Institutional Placement ("QIP") as provided in Chapter VIII of SEBI (ICDR) Regulations, 2009 subject to the following:

- (i) Such QIP Shares to be issued in the course of Qualified Institutional Placement to Qualified Institutional Buyers (QIBs) in accordance with the Guidelines for Qualified Institutional Placement prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, whether or not such persons/ entities/ investors are Members of the Company whether in Indian currency or foreign currency;
- (ii) Such QIP Shares may be issued at such time or times in one or more tranche or tranches at such price or prices and on such terms and conditions as may be determined by the Board at an appropriate time;
- (iii) QIP Shares shall be allotted as fully paid-up and such allotment shall be completed within a period of 12 months from the date of passing this resolution;
- (iv) The relevant date for the purposes of determining the applicable price for the issue of QIP Securities shall be in accordance with the SEBI (ICDR) Regulations, 2009, which is the date of the meeting in which the Board decides to open the proposed issue;

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- (v) The Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company. The Equity Shares allotted shall rank pari passu with the existing equity shares of the company in all respects.

RESOLVED further that the Board or any Committee thereof or any other officer of the Company duly authorized by the Board or any of its Committees in that behalf be and is authorized to enter in to and execute all such arrangements as the case may be with any lead managers, underwriters, bankers, financial institutions, solicitors, advisors and other intermediaries in offerings of the aforesaid securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or payment of their remuneration for their services or the like, and also to seek the listing of shares on the Stock Exchanges.

RESOLVED further that the Board or any Committee thereof be authorized on behalf of the company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for the purpose of giving effect to the aforesaid resolution with power to settle any questions, difficulties or doubts that may arise in regards to any such issue or allotment as it may at its absolute discretion think fit, without being required to seek further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED further that the Board be authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Whole-time Director or any other officer or officers of the company to give effect to the aforesaid resolution”.

Place : Chennai
Date : August 12, 2010

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

Registered Office :
Plot No. B-12 to B-15, Phase II,
MEPZ-SEZ, Tambaram,
CHENNAI - 600 045.

T.S.Maharani
Company Secretary

Notes:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED MUST BE RETURNED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE COMMENCEMENT OF THE AFORESAID MEETING.
- b) The Register of Members of the Company will remain closed from 13th September, 2010 to 16th September, 2010 (both days inclusive) for book closure purpose.
- c) Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- d) Members are requested to notify change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares to the Registered office of the Company.



- e) Shareholders desiring any information as regards the accounts are requested to write to the company at least 7 days in advance, so as to enable the company to keep the information ready.
- f) Members are requested to note that the dividend for the financial year 2002-2003 remaining un-claimed for 7 years from the date of declaration has been transferred to the Investor Education and Protection Fund established by the Government of India pursuant to Section 205C of the Companies Act, 1956. Consequently, no claim shall lie against the said Fund or the Company in respect of any amounts which were un-claimed and un-paid for a period of 7 years from the date they first become due for payment.
- g) Members who have not so far encashed dividend warrant(s) for the Financial Years 2003-2004, 2004-2005, 2005-06, 2006-07, and 2007-08 are requested to seek to issue a duplicate warrant(s) by writing to the Company's Registrars and Transfer Agents M/s. Cameo Corporate Services Limited immediately.
- h) Members are requested to note that dividends unpaid/unclaimed for a period of seven years from the dates that they become due for payment will be transferred by the Company to the Investor Education and Protection Fund (IEPF) as per Section 205A(5) and Section 205C of the Companies Act, 1956.
- i) Our Company's shares are tradable compulsorily in electronic form and through Cameo Corporate Services Limited, Registrars and Share Transfer Agents. We have established connectivity with both the depositories, ie. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The International Securities Identification Number (ISIN) allotted to your Company's shares under the Depository system is INE188B01013. As on March 31st, 2010, over 97% 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.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

Explanatory statement annexed to the notice of the Eighteenth Annual General Meeting of the Company as required under Section 173(2) of the Companies Act, 1956.

ITEM NO.5 - RAISING OF ADDITIONAL FUNDS

To augment the Company's funds requirement for creating domestic business infrastructure, strategic alliances, co-operative ventures, Technology initiatives, General Corporate initiatives for operations and growth, Capital expenditure for expansion of volumes of existing business, temporary working capital and debt management, it is proposed to raise funds by further issue of capital.

The Board of Directors of the Company, at its meeting held on August 12, 2010 has approved to augment its long term resources by raising funds up to Rs. 50 Crores by way of issue of securities either by way of Qualified Institutional Buyers (QIB) through Qualified Institutions Placements ("QIPs"). or by any other means.

The detailed terms and conditions for the offer of securities will be determined in consultation with the advisors, lead managers, merchant bankers, underwriters, advocates and such other agencies and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors and all other terms and conditions as may be decided by the Board.

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Section 81 of the Companies Act, 1956 provides inter alia that the Company in the first instance should offer all the securities to be issued by the Company to the existing shareholders unless decided otherwise in General Meeting by a Special Resolution and accordingly consent of the shareholders is being sought pursuant to the provisions of the said Section 81(1A) of the Companies Act, 1956 to issue and allot the said securities, to the members or other persons/investors as may be decided by the Board of Directors.

Further, the Listing Agreements executed by the Company with the Stock Exchanges where the shares of the Company are presently listed, provides, inter-alia that the Company in the first instance should offer all shares to be issued by the Company for subscription on pro-rata to the equity shareholders unless the shareholders in General Meeting decide otherwise. Accordingly, the required consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956. Listing Agreement and other applicable provisions.

I) Objects of the issue :

- i) To infuse fresh equity
- ii) To raise funds for creating domestic business infrastructure, strategic alliances, co-operative ventures, Technology Initiatives, General Corporate initiatives for operations and growth, Capital expenditure for expansion of volumes of existing business, temporary working capital and debt management,

II) Validity of the Shareholders Resolution Passed :

The Resolution approving QIPs passed under Section 81(1A) of the Companies Act, 1956 or any other applicable provisions will remain valid for a period of Twelve Months from the date of passing of the resolution. There will be a gap of at least six months between each placement in case of multiple placements of securities pursuant to authority of the same shareholders resolution.

III) Aggregate of Funds to be raised :

The aggregate of funds that will be proposed to be raised through QIPs in one financial year is within the limits prescribed in Chapter VIII of the SEBI (ICDR) Regulations, 2009.

IV) Floor Price :

The floor price of the Securities will be determined in accordance with SEBI (ICDR) Regulations, 2009 and will be subject to adjustment in case of Corporate Actions such as Stock Splits, rights issue, bonus issue etc. The issue price is equal to or more than the floor price and may be at a premium or discount to the market price. Since, the pricing of the offering can not be decided except later stage, it is not possible to state the price or exact number of securities to be issued. For reasons aforesaid, an enabling resolution is being passed to give adequate flexibility and discretion to the Board to finalise the terms. The equity share issued pursuant to the offering may be listed at Bombay Stock Exchange, National Stock Exchange and Madras Stock Exchange.

V) Tranches :

The Special Resolution seeks to give the Board powers to issue securities in such tranche or tranches, at such time or times, at such price or prices to investors in accordance with the SEBI (ICDR) Regulations, 2009.

VI) Investors / Allottees :

The Securities can be issued to any eligible person as permitted under applicable laws and in accordance with SEBI (ICDR) Regulations, 2009



VII) Consequential Changes in Voting Rights :

Voting rights will change in tandem with the shareholding pattern.

VIII) There will be no change in the Board of Directors of the Company as a result of the proposed private placement of securities.

IX) No Change is envisaged in the management or control over the company as a result of the above proposed private placement of securities.

X) The relevant date for the purpose of determining applicable price for the issue of securities shall be in accordance with SEBI (ICDR) Regulations, 2009

Your Directors believe that such issue is in the interest of the Company and therefore recommend the passing of the Resolution at Item No.5 of the Notice as a Special Resolution.

None of the Directors of the Company is interested or concerned in the resolution.

Place : Chennai
Date : August 12, 2010

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

Registered Office :
Plot No. B-12 to B-15, Phase II,
MEPZ-SEZ, Tambaram,
CHENNAI - 600 045.

T.S.Maharani
Company Secretary

Igarashi Motors India Limited

DIRECTORS' REPORT

To

The Shareholders,

Your Directors present their Eighteenth Annual Report of your Company, together with the Audited Accounts for the year ended 31st March 2010.

Financial Results:

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

	(Rs.in lakhs)	
<u>Particulars</u>	<u>2009-10</u>	<u>2008-09</u>
Manufacturing Sales	14,383.63	14,448.92
Trading Sales	1,486.92	11,332.40
Total Sales	15,870.55	25,781.32
Add : Other Income	54.23	1,592.58
Total Income	15,924.78	27,373.51
<u>Less :</u>		
(i) Materials & Manufacturing Expenses	12,378.82	24,442.69
(ii) Value Addition Cost	2,521.66	7,964.10
Profit before Depreciation, Amortization	1,024.30	(5,032.89)
<u>Less :</u>		
Depreciation & Amortization Expenses	648.05	834.84
Profit Before Tax	376.25	(5,867.73)

OPERATIONS:

During the year the operations of your Company was managed very tightly to recover from the losses that occurred in the previous year.

The first half of the year was very difficult and your Management team executed drastic measures to reduce the costs of materials and value addition and return to profitability.

In the Second half, business increased and customers came back with larger orders and the impact of the turnaround measures were clearly visible. The Management Discussion and analysis report details steps taken for turnaround.



DIVIDEND

In view of inadequacy of profits and the losses of last year, Directors recommend no payment of Dividend to their shareholders for the year under review.

RESERVES

The Reserves at the end of the year 31st March, 2010 is at Rs. 1150.72 Lakhs as against the Total Reserves of Rs. 877.97 Lakhs as at 31st March, 2009.

OTHER MATTERS

During the year, your Company invested an additional amount of Rs.1.90 crores in the Joint Venture with Bosch Electrical Drives India Private Limited.

DIRECTORS

Mr.K.K.Nohria and Mr.C.P. Dusad Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The brief resume/details relating to Directors who are to be re-appointed as stipulated under Clause 49(VI)(A) of the Listing Agreement executed with the Stock Exchanges are furnished in the Report on Corporate Governance.

AUDITORS

M/s. Sharp & Tannan, Auditors of the Company retire at the ensuing Annual General meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint auditors for the current year and authorize the Board to fix their remuneration.

As required under the provisions of Section 224 of the Companies Act,1956, the Company has obtained a written Certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

ESOP-2006

Although, your Company had introduced Stock Option Plan –2006 for employees, there have not been any grant of Stock Options during 2009-10 and thus, weighted Average fair values of grant during the year under review is Nil. As required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 a disclosure is annexed herewith.

HUMAN RESOURCES

The Board of Directors wish to place on record their sincere appreciation to all the employees of the Company for their dedication, commitment and loyalty to the Company, especially during the time of crisis and intense restructuring . But for the team supported by the whole Igarashi Group associates all over the world, it would have been very difficult to pull through the crisis.

None of the employees received remuneration during the year in excess of limits set out under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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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 clause 49 of the Listing Agreement with the Stock Exchanges are annexed hereto.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report of the Company for year under review as required under clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate Statement in the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The information required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, 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 in the prescribed format as an annexure to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Act, your directors, on the basis of information made available to them, confirm the following:

- a) In the preparation of the annual accounts, 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 31st March 2010 and of the profit of the company for the year ended on that date;
- c) Proper care has been taken for maintenance of adequate accounting records for safeguarding the assets of the Company and detecting fraud and other irregularities;
- d) The accounts are prepared on a going concern basis.

DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public under Section 58A of the Companies Act, 1956 and Rules made there under.

QUALITY AND ENVIRONMENT:

Your Directors are pleased to inform you that during the year your Company continued to work on live APQP (Advanced Product Quality Planning) processes for different Programs in the automotive industry. This ensures an effective advance failure mode analysis to ensure that Quality gets built into the Design as well as into manufacturing Process.



LISTING

The shares of your Company continued to be listed at National Stock Exchange and Bombay Stock Exchange. Listing fee has already been paid for the financial year 2009-10. Further, Annual Custody Fee has also been paid to NSDL and CDSL. As desired by shareholders the delisting process was done in Madras Stock Exchange has been completed from our side.

ACKNOWLEDGEMENT

The Board places on record its sincere appreciation for the continued support from the relevant Government Authorities, Promoter Companies, Shareholders, Suppliers, Customers, Employees and other business associates, for their strong support.

