



**IMIL/SE/30<sup>th</sup>AGM/PC/0822**

August 10, 2022

**By Online Submission**

**BSE Limited**

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

**National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor ,Plot No. C/1,  
G-Block, Bandra Kurla Complex,  
Bandra (East),  
**Mumbai 400 051**  
Email [cm1ist@nse.co.in]  
Stock Code : IGARASHI

Kind Attn: Compliance Dept

Dear Sir/Madam,

**Subject: Gist of Proceedings of the 30<sup>th</sup> Annual General Meeting held on August 10, 2022-reg**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;  
Letter No. IMIL/SE/AR/07/2022 dated July 13, 2022**

Further to our letter dated above, the 30<sup>th</sup> Annual General Meeting ("AGM") of the Company was held on Wednesday, August 10, 2022 at 11.30 A.M through Video Conference (VC) / Other Audio Visual Means (OAVM) without the physical presence of the Shareholders at a common venue, which concluded at 01:10 P.M (including time allowed for e-voting at AGM) after transacting the business mentioned in AGM notice dated May 23, 2022.

In this regard, please find enclosed the following,

Gist of proceedings of the 30<sup>th</sup> Annual General Meeting as required under Regulation 30 read with Part A of Schedule III of SEBI LODR, 2015.

Kindly take the above information on your records.

Thanking you,

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

  
**P Dinakara Babu**  
Company Secretary

**IGARASHI MOTORS INDIA LIMITED**

**Regd. Off. & Plant 1:** Plot B12 to B15, Phase II, MEPZ-SEZ, Tambaram, Chennai - 600 045, India  
CIN : L29142TN1992PLC021997 E-mail : igarashi@igarashimotors.co.in  
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**GIST OF PROCEEDINGS OF THE 30<sup>th</sup> ANNUAL GENERAL MEETING OF IGARASHI MOTORS INDIA LIMITED HELD ON WEDNESDAY, AUGUST 10, 2022 AT 11.30 A.M (IST) THROUGH VIDEO CONFERENCE (VC) / OTHER AUDIO VISUAL MEANS (OAVM)**

**Present:**

Sl. No.	Name of the Directors	Designation	Attended through VC from
1	Mr. Hemant M Nerurkar	Chairman of the Board	Mumbai, India
2	Mr. Haruo Igarashi	Director	Tokyo, Japan
3	Mr. L Ramkumar	Independent Director, Chairman of Audit and Nomination & Remuneration Committees,	Chennai, India
4	Mrs. SM Vinodhini	Independent Woman Director and Chairman of Stakeholders Relationship Committee	Chennai, India
5	Mr. Thomas Francis Mckeough	Director	Chicago, United States
6	Mr. R Chandrasekaran	Managing Director	Registered Office, Chennai

**In Attendance:**

Sl. No.	Name of the Officials	Designation	Attended through VC from
<b>Key Managerial Personnel (KMP)</b>			
1	Mr. P Dinakara Babu	Company Secretary	Registered Office, Chennai
2	Mr. S Vivekchandranath	Chief Financial Officer	Registered Office, Chennai
<b>Senior Management, Auditors &amp; RTA</b>			
3	Mr. P Govindaraju	Chief Operating Officer	Registered Office, Chennai
4	Mr. Harsh Lakhotia	Partner, B S R & Co. LLP, Chartered Accountants, Statutory Auditors	Chennai, India
5	Mr. C Prabhakar	Partner, BP & Associates, Practicing Company Secretaries, Secretarial Auditor & Scrutinizer (e-voting)	Chennai, India
6	Ms. Sofia	Registrar & Transfer Agent – Cameo Corporate Services Ltd.	Chennai, India

The meeting commenced at 11:30 A.M and concluded at 01:10 P.M (including time allowed for e-voting at AGM)

Members Present: A total of **94 members** representing **2,36,62,096 shares** attended the meeting through video conferencing.

**CHAIRMAN**

Mr. Hemant M Nerurkar, Chairman of the Board of Directors presided over the meeting.

At 11.30 A.M (IST), the Chairman commenced the meeting by welcoming the members to 30<sup>th</sup> Annual General Meeting of the Company. The Chairman informed the Members that the meeting is being held through Video Conference (VC)/ Other Audio-Visual Means (OAVM) provided by Central Depository Services India Ltd (CDSL) in accordance with the circulars and guidelines issued by MCA and SEBI. The Chairman then announced that pursuant to the provisions of Section 103 of the Companies Act, 2013 and Circulars issued by MCA, requisite quorum being present, declared the meeting to be in order.



The Chairman further informed that the AGM notice dated May 23, 2022 has been circulated by e-mail to shareholders and hosted on the website of the Company, Stock Exchanges and also published in The Hindu Tamil and Business Standard Newspapers on July 15, 2022. The Notice had been taken as read.

The Chairman introduced the Directors, KMP and Senior Management to the members.

The Chairman further informed the presence of Mr. Harsh Lakhota, Partner B S R & Co. LLP, Chartered Accountants, Statutory Auditors, Mr. C Prabhakar, Partner, BP & Associates, Secretarial Auditor & Scrutinizer and Ms. Sofia, representing Registrar and Share Transfer Agent:- Cameo Corporate Services Ltd.

The Chairman thereafter requested Mr. P Dinakara Babu, Company Secretary to provide general instructions to the members regarding participation in this meeting.

The Company Secretary informed to the members that the meeting is being held through VC/ OAVM in accordance with the circulars and Guidelines issued by MCA and SEBI. He was further informed that the Facility for joining this meeting through VC/ OAVM means is made availed for the members on a first-come-first-served basis and have been provided with the facility to exercise their right to vote by electronic means, both through remote e-voting and e-voting at the AGM in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

He also informed that 30<sup>th</sup> AGM webcasting link had already been placed at Company's website [www.igarashimotors.com](http://www.igarashimotors.com)

He further informed the Shareholders that the Registers as required under the Companies Act, 2013 were made available electronically for inspection by the members during AGM. Members seeking to inspect such registers could send their request to [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in). Further he informed that AGM held through Video Conference, so the facility for appointment of proxies by the members was not applicable and hence the proxy register for inspection is not available.

The Chairman then delivered his speech to the Members of the Company.

The Chairman said that pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company extended e-voting facility of Central Depository Service India Ltd to the Members of the Company (who were holding shares as on cut-off date i.e. August 03, 2022) in respect of business transacted at this Annual General Meeting.

He also said that the e-voting was commenced at 9.00 A.M (IST) on August 07, 2022 and ended at 5.00 P.M (IST) on August 09, 2022. Then he apprised that members holding shares as on the August 03, 2022, which was the cut off date were eligible vote, and who have not cast their vote electronically during e-voting are requested to cast their vote through CDSL e-voting platform which is available in your screens and voting process made availed for next 30 minutes from the conclusion of AGM.

Then Chairman said that the Notice convening the Meeting has already been circulated taken as read.



The following items of business, as per the notice of the AGM, were transacted:

S. No	Particulars	Type of Resolution
<b>Ordinary Business</b>		
1	Adoption of Audited Financial Statement for the financial year ended March 31, 2022, and the Reports of the Board of Directors and Auditors' Report thereon	Ordinary
2	Appointment of Mr. Hemant M Nerurkar (DIN 00265887), who retires by rotation and being eligible, seeks re-appointment	Ordinary
3	Re-appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a second term of five consecutive years from FY 2022-23 to FY 2026-27	Ordinary
<b>Special Business</b>		
4	Re-appointment of Mr. R Chandrasekaran (DIN 00012643) as Managing Director for a period of Five years from October 01, 2022 to September 30, 2027 and fixing remuneration for a period of three years from October 01, 2022 to September 30, 2025	Special
5	Appointment of Mr. Haruo Igarashi (DIN: 08587832) as Director	Ordinary
6	Appointment of Mr. Thomas Francis Mckeough (DIN: 09510485) as Director	Ordinary
7	Approval for Material Related Party Transactions	Ordinary
8	Ratification of remuneration payable to M/s. B Y & Associates, Cost Auditors of the Company for the Financial Year 2022-23	Ordinary

The Chairman then informed that Mr. C Prabhakar, Partner, BP & Associates, Practicing Company Secretary was appointed as the Scrutinizer by the Board to scrutinize the e-voting process in fair and transparent manner.

The Chairman said that Statutory Auditors Report and Secretarial Audit Report were not required to be read as there were no qualifications / comments / observations.

Then Members were provided facility to ask questions or express their views through VC. At the request of Chairman, Mr. P Dinakara Babu, Company Secretary gave brief instructions about live Q&A session and called-in each shareholder.

Based on Chairman's advice, Mr. R Chandrasekaran, Managing Director provided clarifications to the 63 queries of members regarding Business Verticals/Products like TAM, BLDC, CAM, EV, ESDM and Book keeping which covered questions like revenue from TAM, CAM and BLDC applications, exploration of new customers for BLDC, margins and pricing of BLDC, Royalty/bundled fees, Capital expenditure incurred by the Company during FY22 and dividend.

The Chairman authorised the Company Secretary to declare the voting results within two days, inform stock exchanges (NSE & BSE) along with the report of Scrutinizer for e-voting and place the same on the website of Company ([www.igarashimotors.com](http://www.igarashimotors.com)) and CDSL website ([www.cdslindia.com](http://www.cdslindia.com)).

The Chairman then thanked the members present for their participation at the AGM. He informed the members that the e-voting process will continue for the next 30 minutes and will be disabled automatically and then declared the 30<sup>th</sup> Annual General Meeting as closed.





IMIL/SE/30<sup>th</sup>AGM/OC/0822

August 10, 2022

**By Online Submission**

**BSE Limited**

Corporate Relationship Department  
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Kind Attn: Compliance Dept

Dear Sir/Madam,

**Subject: Outcome of 30<sup>th</sup> Annual General Meeting –reg.**

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**IGARASHI MOTORS INDIA LIMITED**

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

CIN : L29142TN1992PLC021997 E-mail : igarashi@igarashimotors.co.in

Tel. : +91-44-4229 8199 / 2262 8199 Fax : +91-44-2262 8143



We herewith enclosed Annual Report for the financial year ended 2021-22 which was considered by the Members at the Annual General Meeting.

Kindly take the above information on your records.

Thanking you,

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



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



**Encl: As stated above**



# **FORTIFYING** STRENGTHS

# **POWERING** PROGRESS



# STORIES INSIDE

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#### Forward-looking statement

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



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

**Being a prominent player in the global automotive segment, we are all set to capitalise our core capabilities by laying solid pillars of growth in the non-automotive segment. We are doing so with the launch of Brushless DC Motors (BLDC) and Driver Electronics (ESDM) befitting to Fast Moving Electrical Goods (FMEG), besides enhancing footprints in the domestic automotive landscape.**

We are leveraging newer technologies and platforms for energy-efficient appliances. We are strengthening our product portfolio with emerging technology-agnostic offerings, viz., 2W Torque Actuator Motors (TAM) and Electric Parking Brake (EPB) to continue our journey of excellence by leveraging our robust capabilities and mass manufacturing prowess. We have also successfully built a motor for E2W/E3W application which is currently in the advanced product development cycle.

Our consistent efforts to diversify product applications for both global and Indian automotive segments coupled with the deployment of newer technology platforms are likely to drive success. Having weathered the unprecedented challenges caused by the pandemic and consequent chip shortages impacting our customer schedules and deliveries, we are now confident of recovering and driving sustained growth in the years to come.

# **FORTIFYING** STRENGTHS **POWERING** PROGRESS



# ABOUT US

Igarashi Motors India Limited (IMIL) is primarily engaged in the production and export of Permanent Magnet DC Motors for Powertrain and seat applications and motor accessories for the automotive sector. We commenced our journey as a humble contract manufacturer in 1996. Since then, we have populated over 500 million DC motors for usage in actuator applications in passenger cars. Today, we are recognised as a leading global automotive component market player in Actuator Motors. The Company had populated over 750K BLDC Motors for ceiling fan applications.

Our state-of-the-art manufacturing facilities and logistic warehouses are located at MEPZ-SEZ, Chennai & DTA Unit at Maraimalai Nagar. Robust manufacturing, innovation and technology edge, vast expertise, and high operational efficiencies underpin the operations of the Company.





## OUR VISION

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



## OUR MISSION

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

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



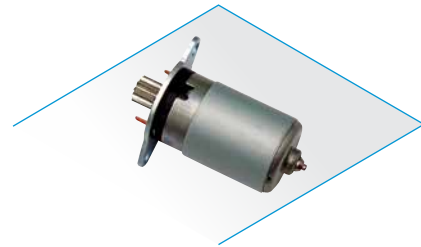


## PRODUCT PORTFOLIO



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

We continue to adopt key products for various applications in the automotive segment namely in the areas of Engine, Turbo and Exhaust for both global and Indian markets. Over the years, we have expanded from being purely in the ETC space to being a player in EGR, WGA, VGT, CCV, etc.



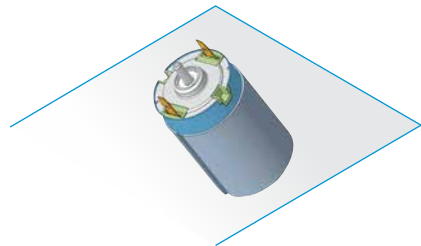
### Penetration into Domestic 4W TAM:

Domestic TAM Motor volume growth is expected to enhance with penetration into the 4W domestic market due to adoption of BS-VI norms. Towards this, we have launched 10 programs for the top domestic Tier-1 customers with more launches in the pipeline.



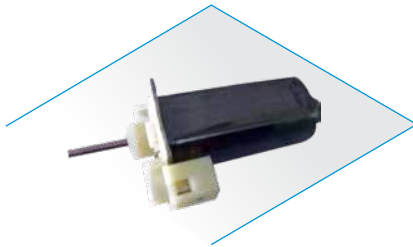
### Tapping 2-Wheeler TAM:

Indian OEMs are looking at changeover from Carburettor system to electronic throttle valve system (BS-VI), which has also contributed to expansion of our product portfolio to 2W TAM in domestic market with leading market players. Our focus is on the 150+ cc segment of around 15-25% in the 2W market in the near term.



### Electric Parking Brake (EPB):

EPB are becoming increasingly common in new cars due to its feature-rich capabilities. Since this product is common for both ICE/BEV technology, we focus on building our product portfolio in this space. Our R&D desk is carrying out the launch process targeting both domestic & global markets.



### Trunk Opening and Closing Device (TOCD) & Seat Application:

Igarashi Global leads TOCD motor applications in the global market. We are assessing the launch of TOCD application with renowned players in the export and domestic market under China-Plus-One strategy.



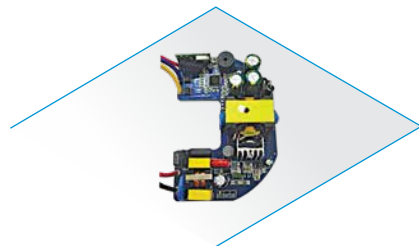
### EV Traction Motor Platform:

A platform has also been developed for electric vehicle applications. We are exploring strategic alliances to step up our play in the global automotive industry for this platform. Igarashi technology desk is gearing up to embrace the ever-changing environment by developing BLDC EV Motors with drivers for E2W/E3W electric vehicle segment (eVA Series) by Year 2024/2025 for ranges between 3KW & 10KW.



### Energy-Efficient BLDC Motor for Consumer Appliances Segment:

As a part of electric motors with energy-efficient appliances, we have launched the BLDC motor platform for consumer electrical appliances. Since our foray into the consumer appliances space, we have populated around 750K units counting on three models with 12 variants using the remote unit. We are exploring opportunities to extend this application with IoT feature and a cost-effective retrofitting wall regulator option for converting induction fans into energy-efficient BLDC fans. In addition, we are working to launch motors for global markets. As a specialist BLDC Motor manufacturer, we are expanding energy-efficient appliances portfolio with potential designs for TPW Fans on the validation desk and air coolers active on the design desk.



### ESDM (Electronic System Design & Manufacturing):

Our efforts in the past four years in Electric Motor Drivers and Controllers have given us the necessary base of engaging in new opportunities in the ESDM space. With the ongoing geopolitical issues faced by China, we have established the driver and controller line for BLDC with a capacity of 2.5 Mio. This has helped us navigate the PCB crisis during the year. The first set of external supply samples have been cleared by customers. Our Electronics R&D Team is also in discussions with various consumer appliances segment leaders for exploring further opportunities for the same.

**OUR CUSTOMERS**

We supply our products to the most esteemed and renowned players in India and abroad listed as under:

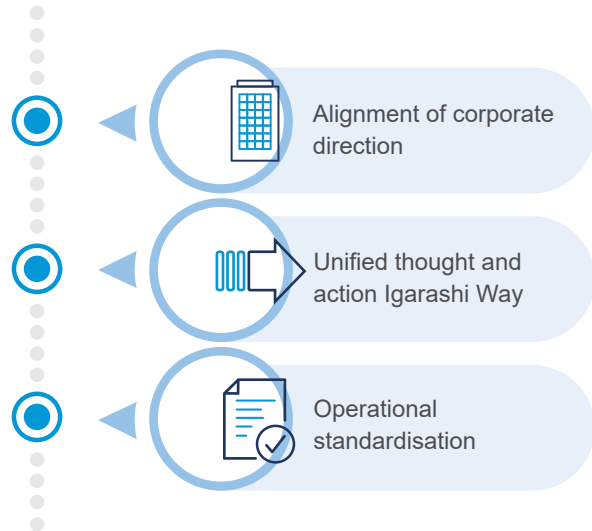


\* All names, images and logos are copyright of their respective owners.

**ONE IGARASHI PROGRAM**

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

**ONE IGARASHI**



# FINANCIAL PERFORMANCE

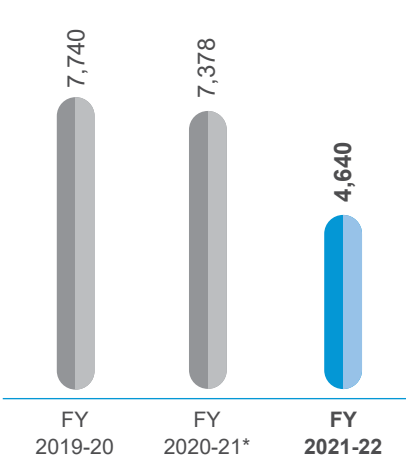
## Revenue from Operations

(₹ in Lakhs)



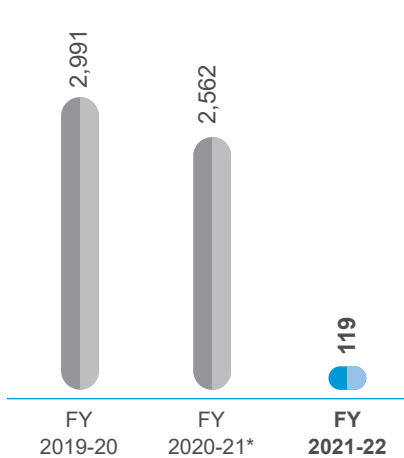
## Operating Profit

(₹ in Lakhs)



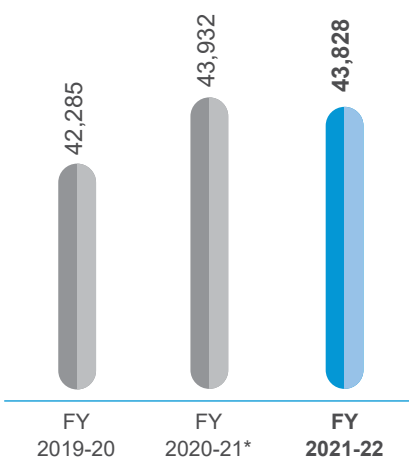
## Net Profit

(₹ in Lakhs)



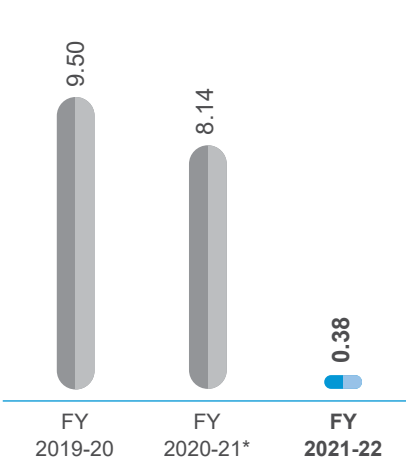
## Net Worth

(₹ in Lakhs)



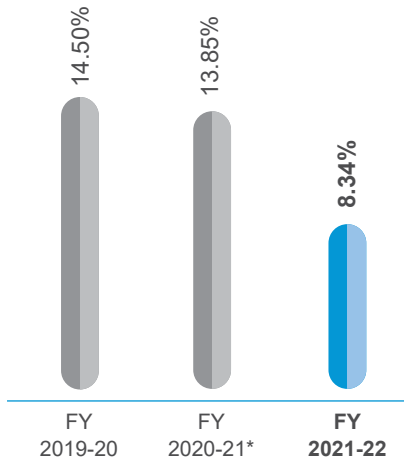
## Earnings Per Share

(₹)



## Operating Profit Margin

(%)



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

# CHAIRMAN'S MESSAGE



DESPITE THE  
PANDEMIC,  
SUPPLY-CHAIN  
DISRUPTIONS AND  
SEMICONDUCTOR  
SHORTAGE ISSUES,  
THE REVENUE WE  
POSTED DURING  
THE YEAR WAS  
MARGINALLY  
MORE THAN THE  
PREVIOUS YEAR

## DEAR SHAREHOLDERS,

I hope this letter finds you in good health as we prepare to leave the pandemic behind and gear up for a new and exciting future.

FY 2021-22 was an incredibly challenging year due to the new variants of the COVID-19 pandemic. The world was forced to grapple with unprecedented challenges while the business environment had shrunk due to supply-chain disruptions arising out of the geopolitical unrest and rising inflation worldwide.

Accordingly, our key focus areas were securing the safety and well-being of our people and ensuring continuity of business operations. Gradually, with the recovery in economic activities and demand, we focussed on significantly ramping up to fulfil customer demands across the world.

The global automotive industry was marred by several challenges during the second half of the year including

rampant supply chain and logistical bottlenecks, semiconductor and raw material shortages resulting in scaling down of OEM production schedules, and commodity price escalations. Based on the views from industry experts, there would be a stabilisation expected during the second half of Year 2022 with market emerging stronger than before.

Further, we also foresee huge opportunities in newer, energy-efficient technologies for fast moving electrical goods. Factors such as pent-up demand, government thrust on rural electrification and housing development, growing consumer preferences toward smart electrical products in a work-from-home (WFH) scenario, and premiumisation in many product categories have been driving the growth of the industry.

## THE YEAR THAT WAS

From financial perspective, the past two years have tested the resilience of businesses at an unprecedented level. Despite pandemic, supply-chain disruptions and semiconductor shortage issues, the revenue we posted

## OUR CONSISTENT EFFORTS TO STRENGTHEN OUR CORE CAPABILITIES, LAUNCH NEWER TECHNOLOGY PLATFORMS, AND DIVERSIFY PRODUCT APPLICATIONS FOR GLOBAL AND INDIAN AUTOMOTIVE SEGMENTS MAKE US WELL-POSITIONED TO DRIVE SUSTAINED, HIGH GROWTH

during the year was marginally more than the previous year, whereas the profitability for the year was impacted due to commodity escalations and fixed cost absorption during the second half of financial year.

### KEY INITIATIVES AND WAY FORWARD

We have a strong track record and over two decades of experience in Torque Actuator Motors (TAM) for Electronic Throttle Control (ETC) applications. Now, we are focussed on expanding our wings and foray into new applications such as Exhaust Gas Recirculation (EGR), Variable Turbine Geometry (VTG), Coolant Control Valve (CCV), and Exhaust Flap Actuators (EFA) segments. Demand for such applications is seen increasing due to stringent emission norms for conventional and hybrid variants across the globe. Simultaneously, we are deploying newer technologies and platforms for energy-efficient appliances and strengthening our product portfolio with emerging technology-agnostic offerings, viz. 2W TAM and Electric Parking Brake (EPB) by leveraging our high-end manufacturing capabilities.

Under Electric Motors with Energy Efficiency for appliances theme, we are in the growth phase in the BLDC motor platform for ceiling fans. All the Indian fan manufacturers are gearing up with BLDC variants to tap the market opportunities stemming from the transition to energy-efficient standards paving way for the growth of the organised sector. During the year, the Electronics R&D commenced activities towards establishing footprint in the BLDC motor and controller segment. This would facilitate not only the design and development of BLDC motor controllers for fast moving electrical goods but also for EV Motor controllers. We are

also working on launching motors for TPW and air coolers which demonstrates strength of our motor manufacturing capabilities and will position us as a full service supplier to the various BLDC Fan OEMs. Further, we are well placed to capture the emerging opportunities in the electric vehicle space by launching a new platform of EV motors suitable for E2W/E3W.

### FORTIFYING STRENGTHS, POWERING PROGRESS

Our consistent efforts to strengthen our core capabilities, launch newer technology platforms, and diversify product applications for global and Indian automotive segments make us well-positioned to drive sustained, high growth.

### CONCLUSION

Finally, I would like to thank our employees, our customers, our suppliers, our investors, and all our stakeholders for their unstinted trust and support. We are grateful to you for reposing your faith in us and being an integral part of our journey. I would also like to express my sincere gratitude to the senior management team for their expert guidance and prudent decision-making during the difficult phase.