For and on behalf of the Board of Directors

Place : Chennai
Date : May 20, 2010

K.K NOHRIA
Chairman

ANNEXURE TO THE DIRECTORS REPORT

A. CONSERVATION OF ENERGY

Due to severe economic downturn, all round awareness was created to reduce energy consumption across all areas in the Company to reduce costs. The power & fuel cost reduced by over 25% as compared to previous year.

Energy Conservation Measures taken:

- Screw Compressors for Pneumatic system – Effective utilization has resulted additional energy savings of 2% over previous year.
- Scroll Compressors for Air-Conditioners – 10% conversion was accomplished.
- Due to severe restrictions imposed by TNEB, the load was balanced very efficiently to achieve saving of electricity charges during the year.
- Logic controllers - All key equipments were covered in this program for improved equipment energy management

B. TECHNOLOGY ABSORPTION

FORM B

Technology, absorption, adaptation and innovation

- a. Efforts, in brief, made towards technology absorption, adaptation and innovation :
 - Developed new products at India
 - Established Technology center for motors in India by working with collaborators for new applications of DC Motors.
 - Working with Suppliers of Equipment and Machinery for improved productivity machinery for Process Technology up-gradation
 - Understanding of new Hi-Technology and more efficient manufacturing processes for component making resulting in quality improvement and cost reduction.
- b. Benefits derived as a result of the above efforts:
 - Opened up new global market opportunities, especially for USCAR and European markets.
 - Continued working with overseas Companies for supplying equipment with low cost automation.
 - Value Stream Engineering efforts deployed across the Company in manufacture of motors and reduced operating costs substantially as reflected in the results.



c. Expenditure on New Product Development

	(Rs. Lakhs)	
	2009-10	2008-09
Program Expenditure incurred during the year	38.08	147.64
Program Expenditure Amortised during the year	106.58	90.59

d. Information regarding imported technology during the last 5 Years:

- a) Technology imported : Permanent Magnet DC Micro motors Technology
- b) Year of Import : 1993-94
- c) Status : Absorbed
- d) if not fully absorbed : Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. Activities relating to Exports; initiatives taken to increase exports; development of new export markets for products & export plans:

As the Company is 100% export oriented, refer para on "Business Prospects" of the Main report

- b. Total Foreign exchange used and earned:

	(Rs. Lakhs)	
	2009-10	2008-09
Total Foreign Exchange earned	15,419.56	22,233.60
Total Foreign Exchange used	9,144.66	19,443.03

{Excludes payments for capital goods: Rs. 179.73 Lakhs

(Previous Year: Rs. 187.55 Lakhs) }


For and on behalf of the Board of Directors

Place : Chennai
Date : May 20, 2010

K.K NOHRIA
Chairman

Igarashi Motors India Limited

DETAILS OF STOCK OPTIONS PURSUANT TO SEBI GUIDELINES ON STOCK OPTIONS ESOP SCHEME-2006

Description	ESOP Scheme- 2006
No. of Options available under ESOP Scheme-2006	12,50,000 (9%)
A) No. of Options Granted	Nil
B) The Pricing Formula	The exercise price for the purposes of the grant of options will be decided by the ESOP Compensation Committee, provided that the Exercise Price per option shall not be less than the Par value of the equity share of the Company and shall not be more than the market price on 17th Annual General Meeting date (i.e September 30, 2009) being relevant date subject to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
C) Options vested during FY2009-10	N.A
D) Options Exercised during FY2009-10	N.A
E) The total number of shares arising as a result of exercise of option	N.A
F) Options lapsed FY2009-10	N.A
G) Variation Terms of Options	Nil
H) Money Realized by exercise of options	Nil
I) Total Number of Options in Force as on March 31,2010	Nil
J) Employee-wise details of options granted to	
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	 N.A



K)	Diluted Earnings Per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earnings Per Share"	N.A
L)	i) the Method of calculation of Employee Compensation Cost	N.A
	ii) Difference between the employee compensation cost so computed at (i) above and the employee Compensation Cost that shall have been reorganized if it had used the fair value of options	N.A
	iii) The impact of the difference on profits and on EPS of the Company	N.A
M)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price	N.A
N)	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 :	N.A
	1) Risk-free interest rate	
	2) Expected life;	
	3) Expected volatility;	
	4) Expected dividends and	
	5) The price of underlying share in market at the time of option grant	

For and on behalf of the Board of Directors

Place : Chennai
Date : May 20, 2010

K.K NOHRIA
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL AUTOMOTIVE INDUSTRY

The Automotive Industry crisis of 2008 ,until the first half of 2009 was unprecedented in history and it is clear that this caused disappearing of capacities all over the world during this period.

However, from the middle of 2009, due to several actions taken by the Governments all over the world, a recovery process had become visible.

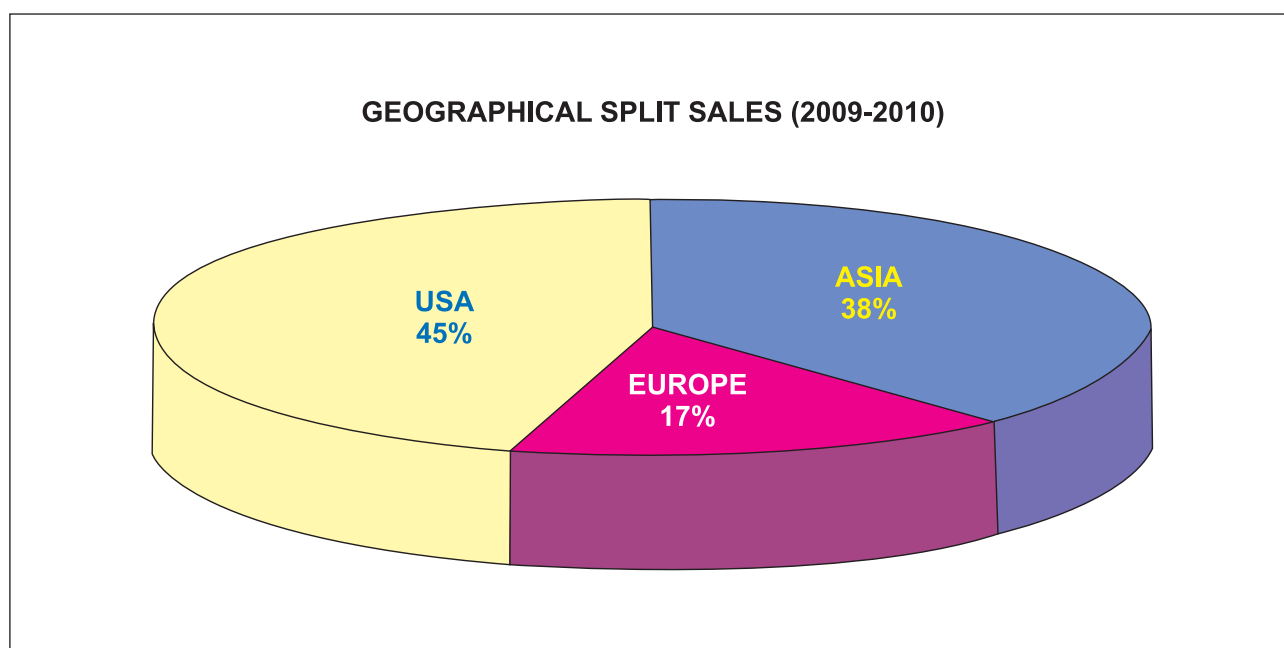
It had become clear that those who survived the crisis will be able to rebuild their businesses and follow the rapid shift in the Automotive markets from USA, Europe and Japan to Asia.

China and India showed a very drastic increase in the Automotive production and the Crisis survivors had launched serious forays into these Market in 2009.

While it is estimated that the industry would like to look at 2010 very cautiously, it had become clear that the worst was over.

SHIFT IN MARKETS

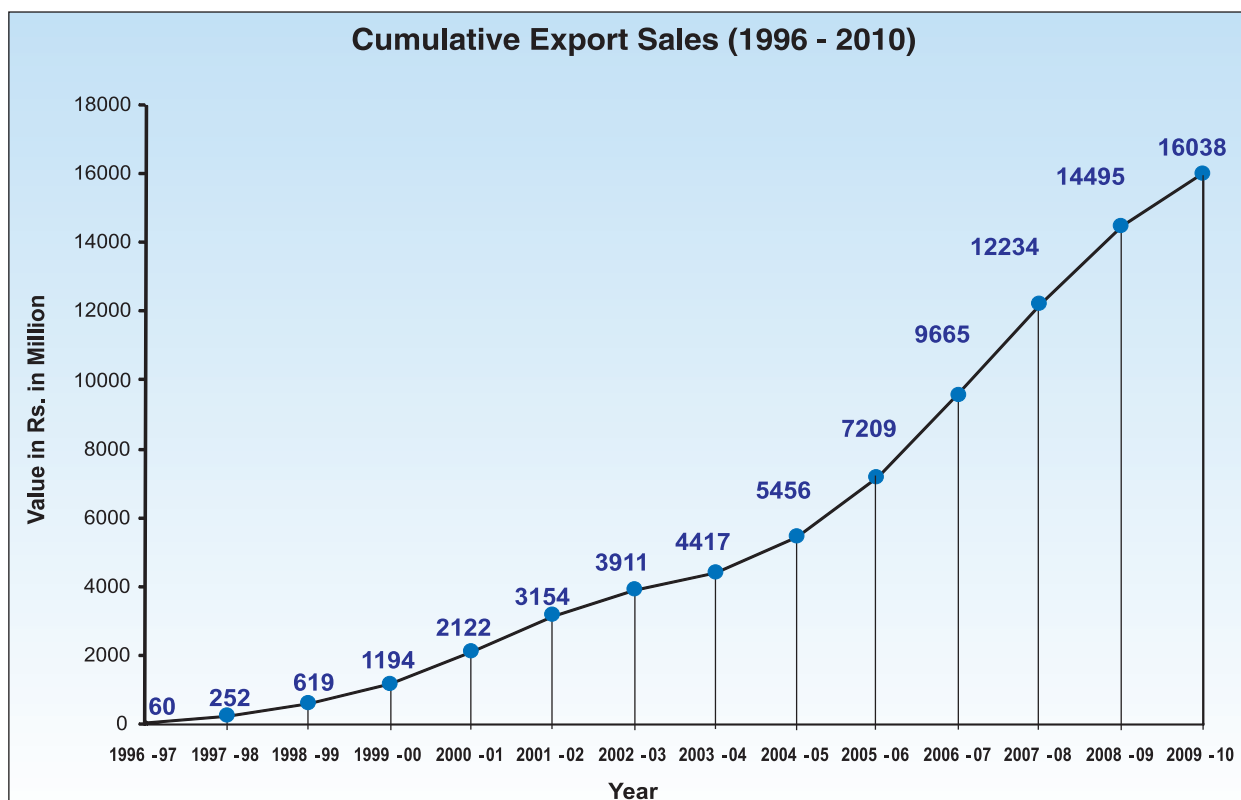
In the table below, we make a comparison between the Geographical split of sales of your Company during the period 2009-10. This is quite representative of how your Company's sales are shifting in line with the market shift.





EXPORTS' TRACK RECORD

Your Company has populated over 252 Million pieces since inception in Global Automotive Component Industry valued at over Rs. 16038 Million, as seen in the charts below :



Igarashi Motors India Limited

EXPERIENCES

Your Company went through extreme experiences during the year. A dramatic difference was seen between the first half and the second half.

The below table gives a comparison of the preceding 3 half year periods, sales and EBIDTA.

	II Half 2008-09	I Half 2009-10	II Half 2009-10
Sales* (Rs. in Crores)	51.55	60.40	83.43
EBIDTA	(9%)	7%	17 %

*Excludes Trading Transaction

The specific areas of Experiences are cited below :

1. Business:

The tail effect of the 2008 recession was felt until the first quarter of FY 10 . However, it was clearly visible that the key customers had started talking about a shift in their Markets to Asia and the revival of some products in the Western markets due to Government infused recovery in the Automotive industry.

From October, a clear recovery in the business had become visible and the second half results are indicative of this. It had become clear that the key large customers had to support their key Vendors to deliver additional volumes .

New opportunities for 2011 onwards were launched and the most remarkable development was the Company being nominated as a Lead Supplier for an Igarashi ETC Motor for the Global USCAR platforms. This will be a growth Engine for the future with several existing and New Tier One customers across several Car platforms.

Gradual take off on the projects with the Bosch JV also became visible and the next 3 years should see strong build up.

Overall on the forecast , experts have opined that 2010 should be a year to wait and watch before making any specific forecasts and there is a lot of turbulence both on the positive and negative side. Board has directed a view to “ Walk to Health than Run to Death.”

2. Operational Profitability:

The previous year devastated the Company on this account due to Currency, Commodity and In adequate Cost Management. During FY 10 , from the beginning, a systematic drive on the above 3 saw a return to industry level Operating margins in the second half of the year as seen in the table above. Mechanisms to isolate unknown volatilities have been put in place with customers and this addressed the fluctuation in Commodity and Currency. The Management team put a strong agenda in place from the beginning of the year to drastically reduce the Value Addition cost and the table below indicates the performance over the last 3 half year periods.

The comparative results at EBIDTA level are in table below:

	II Half 2008-09	I Half 2009-10	II Half 2009-10
Material Cost to Sales %	79%	71%	69%
Value Addition Cost to Sales %	36%	23%	18%



3. Liquidity:

The Previous years' operational strains had a big toll on your Company's liquidity position. Post the Joint Venture with Bosch your Company had planned to raise Capital by inviting a Partner with Igarashi. This could not happen due to the volatilities in all the markets and your company's business, availability of liquidity in your Company has become a serious issue.

Maximum support from Parent in Japan, Banks, Suppliers, coupled with drastic efforts to reduce inventory and Debtors helped Company to survive the crisis.

Having gone through the rare experiences above, your Company is now working with Bankers for restructuring the loans and expanding Capital Base. Now that the Company has posted significant turnaround in Operations and the business book looks healthy, Banks and Investors are talking seriously and the Board has given a clear direction to expand the Capital of the Company with the most suitable instrument to keep the existing shareholders in mind.

4. Future Business Outlook:

The second half of the year gave rise to new opportunities and it has become clear that both from existing and new customers, the thrust will be in Asia Geographically and Small/ Mid size Car category. Your Company's products are suitable to both the above and therefore the future can be looked with optimism.

RISKS & CONCERNS

1. Global Auto Industry :

Your Company is operating in Global Automotive Industry which went through its worst cycle in history during the last 2 years. The strength of your Company had become clearly visible with the Customers coming back with full support to increase their buying from the Company. Your Board is discussing intensely to derisk within the Automotive industry by adding new customers, Geographical locations and diversifying the product portfolio.

At a Broader level, some talks are launched with Non Automotive players who source Electric Motors .

2. Insurance :

As your Company addresses Global Automotive Component Industry, it is exposed to various risks such as Fire Risk, Machinery Break Down Risk, Product Liability Risk, Marine Risk etc. Your Company regularly reviews and wherever possible, uses the instrument of insurance to mitigate these risks.

3. Interest rates:

During year, your Company's long term debt has increased which has resulted in increase of interest burden. Your Company is taking various measures to reduce the interest by restructuring the debt and working on measures to reduce debt..

4. Exchange Risk:

Your Company is exposed to the risks associated with the fluctuations in foreign exchange rates mainly on exports. The negative impact of this was very large last year and remedial measure have been taken. A very careful and cautious approach is planned for the year.

Igarashi Motors India Limited

5. Product Liability , Warranty Claims and Product Recall Risks :

Your Company, being automotive component suppliers, faces the inherent business risk of exposure to warranty and product liability claims in the event that its products fail to perform as expected or such failure results in bodily injury or property damage. Though, your Company had insurance coverage, any claim in excess of available insurance coverage would have adverse effects on Company's business.

SEGMENT WISE/ PRODUCT WISE PERFORMANCE

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

INTERNAL CONTROL SYSTEMS & ADEQUACY

Your Company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. All the assets are safeguarded and protected and all transactions are recorded promptly. Internal Audit is carried out in a programmed way and follow up actions were taken for all audit observations.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your Company has taken the period of economic recession as an opportunity rather than a crisis and felt the need to provide leadership to the business by improving utilization and efficiency of the workforce. As part of development strategy, your Company took charge and helped both employees and the business work through challenging times through extra advice, training and support to make operations best in global level.

As on 31st March, 2010 the Company employed 396 employees.

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.

For Igarashi Motors India Limited

Place : Chennai
Date : May 20, 2010

P.MUKUND
Managing Director



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 shareholders 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 requirements of Corporate Governance laid by various bodies, but follows it in spirit also.

During the year ended 31st March, 2010, your Company had complied with the code provisions set out in the code of Corporate Governance Practices contained in the Appendix 14 of the Rules governing the Listing of Securities (the "Listing Rules") on NSE, BSE, and MSE.

2. COMPOSITION OF BOARD

As on 31st March, 2010 the Board of Directors comprised the Managing Director and 6 Non-Executive Directors.

During the year, Five Board Meetings were held, on 29th June 2009, 23rd July 2009, 30th September 2009, 30th October 2009, and 28th January, 2010. The Company's last Annual General Meeting was held on 30th September 2009.

The particulars of Directors, their attendance during the financial year 2009-2010 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	Director Ship	Committees \$
Mr K.K. Nohria <i>Chairman</i>	Non-Executive Independent	5	Yes	10	5
Mr P. Mukund <i>Managing Director</i>	Executive	5	Yes	Nil	Nil
Mr T. Igarashi	Non-Executive Non-Independent	5	Yes	Nil	Nil
Mr K. Igarashi	Non-Executive Non-Independent	2	Yes	Nil	Nil
Mr. Keiichi Igarashi	Non-Executive Non-Independent	3	No	Nil	Nil
Mr. C.P. Dusad	Non-Executive Independent	3	Yes	1	1
Mr. G.N. Mani	Non-Executive Independent	5	Yes	2	2

* Excluding Directorships in Private and Foreign Companies

\$ Includes Audit and Shareholders Grievances Committees of Public Limited Companies only

Igarashi Motors India Limited

INFORMATION ABOUT DIRECTORS RETIRING BY ROTATION SEEKING RE-APPOINTMENT

- 1) Dr. Kewal Krishan Nohria is a Fellow of Institute of Electrical Engineering UK. He graduated in electrical engg from BHU (Benaras Hindu University) in 1954 and pursued post graduation and Management studies at Manchester Technical College, UK. He was awarded an Honorary D.Litt Degree from Benares Hindu University. He is Fellow of All India Management Association and also Fellow of Indian Value Engineering Society.

He is former CMD (Chairman & Managing Director) of Crompton Greaves Ltd. and has over 50 years experience in Electrical & Electronics Industry. Post Retirement he is mentoring few CEO's and is active investor in few startup companies. He is also on the Board of number of Indian Companies.

He is Past President/ Chairman of ASSOCHAM (Association Chamber of Commerce And Industry), Bombay Chamber of Commerce and Industry, All India Management Association, All India Electrical and Electronics manufactures Association, CII (Confederate of Indian indsutry) Western Region, amongst others.

He is Recipient of various awards including Lifetime Achievement award for HRD.

Dr. Kewal Krishan Nohria holds 2,20,000 shares in the Company as on 31st March 2010.

- 2) Mr. C. P. Dusad is an Engineering graduate from BHU with AMP from Harvard University, with several decades of experience in leading Technology and Business Programs related to Electric Motors. He has been the President of Motors Group of India's largest private electrical engineering company and established five Joint Ventures. He is Professor/Management educator in Western Indian University.

Mr. C. P. Dusad holds 1 share in the Company as on 31st March 2010.



3. AUDIT COMMITTEE

Particulars of the Audit Committee:

SI No	Particulars	Details	
1.	Date of Formation	22nd October 2000	
2	No of Directors	4	
3.	Particulars of Members	Mr. C.P. Dusad (Chairman)	
		Mr. G.N.Mani	
		Mr. T.Igarashi	
		Mr. K.K.Nohria	
		Out of four Non-Executive Directors, three directors are also independent Directors.	
4.	No of Meetings held	During the financial year 2009-2010 meetings were held on 29th June 2009, 23rd July 2009, 30th October 2009 and 28th January 2010.	
5.	Meeting & Attendance During the Year	Name of the Director	No of Meetings Attended
		Mr. C.P. Dusad	2
		Mr. G.N.Mani	4
		Mr. T.Igarashi	4
		Mr. K.K.Nohria	4
6	Functions of the Audit Committee	<ul style="list-style-type: none"> Review of Company's audited financial statements and reports Adequacy of Internal Audit Function and systems Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the internal auditors and the fixation of audit fees. Review of Compliance with Accounting standards. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors. Review of Risk Management Policies and Practices. Review of audited financial statements of subsidiary companies. Review financial statements in conformity with Generally Accepted Accounting Principles (GAAP) Review of Statutory Compliance 	

The Company Secretary Mrs.T.S.Maharani acts as the Secretary to the Committee.

During the year, besides the regular review of the financial reporting processes, financial statements, internal control systems of the company and compliance with regulatory guidelines. Other areas addressed by the Audit Committee included the company's Forex management, risk related to product liability and in other business areas. The committee held regular interaction with statutory Auditors and internal auditors to benefit from their professional perspective on the Company's Accounts.

Igarashi Motors India Limited

4. REMUNERATION COMMITTEE & DIRECTORS' REMUNERATION

Although not mandatory in terms of the Listing agreement with the Stock Exchanges, the Company has a Remuneration Committee comprising 3 Non-Executive & Independent Directors. Presently, the Committee comprises Mr. K.K.Nohria (Chairman), Mr. C.P. Dusad and Mr. G.N.Mani.

During the year, there was no Committee meeting.

Managing Director:

Although the Listing Agreement and the Companies Act require the Remuneration Committee to only review the remuneration paid to the Managing Director, the Committee as part of its terms of reference, also reviews the remuneration of Senior Executives as and when they come for review.

The details of remuneration paid to the Managing Director for the financial year 2009-2010 is as under:

Name	Salary	Perquisites	Retirement Benefits	Performance Incentive/ Commission	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Mr. P. Mukund Managing Director	24,00,000	14,33,465	-	-	-	38,33,465

Remuneration Policy:

Payment of remuneration to the Managing Director is governed by the resolution recommended by the Board and approved by the Shareholders. The remuneration structure comprises of salary, commission, perquisites and other allowances. The Independent Non-Executive Directors do not draw any remuneration from the company other than sitting fees.

The details of sitting fees paid to the Non-Executive Directors for the financial year 2009-2010 is as under:

Name of the Director	Sitting Fees Paid Rs.
Mr. K .K.Nohria	30,000
Mr. C.P.Dusad	15,000
Mr. G.N.Mani	25,000
Total	70,000

The Promoter-Non Executive & Non Independent Directors viz. Mr. K. Igarashi, Mr. T. Igarashi and Mr. Keiichi Igarashi have not been paid any sitting fees.

Independent Directors, Mr. K K Nohria holds 2,20,000 shares (1.59%) , Mr. C P Dusad holds 1 share and Mr. G N Mani holds 601 shares in the Capital of the Company.

Mr. K Igarashi, Mr. T Igarashi and Mr. Keiichi Igarashi have not held any shares individually in the capital of the Company.



5. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

Particulars of Shareholders' Committee

Sl. No	Particulars	Details	
1.	Date of Formation	22nd October 2000	
2.	No of Directors	3	
3.	Name & Designation of Compliance Officer	Mrs. T.S. Maharani Company Secretary	
4.	Particulars of Members	Mr. G. N. Mani (Chairman) Mr. C. P. Dusad Mr. T. Igarashi Out of three Non-Executive Directors, two directors are also independent Directors.	
5.	No of Meetings held	During the financial year 2009-2010 meetings were held on the 29th June 2009, 23rd July 2009, 30th October 2009 and 28th January 2010	
6.	Meeting & Attendance During the Year	Name of the Director	No of Meetings Attended
		Mr. G. N. Mani	4
		Mr. C. P. Dusad	2
		Mr. T. Igarashi	4
7.	Functions of the Shareholder's Committee	<ul style="list-style-type: none"> ❖ Review of Investor Redressal Report. ❖ Approval of Share Transfer & Demat. ❖ Review of Secretarial MIS. 	

During the year 2009-2010, the Company received nil complaints from the investors. As on 31st March 2010 there were no investor grievances pending and no transfer were pending for approval.