Warm Regards,

**Hemant M Nerurkar**  
Chairman

# MESSAGE FROM KEIICHI IGARASHI, PRESIDENT IGARASHI GROUP



## DEAR SHAREHOLDERS,

The year gone by, started on an overwhelming note with the severe second wave of the pandemic claiming countless lives across the globe. While exports and government expenditure increased during the year, private consumption failed to recover completely from the slowdown. The first half of the year presented promising opportunities with pent-up demand and the opening up of economies despite rising commodity prices. However, the situation worsened in the latter half with 4th wave of pandemic in China, supply chain bottlenecks, geopolitical tensions, and global semiconductor and raw material shortages.

Even though our performance in FY 2021-22 was subdued due to the above reasons, we, at Igarashi, recognised that we need to overcome these challenges and gear up for strong growth in the coming years. Amid stringent restrictions on mobility and large-scale disruptions, we demonstrated strong resilience, consolidated our core capabilities, and stayed on course with our strategic objectives.

The automotive industry is experiencing accelerated transformation. There is a growing demand for alternate fuel options, personal mobility solutions, and hybrid electric vehicles (HEV). Along with this, government's Atmanirbhar Bharat programme and announcement of Production-Linked Incentive (PLI) schemes for various associated sectors will facilitate the creation of a state-of-the-art automotive value chain infrastructure and transform India into an attractive destination for global players.

At Igarashi India, we are strengthening our core capabilities and penetrating deeper into the non-automotive segment. We are doing so with the successful expansion of Brushless DC Motors (BLDC) and Driver Electronics (ESDM) befitting to Fast Moving Electrical Goods (FMEG). The introduction of new energy ratings in India during the coming year will fuel higher penetration into the organised sector and Igarashi India is in better position to grab this opportunity. We have engaged with the market leader in the ceiling fans segment and populated a considerable number of BLDC fans in the market and are also working on launching motors for TPW and air coolers. Simultaneously, we are deploying newer technologies and platforms for energy-efficient appliances and strengthening our product portfolio with emerging technology-agnostic offerings, viz. 2W Torque Actuator Motors (TAM) and Electric Parking Brake (EPB) by leveraging our robust manufacturing capabilities, besides enhancing presence in the domestic automotive landscape.

I am eager to explore strategic contract manufacturing tie-ups for electric vehicles to leverage the large-scale mass manufacturing strength of Igarashi India. The Igarashi global R&D team along with Igarashi India R&D team have been progressing well on these technologies.

Overall, I am quite optimistic about Igarashi India team in driving business growth across both automotive space as well as FMEG segment. I am extremely grateful to all our stakeholders and team members for their continued engagement and support.

Yours sincerely,

**Keiichi Igarashi**  
President, Igarashi Group

# OUR GLOBAL FOOTPRINT



- Sales Office
- Production Site

Map not to scale. For illustrative purposes only.



● Agile Electric Sub Assembly Pvt Ltd, India



● Baesung Igarashi Co. Ltd, Korea



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



● Igarashi Electric Works (Zuhai) Ltd, China



● Igarashi Electric Works Ltd, Japan



● Igarashi Electric Works (Shenzhen) Ltd, China



● Igarashi Motoren GmbH, Germany



● Igarashi Motors India Ltd, India



● Igarashi Motors Sales USA LLC, USA

# CORPORATE SOCIAL RESPONSIBILITY

The harmonious relation we share with the communities in which we operate is possible due to the numerous purposeful initiatives we undertake. Through our meaningful interventions, we strive to create a positive impact in the lives of people. Our CSR projects currently aim to promote cancer awareness (20 million reaches), provide healthcare to patients (30 Multiple Sclerosis patients), patient health and hygiene services (150-bed cancer block) in government hospitals and Prime Minister's National Relief Fund.

## CANCER AWARENESS PROJECT

We have collaborated with the Indian Cancer Society to aid the cause of cancer awareness by removing fear of cancer from individuals and the society as a whole. These awareness programs intend to get rid of stigmas relating to cancer, foster the habits of regular check-up in people and promote a healthy lifestyle to prevent the occurrence of cancer. The program published information about cancer awareness, thus reaching out to 20 million people during the year. Through this intervention, we also donated a sum of ₹ 30,00,000 for this purpose.



## MULTIPLE SCLEROSIS PATIENT HEALTHCARE

Through our partnership with Multiple Sclerosis Society, we intend to support multiple sclerosis patient care which supports rehabilitation care, personal care, and general wellness by trained staff. This program has been of assistance to the lives of thirty beneficiaries and involves a donation of ₹ 5,00,000.





### MEPZ MANUFACTURERS ASSOCIATION

We support MEPZ Manufacturers Association for maintaining Health Centre and Environmental Protection activities by contributing ₹ 10,00,000 and this facility was beneficial to 250 persons working in MEPZ-SEZ, Tambaram, Chennai.



### ASSISTANCE IN PROVIDING HEALTH AND HYGIENE IN GOVERNMENT HOSPITALS

We assist the Viswajayam Foundation in this project – Viswa Suraksha which seeks to improve health and hygiene facilities in the government hospitals in Chennai. We donated ₹ 10,00,000 in this aid and this initiative has been instrumental in impacting the lives of 40,000 beneficiaries.



### DONATION TO PRIME MINISTER'S NATIONAL RELIEF FUND (PMNRF)

We donated a sum of ₹ 50,00,000 to the Prime Minister's National Relief Fund (PMNRF). This fund has been used by the Government of India in providing medical assistance and relief in circumstances of floods, drought, terrorist violence and other such unforeseen occurrences with a reserve for emergencies.



# CORPORATE INFORMATION

## CHAIRMAN EMERITUS

**Mr. K K Nohria [DIN 00060015]**

## BOARD OF DIRECTORS

**Mr. Hemant M Nerurkar [DIN 00265887]**

Chairman, Non Independent, Non-Executive

**Mr. Keiichi Igarashi [DIN 00356779]**

Non Independent and Non-Executive  
(Until May 24, 2022)

**Mrs. Eva Maria Rosa Schork [DIN 07159550]**

Non Independent and Non-Executive  
(Until May 24, 2022)

**Mrs. S M Vinodhini [DIN 08719578]**

Independent Woman Director

**Mr. L Ramkumar [DIN 00090089]**

Independent Director

**Mr. Haruo Igarashi [DIN 08587832]**

Additional Director, Non Independent and Non-Executive  
(w.e.f. May 24, 2022)

**Mr. Thomas Francis McKeough [DIN 09510485]**

Additional Director, Non Independent and Non-Executive  
(w.e.f. May 24, 2022)

## MANAGING DIRECTOR

**Mr. R Chandrasekaran [DIN 00012643]**

## CHIEF OPERATING OFFICER

**Mr. P Govindaraju**

## COMPANY SECRETARY

**Mr. P Dinakara Babu**

## CHIEF FINANCIAL OFFICER

**Mr. S Vivekchandranath**

## STATUTORY AUDITORS

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

## INTERNAL AUDITOR

Ernst & Young LLP  
6th & 7th Floor, A Block, Tidel Park, No. 4,  
Rajiv Gandhi Salai, Taramani, Chennai - 600 113  
Ph:+91-44-66548100

## SECRETARIAL AUDITOR

BP & Associates, Company Secretaries  
74/62, Third Floor, Akshaya Flats, 12th Avenue,  
Ashok Nagar, Chennai - 600 083  
Ph: +91-44-42047894

## BANKERS

Axis Bank  
IDFC FIRST Bank

## REGISTERED OFFICE

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

# Management Discussion & Analysis (MD&A)

## GLOBAL ECONOMIC REVIEW

The year 2021 was a challenging one with the continuation of the pandemic and the subsequent lockdowns in most of the countries plunging the world economy into a deep recession. The first half of 2021 had shown signs of recovery with pick-up of pent up demand but the second half was impacted by reoccurrence of the pandemic, various lockdowns, upward trend of commodities and electronic chip shortage. As per the International Monetary Fund (IMF) estimates, the global economy grew by 5.9% in 2021 as against 3.3% contraction registered in 2020. Massive vaccination drives and additional policy support across the nations have raised hopes of a continuous growth trend in 2022. The strength of the recovery is projected to vary significantly across various countries, depending on access to medical interventions, effectiveness of policy support and exposure to cross-country spill overs. With growing vaccine availability, improved therapies, testing, and tracing, local transmission of the virus is expected to be contained to low levels world-over by 2022 provided effective management of recurring waves of infections and the successful vaccination drive penetrates faster.

*(Source: IMF World Economic Outlook, April 2022)*

## INDIAN ECONOMIC REVIEW

Following the second wave of the COVID-19 pandemic, India's economy was well on its way to recovery, with both the manufacturing and service sectors exhibiting consistent growth. However, the emergence of new COVID-19 variants, supply-chain disruptions arising out of the Russia-Ukraine crisis, and, more recently, weaker consumer demand owing to higher oil and food prices have been posing fresh challenges to economic development. As per IMF, India's Gross Domestic Product (GDP) is estimated to have grown by 8.9% in FY 2021-22, and growth is expected at 8.2% in FY 2022-23, making India the fastest-growing major economy in the world.

The Indian economy is expected to remain resilient despite the ongoing geopolitical conflicts, mainly due to the economy's inherent strengths, strong fundamentals, and growth promising sectors. Growth will be supported by various dynamic reforms undertaken by the government, such as significant increase in capital expenditure on infrastructure, thrust on domestic manufacturing and technology-enabled development, and recovery in consumer demand, among others.

*(Source: IMF World Economic Outlook, April 2022)*

GROWTH WILL BE SUPPORTED BY VARIOUS DYNAMIC REFORMS UNDERTAKEN BY THE GOVERNMENT, SUCH AS SIGNIFICANT INCREASE IN CAPITAL EXPENDITURE ON INFRASTRUCTURE, THRUST ON DOMESTIC MANUFACTURING AND TECHNOLOGY-ENABLED DEVELOPMENT, AND RECOVERY IN CONSUMER DEMAND, AMONG OTHERS.

## Commodity Trend

The demand side factors have been driving the commodity prices for the last couple of years. Supply chain disruptions, recovering manufacturing demand following pandemic, production issues in key producing countries, inflation-conducive government policy, adverse weather, and higher demand caused by work-from-home structure have all contributed to a tightening in the market, which has propelled the prices higher.

The commodity prices are expected to look less tight compared to previous year as the supply chains are expected to stabilise and improve during second half of 2022. Your Company has a commodity pass-through arrangement with all the major customers. Your Company is also working with suppliers for better price negotiations.

## INDUSTRY REVIEW

### Global & Indian Automotive Market

According to Global Data, Global Light Vehicle sales recorded growth of 5% (79.8 million units) in 2021.

The first half of the year presented promising opportunities of growth with pent-up demand and opening up of economies after the second wave despite soaring commodity prices. The situation deteriorated during the second half with



rampant supply chain bottlenecks, global semiconductor and raw material shortages resulting in scaling down of production schedules and outages of selected models as well as factories worldwide. The lead indicators show that the business during the first half of the year 2022 is also likely to remain subdued due to the persistent supply shortages and the consequent commodity escalations. Based on the macroeconomic headwinds, there would be a stabilisation expected during the second half with market emerging stronger than before. Accordingly, the outlook for 2022 is expected to be around 82 million units. At the same time, we need to adopt a cautious approach considering the risk of prolonged semiconductor shortages, unpredictable commodity prices, upward pressure on logistical cost and the looming geo-political tensions.

Considering the socio-economic situation and deployment of government policies for the revival, it is estimated that the automotive industry could reach the 100-million-unit milestone by 2025.

The year 2021 was mixed with rising expectations and at the same time a year of numerous challenges for India. Despite the slow offtake in vehicles sales due to supply-side issues, especially in the first half, the auto industry demonstrated a remarkable turn-around. Supply to meet domestic as well as export market, the auto industry has grown to significant levels in the first half of the year. While the second half witnessed a composition of challenges

like resurgence of demand for vehicles but inability to meet it due to supply-side issues such as chip shortage, increasing input costs, rising logistics costs and availability of containers, among others, which continued to hamper the recovery in the automotive sector.

Going forward year 2022, there are indications that the vehicle demand in India during the coming periods is expected to improve. Together with the increased focus by the auto industry on deep-localisation initiatives by global OEMs and the recent announcements of PLI schemes for various associated sectors by the Government will facilitate the creation of a state-of-the-art automotive value chain infrastructure and transform India into an attractive destination for the global players. Indian automotive industry predominantly manufacture PV with moderate chip consumption and this accompanied with optimal marketing solutions aligning to Indian consumer behaviour, it is expected that the automotive business is expected to grow at a faster pace by 8~10%. The Indian industry has the experience of passing through a tremendous learning curve, be it in terms of managing resources, supply chains adopting emerging technological trends and digitalisation, all around, to improve customer experiences and innovating quickly to respond to change in market dynamics. However, India need to adopt a cautious approach considering the concerns of another wave of pandemic, onset of semiconductor shortages, global logistic challenges, geo-political unrest and soaring commodity pressures.

## Automotive Actuators Market

The Global Automotive Actuators Market size is projected to grow at a CAGR of 5.6%, to touch USD 39.5 billion by 2027 from USD 22.8 billion in 2016. Over and above this, the new era car is designed to equip with around 120 motors per car depending upon the variants. These actuators control various applications few of which are engine air management systems, headlight positioning, seat adjustment, grill shutter, HVAC systems, window lift drive, power tailgate drive, seat drive, sunroof drive and cooling systems for ICE & battery banks. Actuators role becomes crucial due to various applications like sensors, software programs, controller hardware as well as with the advent of stringent emission norms and regulatory requirements for the passenger comforts and safety. It aids ample opportunity for the actuators business as it turns out to be the backbone of both present and future automotive business.

With advancements in technology and electrification of power train, the automotive actuators market is growing continuously as Electric actuators have replaced hydraulic and pneumatic actuators due to lower noise emission, compact and lightweight design, digitalisation and electronic close looping system, and flexible installation options.

## 2-Wheeler ETV Market

The 2-Wheeler market in India was able to heave a sigh of relief as they could witness expansion in both domestic and export market in-line with the growth trends of first half of 2021. This flawless run of the market was put to a unanticipated halt in second half of 2021 as there was a slight de-growth accentuated by various factors like commodity, electronics and other consumer sentiments like customer's mindset, ever changing options and the rise of new entrants in the market.

The 2-Wheeler segment witnessed a transformational changeover in 150~500cc premium segment from the conventional carburettor system to Electronics Throttle Valve (ETV)/ Throttle By Wire (TBW) to meet the stringent BS-VI regulatory requirements. This transformation augurs value in fuel efficiency as well as riding quality to the customers.

(Source: Global Automotive Actuators Market: BIS Research)

## Indian Consumer Appliances Market

### Emergence of New Technology in Indian Fan Industry:

In the next five years, huge growth envisaged at a CAGR of 12%, presently it is at 9% for the year 2021-22. Indian Fan Industry is destined to enter into the Golden Era, post pandemic the pent-up in demand following customers' aspiration to chase better quality and better aesthetics. This segment is now receiving better traction than the Industrial average growth rate. The current Indian fan market size ~80mio and 75% of which is contributed by ceiling fan and the rest pertains to Table Pedestal & Wall Mount fans (TPW), Exhaust, etc.

### GAMECHANGER

BLDC technology is set to compere the show in Indian Fan Industry as there is a concrete plan from BEE, for the implementation of star rated fans during the year 2022. With implementation of new star rating guidelines, the penetration of BLDC Motor technology in ceiling fan space is expected to go up to 35% in the next 3 years. With the substantial saving of >50% in power consumption in BLDC, this segment will herald a new revolution in the Indian fan market at much faster pace and aggression in the years to come. These energy-efficient fans will spurt fresh replacement of the conventional fans and would eventually result infusion of BLDC technology in a large scale.

Another important aspect to note is that the premium **ceiling fans** are gaining momentum following the widespread of offerings by fan manufacturers to cater the demand of luxurious customer segment. This prompted emergence of advance concepts like smart fans - IoT-enabled, App operated, voice controlled & decorative fans - under light versions etc., gaining wider acceptance and popularity. Even foreign players are attracted to this segment with their offerings on energy-efficient products.

Indian fan manufacturers are now focussing on the import substitution in **TPW fan** segment as it accounts for 30% of the Indian Fan market. Similarly, BLDC technology transfusion in the **Air cooler** platform presents immense opportunity as it is only the standby option to combat the soaring summer and at the same time, accounts for substantial volume in the air cooling segments. Leading Fan manufacturers are already exploring opportunities in TPW segments & Air coolers with the advent of BLDC technology and have already started positioning suitably in the market.

## ELECTRIC MOTOR GROWTH PLATFORMS

Your Company's vast experience, manufacturing excellence, innovation capabilities, and efficient operations provide us a competitive edge enabling to produce niche products for critical automotive applications and "Electric Motors with Energy Competence" theme. Our key strategies for the future include expansion of TAM portfolio, penetration into 2W and 4W TAM in the domestic market, and developing new products for EPB & TOCD segments and energy-efficient BLDC Motors for consumer appliances.



### Expansion of TAM Portfolio:

#### 1. Expansion of Product Portfolio for various applications in 4W:

Your Company has been having a track record of more than two decades performance in ETC portfolio. Your Company currently has over 35 TAM programs catering to 10 customers spread across various geographic locations and these are expected to grow in tandem with the market. Now the Company has instilled enormous efforts in spreading its wings with new applications adopting ETC platform as its base. This enabled your Company to venture into new arena such as Exhaust Gas Recirculation (EGR), Variable Turbine Geometry (VTG), Coolant Control Valve (CCV) and Exhaust Flap Actuators in addition to the existing electronic throttle valve application. Your Company was able to penetrate both domestic as well as international markets with 4 new programs for 6 global Tier-1 customers. ETC, EGR, VTG, CCV, WGA & Exhaust Flap are all part of the TAM Portfolio.

#### 2. Penetration into Domestic 4W TAM:

Indian domestic 4W market succumbed to tremendous transformation with the advent of stringent BS-VI norms that necessitated the Indian tier-I manufacturers to augment their offerings with latest technology. This presents ample opportunity to your Company in expanding its TAM offerings using the existing platform in the domestic market. The domestic market requirement is met through supplies from your Company

and imports. Your Company is actively working on 3 new programs for 4 domestic Tier-1 customers leading to increase in TAM domestic market share to over 32%.

#### 3. Tapping Potential 2-Wheeler TAM:

Your Company, being a forerunner in electronic throttle motors in India, is able to foray in offering a product range to tap the emerging new requirements. Presently, your Company has reckoned with two prominent customers and is in the process of establishing connections with other customers in the mid-range segment of 2W-ETV space as it caters to around a quarter of 2W market. The lower engine capacity (below 150CC) segment is now on the threshold of electric motor propulsion. However, the medium and larger engine capacity vehicles will continue with ICE until the former segment settles with range anxiety, charging time, reliability and commercial maturity.

#### a. Entry into Safety & New Comfort Space - 4-Wheeler:

##### i. Electric Parking Brake (EPB):

EPB is increasingly becoming common in the new cars augmenting feature-rich capabilities. With this, your Company will be diversified with product portfolio into technology-agnostic offerings. Your Company is in commercial launch process and advanced technical evaluation with both domestic and international customers. Your Company is actively working on 5 new programs for with Tier-1 customers for launch in Year 2025.

ii. *Trunk Opening and Closing Device (TOCD) & Seat Application:*

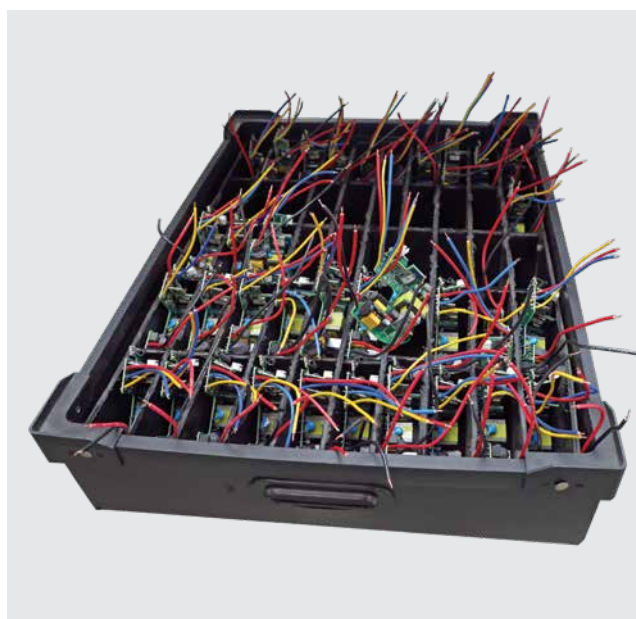
The TOCD application offers a new opportunity. Being part of Igarashi Global, your Company has been assessing the feasibility of the project and the potential target customers.

b. **Energy-Efficient BLDC Motor for Consumer Appliances Segment:**

Your Company has embarked its journey of excellence in the energy-efficient BLDC motors with couple of track record contributing actively to the theme of “electric motors with energy competence”. Bureau of Energy Efficiency regulations is set to mandate adherence to the prescribed energy-efficient standard for star ratings from the mid of year 2022. All the Indian fan manufacturers are now gearing up with BLDC variants to tap the market potential that would arise from the start rating standards transition. This provided immense opportunity to your Company to position as a BLDC technology partner to the various fan brand leaders based on the strength of motor manufacturing capability gained over the decades and its acquaintance in developing BLDC fan solutions over the recent years. Your Company has charted its course in the year 2020 with the market leader by successfully rolling out one economy model and 4 premium models. The product performance and field record of your Company garnered wider acceptance from various other leading fan manufacturers also, which enable your Company to diversify its customer portfolio. Your Company has catered the market requirement with the state-of-the-art models – Premium fans comprised of Integrated IoT and under light (LED) solutions. Your Company has reckoned in the market using tailor-made offerings and innovative solutions befitting the mass adoption requirement during the BLDC transition. Now, the R&D is fully engrossed in diversifying the product portfolio through development of new application platforms such as TPW, Exhaust and motor for Desert cooler.

c. **EV Traction Motor Platform:**

Adoption of EV Traction is past the nascent stage in E2W/E3W in India. Many start-up ventures are making their grand entry into the E2W/E3W space. Your Company is gearing up to rollout the eVA series for E2W/E3W. The prototype with power range between 3~5KW has been demonstrated successfully and currently in advanced technical discussions. Your Company, in association with parent company, is now embarking on the journey of EV Controller Development with a partner. Your Company has also been in continuous dialogues with various potential



customers on the programs. Based on the customer requirement, your Company is exploring all options to provide customised solutions. Currently, the first sample motor is undergoing field trial. Your Company is also exploring strategic contract manufacturing tie-ups for electric vehicles in order to capitalise on Company’s strength of economies of scale.

d. **ESDM (Electronic System Design & Manufacturing):**

During the year under review, the Electronics R&D in-house commenced activities towards establishing footprint in BLDC motor and controller segment with a team having over decade experience in product development in BLDC segment. The fully established Laboratory has state-of-the-art measurements, instrumentations and Thermal Chamber, Air delivery validation Chamber for facilitating controller development. This would facilitate not only Design and Development of BLDC Motor Controllers for Ceiling fans, Pedestal fans, Air coolers but also for EV Motor controllers, EV Chargers, High Voltage Drives and EV Battery Management System.

The team has been working on various programs including Customer specific projects in the areas of electronics development due to which scalable controllers were developed for products like IoT Enabled Fan with option of IR Remote, Air Cooler, Fan with temperature sensing and BLDC fans to work with standard fitments.

## R&D DEVELOPMENT PROJECTS

### i. Water Pump for EV

Water pump being the growing potential product in the EV segment for cooling module, we are focussing on BLDC Water pump for Battery cooling system of Electric vehicles. The dissipated energy of the stator is transferred to the medium. The motor geometry has to allow having an active cooling fluid circulation towards the motor electronics. We are handholding with major market players.

### ii. Electric Vacuum Pump (EVP)

Electric Vacuum pump is used in braking system for generation of vacuum in the Vacuum Brake Booster in techno-agnostic vehicles. Hence, it has huge potential opportunity in the future. We are in joint development with 2 major customers.

### Quality Management

In keeping with ever-growing customer expectations of product and response quality, during this year, your Company had been far-sightedly improving focus through proven “NIL SPILL” approach and furthered the quality improvement journey by deploying dedicated task force teams to identify and expedite resolutions for not only occurred and lesson learnt actions but also improve controls over potential risk processes. Relentless, systematic engagement and motivation by top management with these task force teams have led to innovative solutions and effected 24 QI projects covering both occurrence and detection of potentially critical defects that would have otherwise skipped to customer.

YOUR COMPANY HAS EMBARKED ITS JOURNEY OF EXCELLENCE IN THE ENERGY-EFFICIENT BLDC MOTORS WITH COUPLE OF TRACK RECORD CONTRIBUTING ACTIVELY TO THE THEME OF “ELECTRIC MOTORS WITH ENERGY COMPETENCE”

### Manufacturing Strategy

PRISM (PRocess engineering Inflexion for Smart Manufacturing) approach continue to be the backbone of our strategy for manufacturing efficiency improvements and the new initiative such as “Cluster automation” has been successfully established in full scale through another new DC motor assembly line which has been installed during this year. This new assembly line has also exemplified our objective of “Project 30PI” (30% productivity improvement in 3 years). Further, efforts by our process engineering team towards improving flexibility of chosen assembly lines to accommodate multiple variants, provided sustainability of productivity level despite challenges faced during the year in terms of varying monthly order demand from customer combined by unpredictable logistic situations.