6. GENERAL BODY MEETINGS

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

Financial year	Date	Venue	Time	Special Resolutions Passed
2008-09	30th September 2009	Music Academy, Mini Hall, 306, T.T.K. Road, Chennai – 600 014	4.00 P.M.	No Special Resolution
2007-08	26th September 2008	Music Academy, Mini Hall, 306, T.T.K. Road, Chennai – 600 014.	10.00 A.M	i) De-listing of shares from the Madras Stock Exchange Limited ii) Re-setting of exercise price under ESOP Scheme 2006

Igarashi Motors India Limited

Financial year	Date	Venue	Time	Special Resolutions Passed
2006-07	29th September 2007	Sathguru Gnanananda Hall, Narada Gana Sabha, Trust Complex, Mini Hall, 314, T.T.K. Road, Chennai – 600 018.	3.00 P.M	i) Amendment in the existing ESOP scheme to enable implementation through trust as well as directly to the employees ii) Extension of the ESOP Scheme-2006 to permanent employees of subsidiary companies

- B) Details on Extra-ordinary General Meeting held during the year- None
- C) During the year 2009-10, pursuant to Section 192A of the Companies Act, 1956 the share holders of the company have approved the following resolutions by means of Postal Ballot on 17th August 2009.

Item No. 1: Special Resolution for Corporate Guarantee given and Investment made.

Item No. 2 : Special Resolution for amendment to the Articles of Association of the Company.

Following is the result of the Postal ballot:

Sl. No.	Particulars	Item No. 1	Item No. 2
1	Number of valid postal ballot forms received	135	135
2	Votes in favour of the Resolution	83,73,914	83,73,914
3	Votes against the Resolution	395	395
4	Number of invalid Postal Ballot forms received	11	11

Mr. B Ravi, Practicing Company Secretary acted as a Scrutinizer for conducting the postal ballot in a fair and transparent manner.

7. DISCLOSURES

The Company has complied all the requirements relating to related party transactions and the details were reported in Schedule 2 of the notes forming part of accounts.

The Company has complied with all requirements of the listing agreement with Stock Exchanges as well as the applicable Regulations and guidelines prescribed by SEBI. During the last three years, there were no penalties imposed on the Company by any statutory authorities for non-Compliance on any matter related to Capital Market.

The Non-Executive Directors have no material pecuniary relationship or transaction with the company in their personal capacity.

The Company has fully complied with the applicable mandatory requirements of Clause 49.

The Company adopted non Mandatory Item of constituting the Remuneration Committee not only review the remuneration paid to the Managing Director but also reviewing the remuneration of Senior Executives as and when they come for review.

The Company has no Subsidiary Company.

In preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.



The Company's code of conduct has clearly laid down procedures for reporting to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or ethics policies. No employee of the Company was denied access to the Audit Committee.

We have established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics 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.

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 and Dina Malar. These were not sent individually to the shareholders. The quarterly and the annual results of the company are faxed to the stock exchanges on which the company's shares are listed, immediately of closure of meeting of the Board of Directors.

The management's discussion and analysis forms part of annual report, which is mailed to the shareholders of the company.

9. GENERAL SHAREHOLDER INFORMATION

- i. Annual General Meeting
 - Date : 16th September, 2010 at 3 P.M.
 - Venue : Music Academy, Mini Hall, 306, T.T.K Road
Chennai – 600 014
- ii. Financial Calendar : 1st April to 31st March
 - a) First Quarter Results : 23rd July 2009
 - b) Second Quarter Results : 30th October 2009
 - c) Third Quarter Results : 28th January 2010
 - d) Last quarter Results and
Annual Audited Results : 20th May 2010
- iii. Date of Book Closure : 13th September 2010 to 16th September, 2010
- iv. Listing on Stock Exchanges : The Company's shares are listed on BSE, NSE & MSE but are effectively traded only on the Bombay Stock Exchange Limited and National Stock Exchange Limited.
 - 1. The Bombay Stock Exchange Ltd (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 023
 - 2. National Stock Exchange of India Limited (NSE)
Exchange Plaza, 5th Floor,
G-Block, Bandra Kurla Complex
Bandra(west), Mumbai – 400 051
 - 3. Madras Stock Exchange Limited (MSE)
"Exchange Building"
11, Second Line Beach, Post Box No.183
Chennai – 600 001

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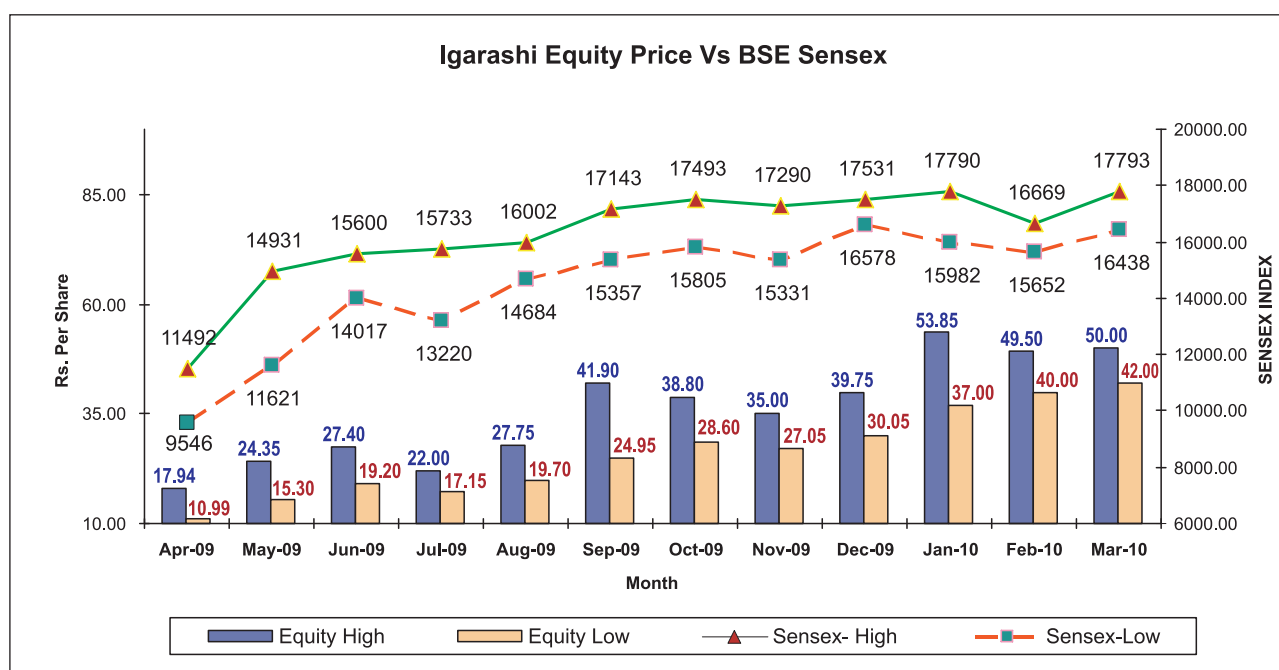
v. Listing Fees : The Listing fee of all the stock exchanges for the year 2010-2011 has already been paid.

vi. Stock Codes :

Sl. No	Name of Stock Exchange	Stock Code
1	National stock Exchange	IGARASHI
2	Bombay Stock Exchange	517380
3	Madras Stock Exchange	CGIGAMOTR

vii. International Securities

Identification Number (ISIN) : INE188B01013 (NSDL & CDSL)



viii. Market Price Data:

Monthly highs and lows of market prices of the company's shares on Bombay Stock Exchange (BSE) & National Stock Exchange (NSE) during the year 2009-2010 :

Equity Price

BSE		
Month	High (Rs.)	Low (Rs.)
April 2009	17.94	10.99
May 2009	24.35	15.30
June 2009	27.40	19.20
July 2009	22.00	17.15
August 2009	27.75	19.70
September 2009	41.90	24.95
October 2009	38.80	28.60
November 2009	35.00	27.05
December 2009	39.75	30.05
January 2010	53.85	37.00
February 2010	49.50	40.00
March 2010	50.00	42.00

NSE		
Month	High (Rs.)	Low (Rs.)
April 2009	17.95	10.55
May 2009	23.80	15.05
June 2009	27.30	19.20
July 2009	22.70	17.00
August 2009	27.60	19.00
September 2009	41.95	25.00
October 2009	37.10	28.75
November 2009	34.70	27.35
December 2009	40.10	30.30
January 2010	54.05	37.25
February 2010	49.85	39.00
March 2010	49.65	41.55



- ix. Registrar and Transfer Agents : Cameo Corporate Services Ltd
 “Subramanian Building”
 1, Club House Road
 Chennai – 600 002
 Phone :+ 91-44-28460390
 Fax No.: +91-44-28460129
 e-mail : cameo@cameoindia.com

x. Share Transfer System:

The Company's shares are in compulsory Dematerialization Segment. Transfers in physical form are registered within a period of 15 days from the date of receipt, provided the documents are complete and the shares under transfer are not in dispute. The share certificates duly endorsed are being immediately dispatched after effecting transfer. The total number of equity shares in physical form transferred during the year was 2,700.

A qualified practicing Company Secretary has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

xi. Distribution Schedule as on 31st March 2010

Category (Rs.)	No. of shareholders	% age	No. of shares	% age
Upto 5000	9249	87.68	1306167	9.41
5001 – 10000	632	5.99	537571	3.88
10001 – 20000	304	2.88	472235	3.40
20001 – 30000	121	1.15	306836	2.21
30001 – 40000	64	0.61	229593	1.66
40001 – 50000	66	0.63	315150	2.27
50001 – 100000	55	0.52	396708	2.86
100001 & above	57	0.54	10310122	74.31
Total	10548	100.00	13874382	100.00

Shareholding Pattern as on 31st March 2010

Category	No. of Shares	% of holding
Promoters	83,23,675	59.99
Foreign Institutional Investors (FIIs)	4,55,412	3.28
Bodies Corporate	9,21,320	6.64
Indian Public		
a) Directors Holding	2,72,965	1.97
b) Public	39,01,010	28.12
Total	1,38,74,382	100.00

Igarashi Motors India Limited

Top Ten Shareholding Pattern as on 31st March 2010

Sl.No.	Category	No. of Shares	% of holding
1	Igarashi Electric Works Ltd.	58,23,682	41.97
2	Igarashi Electric Works (H .K) Ltd.	24,99,993	18.02
3	JF India Fund	4,55,412	3.28
4	Mr. Kewal Krishan Nohria	2,20,000	1.59
5	Globe Capital Market Ltd.	2,00,600	1.45
6	Shree Capital Services Ltd.	68,500	0.49
7	Ragini Finance Ltd.	68,142	0.49
8	Mr. P. Mukund	52,322	0.38
9	Hindustan Tradecom Pvt.Ltd.	48,915	0.35
10	Mr. Ramesh S Damani	45,450	0.33

- xii. Dematerialization of shares : Over 97% of equity shares have been dematerialized up to 31 March 2010. Trading in your Company's shares is permitted only in the dematerialized form as per notifications issued by SEBI.
- xiii. Outstanding GDRs/ADRs/Warrants or any convertible instruments. : Not Applicable
- xiv. Plant Location : Plots B-12 to B –15, Phase II
MEPZ-SEZ, Tambaram,
Chennai 600 045.
- xv. Investor Correspondence : The Company Secretary
Igarashi Motors India Ltd
Plots B-12 to B –15, Phase II
MEPZ-SEZ, Tambaram,
Chennai 600 045.
Phone No.: +91-44-42298199
Fax No. : +91-44-22628143
e-mail : investorservices@igarashimotors.co.in

10. Code of Conduct :

The Company's Code of Conduct has been complied with by all the members of the Board and select employees of the Company.

The Company has in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulations, 1992. 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.

11. Declaration :

As provided under the Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and select employees have confirmed Compliance with the Code of Conduct.

For Igarashi Motors India Limited

Place : Chennai
Date : May 20, 2010

P.MUKUND
Managing Director



MANAGING DIRECTOR'S AND CHIEF FINANCIAL OFFICER'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Board of Directors,

Igarashi Motors India Limited

We have reviewed the financial statements and the cash flow statements of Igarashi Motors India Limited (the Company) for the financial year ended 31st March, 2010 and certify that :

- a. These statements, to the best of our knowledge and belief :
 - i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, of which we are aware and the steps taken and proposed to be taken to rectify these deficiencies.
- d. We have also indicated to the auditors and the Audit committee:
 - (i) significant changes in the internal controls with respect to financial reporting during the year and the achievement of adequate internal controls within the Company's ERP systems;
 - (ii) significant changes in accounting policies during the year and these have been disclosed in the notes to the financial statements.
- e. To the best of our knowledge and belief, there are no instances of significant fraud involving either the Management or employees having a significant Role in the Company's internal control systems with respect to financial reporting.

Place : Chennai

P.MUKUND

R.CHANDRASEKARAN

Date : May 20, 2010

Managing Director

Head-Finance

To

The Members,

Igarashi Motors India Limited.

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s Igarashi Motors India Limited for the year ended on 31st March 2010, as stipulated in clause 49 of the Listing agreement entered into by the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the procedures and implementation thereof, adopted by the Company for ensuring such compliance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that there are no investor grievances pending, as per the records of the company.

We further state the above compliance however is not an assurance of the efficiency or effectiveness with which the Management has conducted the affairs of the company.

SHARP & TANNAN
Chartered Accountants
(Reg.No.003792S)

L.VAIDYANATHAN
Partner
Membership No. 16368

Place : Chennai

Date : May 20, 2010

Igarashi Motors India Limited

AUDITORS' REPORT TO THE MEMBERS OF IGARASHI MOTORS INDIA LIMITED

We have audited the attached balance sheet of Igarashi Motors India Limited (the Company) as at 31st March 2010, the profit and loss account and the cash flow statement for the financial year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of section 227 of the Companies Act 1956, we report that:

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanations give to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a) we have 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 accounts 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, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the balance sheet, profit and loss account and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of the written representations received from directors of the Company as at 31st March 2010, and taken on record by the Board of Directors, we report that no director is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies in Schedule 1 and notes appearing in Schedule 2 thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2010;
 - ii) in the case of the profit and loss account, of the profit for the year ended on that date;
 - iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

SHARP & TANNAN
Chartered Accountants
(Reg.No.003792S)

L.VAIDYANATHAN
Partner
Membership No. 16368

Place : Chennai
Date : May 20, 2010



Annexure to the Auditors' Report

(Referred to in Paragraph 1 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of all fixed assets.
- (b) The Company has physically verified during the year all its fixed assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- (ii) (a) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans secured / unsecured to companies, firms, and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4 (iii) (b), (c) and (d) of the Order are not applicable.
- (b) According to the information and explanations given to us, the Company has not taken any loans secured / unsecured from companies, firms, and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4 (iii) (f) and (g) of the Order are not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books of account 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 systems.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at the prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposit from the public with in the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

Igarashi Motors India Limited

- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of electrical motors and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Custom Duty, Excise Duty, cess and any other statutory dues during the year with the appropriate authorities. As at 31st March 2010, there are no undisputed dues payable for more than six months from the date from which they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of income tax which has not been deposited on account of dispute pending as at 31st March 2010 is as under:

Name of the statute	Nature of disputed dues	Amount (Rs. in lakhs)	Period to which the dispute relates	Forum where disputes are pending
Income Tax Act, 1961	Re-computation of Section 10(A) exemption	0.05	Assessment Year 2002-03	Commissioner (Appeals)
Income Tax Act, 1961	Disallowance of Brought forward losses (Amount deposited Rs.20 lakhs)	46.27	Assessment Year 2004-05	Commissioner (Appeals)
Income Tax Act, 1961	Disallowance of Brought forward losses (Amount deposited Rs.19 lakhs)	37.28	Assessment Year 2005-06	Commissioner (Appeals)

There are no dues of customs duty, Excise Duty, Sales tax and cess, which have not been deposited on account of any dispute.

- (x) The Company's accumulated losses at the end of the financial year are less than fifty percent of its net-worth and it has not incurred cash losses in the current financial year. However, the Company has incurred cash losses in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company has not issued any debentures.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other securities.



- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interest of the Company.
- (xvi) 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.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures during the year and accordingly, no security or charge needs to be created.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and the 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 or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

SHARP & TANNAN
Chartered Accountants
(Reg.No.003792S)

L.VAIDYANATHAN
Partner
Membership No. 16368

Place : Chennai
Date : May 20, 2010

Igarashi Motors India Limited

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SOURCES OF FUNDS			
Shareholder's Funds			
Share capital	A	138,743,820	138,743,820
Reserves and surplus	B	383,394,940	383,394,940
		522,138,760	522,138,760
Loan Funds			
Secured loans	C	691,721,447	752,392,133
Unsecured loans	D	11,000,000	258,818,000
		702,721,447	1,011,210,133
Deferred Tax Liability (Refer Note no.23 in Schedule 2)		93,394,360	82,930,696
		<u>1,318,254,567</u>	<u>1,616,279,589</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	E	1,220,022,912	1,188,254,149
Less : Depreciation/Amortisation		401,192,665	338,508,576
Net block		818,830,247	849,745,573
Capital work-in-progress		38,132,598	59,143,480
		856,962,845	908,889,053
Investments	F	143,300,000	124,300,000
Deferred Tax Asset (Refer Note no.23 in Schedule 2)		723,889	610,567
Current Assets, Loans and Advances			
Interest Accrued	G	253,536	1,888,286
Inventories		136,488,697	159,098,614
Sundry Debtors		227,074,809	323,181,477
Cash & Bank Balances		29,924,275	40,835,867
Loans & Advances		168,727,833	236,531,858
		<u>562,469,150</u>	<u>761,536,102</u>
Less: Current Liabilities and Provisions			
Liabilities	H	505,386,773	465,613,971
Provisions		8,137,452	9,039,717
		<u>513,524,225</u>	<u>474,653,688</u>
Net Current Assets		48,944,925	286,882,414
Profit & Loss Account		268,322,908	295,597,555
		<u>1,318,254,567</u>	<u>1,616,279,589</u>
Significant accounting policies	1		
Notes on accounts	2		

The schedules referred to above form an integral part of Balance Sheet.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No.003792S

P. MUKUND
Managing Director

K.K. NOHRIA
Chairman

K. IGARASHI
C.P. DUSAD
G.N. MANI

R. CHANDRASEKARAN
Head- Finance

T.S. MAHARANI
Company Secretary
Membership No. 16992

T. IGARASHI
KEIICHI IGARASHI
Directors

L. VAIDYANATHAN
Partner
Membership No. 16368
Place: Chennai
Date: May 20, 2010



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	2009-2010	2008-2009
		Rupees	Rupees
INCOME			
Sales & Services			
Exports		1,542,138,973	2,481,556,312
Domestic		52,634,502	120,520,887
Less: Duty		7,718,580	23,944,768
		44,915,922	96,576,119
Net Sales		1,587,054,895	2,578,132,431
Other income	I	5,423,383	159,258,081
		1,592,478,278	2,737,390,512
EXPENDITURE			
Materials and Manufacturing expenses	J	1,237,881,662	2,444,268,913
Staff expenses	K	96,165,418	110,106,749
Selling and Administration expenses	L	70,885,799	554,484,186
Interest and commitment charges	M	85,115,344	131,819,083
Depreciation and Amortisation	N	64,805,066	83,484,223
		1,554,853,289	3,324,163,154
Profit before tax		37,624,989	(586,772,642)
Tax Expense			
Fringe Benefit Tax		-	1,304,434
Deferred Tax (Refer Note no.23 in Schedule 2)		10,350,342	14,802,376
		10,350,342	16,106,810
Profit after tax		27,274,647	(602,879,452)
Add: Balance brought forward from previous year		(295,597,555)	57,339,700
Profit / (Loss) available for appropriation		(268,322,908)	(545,539,752)
Transfer from General Reserve		-	249,942,197
Balance carried to Balance Sheet		(268,322,908)	(295,597,555)
Basic and Diluted Earnings Per Share (Rs.)		1.97	(43.45)
(Refer Note no.21 in Schedule 2)			
Face Value Per Equity Share (Rupees)		10.00	10.00
Significant accounting policies	1		
Notes on accounts	2		

The schedules referred to above form an integral part of Profit & Loss Account.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No.003792S

P. MUKUND
Managing Director

K.K. NOHRIA
Chairman

K. IGARASHI
C.P. DUSAD

R. CHANDRASEKARAN
Head- Finance

T.S. MAHARANI
Company Secretary
Membership No. 16992

G.N. MANI
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Directors

L. VAIDYANATHAN
Partner
Membership No. 16368
Place: Chennai
Date: May 20, 2010

Igarashi Motors India Limited

SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE A		
Share Capital		
Authorised capital :		
22,000,000 Equity shares of Rs 10/- each	<u>220,000,000</u>	<u>220,000,000</u>
Issued, subscribed and paid up:		
13,874,382 Equity shares of Rs 10/- each fully paid up	<u>138,743,820</u>	<u>138,743,820</u>
(Out of the above 8,323,675 equity shares of Rs.10/- each are held by the holding company - Igarashi Electric Works Limited, Japan and its subsidiary.)		
SCHEDULE B		
Reserves and Surplus		
Securities premium account	<u>383,394,940</u>	<u>383,394,940</u>
	<u>383,394,940</u>	<u>383,394,940</u>
SCHEDULE C		
Secured Loans:		
From banks		
(i) Term loan	192,017,632	217,200,000
(ii) Working Capital Term Loan	350,479,486	-
(iii) Working Capital Loan	149,224,329	535,192,133
(Packing credit/Buyers Credit/Overdraft)		
(i) Term loans from banks are secured by first charge on fixed assets of the company.		
(ii) & (iii) Working Capital Term Loan and Working capital loans from banks are secured by charge on all current assets of the company and by second charge over residual value of movable fixed assets of the company after term loan		
The charge also extends to bills discounted amounting to Rs. 104,376,085/- (Previous year Rs. 101,186,282/-).	<u>691,721,447</u>	<u>752,392,133</u>
SCHEDULE D		
Unsecured Loans:		
Term Loan from Banks	<u>11,000,000</u>	<u>258,818,000</u>
	<u>11,000,000</u>	<u>258,818,000</u>

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE E

Fixed Assets

(All Figures in Rupees)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2009	Additions/ Adjustment for the Year	Deductions/ Adjustment during the Year	As at 31.03.2010	As at 01.04.2009	For the Year	Deductions/ Adjustment during the Year	As at 31.03.2010	As at 31.03.2009
Tangible Assets									
Buildings	131,252,377	28,731,101	-	159,983,478	20,256,085	3,860,420	-	24,116,505	110,996,292
Plant & equipment	963,121,872	19,495,351	15,866,392	966,750,831	281,781,116	47,601,611	2,036,347	327,346,380	681,340,756
Furnitures & fixtures	33,136,651	34,956	407,527	32,764,080	10,351,540	2,206,658	84,630	12,473,568	22,785,111
Vehicles	5,541,224	-	-	5,541,224	3,580,170	478,483	-	4,058,653	1,961,054
Total Tangible Assets	1,133,052,124	48,261,408	16,273,919	1,165,039,613	315,968,911	54,147,172	2,120,977	367,995,106	817,083,213
Intangible Assets									
Product Development Expenses (Refer Note no.27 in Schedule 2)	55,202,025	819,395	1,038,121	54,983,299	22,539,665	10,657,894	-	33,197,559	32,662,360
Total Intangible Assets	55,202,025	819,395	1,038,121	54,983,299	22,539,665	10,657,894	-	33,197,559	32,662,360
GRAND TOTAL	1,188,254,149	49,080,803	17,312,040	1,220,022,912	338,508,576	64,805,066	2,120,977	401,192,665	-
Previous year	1,187,043,810	134,856,800	133,646,461	1,188,254,149	322,185,779	83,484,223	67,161,426	338,508,576	849,745,573



Igarashi Motors India Limited

SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE F		
INVESTMENTS (at cost unless otherwise specified):		
Unquoted Investments		
Fully paid equity shares:		
IJT Plastics & Tools Private Limited	74,300,000	74,300,000
(7,430,000 Equity Shares of Rs. 10/- each)		
(Refer Note no.9 in Schedule 2)		
 Bosch Electrical Drives India Private Ltd	 69,000,000	 49,000,000
(690,000 Equity Shares of Rs. 100/- each)		
Partly Paid up equity shares:		
Bosch Electrical Drives India Private Ltd	-	1,000,000
(200,000 Equity Shares of Rs. 100/- each Rs.5 Paid up)		
Since fully paid up during the year		
Total	143,300,000	124,300,000

Sl. No.	Details of investment made during the year	Face Value Rs.	Cost Rs.	Purchase value Rs.
	Equity Shares			
1	Bosch Electrical Drives India Private Ltd	100	19,000,000	19,000,000



SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE G				
Current Assets, Loans and Advances				
Interest Accrued on Deposits		253,536		1,888,286
Inventories :				
(at lower of cost or net realisable value)				
Raw materials & components	91,652,652		88,671,336	
Stores & Spares	24,710,970		28,889,003	
Work-in-progress	12,524,196		16,263,457	
Finished goods	7,600,879		25,274,818	
		136,488,697		159,098,614
Sundry Debtors :				
Unsecured				
Debts Outstanding for more than six months				
Considered Good	3,895,095		24,398,490	
Other debts				
Considered Good	223,179,714		298,782,987	
		227,074,809		323,181,477
Cash and bank balances :				
Cash-on-hand	-		-	
Balance with scheduled banks:				
on current account	12,626,341		31,540,905	
on deposit accounts	17,297,934		9,294,962	
(Refer Note no. 8 in Schedule 2)		29,924,275		40,835,867
Loans and Advances				
Unsecured - Considered Good :				
Advances recoverable in cash or in kind or for value to be received	167,543,091		235,253,725	
Balance with customs and excise	1,184,742		1,278,133	
		168,727,833		236,531,858
		562,469,150		761,536,102

Igarashi Motors India Limited

SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE H				
Current Liabilities and Provisions				
Liabilities :				
Sundry creditors				
Due to Micro & Small enterprises	-		-	
Unpaid Dividend	1,419,313		1,868,489	
Interest accrued but not due on loans	165,123		74,384	
Advance received from customers	-		21,191,011	
Others	503,802,337		442,480,087	
		505,386,773		465,613,971
Provisions :				
Taxes (excess of earlier years)	7,735,283		7,735,283	
Fringe Benefit Tax	-		1,304,434	
Gratuity	331,133		-	
Leave encashment	71,036		-	
		8,137,452		9,039,717
		513,524,225		474,653,688
		2009 - 2010		2008 - 2009
		Rupees		Rupees
SCHEDULE I				
Other Income				
Interest income		296,478		3,330,131
(Tax deducted at source Rs. 50,707/- previous year Rs.169,445/-)				
Profit on Sale of Investments		-		137,540,000
Profit on Sale of Fixed Assets		644,241		3,197,315
Service Income		2,250,000		2,250,000
Scrap sales-other than manufacturing related		2,232,664		12,940,635
		5,423,383		159,258,081



SCHEDULES FORMING PART OF ACCOUNTS

	2009-2010		2008-2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE J				
Material and Manufacturing Expenses				
Raw materials and components consumed:				
Opening stock	88,671,336		216,635,401	
Add: Purchases	968,117,754		986,772,967	
	<u>1,056,789,090</u>		<u>1,203,408,368</u>	
Less : Closing stock	91,652,652		88,671,336	
		<u>965,136,438</u>		<u>1,114,737,032</u>
Less: Scrap sales		19,710,197		23,077,883
		<u>945,426,241</u>		<u>1,091,659,149</u>
Add: Increase/(Decrease) in manufactured stocks :				
Opening stock :				
Finished goods	25,274,818		47,670,286	
Work-in-progress	16,263,457		31,991,295	
	<u>41,538,275</u>		<u>79,661,581</u>	
Less: Closing stock :				
Finished goods	7,600,879		25,274,818	
Work-in-progress	12,524,196		16,263,457	
	<u>20,125,075</u>		<u>41,538,275</u>	
		<u>21,413,200</u>		<u>38,123,306</u>
		<u>966,839,441</u>		<u>1,129,782,455</u>
Trading Purchases		146,554,737		1,133,193,215
Stores and spares :				
Opening stock	28,889,003		36,534,495	
Add: Purchases	46,213,533		67,232,695	
	<u>75,102,536</u>		<u>103,767,190</u>	
Less : Closing stock	24,710,970		28,889,003	
		<u>50,391,566</u>		<u>74,878,187</u>
Direct Expenses		32,448,231		57,708,064
Power and fuel		18,681,747		24,334,636
Repairs to				
Plants & machinery	21,660,248		22,135,934	
Building	1,305,692		2,236,422	
		<u>22,965,940</u>		<u>24,372,356</u>
		<u>1,237,881,662</u>		<u>2,444,268,913</u>

Igarashi Motors India Limited

SCHEDULES FORMING PART OF ACCOUNTS

	2009-10 Rupees	2008-2009 Rupees
SCHEDULE K		
Staff Expenses		
Salaries, wages and bonus	76,398,660	88,656,734
Contribution to Provident Fund, Gratuity Fund and Leave Encashment	3,034,451	3,275,627
Welfare and other expenses	16,732,307	18,174,388
	<u>96,165,418</u>	<u>110,106,749</u>
SCHEDULE L		
Selling and Administration Expenses		
Rent	3,444,847	4,207,069
Rates, taxes and fees	1,391,359	671,016
Insurance	3,242,995	6,070,927
Travel & conveyance	13,001,911	16,519,480
Telephone, postage & telegram	2,054,609	2,459,078
Recruitment & Training	612,855	1,163,939
Printing & Stationery	1,823,390	2,459,895
Professional Charges	7,143,010	6,822,580
Selling & Forwarding expenses	11,622,824	51,312,847
Repairs-others	8,271,579	10,258,123
Bank charges	11,683,408	22,674,060
Miscellaneous expenses	6,593,012	14,763,078
Exchange loss(net)	-	415,102,094
	<u>70,885,799</u>	<u>554,484,186</u>
SCHEDULE M		
Interest and Commitment charges		
On fixed loans	37,055,502	57,502,496
On others	48,059,842	74,316,587
	<u>85,115,344</u>	<u>131,819,083</u>
SCHEDULE N		
Depreciation and Amortisation		
Depreciation	54,147,172	74,425,545
Amortisation	10,657,894	9,058,678
	<u>64,805,066</u>	<u>83,484,223</u>



SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE 1

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The Accounts have been prepared under the historical cost convention and on the basis of going concern, with revenues recognized and expenses accounted on accrual basis, including for committed obligations and is in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

The preparation of financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates.

2. REVENUE RECOGNITION

- i) Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the term of the contract.
- ii) Interest income is accrued at applicable interest rate.
- iii) Other items of income are accounted as and when the right to receive arises.

3. FIXED ASSETS

Fixed assets are capitalized at acquisition cost including directly attributable cost such as freight, insurance and specific installation charges for bringing the assets to working condition for use.

4. IMPAIRMENT

The carrying amounts of fixed assets are reviewed at each Balance sheet date on value in use basis to assess whether they are recorded in excess of their estimated recoverable amount. If the carrying value exceeds the estimated recoverable amount, assets are written down to their estimated recoverable amount.

5. INVENTORIES

Inventories are valued after providing for obsolescence as under :

Raw materials and Components	:	At lower of weighted average cost or net realizable value.
Packing Materials and spares	:	At lower of weighted average cost or net realizable value.
Work-in-progress	:	At material cost including appropriate production overheads or net realizable value.
Finished goods	:	At lower of weighted average cost or net realizable value. Cost includes related overheads.

SCHEDULES FORMING PART OF ACCOUNTS

6. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions relating to purchase and sale of goods are recorded at the exchange rate prevailing at the time of transaction. Foreign currency assets and liabilities are converted at the contracted/year-end rate, as applicable. Exchange differences are adjusted in the profit and loss account.

The company uses foreign exchange forward contract to hedge its exposure to movements in foreign exchange rates. The use of these contracts reduces the risk or cost and the company does not use these contracts for trading or speculation purpose. Cash flows arising on account of roll over / cancellation are recognised as income / expense of the period in line with the movement in underlying exposures.

7. EMPLOYEE BENEFITS

a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia, are recognized in the period in which the employee renders the related service.

b) Post-employment benefits:

i. Defined contribution plans: The Company's state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plans: The employees' gratuity is managed through LIC Group Gratuity scheme. Wherever applicable, the present value of the obligation under such defined plan is determined based on actuarial valuation certified by LIC using the Projected unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined plan is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity period of the related obligations at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Profit and Loss Account, gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

c) Long term employee benefits:

The obligation for long term employee benefits such as long term compensated absences is recognized in the similar manner as in the case of defined plans as mentioned in (b) (ii) above.

8. DEPRECIATION

Depreciation on assets including building constructed on leased land is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except in respect of tools & assets acquired for use by the employees, which are being depreciated at the rate of 20% on straight-line method. Assets value of less than Rs.5, 000/- are charged off in the year of purchase.



SCHEDULES FORMING PART OF ACCOUNTS

Depreciation on impaired assets is provided by adjusting the depreciation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

9. TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

10. INTANGIBLE ASSET

Product Development expenses on new products till the date of commercial production are capitalized under 'Intangible Assets' and are amortized over a period of 60 months from the date of commencement of commercial production.

11. LEASES

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Profit and Loss Account on accrual basis.

12. INVESTMENTS

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is of permanent nature.

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- (a) the company has a present obligation as a result of a past event,
- (b) a probable outflow of resources is expected to settle the obligation and
- (c) the amount of obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- (a) present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- (b) a possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Igarashi Motors India Limited

SCHEDULE 2

NOTES FORMING PART OF ACCOUNTS

	As at 31.03.2010 (Rupees)	As at 31.03.2009 (Rupees)
1. Estimated amount of contracts remaining to be executed on capital account net of advances of Rs. NIL (Previous year Rs.NIL)	1,451,981	26,823,040
2. Capital work-in-progress includes advances	-	618,000
3. Contingent Liabilities :		
a) Bills discounted	104,376,085	101,186,282
b) Income Tax liability that may arise in respect of matters on appeal*	8,360,134	6,093,836
c) Guarantees given on behalf of Associate companies	910,065,000	684,000,000
* Demand of Rs. 2,761,391 raised by the Income tax department for Assessment Year 2006-07 has not been considered as a contingent liability as the company has filed rectification petition under section 154 of Income tax Act for mistake apparent on record.		

	2009-2010 (Rupees)	2008-2009 (Rupees)
4. Auditor's remuneration and expenses charged to the accounts :		
Audit fees	450,000	450,000
Tax Audit fees	50,000	50,000
Certification	71,000	90,250
Expenses reimbursed	11,533	5,851
5. Value of imports (on C.I.F.basis):		
Raw material *	148,336,802	163,243,541
Components, stores & spares *	808,809,397	961,429,629
Capital goods	17,972,833	18,754,911
Trading purchase	-	794,164,907
* Includes SEZ purchase in INR of Rs. 45,284,983 (Previous year Nil)		
6. Expenditure in foreign currency :		
Foreign travel	1,094,988	1,766,845
Sub-contract Charges	400,296	4,425,126
Freight Charges - Others	1,109,456	9,830,231
Interest Payment	-	9,442,549
7. Earnings in foreign currency :		
FOB Value of Exports *	1,541,955,734	2,223,359,861
* Includes Deemed Exports of Rs. 312,899,156 (Previous year Nil)		



SCHEDULE 2

NOTES FORMING PART OF ACCOUNTS

8. Deposit accounts with banks under cash and bank balances in schedule G includes Margin Money Deposit of Rs.15,882,115/-, Fixed deposit of Rs.1,133,747/- and Rs. 6,000/- pledged as security with sales tax department.
9. The Company has pledged its investments of Rs. 74,300,000 in the equity shares of IJT Plastics & Tools Private Limited as security for the credit facility availed from bank by IJT Plastics & Tools Private Limited, an associate company.
10. Details of licensed and installed capacities, production, stocks and turnover

	Units	Electric Micro Motor		Rotor Assembly		Others	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Licensed Capacity	Nos	NA	NA	NA	NA	NA	NA
Installed Capacity	Nos	9,000,000	9,000,000	-	20,000,000	NA	NA
Production	Nos	7,854,211	6,677,856	-	8,226,262	11,190,807	7,842,880
Opening Stock	Nos	356,247	400,054	-	137,760	1,580	86,110
	Rupees	25,156,400	34,734,179	-	9,466,596	118,418	3,469,510
Closing Stock	Nos	182,027	356,247	-	240	470	1,340
	Rupees	7,462,147	25,156,400	-	10,207	138,732	108,211
Turnover	Nos	8,028,431	6,677,856	-	8,226,262	11,191,917	7,842,880
	Rupees	1,228,574,733	914,649,975	-	83,493,832	209,787,783	446,748,953

Others : Turnover includes sale of Drawn parts, sub assembly and actuators.

11. Details of Trading Purchase, Turnover :

Amount in Rs.