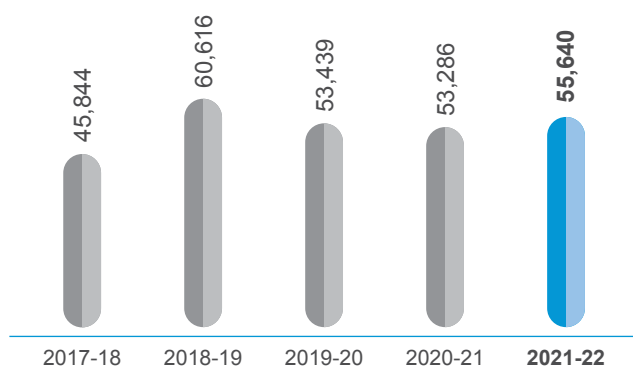


## FINANCIAL PERFORMANCE

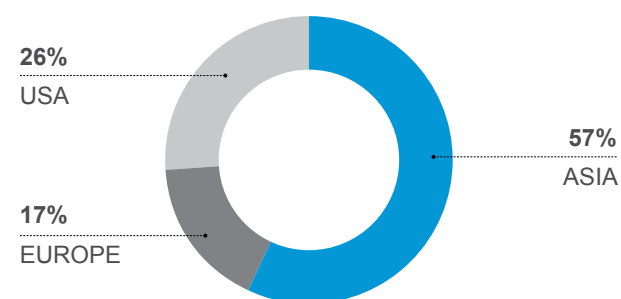
### Key Financial Highlights for FY 2021-22

#### Sales

(₹ in Lakhs)



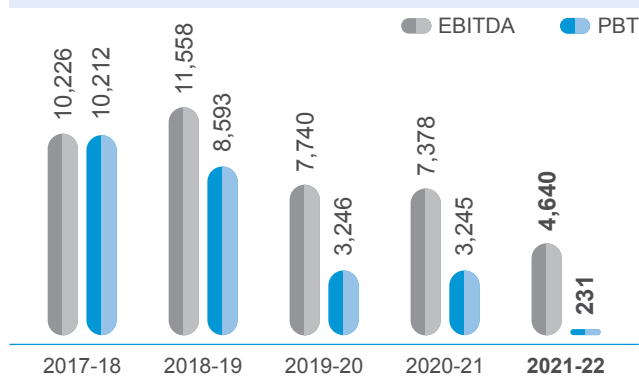
#### Geographical Split of Sales - 2021-22\*



\*Based on end customers location

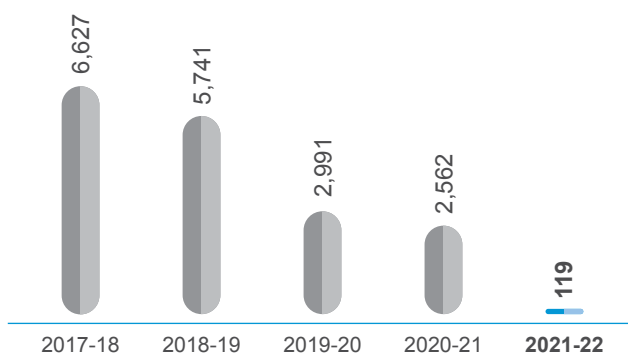
#### EBITDA & PBT

(₹ in Lakhs)



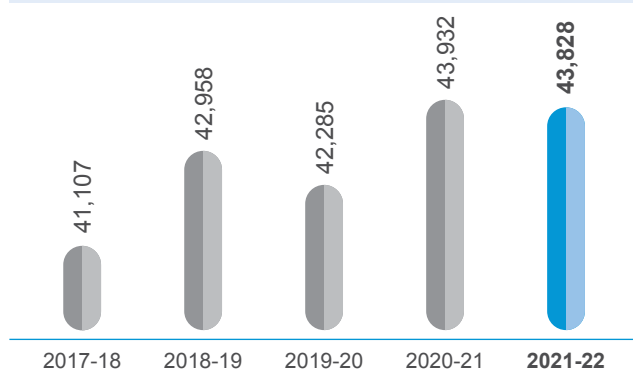
#### Profit After Tax

(₹ in Lakhs)



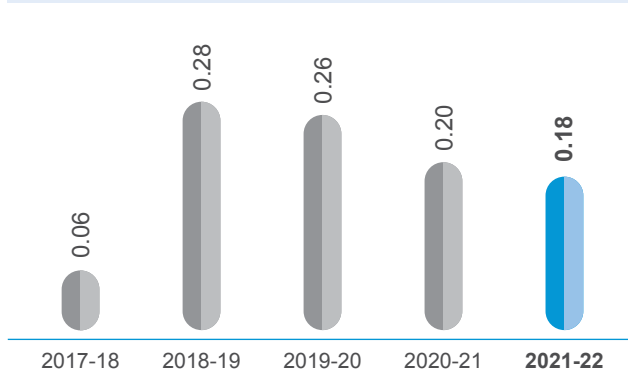
#### Network

(₹ in Lakhs)



#### Debt / Equity Ratio

(%)



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

Key Ratios	FY 2021-22	FY 2020-21
Debtors turnover	3.69	3.50
Inventory turnover	3.96	3.60
Interest coverage ratio	1.35	6.25
Current ratio	1.51	1.42
Debt equity ratio	0.18	0.20
Operating profit margin (%)	8.34	13.85
Net profit margin (%)	0.01	5.00
Return on Net Worth (%)	0.01	6.00

## RISKS & CONCERNS

The Company has a Risk Management Policy in place which guides the Risk Management Committee and the Internal Risk Management team to effectively manage the business risks. The Risk Management Committee consists of Mr. Hemant M Nerurkar (Chairman), Mr. L Ramkumar, Mrs. S M Vinodhini and Mr. R Chandrasekaran.

The key risks faced by the Company are enumerated below:

Nature of Risk	Mitigation Strategy
 <p><b>Macro Risk</b></p> <ul style="list-style-type: none"> <li>Global Trade Relationships &amp; Realignment</li> <li>Prolonged recovery in Global Markets due to economic and political factors/pandemic-related disruptions</li> </ul>	<ul style="list-style-type: none"> <li>Diversification of products and markets</li> <li>Strengthening customer relationship to align all resources in-line with markets for mutual benefit</li> <li>Exploring possibilities for non-organic growth and strategic alliances</li> </ul>
 <p><b>Technology Risk</b></p> <ul style="list-style-type: none"> <li>Electrification &amp; autonomous cars</li> <li>Changes in consumer preferences</li> <li>Changes in product technologies</li> </ul>	<ul style="list-style-type: none"> <li>Expanding bandwidth of products for Electric Vehicles and improving performance of existing products for autonomous Cars</li> <li>Constantly upgrading technology of existing products for enhanced application requirements</li> <li>Expanding the Energy Efficient BLDC Motors portfolio</li> </ul>
 <p><b>Market Risk</b></p> <ul style="list-style-type: none"> <li>New entrants and competition from existing players</li> <li>Geographical localisation of facilities</li> <li>Pricing pressure from customers</li> <li>Customer and geographical concentration</li> </ul>	<ul style="list-style-type: none"> <li>Improve co-operation with customers by offering multiple value propositions on products and services</li> <li>Real-time monitoring of logistics pipeline and global warehouses to ensure Just-In-Time availability to customers at all locations</li> <li>Continuous cost-competitive actions across value-stream and offer higher performance products to remain preferred supplier to customers</li> <li>New customers and new geographies to be pursued in the business mix regularly</li> </ul>

Nature of Risk	Mitigation Strategy
 <p><b>Operational Risk</b></p> <ul style="list-style-type: none"> <li>Stringent quality requirements with new performance specifications</li> <li>Supply Chain security</li> <li>Manufacturing automation</li> <li>Capital expenditure and capacity</li> <li>Shortage of components/ supply chain connectivity</li> <li>Skilled human resources</li> </ul>	<ul style="list-style-type: none"> <li>Upgradation of Design Capability, Validation, FMEA &amp; Testing Capability to meet new standards including collaboration for System Level Validation</li> <li>Strengthen relationships with key supply-chain partners and focus strongly on in-house manufacturing where capacities and capabilities are available</li> <li>Increase cluster automation and robotics on manufacturing lines with minimal investment under PRISM project</li> <li>Identification and development of second/third source, Customer follow-up for Changing shipments, Alternate port shipments, Imports - spreading the forwarder options to make use of the allotments available</li> <li>Flexible higher capacities to use same line for multiple products and multiskilling of human resources</li> <li>Impart trainings on Behavioural, Leadership, Skill development, value &amp; virtues and Continuous Skill development of employees and welfare measure incl. wellness trainings</li> </ul>
 <p><b>Financial Risk</b></p> <ul style="list-style-type: none"> <li>Financial stability</li> <li>Liquidity and capital access</li> <li>Foreign Exchange fluctuation</li> <li>Commodity price movements</li> <li>Product Liability and Warranty</li> </ul>	<ul style="list-style-type: none"> <li>Maintain low levels of leverage and continuous dialogues with financial institutions</li> <li>Entering into forward contracts in line with the hedging policy which is monitored by the Audit Committee on a regular basis;</li> <li>Arrangement of pass-through mechanisms for commodity price movements with time lag</li> <li>Optimal coverage of liability insurance in line with industry practices and customer requirements</li> </ul>
 <p><b>Cyber Security Risk</b></p> <ul style="list-style-type: none"> <li>Cyber-attacks as a fast and evolving nature of the threat</li> <li>Protection of IT systems and data</li> </ul>	<ul style="list-style-type: none"> <li>Internal Control Measures taken to protect networks, computers, programs, and data</li> <li>Cyber Security Threat audits by external experts at regular intervals</li> <li>Continued reinforcement of stringent security policies and procedures</li> <li>Implementation of Advanced Firewalls and Anti-virus software</li> </ul>
 <p><b>Health Environment and Safety Risk</b></p>	<ul style="list-style-type: none"> <li>Complying with regulatory and customer requirements on environment requirements &amp; Global sustainability policies</li> <li>Planned wellness programs for all employees</li> <li>Ensuring work safety practices with periodic audits</li> </ul>
 <p><b>COVID-19 Pandemic/ Natural Calamities Risk</b></p> <ul style="list-style-type: none"> <li>Disruption of business operations</li> </ul>	<ul style="list-style-type: none"> <li>Adoption of procedures for natural calamity/pandemic-like situations</li> <li>Business Supply Chain Management Preparedness</li> <li>Management Task Force for tackling such eventualities</li> </ul>

## HUMAN RESOURCES

The Company recognises the importance of leadership, technical, and behavioural development of employees across the organisation. The HR policy of the Company ensures creation of a safe and conducive environment wherein employees can deliver their best outcomes. The Company conducts continuous improvement and training programmes to hone the skills and capabilities of employees and keep up their morale. As on March 31, 2022, the total employee strength of the Company was 648, of which majority comprised women workforce.

## INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

## CAUTIONARY STATEMENT

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



# Notice

NOTICE IS HEREBY GIVEN THAT The Thirtieth Annual General Meeting ('AGM') of Igarashi Motors India Limited will be held on Wednesday, August 10, 2022 at 11.30 A.M (IST) through Video Conference (VC)/ Other Audio Visual Means (OAVM) facility to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2022, and the Reports of the Board of Directors and Auditor's Report thereon.

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

"RESOLVED that pursuant to Section 152 and other applicable provisions of the Companies Act 2013, the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Hemant M Nerurkar (DIN 00265887), Director, who retires by rotation, be and is hereby appointed as a non-executive Director of the Company, liable to retire by rotation."

3. Re-appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.:101248W/W-100022) be and is hereby appointed as the Statutory Auditors of the Company, for a second term of five consecutive years (FY 2022-23 to FY 2026-27) to hold office from the conclusion of this Annual General Meeting until

the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company, on such remuneration, exclusive of applicable taxes and reimbursement of travelling and out of pocket expenses, as may be mutually agreed by the Board of Directors of the Company and Statutory Auditors from time to time."

## SPECIAL BUSINESS

4. Re-appointment of Mr. R Chandrasekaran (DIN 00012643) as Managing Director for a period of Five years from October 01, 2022 to September 30, 2027

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

"RESOLVED THAT pursuant to the provisions of Section 196, Section 197, Section 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act 2013 ("the Act") and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment thereto, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their respective Meetings held on May 23, 2022 consent of the Company be and is hereby accorded for re-appointment of Mr. R Chandrasekaran (DIN 00012643) as Managing Director for a period of Five years from October 01, 2022 to September 30, 2027 on the terms of remuneration for 3 year period (From October 01, 2022 to September 30, 2025) as given below, and he shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company, upon the terms and conditions as detailed below in accordance of law:

I. Salary	₹ 8,00,000/- (Rupees Eight Lakhs) per month. Further, the annual increments to the salary will not be exceeding 30% per annum at the discretion of the Board of Directors of the Company based on the recommendations of the Nomination and Remuneration Committee.
II. Commission	Maximum four months of salary as may be approved by the Board of Directors, and its absolute discretion, for each financial year;
III. Perquisites and other allowances	<ul style="list-style-type: none"> <li>a) Leave travel concession, once in a year, as per the rules of the Company</li> <li>b) Accommodation (furnished or otherwise) or house rent allowance in lieu thereof</li> <li>c) Reimbursement of medical expenses covering medical treatment for self and family, including premium for medical insurance and other related expenses</li> <li>d) Company's contribution to provident fund as per the rules of the Company</li> <li>e) Gratuity as per the rules of the Company</li> <li>f) Provision of Company Car and fuel maintenance</li> <li>g) Telecommunication facilities at residence</li> <li>h) Leave on full pay and other allowances as per rules of the Company</li> <li>i) Such other allowances, benefits, utilities, amenities, insurance, reimbursement of expenditure and facilities at the discretion of the Board</li> </ul> <p>All perquisites and other allowances limited to a maximum value equal to the annual salary.</p>
IV. Other benefits	In the event of loss of office, the Managing Director shall be paid compensation in the manner and to the extent and subject to the limits or priorities prescribed under Section 191 and 202 of the Companies Act, 2013 and rules made thereunder
V. Reimbursement of expenses	Managing Director shall be entitled to be paid / reimbursed by the Company all costs, charges & expenses including entertainment expenses as may be reasonably incurred by him for the purpose of or on behalf of the Company subject to such ceiling as may be decided by the Board on the recommendation of the Nomination & Remuneration Committee;
VI. One time Special incentive	The Board of Directors at its discretion, based on recommendation of the Nomination & Remuneration Committee, shall pay one-time special incentive which shall not exceed six months' salary;

RESOLVED FURTHER THAT the above mentioned remuneration allowed pay more than in excess of prescribed limit of 5% of the net profits of the Company computed in accordance with Section 198 and other applicable provisions of the Act, in any financial year(s) during his tenure as the Managing Director of the Company.

RESOLVED FURTHER THAT the total managerial remuneration payable to the executive director(s) of the Company taken together in any financial year shall not exceed the limit of 10% of net profit and overall managerial remuneration payable to all directors shall not exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

RESOLVED FURTHER THAT the Board may revise the remuneration payable to the Managing Director, in any financial year during the tenure of office, in such manner as may be agreed to between the Board of Directors and the Managing Director subject to the condition that the total remuneration by way of salary, perquisites, commission,

other allowances and other benefits, shall be within the limits permissible under Section 197 of the Companies Act 2013.

RESOLVED FURTHER THAT consent of the members be and is hereby accorded for terms of remuneration payable to Mr R Chandrasekaran, as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year such that the remuneration payable to him as set out herein above from October 01, 2022 to September 30, 2025 for a period of 3 (three) years, on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors / Nomination and Remuneration Committee and Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Directors and Mr. R Chandrasekaran, such variation or increase in the aforesaid remuneration may be beyond the permissible limits as under the relevant provisions of Section 196, 197 and Schedule V of the Companies Act, 2013 in case

of inadequacy or absence of profits, calculated in accordance with the applicable provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof pursuant to notification issued by Ministry of Corporate Affairs (MCA) dated 12 September 2018.

RESOLVED FURTHER THAT Mr. R Chandrasekaran shall have the right to exercise such powers of management of the Company as may be delegated to him by the Board of Directors, from time to time.

RESOLVED FURTHER THAT Mr. R Chandrasekaran shall not be liable to retirement by rotation.

RESOLVED FURTHER THAT Mr. R Chandrasekaran shall not be entitled to any sitting fee for attending the meeting of the Board or any Committee thereof.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board so authorised by it, be and are hereby authorised to alter and vary the terms and conditions of the appointment including the remuneration, as may be agreed between the Board of Directors and Mr. R Chandrasekaran and/or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Act and the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force].

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

5. Appointment of Mr. Haruo Igarashi (DIN: 08587832) as Director

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Haruo Igarashi (DIN: 08587832) who was appointed as an Additional Director with effect from May 24, 2022 by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in

writing under Section 160 of the Act, from a member, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director, liable to retirement by rotation, of the Company.

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

6. Appointment of Mr. Thomas Francis Mckeough (DIN: 09510485) as Director

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Thomas Francis Mckeough (DIN: 09510485) who was appointed as an Additional Director with effect from May 24, 2022 by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director, liable to retirement by rotation, of the Company.

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

7. Approval for material Related Party Transactions

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") read with the rules framed thereunder (including any statutory

amendment(s) or re-enactment(s) thereof, for the time being in force, if any), and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the Members of the Company do hereby accord approval to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any duly authorized Committee constituted /empowered by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and / or carrying out and / or continuing with existing contracts / arrangements/ transactions (whether individual transaction or transaction(s) taken together or series of transaction(s) or otherwise), with Igarashi Electric Works Limited, Japan [Ultimate Holding Company & Promoter] being a related party of the Company, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier/ arrangements/transactions or as fresh and independent transaction(s) or otherwise from FY 2022-23 to FY 2023-24, as per the details set out in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate cumulative value of all these transaction(s), shall not exceed ₹ 650 Crores, provided however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby severally authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions, settle all questions, difficulties or doubts

Place: Chennai  
Date: May 23, 2022

**Registered Office:**

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

that may arise in this regard, as they may in their sole and absolute discretion deem fit, file requisite forms with the regulatory authorities and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any authorized person(s) to give effect to this resolution."

8. Ratification of remuneration payable to M/s. B Y & Associates, Cost Auditors of the Company for the Financial Year 2022-23

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration payable to M/s. B Y & Associates, Cost Accountants, having Firm Registration Number 003498, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023 amounting to ₹ 1.25 Lakhs (Rupees One Lakh Twenty Five thousand only) (excluding all taxes and reimbursement of out of pocket expenses) be and is hereby ratified and confirmed.

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

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

**P. Dinakara Babu**  
Company Secretary  
Membership No. A14812

**NOTES:**

- a) The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special business set out in the Notice is annexed hereto and forms part of this Notice.
- b) Pursuant to the Circular Nos. 14/2020 dated April 08,2020, 17/2020 dated 13<sup>th</sup> April,2020, 20/2020 dated May 05,2020, 02/2021 dated January 13,2021, 21/2021 dated 14 December 2021, 17/57/2021-CL-MCA dated May 05,2022 ["MCA Circulars"], issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- c) In view of the COVID-19 pandemic, social distancing is to be a pre-requisite and pursuant to the Circulars by the Ministry of Corporate Affairs, physical attendance of the Members to the AGM venue is not required. Hence, Members have to attend and participate in the ensuing AGM though VC/OAVM.
- d) As per the MCA General Circulars read with SEBI Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15,2021, and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13,2022 ["SEBI Circulars"] the Notice of 30<sup>th</sup> AGM along with Annual Report has been sent through electronic mode to only those Members whose email IDs are registered with the Company/ Depository participant.
- e) Those Shareholders whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent (RTA) by submitting form ISR-1 to the Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited "Subramanian Building" 1, Club House Road, Chennai – 600002, Phone: + 91-44-28460390.
- f) The Members can join the 30<sup>th</sup> AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.
- g) The attendance of the Members attending the 30<sup>th</sup> AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- h) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 30<sup>th</sup> AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the 30<sup>th</sup> AGM will be provided by CDSL
- i) In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the 30<sup>th</sup> AGM has been uploaded on the website of the Company at [www.igarashimotors.com](http://www.igarashimotors.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- j) As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its members the facility to cast their vote by electronic means (i.e. voting electronically from a place other than the venue of the general meeting) on all resolutions set forth in the Notice. The instructions for Remote e-voting are given in **Annexure A**. The instructions for e-voting on the date of 30<sup>th</sup> AGM are given in **Annexure AA**.
- Members are eligible to cast vote electronically only if they are holding shares as on that date. Members who have acquired shares after the dispatch of the Annual Report and before the **cut-off date August 03, 2022**, may approach the RTA by e-mail [sofia@cameoindia.com](mailto:sofia@cameoindia.com) for issuance of the User ID and Password for exercising their right to vote by electronic means.

- k) 30<sup>th</sup> AGM has been convened through VC/ OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circulars. Instructions for members for attending the 30<sup>th</sup> AGM through VC/OAVM are given as **Annexure B**.
- l) Register of Members of the Company will remain closed from **August 03, 2022 to August 10,2022** (both days inclusive) for the purpose of Annual General Meeting.
- m) Members are requested to notify Change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares to the Registrar and Transfer Agents
- n) Shareholders desiring any information as regards the accounts are requested to write e-mail to [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in) at least 7 days in advance, so as to enable the Company to keep the information ready.
- o) Members who have not so far encashed dividend warrant(s) for the Financial Year 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 , 2019-20 and 2020-21 are requested to seek to issue a duplicate warrant(s) by writing to the Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited immediately. Members are requested to note that dividends unclaimed within 7 years from the date of transfer to the Company Un-paid Dividend Account, as per Section 124 of the Companies Act, 2013 will be transferred to the Investor Education and Protection Fund. Details of unclaimed dividend are available on the Company's website [www.igarashimotors.com](http://www.igarashimotors.com) under the section 'Investor Relations'.

Year	Type of dividend	Dividend per share (In ₹)	Date of declaration	Due Date for transfer to IEPF	Unpaid / Unclaimed amount (in ₹) as on 31.03.2022
2014-15	Final	4.44	22.07.2015	30.08.2022	9,74,141.48
2015-16	Interim	4.00	14.03.2016	27.04.2023	6,45,208.00
2015-16	Final	1.50	04.08.2016	17.09.2023	2,67,904.00
2016-17	Final	6.61	02.08.2017	07.07.2024	10,97,154.41
2017-18	Final	6.00	14.09.2018	18.09.2025	9,32,124.29
2018-19	Final	4.90	27.09.2019	07.10.2026	8,75,835.65
2019-20	Final	4.90	17.09.2020	21.10.2027	2,38,624.72
2020-21	Final	1.50	09.09.2021	16.10.2028	1,86,946.62

- p) The remote e-voting period starts on **August 07,2022 at 9.00 am (IST) and ends on August 09,2022 at 5.00 pm (IST)**. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of **August 03, 2022** may cast their votes electronically.
- q) The Company's website is [www.igarashimotors.com](http://www.igarashimotors.com). Annual Reports of the Company, un-claimed dividend list, and other shareholder communications are made available on the Company's website.
- r) All the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail id is [investor@cameoindia.com](mailto:investor@cameoindia.com) mentioning the Company's name i.e., Igarashi Motors India Limited so as to enable the Company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.
- s) Our Company's shares are tradable compulsorily in electronic form and through Cameo Corporate Services Limited, Registrars and Share Transfer Agents; we have established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to your Company's shares under the Depository system is INE188B01013. As on March 31, 2022, 99.58% 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.
- t) Re-appointment of Director  
Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings, following information is furnished in respect of Director proposed to be reappointed as Annexure 1A.
- u) The Board of Directors appointed M/s. BP & Associates, Company Secretaries, Chennai ([prabhakar@bpcorpadvisors.com](mailto:prabhakar@bpcorpadvisors.com)) as the scrutinizer for conducting

e-voting process in fair and transparent manner. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, CDSL and RTA and will also be displayed on the Company's website [www.igarashimotors.com](http://www.igarashimotors.com).

- v) SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655, dated 03.11.2021 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14.12.2021, has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). On February 14, 2022, the Company has sent a PAN and KYC update intimation to physical shareholders. Members holding shares in physical form are required to submit their PAN details to the RTA by e-mail to [sofia@cameoindia.com](mailto:sofia@cameoindia.com). In case of Members are holding shares in physical form, you are advised to convert shareholding into demat form by approaching depository participant.
- w) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 10, 2022. Members seeking to inspect such documents can send an email to [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in)
- x) Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
- y) Members holding shares in physical form and desirous of making/updating Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar & Transfer Agents, Cameo Corporate Services Ltd. These forms are also available on the Company's website [www.igarashimotors.com](http://www.igarashimotors.com)

under Investor Relations section. Members holding shares in dematerialised form should make/update their nomination with their Depository Participants.

- z) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority. The concerned Members/investors are advised to read the procedure for claiming unpaid amounts and shares from IEPF Authority, which is available in the Company's website [www.igarashimotors.com](http://www.igarashimotors.com) under Investor Relations section or visit the weblink of the IEPF Authority <http://iepf.gov.in/IEPF/refund.html> for detailed procedure to lodge the claim with IEPF Authority.

## ANNEXURE A

### CDSL E-VOTING SYSTEM – FOR REMOTE E-VOTING

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming 30<sup>th</sup> AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing 30<sup>th</sup> AGM through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 30<sup>th</sup> AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the 30<sup>th</sup> AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 30<sup>th</sup> AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large

Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the 30<sup>th</sup> AGM has been uploaded on the website of the Company at [www.igarashimotors.com](http://www.igarashimotors.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The 30<sup>th</sup> AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

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

- (i) The voting period begins on **Sunday, August 07, 2022 at 9.00 am (IST) and ends on Tuesday, August 09, 2022 at 5.00 pm (IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **August 03, 2022** may cast their vote electronically.

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

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.

Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the <b>remote e-Voting period or joining virtual meeting &amp; voting during the meeting</b>.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the <b>remote e-Voting period or joining virtual meeting &amp; voting during the meeting</b>.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the <b>remote e-Voting period or joining virtual meeting &amp; voting during the meeting</b> .

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

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

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Igarashi Motors India Limited > on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for **Non – Individual Shareholders and Custodians** –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [prabhakar@bpcorpadvisors.com](mailto:prabhakar@bpcorpadvisors.com) and [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in), if they have voted from

individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

#### **ANNEXURE AA**

##### **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE 30<sup>th</sup> AGM**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system on **Wednesday August 10, 2022**. Shareholders may access the same at [www.evotingindia.com](http://www.evotingindia.com).
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the 30<sup>th</sup> AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before **August 03, 2022** mentioning their name, demat account number/folio number, email id, mobile number at [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance by August 03, 2022 mentioning their name, demat account number/folio number, email id, mobile number at [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## **ANNEXURE B**

### **THE INSTRUCTIONS FOR SHAREHOLDERS FOR ATTENDING THE 30<sup>TH</sup> AGM THROUGH VC/OAVM**

1. The procedure for attending meeting & e-Voting on the day of the 30<sup>th</sup> AGM is same as the instructions mentioned above for e-voting.
2. Only those shareholders, who are present in the 30<sup>th</sup> AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## **ANNEXURE TO THE NOTICE**

### **Explanatory Statement Setting Out Material Facts Pursuant To Section 102 Of The Companies Act, 2013**

#### **Item No. 3 Re-appointment of B S R & Co. LLP, Chartered Accountants as Statutory Auditor for a second term of five years**

M/s. B S R & Co. LLP, Chartered Accountants (Registration No.:101248W/W-100022) ('B S R') were appointed as Statutory Auditors of the Company by the Members at the 25<sup>th</sup> Annual General Meeting ('AGM') held on August 02, 2017 to hold office from the conclusion of the 25<sup>th</sup> AGM till the conclusion of the 30<sup>th</sup> AGM of the Company to be held in the calendar year 2022.

Accordingly, the present term of B S R gets completed on conclusion of the ensuing AGM. B S R are eligible for re-appointment for a second term of five years in terms of the provisions of Section 139 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014. The Company has received eligibility letter from B S R confirming that their appointment will be in accordance with the provisions of Section 139 of the Act.

B S R & Co. ('the firm ') was constituted on 27 March 1990 as a partnership firm having firm registration no. as 101248W. It and was converted into limited liability partnership i.e. B S R & Co. LLP on 14 October 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is at 14<sup>th</sup> Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai- 400063.

B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India.

B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi.

B S R & Co. LLP has over 3000 staff and 100+ Partners.

B S R & Co. LLP audits various companies listed on stock exchanges in India including companies in the Automotive, Manufacturing and Technology sector.

On May 23, 2022, the Audit Committee having considered various parameters like capability to serve the organisation with multiple manufacturing locations as that of the Company; audit experience; the audit team; market standing of the firm; clientele served; technical knowledge etc. have recommended the reappointment of B S R to the Board of Directors of the Company, which the Board has accepted and approved, subject to the approval of the Members at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives thereof are, in any way, concerned or interested in the said resolution.

The Board accordingly recommends the Ordinary Resolution set out at item no. 3 of this Notice for your approval.

**Item No.4. Re-appointment of Mr. R Chandrasekaran (DIN: 00012643) as Managing Director for a period of Five years from October 01, 2022**

Mr. R Chandrasekaran (DIN 00012643) was appointed as the Managing Director for a period of Three years with effect from October 01, 2019 to September 30,2022. Mr. R Chandrasekaran will complete his present term on September 30,2022.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on May 23,2022, subject to the approval of the members, re-appointed Mr. R Chandrasekaran as the Managing Director of the Company for a period of 5 years with effect from October 01, 2022, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board for a period of three years (Oct 01, 2022 to Sep 30, 2025), as mentioned in the resolution and here above.

Taking into account the quality of experience, automotive & FMEG exposure, leadership, scale of business handled, current & future needs of the business, present performance and potential assessment, the Board recommends re-appointment of Mr. R Chandrasekaran as the Managing Director of the Company, for a period of 5 years, w.e.f .October 01,2022 on the terms as to remuneration and otherwise as set out in the Resolution at the Item No. 4.

Mr. R Chandrasekaran, Managing Director will not be entitled to sitting fee for each meeting of the Board and / or Committee thereof attended by him.

Mr. R Chandrasekaran will exercise such of the powers as may be delegated from time to time by the Board of Directors. The total remuneration to him will be within the limits permissible under Section 197 of the Companies Act, 2013.

**Brief Profile of Mr. R Chandrasekaran**

Mr. R Chandrasekaran is a Post Graduate in Commerce with over 34 years' experience in the auto components industry. Prior to his current role, Mr. R Chandrasekaran has been working with the Company Since 1993 and acted as Chief Financial Officer (CFO) for 14 years until September 30,2019. He was actively involved in crafting Business Strategy, Customer Relationship & Stakeholder Management, Human Resource Management, Information Technology Management and Supply Chain Management.

Mr. R Chandrasekaran is not related to any Director of the Company. The disclosure relating to Mr. R Chandrasekaran,

as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out as an **Annexure 1A** to the Notice.

Reference to the provision of section 196, 197 and 203 of the Companies act, 2013, read with schedule V to the companies act 2013 along with the Ministry of Corporate Affairs (MCA) through its notification dated 12 September 2018 notified provisions of the Companies (Amendment) Act, 2017 (Amendment Act, 2017) and amended schedule V of Companies Act, 2013 , provides for payment of managerial remuneration by Companies, requires members approval for payment of managerial remuneration to the managerial person for period of not exceeding 3 years by way of special resolution.

Hence the Board recommends the resolution for member approval by way of special resolution, provided that such variation or increase in remuneration may be beyond the specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013 pursuant to notification issued by Ministry of Corporate Affairs (MCA) dated 12 September 2018.

The proposal as set out in the Notice is placed for consideration and approval of the shareholders as Special Resolution.

Mr. R Chandrasekaran, Managing Director, may be deemed to be interested in this Resolution since it relates to his appointment and remuneration.

Except Mr. R Chandrasekaran, no other Director or key managerial personnel or their relative is concerned or interested in this item of business.

The terms contained in the resolution shall constitute the written memorandum setting out the terms of re-appointment. The Board recommends the Special Resolution set out at Item No.4 of the Notice for approval.

**STATEMENT IN TERMS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 DETAILS ARE GIVEN BELOW: -**

**I. GENERAL INFORMATION :**

- a. Nature of Industry : Igarashi Motors India Limited is engaged in manufacturing and export of DC Motors for automotive application, manufacture & sale of BLDC motors for auto / non-auto applications;
- b. Date or expected date of commencement of commercial production

The Company was incorporated on January 10, 1992 with Registration No L29142TN1992PLC021997, in the State of Tamil Nadu under the Companies Act, 1956. Since then, the Company had commenced its business.

- c. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus  
Not applicable
- d. Financial performance based on given indicators

	(₹ Lakhs)			
Financial year	2021-22	2020-21	2019-20	2018-19
Gross Revenue	56,334	54,240	54,607	63,210
Profit before Interest, Depreciation and Tax	231	3,245	3,246	8,593
Profit After Tax	119	2,562	2,991	5,741

- e. Foreign investments or collaborations, if any

The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company during the previous three financial years. The foreign investors, mainly comprising Promoter Group entities, FIIs and NRIs are investors in the Company on account of past issuances of securities and/or secondary market purchases. As on March 31, 2022 the aggregate foreign shareholding in the Company was 25.92%.

## II. INFORMATION ABOUT THE APPOINTEE

### a) Background details :

Mr. R Chandrasekaran is the Managing Director of Igarashi Motors India since October 01, 2019. He is a Post Graduate in Commerce from Madras University. He is associated with the Company since inception.

### b) Past remuneration :

Period	Total (₹ Lakhs)
FY2021-22	120.42**
FY2020-21	152.36
FY2019-20	128.82^

^ Includes remuneration as CFO from April 01, 2019 to September 30, 2019 and Managing Director from October 01, 2019 to March 31, 2020

\*\* Due to in adequacy of profits, the Nomination and Remuneration Committee and Board approved payment of minimum remuneration as per limits specified under Schedule V of the Companies Act, 2013 against maximum payable remuneration by the shareholders approved was ₹ 198 Lakhs for FY2021-22.

### c) Recognition or awards

Currently, he holds the position of Member of MEPZ Special Economic Zone Authority, Chennai constituted under the Special Economic Zone Authority Rules, 2009.

### d) Job profile and his suitability

Mr. R Chandrasekaran was appointed as Managing Director on October 01, 2019 and was subsequently appointed as the Managing Director of the Company for a period of Five years from October 01, 2022 to September 30, 2027. Keeping in view that Mr. R Chandrasekaran brings with him a rich experience of over three decades, the Board has decided that it would be in the interest of the Company to appoint Mr. R Chandrasekaran as the Managing Director of the Company. Taking into consideration, the qualifications, varied experience and achievements, the Board had bestowed upon Mr. R Chandrasekaran, the responsibilities of Managing Director of the Company and continue to consider him suitable for the position.

### e) Remuneration proposed

As mentioned above

### f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Mr. R Chandrasekaran has over 3 decades experience in Global Automotive, export & domestic business, Fast Moving Electrical Goods. Taking into consideration the size and operations of the Company, the profile of the Managing Director, the responsibilities handled by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior levels in other companies.

### g) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel [or other director], if any

Mr. R Chandrasekaran has no pecuniary relationship with the Company or its Key

Managerial Personnel other than his remuneration in the capacity of the Managing Director. As on date of this notice, he holds NIL shares in the Company.

### III. Other information

#### a. Reasons of loss or inadequate profits

During FY2021-22, the businesses was impacted due to pandemic, supply-chain disruptions and semiconductor shortage issues, the revenue posted during the year was marginally more than the previous year, whereas the profitability for the year FY22 was impacted due to commodity escalations and fixed cost absorption during the second half of financial year.

#### b. Steps taken or proposed to be taken for improvement

- We are expanding into new applications such as Exhaust Gas Recirculation (EGR), Variable Turbine Geometry (VTG), Coolant Control Valve (CCV), and Exhaust Flap Actuators segments. Demand for such applications is seen increasing due to stringent emission norms for conventional and hybrid variants across the globe. Also adoption of BS-VI norms for PV in India, has given opportunity to increase supplies TAM for ETC application to domestic customers. Simultaneously, we are deploying newer technologies and platforms for energy-efficient appliances and strengthening our product portfolio with emerging technology-agnostic offerings, viz. 2W TAM and Electric Parking Brake (EPB) by leveraging our high-end manufacturing capabilities.
- The impact of commodity price increases has been partially negated through price increases and internal cost reduction initiatives.
- Under Electric Motors with Energy Efficiency for appliances theme, we are in the growth phase in the BLDC motor platform for ceiling fans. All the Indian fan manufacturers are gearing up with BLDC variants to tap the market opportunities stemming from the transition to energy-efficient standards paving way for the growth of the organized sector.

- During the year FY22, the Electronics R&D commenced activities towards establishing footprint in the BLDC motor and controller segment. This would facilitate not only the design and development of BLDC motor controllers for fast moving electrical goods but also for EV Motor controllers.

- We are also working on launching motors for TPW and air coolers which demonstrates strength of our motor manufacturing capabilities and will position us as a full service supplier to the various BLDC Fan OEMs. Further, we are well placed to capture the emerging opportunities in the electric vehicle space by launching a new platform of EV motors suitable for E2W/E3W.

#### c. Expected increase in productivity and profits in measurable terms

In anticipation of revival of the market in the near future, above steps taken by the Company taken/proposed by the Company are expected to increase the productivity and profits of the Company

#### Item No. 5. Appointment of Mr. Hauro Igarashi (DIN: 08587832) as Director

On the recommendation of the Nomination and Remuneration Committee Mr. Hauro Igarashi (DIN: 08587832) (Born 1967) has been appointed as an Additional Director of the Company with effect from May 24, 2022 pursuant to Section 161 of the Companies Act, 2013 ('Act) read with the Articles of Association of the Company. He was nominated as Non-Executive, Non Independent Director by Igarashi Electric Works Limited, Japan. ['IEWL] ('Ultimate Holding Company' & Promoter)

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Hauro Igarashi, will hold office upto the date of the ensuing 30<sup>th</sup> AGM and is eligible to be appointed as a Director. The Company has received a notice under Section 160 of the Companies Act, 2013 ("the Act") from a member proposing his candidature for the office of Director of the Company.

Keeping in view that Mr. Haruo Igarashi has over 30 years of diverse experience in driving Global Auto & Non Auto business, it would be in the best interest of the Company to appoint him as Director of the Company.

**Brief Profile of Mr. Haruo Igarashi is given below :-**

Mr. Haruo Igarashi has completed a specialization in Business Management and Marketing from University of Phoenix, USA.

In addition to his working experience at Igarashi headquarter in Japan, he has worked in Igarashi Sales entities in USA, Germany, and China for over three decades experience in driving International Automotive Sales, Marketing, General Management, Strategy, Supply Chain Management and Organization Development.

He had been in charge of Global purchasing for the Igarashi Group across the Globe. He had been steering “One Igarashi Program” across Igarashi Global entities.

He has two decade plus experience as on Board of IEWL. Mr. Haruo Igarashi is a younger brother of Mr. Keiichi Igarashi, President & CEO of IEWL.

The Company has received from Mr. Haruo Igarashi (a) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (b) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

Mr. Haruo Igarashi holding directorship in Agile Electric Sub Assembly Private Limited (‘Holding Company’ & Promoter Group). Mr. Haruo Igarashi does not hold any shares in the Company.

Having regard to his qualifications, experience and knowledge, his appointment as Non- Executive Director will be in the interest of the Company. Mr. Haruo Igarashi is not related to any Director or Key Managerial Personnel of the Company within the definition of ‘relative’ in Section 2(77) of the Act.

No director, Key Managerial Personnel or their relatives, except Mr. Haruo Igarashi to whom the resolution relates, is interested or concerned in the resolution.

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

Details of Mr. Haruo Igarashi whose appointment as an Non-Executive, Non Independent Director is proposed at Item No. 6 is provided in the “Annexure 1A” to the Notice pursuant to the provisions of SEBI Listing Regulations and the Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

**Item No. 6. Appointment of Mr. Thomas Francis McKeough (DIN: 09510485) as Director**

On the recommendation of the Nomination and Remuneration Committee Mr. Thomas Francis McKeough

(DIN: 09510485) has been appointed as an Additional Director of the Company with effect from May 24, 2022 pursuant to Section 161 of the Companies Act, 2013 (‘Act’) read with the Articles of Association of the Company. He was nominated as Non-Executive, Non Independent Director by Igarashi Electric Works Limited, Japan. [‘IEWL’] (‘Ultimate Holding Company’ & Promoter)

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Thomas Francis McKeough, will hold office upto the date of the ensuing 30<sup>th</sup> AGM and is eligible to be appointed as a Director. The Company has received a notice under Section 160 of the Companies Act, 2013 (‘the Act’) from a member proposing his candidature for the office of Director of the Company.

Keeping in view that Mr. Thomas Francis McKeough has over three decades of diverse experience in driving Global Auto business, it would be in the best interest of the Company to appoint him as Director of the Company.

**Brief Profile of Mr. Thomas Francis McKeough is given below :-**

Mr. Thomas Francis McKeough had Bachelor Degree in Business Administration from Illinois State University, USA

Mr. Thomas Francis McKeough has been the President of Igarashi Motor Sales USA, LLC, USA since 2014 leading Igarashi Group Business in countries viz., USA and Mexico for DC electrical motors for applications in automotive, appliance & office equipment.

During his rich and diverse Igarashi career of over thirty years, he had experience on driving Global Business Development, Business Planning, Marketing & Sales, Commercials, Global OEMs & Tier-1 Customer Relationship, Application Engineering, Finance, General Management and organizational development.

The Company has received from Mr. Thomas Francis McKeough (a) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (b) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

Mr. Thomas Francis McKeough does not hold directorships in any other Company in India. Mr. Thomas Francis McKeough does not hold any shares in the Company.

Having regard to his qualifications, experience and knowledge, his appointment as Non- Executive Director will be in the interest of the Company. Mr. Thomas Francis McKeough is not related to any Director or Key Managerial Personnel of the Company within the definition of ‘relative’ in Section 2(77) of the Act.

No director, Key Managerial Personnel or their relatives, except Mr. Thomas Francis McKeough to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

#### Item No. 7 Approval for material Related Party Transactions ('RPT')

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. However, as per the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), such transactions, if material, requires the approval of shareholders through a resolution, notwithstanding the fact that the same are on an arm's length basis and in the ordinary course of business. Your Company had taken Audit Committee prior approval on September 10, 2019 and also shareholders' approval on November 06, 2019 by way of Postal Ballot for material related party transactions with Promoter and Promoter Group Companies during the ordinary course of business.

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

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

Though, your Company had taken prior approval from shareholders and the existing transactions may continue

beyond April 01, 2022 necessitated your Company to seek approval of the Members of the Company in terms of Regulation 23 of the Listing Regulations, by way of passing of an Ordinary Resolution to the aforesaid Material Related Party Transactions.

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

#### A. Igarashi Electric Works Limited, Japan

1. **Name of the Related Party :**  
Igarashi Electric Works Limited, Japan [IEWL]
2. **Nature of relationship :**  
Ultimate holding company & Promoter
3. **Nature, duration, tenure, material terms, monetary value and particulars of the contract or arrangement**  
IEWL has been approved as Supply Chain partner by the Customer. Your Company has been dependent on Export Sales and supply of raw material, components parts by IEWL

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

#### **Value of Proposed transaction :**

₹ 650 Crores cumulative value for two years

4. **Where the transaction relates to any loans, inter-  
corporate deposits, advances or investments  
made or given by the listed entity or its subsidiary :**  
Not applicable since your Company has been selling/ purchasing goods or services from IEWL during ordinary course of business. In case advance is payable then Audit Committee and Board of Directors, as the case may be, prior approval would be obtained. The Audit Committee approved transactions at its meeting held on May 23, 2022.
5. **Nature of Relationship with the Company including  
nature of its concern or interest (financial or  
otherwise) :**

Mr. Haruo Igarashi, Director of IEWL. IEWL is holding 12.59% in the Company. IEWL is holding 89.72% in Agile Electric Sub Assembly Pvt Ltd [AESPL] (Holding Company). AESPL is holding

54.46% in the Company. IEWL is holding 100% of Igarashi Electric Works (H.K) Ltd. [IGHK]. IGHK is holding 7.94% in the Company.

6. **Tenure of the proposed transaction :**

FY 2022-23 to 2023-24

7. **Value of RPT as 58% (for each FY) of Company's audited consolidated annual turnover of ₹ 563 Crores for the financial year 2021-2022 :**

Note: The percentage above is based on the turnover of FY 2021-22 and the actual percentage shall depend upon consolidated turnover of the Company for the above referred respective financial year from 2022-23 to 2023-24.

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

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

IEWL is promoter of the Company. IEWL permitted the Company to use "IGARASHI" trade mark and Logo without charging fee and entering into formal arrangement. ONE IGARASHI PROGRAM ("OIP") was implemented by IEWL in all its global subsidiary companies for standardisation of process, policies, documentation and approval process. As part of this program, IEWL charging Bundled branding/ fee from all group companies. Your Company pays Bundled royalty/ fee 1.25% to IEWL on the sales routed through IEWL Since January 01, 2020.

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

IEWL and your Company are customer approved suppliers/service providers. Further, the above transactions are carried on business requirement of Company on arm's length basis and subjected to

review under transfer pricing regulations by various regulators under the applicable laws of India.

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

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

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

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

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

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

The Audit Committee and Board of Directors of your Company have approved this item in their meetings held on May 23, 2022 and recommends the resolution No. 7 as set out accompanying notice for the approval of members of the Company as an Ordinary Resolution.

Copies of Agreements / Purchase Orders entered into by the Company with the said related parties which are currently in force are available for inspection by Members on all working days except Saturdays and Public Holidays (between 11.00 a.m and 1.00 p.m.) at the registered Office of the Company upto August 09,2022.

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

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

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

**Item No. 8. To consider and ratify remuneration of Cost Auditor payable for the Financial Year 2022-23**

Pursuant to the provisions of Section 148 of Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company for its domestic unit in FY2022-23. The Board of Directors of the Company, on the recommendation of the Audit Committee, had approved the appointment of M/s. B Y & Associates, Cost Accountants (Firm Registration No: 003498) as the Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year(s) ending 31st March, 2023 at a remuneration of ₹ 1.25 Lakhs and reimbursement of out of pocket expenses and taxes as may be applicable to the Cost Auditors.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at item no. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2022-23.

The Board recommends the resolution as set out in the Notice for the approval of the Members of the Company as an Ordinary Resolution.

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

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval/ratification by the members.

## ANNEXURE 1A

Name of the Director	Mr. Hemant M Nerurkar <sup>§</sup>	Mr. R Chandrasekaran	Mr. Haruo Igarashi	Mr. Thomas Francis Mckeough
DIN	00265887	00012643	08587832	09510485
Age (Years)	73	57	54	53
Nationality	India	India	Japan	United State of America
Qualification	BE (Metallurgical Engineering)	M.Com	B.A (Business Management & Marketing) University of Phoenix, USA	Bachelor Degree (Business Administration) – Illinois State University, USA
Expertise in specific functional area	Wide managerial experience in Steel Industry	Wide managerial experience in Global Automotive Industry and Fast Moving Electrical Goods	Wide managerial experience in Global Automotive Industry	Wide managerial experience in Global Automotive Industry
Terms and Conditions of appointment / Re-appointment	Mr. Hemant M. Nerurkar is liable to retire by rotation. He offer himself for re-appointment as Non- Executive, Non Independent Director	Re-appointment as Managing Director for Five year period from October 01,2022 As set out in Item No. 4 of the accompanying Notice read with the Explanatory Statement	Appointment as Non-Executive, Non Independent Director, liable to retire by rotation and eligible to offer himself for the re-appointment	Appointment as Non-Executive, Non Independent Director, liable to retire by rotation and eligible to offer himself for the re-appointment
Remuneration last drawn (FY2021-22) (₹ Lakhs)	12.75*	120.42	N.A	N.A
Remuneration proposed to be paid	He will be entitled to Sitting Fee(s) for attending Board and Committee Meeting(s) and Commission.	As set out in Item No. 4 of the accompanying Notice read with the Explanatory Statement	N.A#	N.A#
Date of first appointment on the Board	June 23,2014	October 01,2019	May 24, 2022	May 24,2022
disclosure of relationships between directors / KMP inter-se	There is no relationship with other Directors on the Board	There is no relationship with other Directors on the Board	There is no relationship with other Directors on the Board.	There is no relationship with other Directors on the Board
Number of Board Meetings attended during the Financial Year 2021-2022	4	4	N.A	N.A
Membership/ Chairmanship of committees of other Boards (excluding foreign, private and Section 8 Companies)	Please refer Corporate Governance Report	Nil	Nil	Nil
Shareholding in the Company (No. of shares)	Nil	Nil	Nil	Nil
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board as on March 31,2022	Please refer Corporate Governance Report	Nil	Nil	Nil

\* Includes sitting fee for Board & Committee Meetings and Commission

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

§ Mr. Hemant M Nerurkar (DIN 00265887) was appointed as Non-Executive Non Independent Director by passing Special Resolution at 28<sup>th</sup> AGM held on September 17,2020

# Directors' Report

To  
The Shareholders,

Your Directors have pleasure in presenting their Thirtieth Annual Report of your Company, together with the Audited Accounts for the year ended 31st March 2022.

## FINANCIAL RESULTS

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

	(₹.in Lakhs)	
Particulars	2021-22	2020-21
Manufacturing Sales	55,640	53,286
Add: Other Income	693.30	953
<b>Total Income</b>	<b>56,334</b>	<b>54,239</b>
<b>Less:</b>		
(i) Materials & Manufacturing Expenses	36,818	32,030
(ii) Value Addition Cost	14,837	14,495
<b>Profit before Depreciation, Amortization</b>	<b>4,679</b>	<b>7,713</b>
Less: Depreciation & Amortization Expenses	4,447	4,468
<b>Profit before Tax</b>	<b>231</b>	<b>3,244</b>

## OPERATIONS

Your Company's Revenues for the year stood at ₹ 55,606 Lakhs as against ₹ 53,286 Lakhs for previous year in spite of operations impacted due to third wave Covid-19 restrictions during first half, logistics issues, OEMs temporary suspension of schedules and semiconductor chip shortages. Operating Profit before Depreciation & Amortization amounted to ₹ 4,679 Lakhs as against ₹ 7,713 Lakhs for previous year. Profit before Tax amounted to ₹ 231 Lakhs as against ₹ 3,244 Lakhs for previous year.

## DIVIDEND

The Board, after considering holistically the relevant circumstances and keeping in view of the Company's Dividend distribution policy, has decided that it would be prudent, not to recommend any dividend for the year under review.

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

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

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

Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') all unclaimed dividends are required to be transferred by the Company to the IEPF after completion of 7 years. Further according to IEPF Rules, the shares on which dividend has not been claimed by the Shareholders for seven consecutive years or more shall be transferred to the demat account of IEPF Authority. The details relating to amount of dividend FY2013-14 (Final) transferred to IEPF and such shares on which dividends were un-claimed for seven years consecutive years are available on the website of the Company at <http://www.igarashimotors.com/investor-list.php?invescatid=22>

## RESERVES

The Reserves at the end of the year 31st March, 2022 is at ₹ 43,828 Lakhs as against the Total Reserves of ₹ 43,932 Lakhs as at 31st March 2021.