Particulars	Opening Stock	Purchases	Closing Stock	Turnover
2009-10				
Components / Parts	Nil	146,554,737	Nil	148,692,379
Total		146,554,737		148,692,379
2008-09				
Carrier Assembly	Nil	94,626,174	Nil	94,672,630
Components / Parts	Nil	1,038,567,041	Nil	1,038,567,041
Total		1,133,193,215		1,133,239,671

- 12 (a) Raw materials and components consumed

Particulars	Unit	2009-2010		2008-2009	
		Quantity	Value (Rs)	Quantity	Value (Rs)
Ferrous	Kgs	2,881,443	124,287,249	2,966,256	52,761,761
Non-ferrous	Kgs	131,843	49,511,632	258,333	101,310,075
Others			771,627,360		937,587,313
Total			945,426,241		1,091,659,149

Igarashi Motors India Limited

SCHEDULE 2

NOTES FORMING PART OF ACCOUNTS

(b) Analysis of Raw materials and components consumed

Particulars	2009-2010		2008-2009	
	% of total consumption	Value (Rs.)	% of total consumption	Value (Rs.)
Imported	89%	837,764,399	83%	903,067,160
Indigenous	11%	107,661,842	17%	188,591,989
Total	100%	945,426,241	100%	1,091,659,149

13. Directors Remuneration	2009-2010 (Rupees)	2008-2009 (Rupees)
Computation of net profits in accordance with Section 349 of the Companies Act 1956.		
Profit/(Loss) as per Profit & Loss Account	37,624,989	(586,772,642)
Add: Depreciation charged in accounts	64,805,066	83,484,223
Directors emoluments		
Managing Director	3,833,465	3,808,534
Sitting Fee	70,000	90,000
	<u>68,708,531</u>	<u>87,382,757</u>
	106,333,520	(499,389,885)
Less:		
Depreciation in accordance with Section 350 of the Companies Act 1956	64,805,066	83,484,223
Profit on Sale of Investment	-	137,540,000
Profit on Sale of Fixed Asset	369,402	193,113
	<u>65,174,468</u>	<u>221,217,336</u>
Net Profit/(Loss) as per Section 349	<u>41,159,052</u>	<u>(720,607,221)</u>

In view of inadequacy of profits, remuneration paid to managing director for financial year 2009-10 is based on the effective capital method as per Schedule XIII of the Companies Act, 1956.

Effective Capital Working	As at 31.03.2010 (Rupees)	As at 31.03.2009 (Rupees)
Share Capital & Free Reserve (Excluding Revaluation Reserve)	253,815,852	226,541,205
Long Term Loans & Deposits	553,497,118	476,018,000
Sub Total	<u>807,312,970</u>	<u>702,559,205</u>
Less: Aggregate of Investment in Shares	<u>143,300,000</u>	<u>124,300,000</u>
Effective Capital	<u>664,012,970</u>	<u>578,259,205</u>
Maximum permissible remuneration payable per annum as per Schedule XIII under effective capital method	4,800,000	4,800,000
Remuneration to Managing Director	3,833,465	3,808,534



SCHEDULE 2

NOTES FORMING PART OF ACCOUNTS

14 Remuneration to Managing Director :

	2009-10	2008-09
	(Rupees)	(Rupees)
Salaries	2,400,000	2,400,000
Perquisites and Benefits	1,433,465	1,408,534
	3,833,465	3,808,534

Note: Remuneration has been paid in terms of circular resolution passed by the shareholders on 27th March 2008 and approval dated 29th June 2009 by the Ministry of Corporate Affairs of Government of India.

15. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at 31st March 2010. The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company on which the auditors have placed reliance.

16. Segment reporting :

- (i) The Company is engaged in single segment of production of Micro motors and its accessories mainly for the Automotive sector. Hence giving of primary segment under Accounting Standard -17 segment reporting does not arise.

We give below the details of secondary segment being geographical segment.

COUNTRY	2009 - 2010	2008 - 2009
	Rupees	Rupees
Overseas	1,229,074,817	2,474,362,009
Domestic	357,980,078	103,770,422
TOTAL REVENUE	1,587,054,895	2,578,132,431

- (ii) Segment identification, reportable segments and definition of each reportable segment

- (a) Secondary Segment reporting format :

In respect of secondary segment information, the company has identified its geographical segments as (a) Domestic and (b) Overseas. The secondary segment information has been disclosed accordingly.

- (b) Reportable segments :

Reportable segments have been identified as per the criteria specified in Accounting Standard (AS) 17 - "Segment Reporting".

17. Related party disclosures :

- (i) The following enterprises are related to the company.

1. Igarashi Electric Works Ltd, Japan	- Holding Company (through management control)
2. Igarashi Electric Works (H K) Ltd	- Fellow Subsidiary Company.
3. Igarashi Motor Sales LLC, USA.	- Fellow Subsidiary Company.
4. Igarashi Motoren GMBH	- Fellow Subsidiary Company.
5. Agile Electric Drives Technologies and Holdings Pvt Ltd	- Fellow Subsidiary Company.
6. IJT Plastics & Tools Pvt. Ltd.	- Associate Company.
7. Agile Electric Sub Assembly Pvt, Ltd.	- Associate Company.
8. Agile Electric Technologies Pvt, Ltd.	- Associate Company.

- (ii) Key Management Personnel (KMP) :

Mr. P. Mukund	- Managing Director.
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Igarashi Motors India Limited

SCHEDULE 2

NOTES FORMING PART OF ACCOUNTS

- (iii) The following transactions were carried out with the related parties in the ordinary course of business :
Amount in Rs.

Sl No.	Nature of relationship / transaction	Holding co.	Fellow Subsidiary	Associates	Total
1	Purchase of goods	76,138,888 (32,467,080)	48,022,828 (13,842,799)	235,163,984 (169,384,188)	359,325,700 (215,694,067)
2	Sale of goods	55,496 (74,892,617)	1,245,341,626 (843,711,314)	328,384,179 (365,453,353)	1,573,781,301 (1,284,057,284)
3	Other services received	-	-	3,323,691 (19,476,917)	3,323,691 (19,476,917)
4	Sale of Investments	-	-	-	-
		-	(197,340,000)	-	(197,340,000)

- (iv) Amount Due to / from Related Parties :

Amount in Rs.

Sl No.	Nature of relationship / transaction	Holding co.	Fellow Subsidiary	Associates	Total
1	Dues from Related Parties	2,591,392 (11,045,015)	235,265,790 (241,352,910)	256,122,029 (19,528,612)	493,979,211 (271,926,537)
2	Dues to Related Parties	53,655,453 (13,017,434)	13,600,881 (1,554,012)	96,028,204 (42,852,511)	163,284,538 (57,423,957)

(Note : Figures in brackets represent corresponding amounts of the previous year.)

No amount outstanding has been written off or written back during the year.

18. Factory building has been constructed on land taken on lease from 01-05-1991 for a period of fifteen years from Madras Export Processing Zone (MEPZ) and monthly rent paid has been charged in the accounts. The said lease has since been renewed for a further period of five years w.e.f 2nd May 2006 and is renewable further thereafter at the option of the Company on mutually agreed terms with MEPZ. In the event of the Company deciding to vacate the premises, the lessor (MEPZ) will compensate the company a mutually agreed consideration for the sale of the factory building. Accordingly depreciation has been provided at the rates prescribed in Schedule XIV of the Companies Act, 1956.
19. The Company has taken certain premises on cancellable operating lease. These lease agreements are normally renewed on expiry. The company has taken cars on cancellable operating lease. Amount paid towards these leases are included in selling & administration expenses. There are no exceptional / restrictive covenants in these lease agreements.
20. a) The Company does not have taxable income under the conventional method of computation of income and further is covered by the provisions of the Special Economic Zones Act, 2005 and accordingly not liable for Minimum Alternate Tax under section 115JB of the Income tax Act, 1961. Hence, no provision for Current tax has been made during the year.
- b) The Company does not have taxable wealth and hence no provision has been made for wealth tax under the provisions of Wealth Tax Act, 1957.



SCHEDULE 2

NOTES FORMING PART OF ACCOUNTS

21. Earning per share (EPS) computed in accordance with Accounting Standard 20 "Earnings Per Share" as below:

Particulars		2009-10	2008-09
(a) Profit after tax as per Accounts	Rs.	27,274,647	(602,879,452)
(b) Number of equity shares subscribed	Nos	13,874,382	13,874,382
Basic & Diluted EPS	Rs.	1.97	(43.45)
(c) Face Value per share	Rs.	10.00	10.00

22. Derivative Instruments:

In line with the Company's risk management policy, the various financial risks mainly relating to changes in the exchange rates are hedged by using forward contracts, besides the natural hedges.

The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2010 are as under :

Sl. No.	Category of Derivative Instruments	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
1	For hedging foreign currency risks Forward contracts for receivables including firm commitments and highly probable forecasted transactions	-	101,400,450
2	Particulars of Unhedged foreign currency exposure as at the Balance Sheet date:		
	Creditors	415,113,805	319,105,689
	Debtors	224,918,249	117,252,352
	Working capital loan	5,702,156	192,520,514

23. Major Components of Deferred Tax :

Particulars	As at 31.03.2010		As at 31.03.2009	
	Deferred Tax Assets Rupees	Deferred Tax Liabilities Rupees	Deferred Tax Assets Rupees	Deferred Tax Liabilities Rupees
Difference between Book Depreciation and Tax Depreciation.		93,394,360		82,930,696
Provision for Unpaid Bonus, Group Gratuity and Group Leave Encashment debited to Profit & Loss Account	723,889		610,567	
Total	723,889	93,394,360	610,567	82,930,696
Net incremental liability charged to Profit & Loss Account		10,350,342		16,106,810

Igarashi Motors India Limited

SCHEDULE 2

NOTES FORMING PART OF ACCOUNTS

24. The Company has reviewed the future cash flows on the basis of value in use of its assets and has satisfied that the estimated recoverable amount is more than the amount carried in the books. Accordingly, no provision for impairment loss is required to be made in these accounts.
25. Employee Benefits :
Provision for Gratuity and Leave encashment represents provision made as per LIC Group Gratuity renewal valuation report dated 6th March 2010 and Group Leave renewal valuation report dated 20th March 2010 under the LIC Group Gratuity Scheme and Group Leave Encashment Scheme which will be paid along with interest as per the scheme.
- a) The amounts recognised in Balance Sheet are as follows:

(In Rupees)

	Particulars	Leave Encashment		Gratuity Plan	
		As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009
A	Present Value of Defined Benefit Obligation				
	- Wholly funded	4,022,549	3,694,680	5,840,099	4,898,444
	- Wholly Unfunded	-	-	-	-
	Less: Fair value of Plan Assets:	(4,290,377)	(3,202,393)	(6,050,309)	(5,217,148)
	Unrecognised Past Service Costs	-	-	-	-
	Amount to be recognised as liability /(asset)	(267,828)	492,287	(210,210)	(318,704)
B	Amounts reflected in the Balance Sheet				
	Liabilities	4,022,549	3,694,680	5,840,099	4,898,444
	Assets	(4,290,377)	(3,202,393)	(6,050,309)	(5,217,148)
	Net liability / (asset)	(267,828)	492,287	(210,210)	(318,704)

Note: Assets are not recognised in the Balance Sheet

- b) The amounts recognised in Profit and Loss Account are as follows :

(In Rupees)

Particulars	Leave Encashment		Gratuity Plan	
	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009
Current Service Cost	331,576	320,614	794,098	896,179
Interest Cost	295,574	219,622	391,876	393,257
Less: Expected Return on Plan Assets	(335,643)	(213,258)	(497,941)	(425,215)
Actuarial Losses/(gains)	(299,281)	361,959	(91,693)	(568,608)
Past Service Cost	-	-	-	-
Effect of any curtailment or settlement	-	-	-	-
Actuarial Gain not recognised in books	-	-	-	-
Total included in "Staff Expenses"	(7,774)	688,937	596,340	295,613
Actual Return on Plan Assets	335,643	260,462	497,941	433,089



SCHEDULE 2

NOTES FORMING PART OF ACCOUNTS

- c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing:

(In Rupees)

Particulars	Leave Encashment		Gratuity Plan	
	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009
Balance of the present value of Defined Benefit Obligation as at the start of Valuation Period	3,694,680	2,745,281	4,898,444	5,661,677
Add: Current Service Cost :	331,576	320,614	794,098	896,179
Interest Cost	295,574	219,622	391,876	393,257
Contributions by Plan Partners, viz.				
i) Employer	-	-	-	-
ii) Employee	-	-	-	-
Add / Less : Actuarial losses / (gains)	(299,281)	409,163	(91,693)	(560,734)
Less : Benefits Paid	-	-	(152,626)	(1,491,935)
Add : Past Service Cost	-	-	-	-
Add : Liabilities assumed on amalgamation	-	-	-	-
Balance of the present value of Defined Benefit Obligation as at the end of Valuation Period	4,022,549	3,694,680	5,840,099	4,898,444

- d) Change in fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(In Rupees)

Particulars	Leave Encashment		Gratuity Plan	
	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009
Opening balance of the fair value of the plan assets as at the start of the valuation period	3,202,393	2,389,520	1,497	5,846,321
Add: Expected Return on plan assets	335,643	213,258	497,941	425,215
Add/(less) : Actuarial gains/(losses)	-	47,204	-	7,874
Add/(Less) : Transfer in / (Transfer out)	-	-	-	-
Add: Contribution by the employer	752,341	552,411	487,846	429,673
Add: contribution by plan participants	-	-	-	-
Less : Benefits paid	-	-	(152,626)	(1,491,935)
Less : Settlements	-	-	-	-
Opening balance of the fair value of the plan assets as at the end of the valuation period	4,290,377	3,202,393	834,658	5,217,148

Igarashi Motors India Limited

SCHEDULE 2

NOTES FORMING PART OF ACCOUNTS

- e) All Investments in Plan Assets are managed by LIC.
- f) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2009-2010	2008-2009
Discount rate as at year end	8.00%	8.00%
Expected return on plan assets as at year end	8.00%	8.00%
Salary growth rate :		
a) Gratuity Scheme	8.00%	8.00%
b) Leave Encashment Scheme	6.00%	6.00%

Attrition rate: 1-3% per annum, assumed to be independent of age and service.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.