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

## MATERIAL CHANGES

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

## DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

Your Company has no Subsidiary/ Associate / Joint Venture Companies as on March 31, 2022. Report under Form AOC-1 is annexed to this report.

## DEPOSITS

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

## EMPLOYEE STOCK OPTION SCHEME

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

Your Company had received a certificate from the Statutory Auditors of the Company that ESOP Scheme 2017 was implemented in accordance with Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolution(s) passed by the Members of the Company. The certificate is made available for inspection by Members of the Company.

## PAID-UP SHARE CAPITAL

Your Company's Paid-up equity share capital is ₹. 3,147.50 Lakhs as on March 31, 2022.

## DIRECTORS

During the year under report, the members of your Company in 29<sup>th</sup> Annual General Meeting confirmed the re-appointment of Mrs. Eva Maria Rosa Schork (DIN 07159550) as Director who was liable for retire by rotation.

During the year under report and till date of this report :

- a) Mr. Keiichi Igarashi (DIN 00356779) resigned as Non-Independent, Non-Executive Director from May 24, 2022 after successful association with the Company over 19 years due to his Igarashi Group Global activities and succession plan.
- b) Mrs. Eva Maria Rosa Schork (DIN 07159550) resigned as Non-Independent, Non-Executive Director from May 24, 2022 after successful association with the Company over 6 years, due to her professional & personal commitments.

Your Directors express their appreciation of the contributions made by Mr. Keiichi Igarashi and Mrs. Eva Maria Rosa Schork during their tenure as Director.

The Board of Directors, based on Nomination & Remuneration Committee recommendation, at their meeting held on May 23, 2022 had appointed Mr. Haruo Igarashi (DIN 08587832) and Mr. Thomas Francis Mckeough (DIN 09510485) as Additional Directors (Non-Executive, Non Independent) on the Board of the Company up to the date of 30<sup>th</sup> Annual General Meeting (AGM) i.e August 10, 2022 subject to the approval of shareholders. Your Company has, in terms of Section 160(1) of the Act, received in writing proposing candidature of Mr. Haruo Igarashi (DIN 08587832) and Mr. Thomas Francis Mckeough (DIN: 09510485) for the office of Director, liable to retire by rotation.

## INDEPENDENT DIRECTORS

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

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

## RETIREMENT BY ROTATION

Mr. Hemant M Nerurkar (DIN 00265887) Director retires by rotation at forthcoming 30<sup>th</sup> Annual General Meeting and being eligible, offers himself for re-appointment. The brief resume and other details as required under the Listing Regulations are provided in the Notice of the 30<sup>th</sup> Annual General Meeting of the Company.

## EVALUATION OF THE BOARD'S PERFORMANCE

Your Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. Pursuant to the provisions of Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Committee for the financial year 2021-22. Each Board member completed a questionnaire providing feedback on the functioning and overall engagement of

the Board and its committees on various parameters such as the composition, execution of specific duties, quality, quantity and timelines of flow of information, deliberations at the meeting etc.. Besides this, one –on-one meeting of the individual directors with the Chairman of the Board was also conducted as a part of self-appraisal and peer group evaluation. The Directors were also asked to provide their valuable feedback and suggestions about the over all functioning of the Board and its committees.

### NUMBER OF MEETINGS OF THE BOARD

During the year Four Board Meetings were held on May 25, 2021, August 09, 2021, November 10, 2021 and February 09, 2022. The particulars of Directors, their attendance during the financial year 2021-2022 has been disclosed in the Corporate Governance Report forming part of this Annual Report.

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

### AUDIT COMMITTEE

Your Company has an Audit Committee pursuant to the requirements of the Act read with Rules framed thereunder and SEBI (LODR) Regulations, 2015. The details are relating to the same are given in the report on Corporate Governance forming part of this Report. During FY2021-22, the recommendations of Audit Committee were duly accepted by the Board.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable Accounting Standards have been followed with explanation relating to material departures, if any;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for that period;
- c) Proper care has been taken for maintenance of adequate accounting for safe guarding the assets of the Company and detecting fraud and other irregularities;
- d) They have laid down Internal Financial Controls to be followed by the Company and the Audit Committee of the Board of Directors shall ensure that the internal control is adequate and robust;
- e) The annual accounts are prepared on a going concern basis;
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### DEMATERIALISATION OF SHARES

99.58% of the Company's paid up Equity Share Capital is in dematerialized form as on March 31, 2022 and balance 0.42% is in physical form. Your Company has already sent three reminders to all concerned shareholders advising them to convert physical shares into demat form. The Company's Registrars are Cameo Corporate Services Limited, No.1, Subramanian Building, Club House Road, Chennai 600 002.

### CREDIT RATING

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

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The information required to be furnished pursuant to Section 134(3) (m) of the Companies Act, 2013, is appended hereto and forms part of this Report.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of expenditure and earnings in foreign currency are given as an annexure to this Report.

### PARTICULARS OF LOANS & INVESTMENTS BY COMPANY

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

### RELATED PARTY TRANSACTIONS

All the related party transactions entered during the year were in ordinary course of business and on arm's length basis. Your Company obtained shareholders' approval by way of Postal Ballots on February 10, 2018 & November 06, 2019 and also at 28<sup>th</sup> AGM held on September 17, 2020 for material related party transactions though such transactions being entered during ordinary course of business and on arm's length basis as required under Listing Regulations.

SEBI vide its circular dated March 30, 2022 has clarified that a related party transaction approved by the Audit Committee prior to April 01, 2022 which continues beyond this date and becomes material as per the revised materiality threshold shall be placed before the shareholders at the first general meeting being held after April 01, 2022.

In view of above, the Audit Committee and Board recommend continuing material related party transactions beyond

April 01, 2022 for approval of shareholders as set out in the Notice of 30<sup>th</sup> AGM.

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

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

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

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

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

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

During the year ended March 31, 2022, the ICC has received no complaints pertaining to sexual harassment / discrimination at work place.

### **KEY MANAGERIAL PERSONNEL**

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. R Chandrasekaran (DIN :00012643), Managing Director, Mr. S Vivekchandranath, Chief Financial Officer and Mr. P Dinakara Babu, Company Secretary (ICSI Membership No. A14812).

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

### **AUDITORS**

M/s. B S R & Co LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), were appointed by the Shareholders at the 25<sup>th</sup> Annual General Meeting held on August 02, 2017 as Statutory Auditors for a term of five consecutive years (FY2017-18 to FY2021-22) to hold office until conclusion of 30<sup>th</sup> Annual General Meeting.

M/s. B S R & Co. LLP [B S R] are due to retire at the ensuing 30<sup>th</sup> Annual General Meeting of the Company. B S R has confirmed that they are eligible to be re-appointed in accordance with the provisions of the Act and Rules made thereunder. The Board of Directors, upon the recommendation of the Audit Committee, propose re-appointment of B S R for a second term of 5 years (FY2022-23 to FY 2026-27), to the shareholders for their approval. Resolution seeking your approval forms part of the Notice convening the Annual General Meeting.

In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

### **AUDITOR'S REPORT**

No qualification, adverse remarks or disclaimer made by the Statutory Auditors with regard to the financial statements for the financial year 2021-22.

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

There have been no instances of fraud reported by abovementioned Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government during FY 2021-22.

### **SECRETARIAL AUDITOR , SECRETARIAL AUDIT REPORT & OTHER CERTIFICATES**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. C Prabhakar, Partner, BP & Associates, Company Secretaries (ICSI Membership No.: F11722; C.P No. 11033) to undertake the secretarial audit of the Company for the year ended March 31,2022. Your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

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

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

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

## COST RECORDS

As your Company has Special Economic Zone Unit in MEPZ-SEZ, Chennai and having major revenue from exports, appointment of Cost Auditor is exempted under Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 for the financial ended March 31, 2022. Your Company has been maintaining such accounts and cost records as required under the Rules.

## COST AUDIT – FY 2022-23

The Board of Directors based on the recommendation of the Audit Committee, approved the appointment of M/s. B Y & Associates, Cost Accountants (Firm Registration No: 003498) as the Cost Auditors of the Company to conduct audit of the cost records of the domestic operations of the Company for the financial year 2022-23. Accordingly, the matter relating to the ratification of the remuneration payable to the Cost Auditors for the financial year 2022-23, will be placed at the 30<sup>th</sup> AGM of the Company.

## ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with section 134(3) of the Act, the Annual Return as on March 31, 2022 is available on the Companies website at <http://www.igarashimotors.com/investor-list.php?invescatid=17>.

## INTERNAL CONTROL SYSTEMS

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

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee. The CSR Committee comprises of four members and the Chairman of Board is heading the Committee. The CSR Committee of the Board has developed a CSR Policy. The CSR Committee met one time during the year on May 25, 2021. The details of role and functioning of the Committee are given in Annexure to this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report of the Company for year under review as required under Regulation

17 of Listing Regulations is given as a separate Statement in the Annual Report.

## DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

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

## BUSINESS RESPONSIBILITY REPORT (BRR)

As required under Regulation 34(2)(f) of Listing Regulations, your Company has provided BRR for the year ended March 31, 2022 as Annexure to this report.

## REMUNERATION OF KEY MANAGERIAL PERSONNEL

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

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

## STATEMENT ON EMPLOYEE REMUNERATION

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

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

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

## HUMAN RESOURCES

Your Company has 648 number of permanent employees on the rolls of the Company as on March 31, 2022. The Board of Directors wishes to place on record their sincere appreciation to all the employees of the Company for their dedication, commitment and loyalty to the Company.

## CORPORATE GOVERNANCE

A Report on Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of the requirements of Corporate Governance pursuant to Listing Regulations is annexed hereto.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has a vigil mechanism established Whistle Blower Policy, as per the requirement of the Companies Act, 2013 and the Listing Regulations, to enable all employees and the directors to report in good faith any violation of the Policy. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. Your Company has disclosed the details of Whistle Blower policy on its website: <http://www.igarashimotors.com/investor-list.php?invescatid=18>

## PREVENTION OF INSIDER TRADING

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

## CODE OF CONDUCT

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

## LISTING

The shares of your Company continued to be listed at National Stock Exchange Limited and Bombay Stock Exchange Limited. Listing fee has already been paid for the financial year 2021-22.

## 30<sup>TH</sup> ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCE

As per Ministry of Corporate Affairs Circular Nos. 14/2020 dated April 08,2020, 17/2020 dated 13<sup>th</sup> April,2020, 20/2020 dated May 05,2020, 02/2021, dated January 13,2021, 21/2021 dated 14 December 2021, 17/57/2021-CL-MCA dated May 05,2022 regarding Pandemic and relaxations (e.g VC, no physical report) thereon, your Company made arrangement to conduct 30<sup>th</sup> AGM through Video Conference / Other Audio Visual Means for which necessary information has been given separately in Notice of 30<sup>th</sup> AGM.

Also your Company will be complying with said Circulars by sending 30<sup>th</sup> Annual Report along with Annexures by way of e-mail to the shareholders as such no physical copies shall be distributed. Those Shareholders whose email IDs are not registered, have to register their email ID with Registrar & Share Transfer Agent (RTA) of the Company.

## ACKNOWLEDGEMENT

The Board wishes to place on record its sincere appreciation of the efforts put-in by your Company's employees for achieving encouraging results under difficult conditions. The Board also wishes to thank for the continued support of the relevant Government Authorities, Promoters, Shareholders, Suppliers, Customers, and other business associates, for their strong support.

For and on behalf of the Board of Directors

**Hemant M Nerurkar**

Chairman

DIN: 00265887

Place: Mumbai

Date: May 23,2022

## ANNEXURE TO THE DIRECTORS' REPORT

### A. CONSERVATION OF ENERGY

- 1) Energy Conservation Measures Taken
  - i. Solar Power used in street light panels to save energy over 600 units
  - ii. Solar Water Heater replaced & 4320 units saved
- 2) Steps taken by the Company for utilizing alternate sources of energy are  
The Company uses green energy (Wind power) at a tariff less than Tamil Nadu Electricity Board
- 3) The capital investment on energy conservation equipment's : N.A

### B. TECHNOLOGY ABSORPTION

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign exchange earnings used during year was ₹27,115 Lakhs and the total foreign exchange earned during the year was ₹ 38,908 Lakhs

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 23,2022

**Hemant M Nerurkar**  
Chairman  
DIN 00265887

## ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

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

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

S. No.	Name	Designation	Remuneration of Director for 2021-22 (₹ Lakhs)	Ratio/Times per Median of employee remuneration
1	Mr. Hemant M Nerurkar	Chairman <sup>^</sup>	12.75	1.01
2	Mr. Keiichi Igarashi	Director	N.A	N.A
3	Mr. L Ramkumar	Independent Director <sup>^</sup>	8.75	0.69
4	Mrs. S M Vinodhini	Independent Woman Director <sup>^</sup>	8.75	0.69
5	Mrs. Eva Maria Rosa Schork	Director	N.A	N.A
6	Mr. R. Chandrasekaran	Managing Director	120.42 <sup>#</sup>	9.58

<sup>^</sup>The remuneration of Directors consists of sitting fees and commission. Commission is for 2020-21 paid in FY2021-22

<sup>#</sup>The remuneration includes fixed pay with Nil variable paid as minimum remuneration as per Schedule V of the Companies Act, 2013 due to in adequacy of profits in FY2021-22 against maximum payable remuneration approved was ₹ 198 Lakhs

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

Name	Designation	% increase in remuneration in FY2021-22
Mr. Hemant M Nerurkar	Chairman <sup>^^</sup>	Nil
Mr. Keiichi Igarashi	Director	N.A
Mr. L Ramkumar	Independent Director <sup>^^</sup>	Nil
Mrs. S M Vinodhini	Independent Woman Director <sup>^^</sup>	Nil
Mrs. Eva Maria Rosa Schork	Director	N.A
Mr. R. Chandrasekaran	Managing Director <sup>#</sup>	-21.48%
Mr. P Dinakara Babu	Company Secretary	2.08%
Mr. S Vivekchandranath	Chief Financial Officer	1.45%

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

<sup>#</sup>Remuneration of fixed pay without variable pay

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

In the financial year, there was an increase of 8.6% in the median remuneration of employees.

iv) The number of permanent employees on the rolls of Company : 648 as on March 31,2022

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

vi) Comparison of the remuneration of the key managerial personnel against the performance of the Company:

During the year, the Company has given marginal revision to employees and also compensated employees through variable earnings based on individual performance vis-à-vis Company performance.

vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2022	March 31, 2021	% Change
Market Capitalization (₹ Crores)	1128.07	857.70	32%
P/E Ratio	546.52	33.48	1532%

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

Particulars	March 31, 2022 (₹)	IPO*	% Change
Market Price (BSE)	359.15	10	3491%
Market Price (NSE)	358.40	10	3484%

\*During the year 1993-94

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

The average percentile increases in salaries of employees other than KMP proposed was 8.6% while that of KMPs was -5.98%.

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

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 23, 2022

**Hemant M Nerurkar**  
Chairman  
DIN 00265887

**DETAILS OF STOCK OPTIONS PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATION, 2014 READ WITH SEBI CIRCULAR DATED 16<sup>TH</sup> JUNE, 2015 FOR THE FINANCIAL YEAR 2021-22**

	Description	ESOP Scheme- 2017
A.	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Please refer Notes to Accounts of the 30 <sup>th</sup> Annual Report 2021-22
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	₹ 0.38
C	Details related to ESOS	
i	A description of Each ESOS that existed at any time during the year, including general terms and conditions of each ESOS	
	a) Date of shareholders approval	a) August 02,2017
	b) Total number of Options approved under ESOS	b) 6,00,000
	c) Vesting requirements	c) 2 years
	d) Exercise Price or formula	d) ₹ 650/-
	e) Maximum term of options granted	e) 2 years
	f) Source of shares (primary, secondary or combination )	f) Primary
	g) Variation of terms of options	g) Nil
ii	Method used to account for ESOS - Intrinsic or fair value.	The Company has calculated the employee compensation cost using fair value method of accounting to account for options issued under "ESOP-2017
iii	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not applicable
iv	Option movement during the year	
	Particulars	Details
	Number of options outstanding at the beginning of the period	198,700
	Number of options granted during the year	Nil
	Number of options forfeited / lapsed during the year	198,700
	Number of options vested during the year	Nil
	Number of options exercised during the year	Nil
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
	Loan repaid by the Trust during the year from exercise price received	Not applicable
	Number of options outstanding at the end of the year	Nil
	Number of options exercisable at the end of the year	Nil
v	Weighted-average market price of Company's shares on NSE at the time of grant i.e 22-May-2018	₹ 795.85/-

	Description	ESOP Scheme- 2017
vi	Employee-wise details of options granted to	Details as under :
	i) Senior Managerial Personnel	34,000
	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	No employee of the Company received grant of options during the year amounting to 5% or more of options granted or exceeding 1% of issued capital of the Company
	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	
vii	A description of the method and significant assumptions used during the year to estimate the fair values of options , including the following weighted average information :	
	1) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model	Risk free interest rate -7.28% (Vesting 1) ~7.48% (Vesting 2) Expected life -1.5 (Vesting 1) ~2.5 (Vesting 2) volatility – 27% (Vesting 1) ~ 33% (Vesting 2) Expected Dividends -0.88% The Price of underlying share in the market at the time of option grant : ₹ 795.85 Option Exercise Price : ₹ 650 Option Fair value : ₹ 255
	2) the method used and the assumptions made to incorporate the effects of expected early exercise	Fair-valuation of ESOP under Black Scholes method.
	3) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Daily volatility of stock price on NSE over a period prior to the date of grant corresponding with expected life of options. Daily volatility is then annualized.
	4) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	The expected life of share option is based on historical data. Future market conditions are not used for measurement of fair value

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 23 ,2022Hemant M Nerurkar  
Chairman  
DIN 00265887

### FORM AOC-1

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

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

#### PART "A": SUBSIDIARIES

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

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

#### PART "B": ASSOCIATES AND JOINT VENTURES

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

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

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

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

For and on behalf of the Board of Directors

**Hemant M Nerurkar**  
Chairman  
DIN 00265887

Place: Mumbai  
Date: May 23,2022

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

### A. Amount Outstanding as on March 31,2022

Particulars	Amount (₹ Lakhs)	Purpose
Loans given	Nil	Nil
Guarantees Given	Nil	Nil
Investments made	2,086.78	Business

Refer Notes to Accounts given along with Financial Statements for the year ended March 31,2022

### B. Loans, Guarantees, Investments made during financial year 2021-22

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

Refer Notes to Accounts given along with Financial Statements for the year ended March 31,2022

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 23,2022

**Hemant M Nerurkar**  
Chairman  
DIN 00265887

**FORM NO. AOC.2**

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

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

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

There were no contracts or arrangements or transactions entered into during the financial year ended 31st March, 2022 which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis entered into during the financial year ended 31st March, 2022 are as follows,

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions (₹ in Lakhs)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board and subsequent approvals by way of Postal Ballot/ General Meetings	Amount paid as advances, if any:
1	Agile Electric Sub Assembly Private Limited – [Holding Company]	Sale of goods and services	721.25	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	For sale and purchase: Necessary approvals were granted by the Audit Committee and subsequently at the Board Meeting held as on 10/09/2019. Moreover the Public shareholders of the Company by Ordinary Resolution passed through Postal Ballot on 06/11/2019, accorded their approval.	Nil
		Purchase of goods	207.14				Nil
2	Igarashi Electric Works Limited, Japan-[Ultimate Holding Company]	Sale of goods and services	29,730.24	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	As stated above	Nil
		Purchase of goods	356.08				

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions (₹ in Lakhs)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board and subsequent approvals by way of Postal Ballot/ General Meetings	Amount paid as advances, if any:
3	Igarashi Electric Works (H.K) Limited, Hong Kong- [Fellow subsidiary]	Sale of goods and services	Nil	year on year basis	Not Applicable	As stated above	Nil
		Purchase of goods	Nil				
4	Igarashi Motoren Gmbh, Germany- [Fellow subsidiary]	Sale of goods and services	66.50	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	As stated above	Nil
		Purchase of goods & services	5.24				
5	Igarashi Motor Sales USA LLC, USA- [Fellow subsidiary]	Sale of goods and services	33.09	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	As stated above	Nil
6	Igarashi Electric Works International Ltd, Hong Kong [Fellow subsidiary]	Sale of goods and services	7.14	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	As stated above	Nil
7	Yat Yue Industrial Co.(HK) Ltd, Hong Kong [Fellow subsidiary]	Sale of goods and services	Nil	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	As stated above	Nil
		Purchase of goods and services	403.59				
8	Igarashi Electric Works (Zhuhai) Limited, China [Fellow subsidiary]	Sale of goods and services	Nil	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	As stated above	Nil
		Purchase of goods and services	0.55				

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions (₹ in Lakhs)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board and subsequent approvals by way of Postal Ballot/ General Meetings	Amount paid as advances, if any:
9	Igarashi Electric Works (Shenzhen) Ltd [Fellow subsidiary]	Sale of goods and services	1.75	year on year basis	The related party transactions entered into during the year were in the ordinary course and at arm's length basis	Audit Committee Prior approval had been obtained on February 09, 2021	Nil
		Purchase of goods and services	Nil				

\$ Also refer Note 37 of Related Party Schedule to the Financial Statements

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

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

For and on behalf of the Board of Directors

**Hemant M Nerurkar**  
Chairman  
DIN 00265887

Place: Mumbai  
Date: May 23, 2022

# Business Responsibility Report

## Section A: General Information about the Company:

Sl. No	General Information	Details
1	Corporate Identity Number (CIN) of the Company	L29142TN1992PLC021997
2	Name of the Company	IGARASHI MOTORS INDIA LIMITED
3	Registered address	Plot No. B12 to B15, Phase-II, MEPZ-SEZ, Tambaram, Chennai – 600 045
4	Website	<a href="http://www.igarashimotors.com">www.igarashimotors.com</a>
5	E-mail id	<a href="mailto:investorservices@igarashimotors.co.in">investorservices@igarashimotors.co.in</a>
6	Financial Year Reported	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Electric Micro Motors – 2710 Stamping and Motor Components – 2591
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Electric Micro Motors Stamping and Motor Components
9	Total number of locations where business activity is undertaken by the Company	One location, Chennai, Tamil Nadu
a	Number of International Locations (Provide details of major 5)	Nil
b	Number of National Locations	One location, Chennai, Tamil Nadu
10	Markets served by the Company: Local/State/National/International	India, USA, Europe, China and Asia.

## Section B: Financial Details of the Company:

Sl. No	Particulars	Amount
1	Paid up Capital (₹)	314,750,480
2	Total Turnover (₹ in lakhs)	55,606
3	Total profit after taxes (₹ in lakhs)	206
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5	List of activities in which expenditure in 4 above has been incurred	Promoting Civic Learning among children Cancer Awareness Project Health, Medical and Hygiene Support Prime Ministers National Relief Fund (PMNRF)

## Section C: Other Details

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

## Section D: BR Information

### 1. Details of Director/Directors Responsible for BR

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

DIN	00012643
Name	Mr. R Chandrasekaran
Designation	Managing Director

#### b. Details of the BR head

DIN (if applicable)	00012643
Name	Mr. R Chandrasekaran
Designation	Managing Director
Telephone Number	+91 44 42298199
e-mail id	<a href="mailto:investorservices@igarashimotors.co.in">investorservices@igarashimotors.co.in</a>

#### List of Principles:

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

## 2. Principle - Wise (As per National Voluntary Guidelines) Business Responsibility Policy/

### Policies (Reply in Y/N)

Sl. No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (The policies conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, SA 8000, UNGC guidelines and ILO principles and meet the regulatory requirements such as SEBI LODR, Sarbanes Oxley Act etc. The policies reflect IMIL commitment to improve the quality of life of the communities it serves and practice of returning to society what it earns)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	N	N	Y	Y	Y
5	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all its internal stakeholders and external stakeholders based on their relevance.								
6	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the Company has an internal persons to evaluated the workings of this Policy								

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

(Tick Up to 2 Options)

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

### 3. Governance related to BR:

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

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

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

Your Company has hosted Business Responsibility Report on the Company's website: <http://igarashimotors.com/investor-list.php?investcatid=17>, as part of green initiative under Regulation 34(2)(f) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, on annual basis.

## Section E: Principle wise Performance

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

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

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

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

The Company in order to attain the highest legal and ethical standard has adopted Anti-Corruption Compliance Policy. The policy covers instances pertaining to bribery, kickbacks, or corruption of any kind directly or through third parties, whether or not explicitly prohibited by this policy or law. The policy applies to all the stakeholders involved in the business environment.

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

Stakeholders Complaint Received – 2

Stakeholders Complaint Resolved – 2

Stakeholders Complaint Pending – 0

Percentage of Stakeholders Complaint Resolved – 100%

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

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

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

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

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

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

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

The Company is working closely with Global Suppliers for reducing wastage. This has in turn paved away for effective use of optimal recourse.

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

Yes. The Company adopts the latest Tier - I technology in its products to provide high fuel efficiency, better emission control and stronger engine dynamics.

Solar power is used for Street Light and waste water goes through treatment plant and is reused for Gardening purpose .

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

Yes

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

The Company is being a major exporter to Global Tier I customers. The Company continuously works with its vendor and suppliers to reduce the environmental impact of sourcing. At the same time, it has to meet the huge demands of the customers by providing timely delivery and international standard quality products, hence to meet the demand it has to obtain its inputs from global market. As the local suppliers find it difficult to meet the vast quantity and global demands, ~68% of raw material, components, and spares are being imported.