- g) Contribution to provident funds are made to the Regional Provident Fund office.
26. The Company has made investment of Rs. 19,000,000/- in Bosch Electrical Drives India Pvt Ltd during the year before obtaining prior approval of the share holders as required under section 372A of the Companies Act, 1956. However the Company has since obtained approval of the shareholders through postal ballot on 19th September 2009. Further, the Company is taking necessary steps to regularise the matter by making an application to the central government for its post-facto ratification.
27. Deductions / adjustments in Intangible Assets represents development program transferred to an Associate company during the year.
28. The company does not have transactions covered under provisions of Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets" and hence no reporting has been made.
29. Figures for the previous year have been regrouped/ reclassified wherever necessary.

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Registration No.003792S

L. VAIDYANATHAN
 Partner
 Membership No. 16368
 Place : Chennai
 Date : May 20, 2010

P. MUKUND
 Managing Director

R. CHANDRASEKARAN
 Head-Finance

K.K. NOHRIA
 Chairman

T.S. MAHARANI
 Company Secretary
 Membership No. 16992

K. IGARASHI
C.P. DUSAD
G.N. MANI
T. IGARASHI
KEIICHI IGARASHI
 Directors



SCHEDULE 2 NOTES FORMING PART OF ACCOUNTS

Additional information, as required under Part IV of Schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.

	2	1	9	9	7
--	---	---	---	---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

 State Code

1	8
---	---

Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issues

			N	I	L			
--	--	--	---	---	---	--	--	--

 Rights Issue

			N	I	L			
--	--	--	---	---	---	--	--	--

Bonus Issue

			N	I	L			
--	--	--	---	---	---	--	--	--

 Private Placement

			N	I	L			
--	--	--	---	---	---	--	--	--

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

		1	3	1	8	2	5	4
--	--	---	---	---	---	---	---	---

 Total Assets

		1	3	1	8	2	5	4
--	--	---	---	---	---	---	---	---

Sources of Funds
Paid-up-Capital

			1	3	8	7	4	4
--	--	--	---	---	---	---	---	---

 Warrants

			N	I	L			
--	--	--	---	---	---	--	--	--

Reserves & Surplus

			3	8	3	3	9	5
--	--	--	---	---	---	---	---	---

 Secured Loans

			6	9	1	7	2	1
--	--	--	---	---	---	---	---	---

Unsecured Loans

				1	1	0	0	0
--	--	--	--	---	---	---	---	---

 Deferred Tax Liability

				9	3	3	9	4
--	--	--	--	---	---	---	---	---

Application of Funds
Net Fixed Assets & Net intangible assets

			8	5	6	9	6	3
--	--	--	---	---	---	---	---	---

 Investments

			1	4	3	3	0	0
--	--	--	---	---	---	---	---	---

Deferred Tax Assets

						7	2	3
--	--	--	--	--	--	---	---	---

 Net Current Assets

				4	8	9	4	5
--	--	--	--	---	---	---	---	---

Profit & Loss Account

			2	6	8	3	2	3
--	--	--	---	---	---	---	---	---

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

		1	5	9	2	4	7	8
--	--	---	---	---	---	---	---	---

 Total Expenditure

		1	5	5	4	8	5	3
--	--	---	---	---	---	---	---	---

Profit / Loss before tax

--	--	--	--	--	--	--	--	--

 Profit / Loss after tax

--	--	--	--	--	--	--	--	--

+ -

--	--	--	--	--	--	--	--	--

 + -

--	--	--	--	--	--	--	--	--

(Please tick appropriate box + for Profit - for Loss)

--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--

+ - Earning per share in Rs

--	--	--	--	--	--	--	--	--

 Dividend Rate %

--	--	--	--	--	--	--	--	--

+ -

--	--	--	--	--	--	--	--	--

 + -

--	--	--	--	--	--	--	--	--

Igarashi Motors India Limited

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)

8	5	0	1	3	3		0	1
---	---	---	---	---	---	--	---	---

Product Description 1.

E	L	E	C	T	R	I	C		M	I	C	R	O		M	O	T	O	R	S
---	---	---	---	---	---	---	---	--	---	---	---	---	---	--	---	---	---	---	---	---

Item Code No. (ITC Code)

8	5	0	3	0	0		0	3
---	---	---	---	---	---	--	---	---

Product Description 2.

R	O	T	O	R		A	S	S	E	M	B	L	Y
---	---	---	---	---	--	---	---	---	---	---	---	---	---

P. MUKUND
Managing Director

K.K. NOHRIA
Chairman

K. IGARASHI
C.P. DUSAD
G.N. MANI
T. IGARASHI
KEIICHI IGARASHI
Directors

R. CHANDRASEKARAN
Head-Finance

T.S. MAHARANI
Company Secretary
Membership No. 16992

Place : Chennai
Date : May 20, 2010



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	2009 - 2010		2008 - 2009	
	Rupees	Rupees	Rupees	Rupees
A) CASH FLOW FROM OPERATION ACTIVITIES :				
Net profit / (loss) before tax		37,624,989		(586,772,642)
Adjustments for:				
Depreciation and Amortisation	64,805,066		83,484,223	
Profit on sale of Investment	-		(137,540,000)	
Profit on sale of fixed asset	(644,241)		(3,197,315)	
Interest (Net)	84,818,866		128,488,952	
		148,979,691		71,235,860
Operating profit/(loss) before working capital changes		186,604,680		(515,536,782)
Adjustments for Increase / (Decrease) in				
Trade and other receivables	169,445,444		841,987,614	
Inventories	22,609,917		173,732,863	
Trade Payables	38,870,537		(224,607,187)	
		230,925,898		791,113,290
Cash generated from operations		417,530,578		275,576,508
Less:Direct taxes paid		3,900,000		28,596,269
Net cash from operating activities (A)		413,630,578		246,980,239
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(28,069,921)		(29,063,825)
Profit on sale of fixed assets		644,241		3,197,315
Sale of fixed assets		15,191,063		66,485,035
Purchase of investments		(19,000,000)		(87,500,000)
Sale of investments		-		59,800,000
Profit on sale of Investment		-		137,540,000
Net cash used in investing activities (B)		(31,234,617)		150,458,525
C) CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(308,488,686)		(304,853,494)
Dividends paid		-		(24,348,500)
Interest paid		(84,818,866)		(128,488,952)
Net cash used in financing activities (C)		(393,307,552)		(457,690,946)
Net increase/(decrease) in cash & cash equivalents (A+B+C)		(10,911,591)		(60,252,182)
Cash and cash equivalents as at 01.04.2009 (Opening balance)		40,835,866		101,088,049
Cash and cash equivalents as at 31.03.2010 (Closing balance)		29,924,275		40,835,867

Igarashi Motors India Limited

Notes :

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 as specified in Companies (Accounting Standards) Rules, 2006.
2. Purchase of fixed assets includes movements of Capital Work-in-progress between the beginning and end of the year.
3. Cash and Cash equivalents represent cash and bank balances.
4. Previous year's figures have been regrouped/reclassified wherever applicable

As per our report attached
SHARP & TANNAN
Chartered Accountants
Registration No.003792S

P. MUKUND
Managing Director

K.K. NOHRIA
Chairman

K. IGARASHI
C.P. DUSAD
G.N. MANI
T. IGARASHI
KEIICHI IGARASHI
Directors

R. CHANDRASEKARAN
Head-Finance

T.S. MAHARANI
Company Secretary
Membership No. 16992

L. VAIDYANATHAN
Partner
Membership No. 16368
Place : Chennai
Date : May 20, 2010



IGARASHI MOTORS INDIA LIMITED

Regd.Office: Plot No. B-12 to B-15, Phase II, MEPZ- SEZ, Tambaram, Chennai - 600 045.

PROXY FORM

DP Id & Client ID : _____

Folio No : _____

I/we
of..... being a member/members of the above named
Company, hereby appoint.....
or..... failing him/her
as my /our Proxy to vote for me /us on my/our behalf at the 18th Annual General Meeting of the
Company to be held at The Music Academy, Mini Hall, 306, T.T.K. Road, Chennai - 600 014 at 3.00 P.M.
on Thursday, 16th September, 2010 and at any adjournment thereof.

Signature : _____

Signed thisday of,2010

Affix a
Re.1
Rev. Stamp

Note : Proxy forms must reach the Company's Registered Office not less than 48 hours before the meeting.

✂.....✂



IGARASHI MOTORS INDIA LIMITED

Regd.Office: Plot No. B-12 to B-15, Phase II, MEPZ- SEZ, Tambaram, Chennai - 600 045.

ATTENDANCE SLIP

To be completed and handed over at the entrance of the Meeting Hall

..... Name of attending member (in Block Letters) Folio No DP ID & Client ID No.
..... Name of Proxy (in Block Letters) To be filled if the Proxy attends instead of the member		

No. of Shares held

I hereby record my presence at the 18th Annual General Meeting of the Company held at The Music Academy, Mini Hall, 306, T.T.K. Road, Chennai - 600 014 at 3.00 P.M. on Thursday, 16th September, 2010.

Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

For Office Use.



IGARASHI MOTORS INDIA LIMITED

Investor Service Department

Plots No B12–B15 Phase II, MEPZ–SEZ, Tambaram, Chennai –600 045

Phone: 42298199 Fax: 22628143

E–mail : investorservices@igarashimotors.co.in

ECS FORM

- 1 First Shareholder's Name (in Block Letters)
- 2 Address
- 3 Shareholder's Folio Number
D.P ID Number
Client ID Number
- 4 Particulars of Bank Account
 - A. Bank Name
 - B. Branch & Pincode
 - C. Account No.
(as appearing on the Cheque Book)
 - D. Account Type (please Tick) SB / Current / Cash Credit
 - E. Ledger Folio Number of Bank Account
(if appearing on the cheque book)
 - F. 9 Digit Code No. of the Bank and
Branch appearing on the MICR
Cheque issued by the Bank
- 5 Please attach a photo copy of a cheque leaf or
a blank cancelled cheque issued by your bank
relating to your above account for verifying the
accuracy of the code numbers

DECLARATION

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete information, I would not hold Igarashi Motors India Limited responsible.

Place :
Date:

Signature of the First Holder

Certified that the particulars furnished above are correct as per our records.

Place:
Date:

Signature of the Manager of the
Bank Concerned

IGARASHI MOTORS INDIA LIMITED

Plots No B12–B15 Phase II

MEPZ–SEZ, Tambaram, Chennai –600 045

Folio _____

DP ID No. _____

Client ID No. _____

Number of Shares held _____

BANK ACCOUNT PARTICULARS

I/WE

do hereby authorise Igarashi Motors India Limited to print the following details on my/our Dividend Warrant

- Bank Name :

- Account Type:

Savings

☐

Current

☐

Cash Credit

☐

- Account Number :

Signature of the Member :

Note: Please Complete the form, sign and mail to Igarashi Motors India Ltd.

[illegible]

[illegible]