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

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

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

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

**Principle – 3 Businesses should promote the wellbeing of all employees****1. Please indicate the Total number of employees.**

The total number of employees was 648 as on 31st March, 2022 in the Company.

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

The total contractual/temporary manpower employed was 776 as on 31st March, 2022 in the Company.

**3. Please indicate the Number of permanent women employees**

There were 278 permanent female employees as on 31st March, 2022 in the Company.

**4. Please indicate the Number of permanent employees with disabilities**

There were no employees with disabilities as on 31st March, 2022

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

No

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

Not Applicable

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

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

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

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

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

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

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

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

Yes.

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

Yes, your Company has implemented the following CSR initiatives

- a. **Cancer awareness Project:**

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

- b. **Multiple Sclerosis Patient Care Project :**

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

- c. **Viswajayam Foundation : Patient Health and Hygiene Services**

Your Company has joined hands Viswajayam Foundation for proving Patient Health and Hygiene Services at Government Hospital, Royapeta, Chennai.

- d. **MEPZMA Helath Center Project :-**

Your Company has joined hands with MEPZ Manufacturers Association for re-furbishing Health Center for providing immediate medical health facility, medical services for minor ailments, health check-up and emergency treatment to the employees working in the SEZ Units located in MEPZ-SEZ, Tambaram, Chennai.

- e. **Prime Ministers National Relief Fund (PMNRF):**

Your Company has contributed the Prime Ministers National Relief Fund for medical assistance, floods, drought, terrorist violence and other such unforeseen occurrences, with a reserve for emergencies.

**Principle – 5 Businesses should respect and promote human rights**

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

Yes the policy extends to its suppliers and contractors also.

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

The Company did not receive any stakeholder complaint regarding Human Rights in the year 2021-22

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

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

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

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

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

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

Yes, The company risk management policy frames the procedure to identify the potential environmental risks. This is being regularly reviewed and thereby helps us in mitigating risks.

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

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

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

The Company has initiated wind power sourcing and has installed solar cell to tap clean energy. Refer Directors Report for details in Conservation of Energy, Technology and Absorption.

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

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

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

There were no show cause/ legal notices received during the year 2021-22

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

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

Yes, member of Export Promotion Council for EOUs & SEZs and Indian Fan Manufacturers Association.

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

No

**Principle – 8 Businesses should support inclusive growth and equitable development**

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

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. The Company has initiated projects like Indian Cancer Society, Multiple Sclerosis Society of India, Viswajayam Foundation, MEPZ Manufacturers Association and Prime Ministers National Relief Fund (PMNRF).

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

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

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

No, The CSR programs and their impacts/ outcomes are monitored and reviewed by the CSR Committee periodically.

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

- a. Indian Cancer Society - ₹ 30 Lakhs
- b. MEPZ Manufacturers Association- ₹ 10 Lakhs
- c. Viswajayam Foundation – ₹ 10 Lakhs
- d. Multiple Sclerosis Society of India – ₹ 5 Lakhs
- e. Prime Ministers National Relief Fund (PMNRF) – ₹ 50 Lakhs

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

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

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

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

During the year 2021-22 there were no customer complaints or cases pending at the year end.

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

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

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

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

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

Not Applicable.

# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to adopt the best Global practices of Corporate Governance. Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability and equity with the ultimate objective of increasing long-term shareholder value, keeping in view the needs and interests of all other stakeholders.

Your Company also believes that good Corporate Governance makes good business sense. As such your Company not only complies with all the requirements of Corporate Governance under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ["Listing Regulations"] but follows it in spirit also.

During the year ended 31st March, 2022, your Company had complied with the provisions set out on Corporate Governance Practices required under Listing Regulations.

## 2. BOARD OF DIRECTORS

As on 31st March, 2022 the Board of Directors comprised the Managing Director and 5 Non-Executive Directors.

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors, which is in conformity with the Listing Regulations as of the year ended 31st March 2022, the Board consists of 6 Directors comprising of one Executive Director, Three Non-Executive Non-Independent Directors and Two Independent Directors (out of which one Director is a Independent Woman Director). The Chairman of the Board is a Non-Executive Non-Independent Director.

During the year, Four Board Meetings were held on May 25, 2021, August 09, 2021, November 10, 2021 and February 09, 2022.

Mr. C Prabhakar, Partner, BP & Associates, Company Secretaries (Membership No: F11722; Certificate of Practice No; 11033) have certified that none of the Directors on the Board of the Company as stated for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

The particulars of Directors, their attendance during the financial year 2021-22 and also other Directorships and Board Committee Representations of Public Limited Companies are as under:

Name of Director & Designation	Category	Attendance		Other Board Representations	
		Board Meetings	Last AGM	Directorship in Indian Public Companies	Committees <sup>§</sup>
Mr. Hemant M Nerurkar (Chairman)	Non-Executive Non-Independent	4	Yes	7	5 (Member) 3 (Chairperson)
Mr. R. Chandrasekaran (Managing Director)	Executive	4	Yes	Nil	Nil
Mr. Keiichi Igarashi	Non-Executive Non-Independent	4	Yes	Nil	Nil
Mrs. Eva Maria Rosa Schork	Non-Executive Non- Independent	4	Yes	Nil	Nil
Mr. L Ramkumar	Non-Executive Independent	4	Yes	1	1 (Member) 2 (Chairperson)
Mrs. S M Vinodhini	Non-Executive Independent Woman	4	Yes	Nil	1(Member) 1 (Chairperson)

§ Committees considered are Audit Committee & Stakeholders' Relationship Committee including of Igarashi Motors India Limited (IMIL).

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

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

S. No	CIN	Name of the Company	Category of Directorship
1	L153311DL1993PLC052624	DFM Foods Limited	Non-Executive Independent Director
2	L31900MH2015PLC262254	Crompton Greaves Consumer Electricals Limited	Non-Executive Independent Director
3	L51100GJ1993PLC019067	Adani Enterprises Limited	Non-Executive Independent Director
4	L72200TG1990PLC011146	NCC Limited	Non-Executive Independent Director
5	L25199WB1976PLC030532	Tega Industries Limited	Non-Executive Independent Director

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

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

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

None of the directors are holding shares in our Company.

During the year, separate meeting of the Independent Directors was held on May 25, 2021 without the attendance of non-independent directors and members of the management. All Independent Directors attended the said meeting.

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

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

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

#### Board Skill Matrix:-

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

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

### 3. AUDIT COMMITTEE: MANDATORY COMMITTEE

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

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

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

During the year, the Audit Committee met Four times on May 25, 2021, August 09, 2021, November 10, 2021 and February 09, 2022.

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

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

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

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

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

Mr. L Ramkumar, Non-Executive Independent Director, is the Chairman of the Committee. Mrs. S M Vinodhini, Non-Executive Independent Woman Director, Mr. Hemant M Nerurkar, Non Executive Non Independent Director, are the members of Committee.

During the year, the Nomination and Remuneration Committee met Two times on May 25, 2021 and February 05, 2022.

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

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

#### Performance Evaluation

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

#### 5. REMUNERATION OF DIRECTORS

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

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

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

##### C) Details of Remuneration paid to Directors

Name of the Director	Sitting Fee *	Salary	Perquisites	Performance Incentive/ Commission	Other Allowances	Total
Mr. Hemant M Nerurkar (Chairman)	4.75	-	-	8.00	-	12.75
Mr. R. Chandrasekaran (Managing Director)	-	60.21	60.21	-	-	120.42
Mr. L Ramkumar (Independent Director)	4.75	-	-	4.00	-	8.75
Mrs. S M Vinodhini (Independent Women Director)	4.75	-	-	4.00	-	8.75

\* includes sitting fees paid for Board & Committee meeting & remuneration FY 2021-22 and 2022-23.

The Payment of remuneration to the Managing Director is governed by the resolution recommended by the Board and approved by the Shareholders. The appointment of Managing Director is done for 3 years.

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

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE: MANDATORY COMMITTEE

The Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor grievances, transfer / transmission of shares, issue of duplicate shares, exchange of new design share certificates, recording dematerialization / rematerialization of shares and related matters.

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

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

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

During the year, the Stakeholders Relationship Committee met Four times on May 25, 2021, August 09, 2021, November 10, 2021 and February 09, 2022.

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

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

During the year 2021-22, the Company received 02 (Two) complaints from the investors. As on 31st March 2022, there were no investor grievances pending and no transfers were pending for approval.

## 7. RISK MANAGEMENT COMMITTEE : MANDATORY COMMITTEE

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

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

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

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

During the year, the Risk Management Committee met two times on August 09, 2021, and November 10, 2021.

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

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

## 8. GENERAL BODY MEETINGS

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

Financial Year	Date	Venue	Time	Special Resolutions Passed
2020-21	August 09, 2021	Through Video Conference (VC) / Other Audio Visual Means (OAVM)	02.30 P.M	Nil
2019-20	September 17, 2020	Through Video Conference (VC) / Other Audio Visual Means (OAVM)	11.00 A.M	1. To Amend the Articles of Association for Insertion of Clause - "Appointment of Chairman Emeritus" 2. Appointment of Mr. Hemant M Nerurkar (DIN: 00265887) as Director
2018-19	September 27, 2019 <sup>\$</sup>	Welcome Hotel (Formerly 'Hotel Chola') Cathedral Road, Chennai - 600 086.	2.00 P.M	Nil

<sup>\$</sup> Re-scheduled from August 08, 2019

- A) Extra Ordinary General Meeting held during the year- No
- B) Details of Special Resolutions passed last year through Postal Ballot- No
- C) Person who conducted the Postal Ballot exercise – NA
- D) Details of Special Resolution was proposed to be conducted through postal ballot : NA
- E) Procedure for Postal Ballot : NA

## 9. MEANS OF COMMUNICATION

During the year under reference, quarterly results were published in widely circulating national and local daily newspapers such as the Business Standard (English) and The Tamil Hindu (Tamil). These were not sent individually to the shareholders. The quarterly and the annual results of the Company are made available online filing to the stock exchanges on which the Company's shares are listed, immediately after of closure of meeting of the Board of Directors. The said results were also posted on the website of the Company viz. [www.igarashimotors.com](http://www.igarashimotors.com). The Management's Discussion and Analysis forms part of the Annual Report.

## 10. GENERAL SHAREHOLDER INFORMATION

### i) Annual General Meeting (AGM)

Date: August 10, 2022 (Wednesday)

Venue : Video Conference VC/Other Audio Visual Means (OAVM)

Time : 11.30 AM (IST)

### ii) Financial Calendar : 1st April 2021 to 31st March 2022

- a. First Quarter Results : August 09, 2021
- b. Second Quarter Results : November 10, 2021
- c. Third Quarter Results : February 09, 2022
- d. Last quarter Results and Annual : May 23, 2022

iii) **Date of Book Closure** : August 03, 2022 to August 10, 2022

iv) **Dividend Payment Date** : Not Applicable

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

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

vi) **Listing Fees** : The Listing fee of all the stock exchanges for the Year 2021- 22 has already been paid.

vii) **Stock Code** :

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

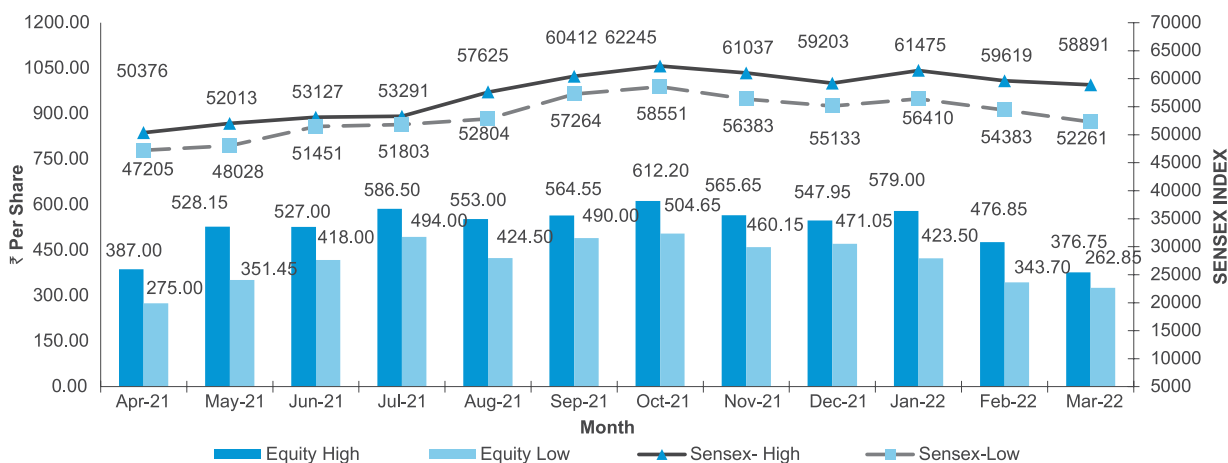
viii) **International Securities identification Number (ISIN)** : INE188B01013 (NSDL & CDSL)

ix) **Market Price Data:**

#### IGARASHI PRICE VS BSE SENSEX

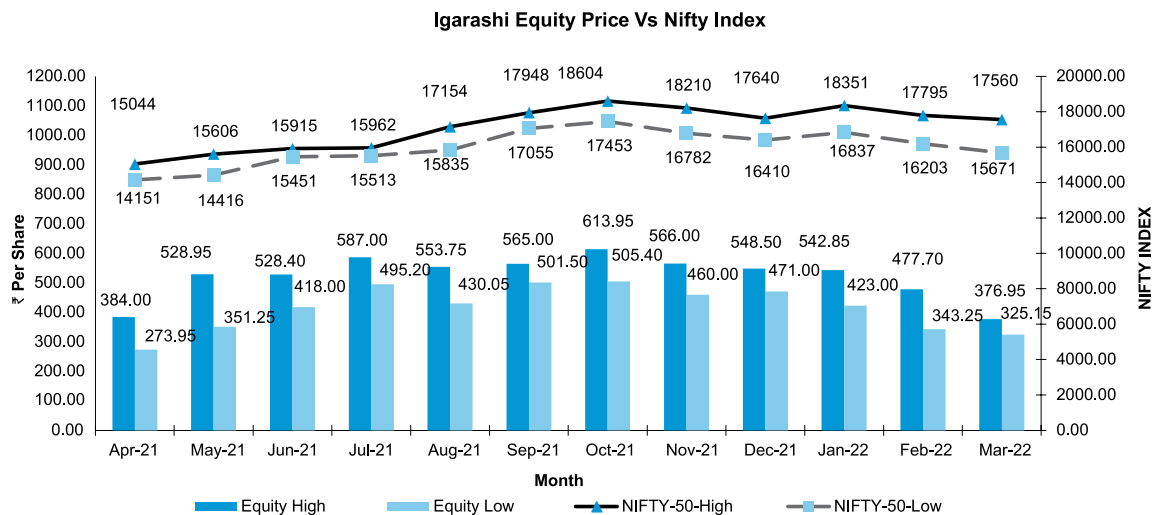
MONTH	IGARASHI 2021-22		BSE SENSEX 2021-22	
	Equity High	Equity Low	SENSEX-High	SENSEX-Low
Apr-21	387.00	275.00	50,375.77	47,204.50
May-21	528.15	351.45	52,013.22	48,028.07
Jun-21	527.00	418.00	53,126.73	51,450.58
Jul-21	586.50	494.00	53,290.81	51,802.73
Aug-21	553.00	424.50	57,625.26	52,804.08
Sep-21	564.55	490.00	60,412.32	57,263.90
Oct-21	612.20	504.65	62,245.43	58,551.14
Nov-21	565.65	460.15	61,036.56	56,382.93
Dec-21	547.95	471.05	59,203.37	55,132.68
Jan-22	579.00	423.50	61,475.15	56,409.63
Feb-22	476.85	343.70	59,618.51	54,383.20
Mar-22	376.75	325.85	58,890.92	52,260.82

Igarashi Equity Price Vs BSE Sensex



### IGARASHI PRICE VS NSE NIFTY 50

MONTH	IGARASHI 2021-22		NIFTY 50 2021-22	
	Equity High	Equity Low	NIFTY-50-High	NIFTY-50-Low
Apr-21	384.00	273.95	15044.35	14151.40
May-21	528.95	351.25	15606.35	14416.25
Jun-21	528.40	418.00	15915.35	15450.90
Jul-21	587.00	495.20	15962.25	15513.45
Aug-21	553.75	430.05	17153.50	15834.65
Sep-21	565.00	501.50	17947.65	17055.05
Oct-21	613.95	505.40	18604.45	17452.90
Nov-21	566.00	460.00	18210.15	16782.40
Dec-21	548.50	471.00	17639.50	16410.20
Jan-22	542.85	423.00	18350.95	16836.80
Feb-22	477.70	343.25	17794.60	16203.25
Mar-22	376.95	325.15	17559.80	15671.45



**x) Registrar and share Transfer Agent :**

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

**xi) Share Transfer system:**

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

**xii) Distribution schedule as on March 31, 2022:**

Category	No of Shareholders	Percentage of Shareholders	No of shares	Percentage of Shares
01- 5,000	24,692	91.55	18,55,207	5.89
5,001-10,000	1,167	4.33	8,72,816	2.77
10,001-20,000	634	2.35	8,93,944	2.84
20,001-30,000	186	0.69	4,66,249	1.48
30,001-40,000	88	0.33	3,09,180	0.98
40,001-50,000	44	0.16	2,00,774	0.64
50,001-1,00,000	90	0.33	6,44,183	2.05
100,001-And Above	70	0.26	2,62,32,695	83.34
<b>Total</b>	<b>26,971</b>	<b>100.00</b>	<b>3,14,75,048</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2022**

Category	No of Shareholders	No of Shares	Percentage of holding
Promoters and Promoter Group	03	2,36,06,288	75.0
Body Corporate	260	11,17,038	3.55
Mutual Fund	2	2,32,943	0.74
Alternative Inv.Fund	2	1,45,105	0.46
Clearing Members	61	33,372	0.11
FII/Banks	1	32,018	0.10
NRI	509	3,65,721	1.16
FPI	7	35,678	0.11
IEPF	1	81,774	0.26
Trust	2	12,237	0.04
Public	26,122	58,05,888	18.45
Others-Unclaimed Suspense Account	1	6,986	0.02
<b>Total</b>	<b>26,971</b>	<b>3,14,75,048</b>	<b>100.00</b>

**Top 10 Shareholders as on March 31, 2022 (Other than Promoters)**

Serial No	Name of the Shareholders	No of Shares	Percentage of Holding
1	Ginni Finance Pvt Ltd	4,00,001	1.27
2	Ashish Kacholia	3,99,550	1.27
3	Kotak Pioneer Fund	2,00,000	0.64
4	Chetan Jayantilal Shah	1,70,000	0.54
5	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	81,774	0.26
6	Emkay Emerging Stars Fund IV	80,105	0.25
7	Pace Setters Business Solutions Private Limited	70,204	0.24
8	Govind Parikh Securities Private Ltd	69,628	0.22
9	India Value And Growth Fund I	70,055	0.21
10	Kewal Kumar Vohra	69,628	0.18

**xiii) Dematerialization of Shares :** 99.58% of equity shares have been dematerialized Up to 31st March 2022, Trading in your Company's shares is permitted only in the dematerialized form as per Notifications issued by SEBI.

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

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

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

The Company manages foreign exchange risk as per its adopted policies. The Company uses forward contracts to manage foreign exchange risk. The details of foreign exchange exposures are disclosed in Notes to Financial Statements for the year ended March 31, 2022.

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

**xii) Plant Location :**

1. Plot B12 to B15, Phase II MEPZ-SEZ, Tambaram, Chennai 600045
2. Plot 8,9,10, Phase I MEPZ-SEZ, Tambaram, Chennai 600045
3. Plot D-6/II-D & C, D6-III, Phase II, MEPZ-SEZ, Tambaram, Chennai 600045
4. Plot B-3 & 4 , Phase I, MEPZ-SEZ, Tambaram, Chennai 600045
5. Plot A-17 & 18, Phase II, MEPZ-SEZ, Tambaram, Chennai 600045
6. Plot B-16, Phase II, MEPZ-SEZ, Tambaram, Chennai 600045
7. Plot A-33 & 36, Phase I, MEPZ-SEZ, Tambaram, Chennai 600045
8. Plot A-34, Phase I, MEPZ-SEZ, Tambaram, Chennai 600045
9. Plot No. 7 & 8, Subramaniya Siva Salai Industrial Estate, Maraimalai Nagar 603209

**xiii) Investor Correspondence :**

The Company Secretary  
Igarashi Motors India Ltd  
Plot B12 to B15, Phase II, MEPZ-SEZ, Tambaram, Chennai 600045.  
Phone No.: +91-44-42298199  
E-mail: [investorservices@igarashimotors.co.in](mailto:investorservices@igarashimotors.co.in)

## 11. DISCLOSURES

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.  
  
There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the financial year ended March 31, 2022. Transactions with related parties are disclosed in Notes to the Annual Accounts.
- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years - Nil
- c) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 regarding Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee etc., and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations pertaining to certain data on the Company's website.
- d) The Company has complied with Secretarial Standards viz. SS-1 and SS-2 with respect to General and Board Meetings issued by the Institute of Company Secretaries of India.
- e) The Company has no Subsidiary Company.
- f) Policy on dealing with related parties is displayed on the Company's website (Web link): <http://www.igarashimotors.com/investor-relations.php>
- g) During the year ended March 31, 2022, the Internal Complaints Committee (ICC) has received Nil complaints pertaining to sexual harassment/discrimination at work place.

## 12. WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Board has established a Vigil Mechanism to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct policy. It also provides for adequate safeguards against victimization of employees who avail of the mechanism and also allows direct access to the Chairperson of the audit committee in exceptional cases.

We further affirm that no employee has been denied access to the Audit Committee Chairman.

## 13. COMPLIANCE WITH MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

During the financial year 2021-22, the Company has complied with Corporate Governance requirements specified in the Listing Regulations.

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

### i) The Board :

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

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

### ii) Shareholders rights:

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

### iii) Audit Qualifications:

The auditor's report does not contain any qualification.

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

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

### v) Reporting of Internal Auditor:

The internal auditor reports to the Audit Committee

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

Please refer Note 33a of financial statements.

## 15. CODE OF CONDUCT & INSIDER TRADING CODE

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and the same was posted on the website of the Company viz. [www.igarashimotors.com](http://www.igarashimotors.com). All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2022.

The Company also has in place a prevention of Insider Trading Code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

## 16. MAINTENANCE OF A WEBSITE

In order to ensure / enhance public dissemination of all basic information about the Company, we have been maintaining functional website containing basic information about the Company with duly updated all statutory filings. The Website of the Company is [www.igarashimotors.com](http://www.igarashimotors.com)

## 17. COMPLIANCE CERTIFICATE

As on March 31, 2022, Mr. R Chandrasekaran, Managing Director and Mr. S Vivekchandranath, CFO have certified to the Board with respect to the Financial Statements, Internal Controls and other matters as required by the Regulation 17(8) read with Schedule II of the Listing Regulations and said Certificate is contained in this Annual Report.

## 18. AUDITORS CERTIFICATION ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance prescribed by Listing Regulations, which is attached herewith.

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

During the year 2020-21 your company after sending 03 reminders to respective shareholders transferred their unclaimed bonus shares (539 shareholders representing 6,986 unclaimed bonus shares) to unclaimed suspense account on March 22, 2021.

## 20. NOTE TO THE INVESTORS / SHAREHOLDERS

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

## DECLARATION

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

For **IGARASHI MOTORS INDIA LIMITED**

Place:Chennai  
Date: May 23,2022

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

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

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

1. This certificate is issued in accordance with the terms of our engagement letter dated May 02, 2022.
2. We have examined the compliance of conditions of Corporate Governance by **Igarashi Motors India Limited**, for the year ended March 31, 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### Management's Responsibility

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

### Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

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

### Restriction on use

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

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**  
Partner

Place: Chennai  
Date: May 23, 2022

Membership No. 222432  
UDIN: 22222432AJLODD6069

## **MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION**

(Pursuant to Regulation 17(8) read with Schedule II of the Listing Regulations)

To,  
The Board of Directors,  
Igarashi Motors India Limited

We, R Chandrasekaran, Managing Director and S Vivekchandranath, Chief Financial Officer, hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2022 and that to the best of our knowledge and belief:-
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated wherever applicable, to the Auditors and the Audit committee
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Chennai  
Date: May 23,2022

**R Chandrasekaran**  
Managing Director

**S Vivekchandranath**  
Chief Financial Officer

# Corporate Social Responsibility (CSR)

Your Company has constituted a Corporate Social Responsibility committee (CSR) pursuant to provisions of Section 135 of The Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below:

## 1. A brief outline of the Company's CSR policy

Our Corporate Social Responsibility program is based on to promote women skill development, Environment protection and other activities covered under Schedule VII of the Companies Act, 2013

## 2. The Composition of the CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Hemant M Nerurkar	Chairman, Non-Executive, Non-Independent Director	1	1
2	Mr. L Ramkumar	Non-Executive, Independent Director	1	1
3	Mrs. S M Vinodhini	Non-Executive, Independent Director	1	1
4	Mr. R Chandrasekaran	Managing Director	1	1

## 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

The Company's CSR policy has been uploaded on the website of the Company under the web link; [http://www.igarashimotors.com/uploads/investor/pdf/14531240404IMIL-CSR\\_Policy.pdf](http://www.igarashimotors.com/uploads/investor/pdf/14531240404IMIL-CSR_Policy.pdf)

## 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

## 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

(₹ In Lakhs)

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be setoff for the financial year, if any
1	2021-22	-	-

## 6. Average net profit of the company as per section 135(5)

₹ 5,022.70 Lakhs (2018-19, 2019-20, 2020-21)

## 7. (a) Two percent of average net profit of the company as per section 135(5)

₹ 100.45 Lakhs

## (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

NIL

(c) Amount required to be set off for the financial year, if any

NIL

(d) Total CSR obligation for the financial year (7a+7b- 7c).

₹ 105.00 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

(₹ In Lakhs)

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
105.00	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: (₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Project duration.	Amount spent for the project (in ₹)	Amount spent in the current financial year.	Amount transferred to Unspent CSR Account for the project as per Section 135(6).	Mode of implementation - on - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name CSR Registration number

Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year: (₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State District	Amount allocated for the project (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name CSR Registration number.
1	Cancer awareness Project	Health	No	All over India	30.00	No	Through Indian Cancer Society CSR00000792
2	MEPZMA Health Center	Health	Yes	Tamil Nadu Chennai	10.00	Yes	MEPZ Manufacturers Association CSR000008983
3	Patient Health and Hygiene Services at Hospitals	Health	Yes	Tamil Nadu Chennai	10.00	No	Through Viswajayam Foundation CSR000004440
4	Multiple Sclerosis Patient Care	Health	No	All over India	5.00	No	Through Multiple Sclerosis Society of India CSR000004961
5	Prime Ministers National Relief Fund (PMNRF)	For medical assistance, floods, drought, terrorist violence and other unforeseen occurrences, with a reserve for emergencies.	No	All over India	50.00	Yes	Direct (PMNRF) Not Applicable

- (d) Amount spent in Administrative Overheads – Not applicable  
(e) Amount spent on Impact Assessment, if applicable – Not Applicable  
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 105.00 Lakhs  
(g) Excess amount for set off, if any

		(₹ In Lakhs)
Particular		Amount
(i)	Two percent of average net profit of the company as per section 135(5)	100.45
(ii)	Total amount spent for the Financial Year	105.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4.55
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4.55

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer.	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed /Ongoing.
1.					Nil			
<b>TOTAL</b>								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s) – NA  
(b) Amount of CSR spent for creation or acquisition of capital asset - NA  
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NA  
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset - NA  
(e) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- NA

On behalf of the CSR Committee of the Board

Place: Mumbai  
Date : May 23,2022

**Hemant M Nerurkar**  
Chairman of the CSR Committee

**R Chandrasekaran**  
Member of the CSR Committee

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the Financial Year Ended 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Igarashi Motors India Limited  
Plot No. B-12 to B-15,  
Phase-II, MEPZ-SEZ, Tambaram,  
Chennai – 600 045.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Igarashi Motors India Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Igarashi Motors India Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2022 generally complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Igarashi Motors India Limited for the financial year ended on 31st March, 2022 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - f. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- vi. The Special Economic Zones Act, 2005;
- vii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- viii. Other laws applicable to the Company as per the representations made by the Management;

With respect to Fiscal laws such as Income Tax and Goods and Service Tax, we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various acts and based on the information and explanation provided to us by the management and officers of the company and also on verification of compliance reports taken on record by the Board of Directors of the Company,

we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, issued by The Institute of Company Secretaries of India have been generally complied with.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review there were no events which required specific compliance of the provisions of

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period, the following significant events have taken place:

**1. Declaration of Dividend:**

The Company has declared and paid a dividend of ₹ 1.50 per Equity Share as Final Dividend for the financial year ended 31st March, 2021, Approved by the shareholders of the company at their Annual General Meeting held on August 09, 2021.

**2. Sale of Investment:**

The Company has sold 9.2 % Stake held in Bosch Electrical Drives India Private Limited in favour of Robert Bosch Investment Netherland B.V, Netherlands for a consideration of INR 3.37 Mio on 07<sup>th</sup> April, 2021.

For BP & Associates  
Company Secretaries

**C Prabhakar**

Partner

M No: F11722

CP No: 11033

UDIN: F011722D000363348

Date: May 23, 2022

Place: Chennai

**ANNEXURE A**

To  
The Members,  
Igarashi Motors India Limited,  
B-12 to B-15, Phase II, MEPZ-SEZ,  
Tambaram, Chennai- 600 045.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For BP & Associates  
Company Secretaries

**C Prabhakar**

Partner

M No: F11722

CP No: 11033

UDIN: F011722D000363348

Date: 23rd May 2022

Place: Chennai

**SECRETARIAL COMPLIANCE REPORT OF IGARASHI MOTORS INDIA LIMITED  
FOR THE YEAR ENDED 31ST MARCH 2022.**

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

We have examined:

- a) All the documents and records made available to us and explanation provided by IGARASHI MOTORS INDIA LIMITED.
- b) The filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2022 (“Review Period”) in respect of compliance with the provisions of :
  - i. the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
  - ii. the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- iii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- iv. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- v. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- vi. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder; and based on the above examination, we hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement	Deviations	Observations/ Remarks
		NIL	

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

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

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

Sr. No	Observations in the previous reports	Observations made in the secretarial compliance report for the year ended 31 <sup>st</sup> March 2022.	Actions taken by the listed entity, if any	Comments on the actions taken by the listed entity
NIL				

For BP & Associates  
Company Secretaries

**C Prabhakar**

Partner

M No: F11722

CP No: 11033

UDIN: F011722D000363359

Date: 23rd May 2022

Place: Chennai

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
Igarashi Motors India Limited,  
B-12 to B-15, Phase II, MEPZ-SEZ,  
Tambaram, Chennai- 600 045.

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of IGARASHI MOTORS INDIA LIMITED having CIN L29142TN1992PLC021997 and having registered office at Plot No. B-12 to B-15, PHASE-II, MEPZ-SEZ, Tambaram, Chennai -600045 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*
1.	Mr. Hemant Nerurkar Madhusudan	00265887	23/06/2014
2.	Mr. Keiichi Igarashi	00356779	17/07/2003
3.	Ms. Eva Maria Rosa Schork Geb Zoeller.	07159550	28/01/2016
4.	Mr. Rajagopalan Chandrasekaran	00012643	01/10/2019
5.	Mr. Ramkumar Lakshminarayanan	00090089	30/07/2020
6.	Mrs. Vinodhini Sendhil Manian	08719578	01/04/2020

\*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BP & Associates  
Company Secretaries

**C Prabhakar**  
Partner

M No: F11722

CP No: 11033

UDIN:F011722D000363361

Date: 23rd May, 2022  
Place: Chennai

# Independent Auditor's Report

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

## Report on the Audit of the Financial Statements

### OPINION

We have audited the financial statements of Igarashi Motors India Limited (the "Company"), which comprise the balance sheet as at March 31, 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### DESCRIPTION OF KEY AUDIT MATTER

#### Revenue recognition and related party transactions

See note 26 and 37 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>Related party transactions are regulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013. In addition, the relevant accounting standards require specific disclosures of related parties and transactions with them to be made in the financial statements.</p> <p>Majority of the revenues of the Company is derived from related parties.</p> <p>We identified revenue from related party transactions as a key audit matter due to the significance of the amounts, the frequency of such transactions and risk of non-compliance with various regulations.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- To obtain an understanding of the Company's related party relationships and transactions, we obtained a list of related party relationships and significant related party transactions (RPT) from the management. We also made inquiries of management regarding the identity of the related parties including changes from the prior year and the nature of relationships and of the transactions with them. We also maintained alertness regarding related party information when examining records or documents regarding undisclosed related party relationships or transactions.</li> <li>- We evaluated the design, implementation and operating effectiveness of key internal controls over identification and authorisation of significant related party transactions including controls relating to revenue recognition.</li> </ul>

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<b>Revenue recognition and related party transactions (contd.)</b>	<ul style="list-style-type: none"> <li>- Evaluated compliance of such related party transactions with applicable laws and regulations. Tested whether the pricing of related party transaction's is at arm's length with the help of our transfer pricing specialists.</li> <li>- Evaluated the appropriateness of the revenue recognition accounting policies in compliance with accounting standards and performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents.</li> <li>- Testing, on a sample basis using specified risk based criteria, journal entries affecting revenue recognised during the year to identify unusual items.</li> <li>- Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard and applicable laws and regulations.</li> </ul>

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under

Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its financial statements - Refer Note 36 to the financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 37 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 37 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.
- for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022
- Harsh Vardhan Lakhotia**  
Partner  
Membership No. 222432  
ICAI UDIN: 22222432AJLFPX2640
- Place: Chennai  
Date: May 23, 2022

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF IGARASHI MOTORS INDIA LIMITED

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

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- B. The company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the examination of records produced by the Company, the Company does not own any immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) as disclosed in the financial statements.
- (d) According to the information and explanations given to us and based on the examination of records produced by the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and based on the examination of records produced by the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits during the year in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are, in all material aspects, in agreement with the books of account of the Company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties. Accordingly, clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the investments made by the Company, the provisions of section 186 of the Companies Act, 2013 have been complied with.
- (v) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 1, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Financial year to which the amount relates	Due date	Remarks
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	24.95	2018-19	April 15, 2019	Not yet paid

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable, except as mentioned below:

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination

- of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have more than one CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act pursuant to any project. Accordingly, paragraph 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Harsh Vardhan Lakhotia**

Partner

Membership No. 222432

ICAI UDIN: 22222432AJLFPX2640

Place: Chennai

Date: May 23, 2022

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF IGARASHI MOTORS INDIA LIMITED**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

### **OPINION**

We have audited the internal financial controls with reference to financial statements of Igarashi Motors India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

**Harsh Vardhan Lakhotia**  
Partner  
Membership No. 222432  
ICAI UDIN: 22222432AJLFPX2640

Place: Chennai  
Date: May 23, 2022

# Balance Sheet

as at 31 March 2022

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

	Note	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	34,842.87	35,394.35
Capital work-in-progress	5	1,041.72	592.81
Right-of-use assets	6	2,049.56	708.58
Intangible assets	7	927.95	853.91
Intangible assets under development	7	11.31	358.19
Financial assets			
Investments	8	62.90	56.01
Other financial assets	14	465.29	400.57
Income tax assets (net)		684.60	211.51
Other non-current assets	15	145.41	156.14
<b>Total non-current assets</b>		<b>40,231.61</b>	<b>38,732.07</b>
<b>Current assets</b>			
Inventories	9	8,196.18	10,116.29
Financial assets			
Investments	10	2,023.88	33.70
Trade receivables	11	13,471.38	16,708.43
Cash and cash equivalents	12	606.95	1,158.51
Bank balances other than cash and cash equivalents	13	56.02	189.01
Other financial assets	14	813.19	157.63
Other current assets	15	2,263.64	2,881.51
<b>Total current assets</b>		<b>27,431.24</b>	<b>31,245.08</b>
<b>Total assets</b>		<b>67,662.85</b>	<b>69,977.15</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	3,147.50	3,147.50
Other equity	17		
Securities premium		13,432.35	13,432.35
Retained earnings		26,529.90	29,608.05
Others (including items of Other Comprehensive Income)		718.44	(2,256.21)
<b>Total equity</b>		<b>43,828.19</b>	<b>43,931.69</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	20	2,008.90	1,915.01
Lease liabilities	6	1,616.70	206.84
Deferred tax liabilities (net)	34	2,075.59	1,864.32
<b>Total non-current liabilities</b>		<b>5,701.19</b>	<b>3,986.17</b>

# Balance Sheet (contd.)

as at 31 March 2022

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

	Note	As at 31 March 2022	As at 31 March 2021
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	5,969.30	6,819.75
Lease liabilities	6	436.01	570.65
Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		773.14	582.25
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,527.41	11,605.48
Other financial liabilities	23	606.87	474.25
Other current liabilities	24	679.93	872.15
Provisions	21	1,140.81	926.54
Current tax liabilities (net)		-	208.22
<b>Total current liabilities</b>		<b>18,133.47</b>	<b>22,059.29</b>
<b>Total liabilities</b>		<b>23,834.66</b>	<b>26,045.46</b>
<b>Total equity and liabilities</b>		<b>67,662.85</b>	<b>69,977.15</b>
Significant accounting policies	3		

The notes referred to above form an integral part of financial statements  
As per our report of even date attached

**for B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**

Partner

Membership No. 222432

Place: Chennai

Date: 23 May 2022

for and on behalf of the board of directors of

**Igarashi Motors India Limited**

(CIN: L29142TN1992PLC021997)

**R Chandrasekaran**

Managing Director

DIN: 00012643

**S Vivekchandranath**

Chief Financial Officer

Place: Chennai

Date: 23 May 2022

**L Ramkumar**

Director

DIN: 00090089

**P. Dinakara Babu**

Company secretary

Membership No. A14812

# Statement of Profit and Loss

for the year ended 31 March 2022

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

	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	26	55,640.46	53,286.05
Other income	27	693.30	953.57
<b>Total Income</b>		<b>56,333.76</b>	<b>54,239.62</b>
<b>Expenses</b>			
Cost of materials consumed	28	36,254.57	31,985.30
Changes in inventories of finished goods and work-in-progress	29	563.49	45.49
Employee benefits expense	30	4,943.72	4,614.85
Finance costs	31	655.04	618.35
Depreciation and amortization expenses	32	4,447.16	4,468.13
Other expenses	33	9,238.36	9,262.56
<b>Total expenses</b>		<b>56,102.34</b>	<b>50,994.68</b>
<b>Profit before tax</b>		<b>231.42</b>	<b>3,244.94</b>
<b>Tax expense</b>	34		
Current tax		-	592.27
Deferred tax charge / (credit)		112.42	90.64
<b>Total tax expense</b>		<b>112.42</b>	<b>682.91</b>
<b>Profit for the year</b>		<b>119.00</b>	<b>2,562.03</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of defined benefit liability	21	60.60	(11.88)
Equity investments through other comprehensive income - net change in fair value		-	(640.31)
Income tax relating to items that will not be reclassified to profit or loss	34	(15.25)	2.99
<b>Net other comprehensive income that will not to be reclassified subsequently to profit or loss</b>		<b>45.35</b>	<b>(649.20)</b>
<b>Items that will be subsequently reclassified to profit or loss</b>			
Effective portion of gains / (losses) on hedging instruments in cash flow hedges		332.15	94.73
Income tax relating to items that will be reclassified to profit or loss	34	(83.60)	(23.84)
<b>Net other comprehensive income that will be reclassified subsequently to profit or loss</b>		<b>248.55</b>	<b>70.89</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>293.90</b>	<b>(578.31)</b>
<b>Total comprehensive income for the year</b>		<b>412.90</b>	<b>1,983.72</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (in Indian Rupees)	18	0.38	8.14
Significant accounting policies	3		

The notes referred to above form an integral part of financial statements  
As per our report of even date attached

**for B S R & Co. LLP**

Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhota**

Partner  
Membership No. 222432

for and on behalf of the board of directors of

**Igarashi Motors India Limited**  
(CIN: L29142TN1992PLC021997)

**R Chandrasekaran**

Managing Director  
DIN: 00012643

**S Vivekchandranath**

Chief Financial Officer

**L Ramkumar**

Director  
DIN: 00090089

**P. Dinakara Babu**

Company secretary  
Membership No. A14812

Place: Chennai  
Date: 23 May 2022

Place: Chennai  
Date: 23 May 2022

# Statement of Cash Flows

for the year ended 31 March 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flow from operating activities</b>		
Profit for the year	119.00	2,562.03
Adjustments for:		
Depreciation and amortization	4,447.16	4,468.13
Equity-settled share based payments	-	40.54
Provision for loss allowance for expected credit losses	(130.05)	65.10
Unrealised foreign exchange (gain) / loss	40.37	(70.51)
Finance costs	644.46	618.35
Lease rent concessions	(48.00)	(113.37)
Interest income on others	(14.36)	(37.90)
Gain on sale of investments	(26.32)	(50.01)
Provision/ liabilities no longer required written back	(25.62)	-
Interest income on cash and bank balances	(3.53)	(14.34)
Income tax expense	112.42	682.91
	<b>5,115.53</b>	<b>8,150.93</b>
<b>Working capital adjustments:</b>		
Decrease / (increase) in inventories	1,920.11	(2,469.61)
Decrease / (increase) in trade receivables	3,361.33	(3,027.50)
(Increase) / decrease in other current / non-current financial assets	(388.13)	191.64
Decrease / (increase) in other current / non-current assets	628.36	(2,098.13)
(Decrease) / increase in trade payable and other financial liabilities	(2,761.85)	2,349.19
Increase in provisions and other current liabilities	82.66	955.53
<b>Cash generated from operating activities</b>	<b>7,958.01</b>	<b>4,052.05</b>
Income tax (paid) / refund (net)	(681.31)	12.89
<b>Net cash generated from operating activities (A)</b>	<b>7,276.70</b>	<b>4,064.94</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment, intangible assets and capital work-in-progress net of payable for capital goods and capital advances	(3,618.04)	(1,391.81)
Proceeds from sale of investments in equity shares	33.70	-
Investments in mutual funds (net)	(1,997.56)	2,102.18
Investments in equity shares	(6.89)	-
Interest received on cash and bank balances	3.53	14.34
Investments in bank deposits / earmarked balances (net)	127.65	(129.59)
<b>Net cash generated / (used) in investing activities (B)</b>	<b>(5,457.61)</b>	<b>595.12</b>
<b>Cash flow from financing activities</b>		
Repayment of borrowings (net)	(2,458.93)	(3,575.35)
Proceeds from borrowings (net)	1,648.63	1,288.82
Repayment of lease liabilities	(499.00)	(470.68)
Interest paid	(588.67)	(651.24)
Dividend paid (and related dividend distribution tax)	(472.68)	(375.21)
<b>Net cash used in financing activities (C)</b>	<b>(2,370.65)</b>	<b>(3,783.66)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(551.56)</b>	<b>876.40</b>
Cash and cash equivalents at the beginning of year (refer note below)	12	1,158.51
Cash and cash equivalents as at the year end	12	606.95

# Statement of Cash Flows

for the year ended 31 March 2022

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

## Reconciliation of cash and cash equivalents as per cash flow statement

	Note	As at 31 March 2022	As at 31 March 2021
Balance with banks:			
- in current accounts	12	606.95	1,158.51
		<b>606.95</b>	<b>1,158.51</b>

## Changes in liabilities arising from financing activities

	As at 31 March 2022	As at 31 March 2021
<b>Long-term borrowings (including current maturities)</b>		
At the beginning of the year	3,804.23	6,385.06
Cash flows (net)	(403.81)	(2,555.95)
Foreign exchange movement	30.38	(24.88)
<b>As at the year end</b>	<b>3,430.80</b>	<b>3,804.23</b>
<b>Short-term borrowings</b>		
At the beginning of the year	4,930.53	4,641.71
Cash flows	(406.49)	269.42
Foreign exchange movement	23.36	19.40
<b>As at the year end</b>	<b>4,547.40</b>	<b>4,930.53</b>
<b>Lease liabilities</b>		
At the beginning of the year	777.49	1,361.54
Additions	1,823.06	-
Repayments	(499.00)	(470.68)
Non-cash adjustments	(48.84)	(113.37)
<b>As at the year end</b>	<b>2,052.71</b>	<b>777.49</b>
Significant accounting policies	3	

The notes referred to above form an integral part of financial statements  
As per our report of even date attached

### for B S R & Co. LLP

Chartered Accountants  
Firm's Registration No. 101248W/W-100022

### Harsh Vardhan Lakhotia

Partner  
Membership No. 222432

Place: Chennai  
Date: 23 May 2022

for and on behalf of the board of directors of

**Igarashi Motors India Limited**  
(CIN: L29142TN1992PLC021997)

### R Chandrasekaran

Managing Director  
DIN: 00012643

### S Vivekchandranath

Chief Financial Officer

Place: Chennai  
Date: 23 May 2022

### L Ramkumar

Director  
DIN: 00090089

### P. Dinakara Babu

Company secretary  
Membership No. A14812

# Statement of Changes in Equity

## for the year ended 31 March 2022

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

### (a) Equity share capital

Particulars	Note	As at 31 March 2022		As at 31 March 2021	
		No. of shares	Amount	No. of shares	Amount
<b>Equity shares of ₹ 10 each issued, subscribed and fully paid</b>	16				
Balance as at 1 April		31,475,048	3,147.50	31,475,048	3,147.50
Changes in Equity Share Capital due to prior period errors		-	-	-	-
Restated balance at 1 April	16	31,475,048	3,147.50	31,475,048	3,147.50
Issue of share capital		-	-	-	-
<b>Balance as at 31 March</b>	<b>16</b>	<b>31,475,048</b>	<b>3,147.50</b>	<b>31,475,048</b>	<b>3,147.50</b>

### (b) Other equity

	Reserves and surplus				Other comprehensive income (OCI)			Total
	Securities premium	Retained earnings	General reserve	ESOP Outstanding	Effective portion of cash flow hedges	Equity investments through OCI	Other items of OCI	
<b>Balance as at 1 April 2020</b>	<b>13,432.35</b>	<b>27,254.66</b>	<b>464.42</b>	<b>1,113.63</b>	<b>(65.42)</b>	<b>(2,696.04)</b>	<b>(365.97)</b>	<b>39,137.63</b>
Changes in accounting policy or to prior period errors	-	-	-	-	-	-	-	-
<b>Restated balance at 1 April 2020</b>	<b>13,432.35</b>	<b>27,254.66</b>	<b>464.42</b>	<b>1,113.63</b>	<b>(65.42)</b>	<b>(2,696.04)</b>	<b>(365.97)</b>	<b>39,137.63</b>
<b>Total comprehensive income for the year ended 31 March 2021</b>								
Share based payment	-	-	-	40.54	-	-	-	40.54
Profit for the year	-	2,562.03	-	-	-	-	-	2,562.03
Other comprehensive income for the year (net of tax)	-	-	-	-	70.89	(640.31)	(8.89)	(578.31)
Transfer on account of expiry of exercise period of stock options	-	543.92	-	(543.92)	-	-	-	-
Transfer to retained earnings	-	(374.86)	-	-	-	-	374.86	-
<b>Total comprehensive income</b>	<b>-</b>	<b>2,731.09</b>	<b>-</b>	<b>(503.38)</b>	<b>70.89</b>	<b>(640.31)</b>	<b>365.97</b>	<b>2,024.26</b>
<b>Transactions with owners, recorded directly in equity</b>								
Contributions by and distributions to owners								
Dividends	-	(377.70)	-	-	-	-	-	(377.70)
<b>Total contributions and distributions to owners</b>	<b>-</b>	<b>(377.70)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(377.70)</b>
<b>Balance as at 31 March 2021</b>	<b>13,432.35</b>	<b>29,608.05</b>	<b>464.42</b>	<b>610.25</b>	<b>5.47</b>	<b>(3,336.35)</b>	<b>-</b>	<b>40,784.19</b>

# Statement of Changes in Equity

for the year ended 31 March 2022

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

	Reserves and surplus				Other comprehensive income (OCI)			Total
	Securities premium	Retained earnings	General reserve	ESOP Outstanding	Effective portion of cash flow hedges	Equity investments through OCI	Other items of OCI	
<b>Balance as at 1 April 2021</b>	<b>13,432.35</b>	<b>29,608.05</b>	<b>464.42</b>	<b>610.25</b>	<b>5.47</b>	<b>(3,336.35)</b>	<b>-</b>	<b>40,784.19</b>
<b>Changes in accounting policy or to prior period errors</b>	-	-	-	-	-	-	-	-
Restated balance at 1 April 2021	13,432.35	29,608.05	464.42	610.25	5.47	(3,336.35)	-	40,784.19
<b>Total comprehensive income for the year ended 31 March 2022</b>								
Share based payment	-	-	-	-	-	-	-	-
Profit for the year	-	119.00	-	-	-	-	-	119.00
Remeasurements of defined benefit liability	-	-	-	-	-	-	-	-
Other comprehensive income for the year (net of tax)	-	-	-	-	248.55	-	45.35	293.90
Transfer on account of expiry of exercise period of stock options - own employees	-	565.98	-	(565.98)	-	-	-	-
Transfer on account of expiry of exercise period of stock options - employees of group companies	-	-	-	(44.27)	-	-	-	(44.27)
Transfer to retained earnings	-	(3,291.00)	-	-	-	3,336.35	(45.35)	-
<b>Total comprehensive income</b>	<b>-</b>	<b>(2,606.02)</b>	<b>-</b>	<b>(610.25)</b>	<b>248.55</b>	<b>3,336.35</b>	<b>-</b>	<b>368.63</b>
<b>Transactions with owners, recorded directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Dividends	-	(472.13)	-	-	-	-	-	(472.13)
<b>Total contributions and distributions to owners</b>	<b>-</b>	<b>(472.13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(472.13)</b>
<b>Balance as at 31 March 2022</b>	<b>13,432.35</b>	<b>26,529.90</b>	<b>464.42</b>	<b>-</b>	<b>254.02</b>	<b>-</b>	<b>-</b>	<b>40,680.69</b>

Significant accounting policies 3

The notes referred to above form an integral part of financial statements  
As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhota**

Partner

Membership No. 222432

for and on behalf of the board of directors of

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**R Chandrasekaran**

Managing Director

DIN: 00012643

**S Vivekchandranath**

Chief Financial Officer

**L Ramkumar**

Director

DIN: 00090089

**P. Dinakara Babu**

Company secretary

Membership No. A14812

Place: Chennai

Date: 23 May 2022

Place: Chennai

Date: 23 May 2022

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 1 BACKGROUND

Igarashi Motors India Limited ('IMIL' / 'Company') is engaged in the manufacture of micro motors and its accessories for the automotive sector and motors for BLDC fans. The Company is a public limited company incorporated and domiciled in India and has its registered office in Chennai, Tamil Nadu, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

These financial statements were authorised for issue by the Company's Board of Directors on 23 May 2022.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note 3

#### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

#### 2.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

Items	Measurement basis
- Certain financial assets and liabilities (including derivative instruments)	Fair value
- Share based payment transactions	Fair value
- Net defined benefit asset / (liability)	Fair value of plan assets, less present value of defined benefit obligations

#### 2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

##### Judgements

Information about judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 35 – fair valuation of financial assets

##### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 is included in the following notes:

- Note 3.3 – estimation of useful lives of property, plant and equipment and intangible assets
- Note 3.10 – measurement of lease liabilities and right of use assets
- Note 21 – measurement of defined benefit obligations: key actuarial assumptions
- Note 35 – fair valuation of financial assets
- Note 34 – recognition of deferred tax assets
- Note 36 – recognition and measurement of provisions and contingencies
- Note 35 – Impairment of financial assets

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

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

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial and non financial assets as well as liabilities accrued. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID 19 situation evolves in India and globally. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. However, the Company will continue to closely monitor any material changes to future economic conditions.

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 35 – financial instruments and in Note 19 - share-based payments.

## 2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

## 2.6 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from translation of qualifying cash flow hedges to the extent that the hedges are effective, which are recognised in Other Comprehensive Income.

### 3.2 Financial instruments

#### i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

#### ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, refer Note 3.2 (v) for derivatives designated as hedging instruments.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### iii. **Derecognition**

#### *Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### *Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### iv. **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### v. **Derivative financial instruments and hedge accounting**

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

#### *Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit and loss in the same period or periods as the hedged expected future cash flows affect profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to statement of profit and loss.

### vi. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### Cash dividend to equity holders

The Company recognises a liability to make cash to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### 3.3 Property, plant and equipment

#### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Building	3 - 60 years	30 - 60 years
Plant and equipment	3 - 20 years	15 years
Office equipments	2 - 5 years	5 years
Furniture and fixtures	5 - 10 years	10 years
Vehicles	8 years	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

### (iv) Capital work-in-progress

Capital work-in-progress includes property, plant and equipment which are in process of being ready for its intended use and it is probable that the expected future economic benefits, that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

### 3.4 Intangible assets

#### i. Recognition and measurement

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

#### iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Management estimate of useful life
Product design expenses	5 - 6 years
Software	6 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### (iv) Intangible assets under development

Intangible assets under development includes intangible assets which are in process of being ready

for its intended use and it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

### 3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

### 3.6 Impairment

#### i. Impairment of financial instruments

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### ii. Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount in the statement of profit and loss.

The Company's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or groups of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have

been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.7 Employee benefits

#### i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii. Gratuity

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company.

Liability with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by fund administered by Life Insurance Corporation of India for this purpose.

The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### iii. Provident fund

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

### iv. Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised is the period in which the absences occur.

### v. Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. Grant date fair value of the equity settled share-based payment awards granted to the employees of group companies is recognised as a receivable from the group Company, with a corresponding adjustment to equity.

### 3.8 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash

flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

### 3.9 Revenue recognition

#### i. Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

#### ii. Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

### 3.10 Leases

The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in Balance sheet and lease payments have been classified as financing activities in the Cash Flow Statement.

### 3.11 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### 3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### 3.13 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 3.14 Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

### 3.15 Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'Deposits and other receivables' line item.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	31 March 2021 (as previously reported)	Increase/ (decrease)	31 March 2021 (restated)
Deposits and other receivables (non-current)	400.57	(400.57)	-
Other financial assets (non-current)	-	400.57	400.57
Deposits and other receivables (current)	148.82	(148.82)	-
Other financial assets (current)	8.81	148.82	157.63
Other financial liabilities	2,363.47	(1,889.22)	474.25
Current borrowings	4,930.53	1,889.22	6,819.75

#### 4 RECENT ACCOUNTING PRONOUNCEMENTS

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in SOPL and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.

- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 5 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

#### A Reconciliation of the carrying amount

Particulars	Buildings	Plant and equipment	Office equipments	Furniture and fixtures	Vehicles	Total (A)	Capital work-in-progress (B)	Total (A+B)
<b>Gross carrying amount</b>								
Balance at 1 April 2020	8,524.36	42,194.62	150.17	330.73	41.44	51,241.32	517.52	51,758.84
Additions	6.03	1,419.19	2.67	52.47	-	1,480.36	1,555.65	3,036.01
Disposals / Deletions	-	(446.18)	-	-	-	(446.18)	(1,480.36)	(1,926.54)
<b>Balance at 31 March 2021</b>	<b>8,530.39</b>	<b>43,167.63</b>	<b>152.84</b>	<b>383.20</b>	<b>41.44</b>	<b>52,275.50</b>	<b>592.81</b>	<b>52,868.31</b>
Additions	49.24	3,004.15	1.22	22.84	-	3,077.45	3,526.36	6,603.81
Disposals / Deletions	-	-	-	-	-	-	(3,077.45)	(3,077.45)
<b>Balance at 31 March 2022</b>	<b>8,579.63</b>	<b>46,171.78</b>	<b>154.06</b>	<b>406.04</b>	<b>41.44</b>	<b>55,352.95</b>	<b>1,041.72</b>	<b>56,394.67</b>
<b>Accumulated depreciation</b>								
Balance at 1 April 2020	1,012.09	12,341.55	80.45	73.76	18.94	13,526.79	-	13,526.79
Depreciation for the year	332.32	3,358.78	28.11	44.61	6.34	3,770.16	-	3,770.16
Accumulated depreciation on disposals	-	(415.80)	-	-	-	(415.80)	-	(415.80)
<b>Balance at 31 March 2021</b>	<b>1,344.41</b>	<b>15,284.53</b>	<b>108.56</b>	<b>118.37</b>	<b>25.28</b>	<b>16,881.15</b>	<b>-</b>	<b>16,881.15</b>
Depreciation for the year	332.30	3,225.05	22.80	44.36	4.42	3,628.93	-	3,628.93
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>1,676.71</b>	<b>18,509.58</b>	<b>131.36</b>	<b>162.73</b>	<b>29.70</b>	<b>20,510.08</b>	<b>-</b>	<b>20,510.08</b>
<b>Carrying amount (net)</b>								
As at 31 March 2021	7,185.98	27,883.10	44.28	264.83	16.16	35,394.35	592.81	35,987.16
<b>As at 31 March 2022</b>	<b>6,902.92</b>	<b>27,662.20</b>	<b>22.70</b>	<b>243.31</b>	<b>11.74</b>	<b>34,842.87</b>	<b>1,041.72</b>	<b>35,884.59</b>

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets, refer note 6), during the year.

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

There are no immovable properties for which title deeds are not in the name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

#### B Ageing schedule for capital work-in-progress

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,041.72	-	-	-	1,041.72
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2021</b>					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	592.81	-	-	-	592.81
Projects temporarily suspended	-	-	-	-	-

The Company does not have any capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 6 RIGHT-OF-USE ASSETS - LEASES

#### Reconciliation of the carrying amount

Particulars	Leasehold land
<b>Gross carrying amount</b>	
Balance at 1 April 2020	1,706.39
Additions	-
Disposals	-
<b>Balance at 31 March 2021</b>	<b>1,706.39</b>
Additions	1,859.30
Disposals	-
<b>Balance at 31 March 2022</b>	<b>3,565.69</b>
<b>Accumulated depreciation</b>	
Balance at 1 April 2020	501.35
Depreciation for the year	496.46
Accumulated depreciation on disposals	-
<b>Balance at 31 March 2021</b>	<b>997.81</b>
Depreciation for the year	518.32
Accumulated depreciation on disposals	-
<b>Balance at 31 March 2022</b>	<b>1,516.13</b>
<b>Carrying amount (net)</b>	
As at 31 March 2021	708.58
As at 31 March 2022	2,049.56

#### Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	436.01	570.65
Non-current lease liabilities	1,616.70	206.84
	<b>2,052.71</b>	<b>777.49</b>

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

	As at 31 March 2022	As at 31 March 2021
<b>Balance at 1 April</b>	777.49	1,361.54
Additions made during the year	1,823.06	-
Finance cost accrued during the period	84.22	107.13
Deletions	(48.00)	(113.37)
Payment of lease liabilities	(584.06)	(577.81)
	<b>2,052.71</b>	<b>777.49</b>

Rental expense recorded for short-term leases was ₹65.10 lakhs (31 March 2021: ₹44.40 lakhs) for the year ended 31 March 2022.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 7 INTANGIBLE ASSETS

#### A Reconciliation of the carrying amount

	Product design expenses	Specialised software	Total (A)	Intangible assets under development (B)	Total (A+B)
<b>Gross carrying amount</b>					
<b>Balance at 1 April 2020</b>	<b>615.43</b>	<b>329.50</b>	<b>944.93</b>	<b>615.33</b>	<b>1,560.26</b>
Additions	586.70	11.28	597.98	329.56	927.54
Disposals	-	-	-	(586.70)	(586.70)
<b>Balance at 31 March 2021</b>	<b>1,202.13</b>	<b>340.78</b>	<b>1,542.91</b>	<b>358.19</b>	<b>1,901.10</b>
Additions	373.95	-	373.95	27.06	401.01
Disposals	-	-	-	(373.94)	(373.94)
<b>Balance at 31 March 2022</b>	<b>1,576.08</b>	<b>340.78</b>	<b>1,916.86</b>	<b>11.31</b>	<b>1,928.17</b>
<b>Accumulated amortisation</b>					
<b>Balance at 1 April 2020</b>	241.38	246.12	487.50	-	487.50
Amortisation for the year	174.06	27.44	201.50	-	201.50
Accumulated amortisation on disposals	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>415.44</b>	<b>273.56</b>	<b>689.00</b>	-	<b>689.00</b>
Amortisation for the year	273.42	26.49	299.91	-	299.91
Accumulated amortisation on disposals	-	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>688.86</b>	<b>300.05</b>	<b>988.91</b>	-	<b>988.91</b>
<b>Carrying amount (net)</b>					
As at 31 March 2021	786.69	67.22	853.91	358.19	1,212.10
<b>As at 31 March 2022</b>	<b>887.22</b>	<b>40.73</b>	<b>927.95</b>	<b>11.31</b>	<b>939.26</b>

#### B Ageing schedule for Intangible assets under development

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11.31	-	-	-	11.31
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2021</b>					
As at 31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	358.19	-	-	-	358.19
Projects temporarily suspended	-	-	-	-	-

The Company does not have intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 8 NON-CURRENT INVESTMENTS

	As at 31 March 2022	As at 31 March 2021
<b>Unquoted instruments</b>		
Equity shares at FVOCI		
188,762 (31 March 2021: 188,762) equity shares of Beta Wind Farm Private Limited	35.86	35.86
270,345 (31 March 2021: 201,470) equity shares of Hexa Wind Farm Private Limited	27.04	20.15
	<b>62.90</b>	<b>56.01</b>
Aggregate value of unquoted investments	62.90	56.01
Aggregate amount of impairment in value of investments	-	-

### 9 INVENTORIES

	As at 31 March 2022	As at 31 March 2021
Raw materials and components (includes raw materials in transit amounting to 1,055.56 lakhs; 31 March 2021: ₹ 1,496.57 lakhs)	6,909.92	8,187.05
Work-in-progress	262.88	363.75
Finished goods	527.98	990.60
Stores and spares	297.97	381.94
Tools	197.43	192.95
	<b>8,196.18</b>	<b>10,116.29</b>

### 10 CURRENT INVESTMENTS

	As at 31 March 2022	As at 31 March 2021
<b>Unquoted instruments</b>		
Equity shares at FVOCI		
Nil (31 March 2021: 3,370,049) equity shares of Bosch Electrical Drives India Private Limited	-	33.70
<b>Quoted investments carried at FVTPL</b>		
Units in mutual funds		
ICICI Prudential Ultra Short Term Fund - Direct Plan Growth Plan- 8,464,248.286 units (31 March 2021: Nil)	2,023.88	-
	<b>2,023.88</b>	<b>33.70</b>
Aggregate value of unquoted investments	-	33.70
Aggregate value of quoted investments	2,023.88	-
Aggregate market value of quoted investments	2,023.88	-
Aggregate amount of impairment in value of investments	-	3,336.35

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 11 TRADE RECEIVABLES

	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables</b>		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	13,498.14	16,814.00
Trade receivables which have significant increase in credit risk	8.44	59.68
Trade receivables - credit impaired	-	-
	<b>13,506.58</b>	<b>16,873.68</b>
<b>Loss allowance for expected credit loss</b>		
Trade receivables considered good - unsecured	(26.76)	(105.57)
Trade receivables which have significant increase in credit risk	(8.44)	(59.68)
Trade receivables - credit impaired	-	-
	<b>(35.20)</b>	<b>(165.25)</b>
<b>Net trade receivables</b>	<b>13,471.38</b>	<b>16,708.43</b>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	6,105.27	11,641.41
Less : Loss allowance for expected credit losses	(5.99)	(52.37)
<b>Net trade receivables</b>	<b>6,099.28</b>	<b>11,589.04</b>

The Company's exposure to credit and currency risks, loss allowances are disclosed in Note 35.

For receivables secured against borrowings, see Note 20.

Trade receivables ageing schedule

As at 31 March, 2022

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2- 3 years	More than 3 years	Total
<b>Undisputed</b>						
(i) Considered good	13,498.14	-	-	-	-	13,498.14
(ii) Considered to have significant increase in credit risk	-	7.43	1.02	-	-	8.44
(iii) Considered credit impaired	-	-	-	-	-	-
<b>Sub-Total (i+ii+iii)</b>	<b>13,498.14</b>	<b>7.43</b>	<b>1.02</b>	<b>-</b>	<b>-</b>	<b>13,506.58</b>
<b>Disputed</b>						
(iv) Considered good	-	-	-	-	-	-
(v) Considered to have significant increase in credit risk	-	-	-	-	-	-
(vi) Considered credit impaired	-	-	-	-	-	-
<b>Sub-Total (iv+v+vi)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>13,498.14</b>	<b>7.43</b>	<b>1.02</b>	<b>-</b>	<b>-</b>	<b>13,506.58</b>
Unbilled revenue (refer note 14)	217.29	-	-	-	-	217.29
<b>Grand total</b>	<b>13,715.43</b>	<b>7.43</b>	<b>1.02</b>	<b>-</b>	<b>-</b>	<b>13,723.87</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### As at 31 March, 2021

Particulars	Less than 6 months	6 months-1 year	1-2 years	2- 3 years	More than 3 years	Total
<b>Undisputed</b>						
(i) Considered good	16,814.00	-	-	-	-	16,814.00
(ii) Considered to have significant increase in credit risk	-	1.04	-	-	-	1.04
(iii) Considered credit impaired	-	-	58.64	-	-	58.64
<b>Sub-Total (i+ii+iii)</b>	<b>16,814.00</b>	<b>1.04</b>	<b>58.64</b>	<b>-</b>	<b>-</b>	<b>16,873.68</b>
<b>Disputed</b>						
(iv) Considered good	-	-	-	-	-	-
(v) Considered to have significant increase in credit risk	-	-	-	-	-	-
(vi) Considered credit impaired	-	-	-	-	-	-
<b>Sub-Total (iv+v+vi)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>16,814.00</b>	<b>1.04</b>	<b>58.64</b>	<b>-</b>	<b>-</b>	<b>16,873.68</b>
Unbilled revenue (refer note 14)	-	-	-	-	-	-
<b>Grand total</b>	<b>16,814.00</b>	<b>1.04</b>	<b>58.64</b>	<b>-</b>	<b>-</b>	<b>16,873.68</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

## 12 CASH AND CASH EQUIVALENTS

	As at 31 March 2022	As at 31 March 2021
Balance with banks:		
- in current accounts	606.95	1,158.51
<b>Cash and cash equivalents in balance sheet</b>	<b>606.95</b>	<b>1,158.51</b>
<b>Cash and cash equivalents in the statements of cash flows</b>	<b>606.95</b>	<b>1,158.51</b>

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## 13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 March 2022	As at 31 March 2021
Demand deposits with original maturity of more than three months	-	127.65
Earmarked balances with banks - unpaid dividend accounts	56.02	61.36
	<b>56.02</b>	<b>189.01</b>

## 14 OTHER FINANCIAL ASSETS

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
Security deposit	229.44	396.35
Forward exchange contracts - cash flow hedges	233.93	-
Advance to employees	1.92	4.22
	<b>465.29</b>	<b>400.57</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Security deposit	236.71	143.46
Forward exchange contracts used for hedging	127.36	8.81
Unbilled revenue	217.29	-
Insurance claims receivable	229.53	-
Advance to employees	2.30	5.36
	<b>813.19</b>	<b>157.63</b>

### 15 OTHER ASSETS

	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
Capital advances	140.31	145.23
Prepayments	5.10	10.91
	<b>145.41</b>	<b>156.14</b>
<b>Current</b>		
Prepayments	392.47	283.45
Balances with statutory authorities	861.06	623.91
Export incentive receivable	176.46	407.96
Others	833.65	1,566.19
	<b>2,263.64</b>	<b>2,881.51</b>

### 16 SHARE CAPITAL

	As at 31 March 2022	As at 31 March 2021
<b>Authorised</b>		
35,000,000 (31 March 2021: 35,000,000) equity shares of ₹ 10 each	3,500.00	3,500.00
<b>Issued, subscribed and paid-up</b>		
31,475,048 (31 March 2021: 31,475,048) equity shares of ₹ 10 each fully paid up	3,147.50	3,147.50

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

	31 March 2022		31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares</b>				
At the commencement of the year	31,475,048	3,147.50	31,475,048	3,147.50
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>31,475,048</b>	<b>3,147.50</b>	<b>31,475,048</b>	<b>3,147.50</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### b Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares of par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees and all shares issued carry equal rights for dividend declared. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c Employee stock options

Terms attached to stock options granted are described in Note 19 regarding share-based payments.

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

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Agile Electric Sub Assembly Private Limited, the Holding Company	17,142,121	1,714.21	17,142,121	1,714.21
Igarashi Electric Works (H.K) Limited, Hong Kong, the subsidiary of the ultimate holding company	2,499,993	250.00	2,499,993	250.00
Igarashi Electric Works Limited, Japan, the ultimate holding company	3,964,174	396.42	3,964,174	396.42

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

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% of total shares	No. of Shares	% of total shares
Agile Electric Sub Assembly Private Limited	17,142,121	54.46%	17,142,121	54.46%
Igarashi Electric Works (H.K) Limited, Hong Kong	2,499,993	7.94%	2,499,993	7.94%
Igarashi Electric Works Limited, Japan	3,964,174	12.59%	3,964,174	12.59%

### f Shares reserved for issue under options

	Year ended 31 March 2022	Year ended 31 March 2021
Under Employee Stock Option Scheme, 2017: 600,000 equity shares of ₹ 10 each, at an exercise price of ₹ 650 per share (see Note 19)	60.00	60.00

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### g In the period of five years immediately preceding March 31, 2022

- i) The Company has allotted 866,604 fully paid up equity shares of face value ₹ 10/- each during the year ended 31 March 2019 pursuant to a bonus issue approved by the shareholders through postal ballot. Record date fixed by the Board of Directors was 28 September 2018. The bonus shares were issued by utilization of securities premium.
- ii) The Company has not allotted any other equity shares as fully paid up without payment being received in cash.

### h Shareholding of Promoters

Name of Promoter	As at 31 March 2022				
	No. of shares at the beginning of the period	Movement during the year	No. of shares at the end of the period	% of total shares	% of change during the period
Agile Electric Sub Assembly Private Limited, the Holding Company	17,142,121	-	17,142,121	54.46%	0%
Igarashi Electric Works (H.K) Limited, Hong Kong, the subsidiary of the ultimate holding company	2,499,993	-	2,499,993	7.94%	0%
Igarashi Electric Works Limited, Japan, the ultimate holding company	3,964,174	-	3,964,174	12.59%	0%
<b>Total</b>	<b>23,606,288</b>	<b>-</b>	<b>23,606,288</b>	<b>75%</b>	<b>0%</b>

Name of Promoter	As at 31 March 2021				
	No. of shares at the beginning of the period	Movement during the year	No. of shares at the end of the period	% of total shares	% of change during the period
Agile Electric Sub Assembly Private Limited, the Holding Company	17,142,121	-	17,142,121	54.46%	0%
Igarashi Electric Works (H.K) Limited, Hong Kong, the subsidiary of the ultimate holding company	2,499,993	-	2,499,993	7.94%	0%
Igarashi Electric Works Limited, Japan, the ultimate holding company	3,964,174	-	3,964,174	12.59%	0%
<b>Grand Total</b>	<b>23,606,288</b>	<b>-</b>	<b>23,606,288</b>	<b>75%</b>	<b>0%</b>

Note

- i) Promoter means promoter as defined in section 2(69) of the Companies Act, 2013.
- ii) Percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 17 OTHER EQUITY

#### A.i Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013

#### A.ii General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

### B ESOP Outstanding account

	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	610.25	1,113.63
Share-based payments	-	40.54
Transfer on account of expiry of exercise period of stock options - employees of group companies	(44.27)	-
Transfer on account of expiry of exercise period of stock options - own employees	(565.98)	(543.92)
<b>Closing balance</b>	<b>-</b>	<b>610.25</b>

### C Dividends

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

	Year ended 31 March 2022	Year ended 31 March 2021
₹ 1.50/- per equity share (31 March 2021: ₹ 1.20/- per equity share)	472.13	377.70
	<b>472.13</b>	<b>377.70</b>

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

	Year ended 31 March 2022	Year ended 31 March 2021
Nil (31 March 2021: ₹ 1.50/- per equity share)	-	472.13

### D Analysis of accumulated OCI (net of tax)

#### (i) Other items of OCI

##### Remeasurements of defined benefit liability

	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	-	(365.97)
Remeasurements of defined benefit liability	60.60	(11.88)
Income tax relating to items that will not be reclassified to profit or loss	(15.25)	2.99
Transfer to retained earnings	(45.35)	374.86
<b>Closing balance</b>	<b>-</b>	<b>-</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

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

	Equity investments through OCI (a)	Effective portion of cash flow hedges (b)	Remeasurement of defined benefit liability (c)	Total (a+b+c)
<b>Year ended 31 March 2021</b>				
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	-	70.89	-	70.89
Equity investments through other comprehensive income - net change in fair value	(640.31)	-	-	(640.31)
Remeasurement of defined benefit liability	-	-	(8.89)	(8.89)
	<b>(640.31)</b>	<b>70.89</b>	<b>(8.89)</b>	<b>(578.31)</b>
<b>Year ended 31 March 2022</b>				
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	-	248.55	-	248.55
Equity investments through other comprehensive income - net change in fair value	-	-	-	-
Remeasurement of defined benefit liability	-	-	45.35	45.35
	-	<b>248.55</b>	<b>45.35</b>	<b>293.90</b>

#### a Equity investments through OCI

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

#### b Effective portion of cash flow hedges

This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

#### c Remeasurement of defined benefit liability

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

#### E Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 18 EARNINGS PER SHARE

#### Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

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

	As at 31 March 2022	As at 31 March 2021
Profit for the year, attributable to the equity holders (₹ in lakhs)	119.00	2,562.03

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

Weighted average number of equity shares for the year	31,475,048	31,475,048
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#### (iii) Weighted average number of equity shares (for computing diluted earnings per share)

Opening balance (number of equity shares)	31,475,048	31,475,048
Effect of dilutive common equivalent shares - share options outstanding	-	-
<b>Weighted average number of equity shares for the year</b>	<b>31,475,048</b>	<b>31,475,048</b>

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

#### (iv) Earnings per share

Basic and diluted earnings per share (in Indian Rupees)	0.38	8.14
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### 19 SHARE-BASED PAYMENTS

#### A. Description of share-based payment arrangements

At 31 March 2022, the Company has the following share-based payment arrangements:

#### Employees Stock Option Scheme - 2017 (equity settled)

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

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

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### B. Measurement of fair values

	Year ended 31 March 2022	Year ended 31 March 2021
Fair value at grant date (value based on Black-Scholes Merton formula)	-	254.96
Share price at grant date	-	795.85
Exercise price	-	650
Expected volatility (weighted average volatility)	-	30%
Expected life (expected weighted average life)	-	1.5 to 2.5 years
Expected dividends	-	0.88%
Risk-free interest rate (based on government bonds) (weighted average rate)	-	7.28%

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

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

### C. Reconciliation of outstanding share options

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

	Year ended 31 March 2022		Year ended 31 March 2021	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Opening balance	650.00	198,700	650.00	426,625
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	650.00	(198,700)	650.00	(227,925)
Outstanding at 31 March	-	-	650.00	198,700
Exercisable at 31 March	-	-	-	-

There are no options outstanding at 31 March 2022 (31 March 2021: exercise price ₹ 650 per share and weighted average remaining contractual life of 0.5 years).

### D. Expense recognised in statement of profit and loss

The Company has granted 507,600 options (468,700 options to its employees and 38,900 stock options to the employees of the Holding Company) under its stock option plan during the year ended 31 March 2019. Accordingly, the Company has recorded net employee benefit expenses amounting to Nil for the year ended 31 March 2022 (₹ 40.54 lakhs for the year ended 31 March 2021) based on the fair value of the options granted. Also see Note 30.

## 20 BORROWINGS

	As at 31 March 2022	As at 31 March 2021
<b>Non-current borrowings</b>		
Term Loan from banks (Secured)		
Term loan from banks	2,008.90	1,915.01
	<b>2,008.90</b>	<b>1,915.01</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

	As at 31 March 2022	As at 31 March 2021
<b>Current borrowings</b>		
Loan from banks (Secured)		
Current maturities of long term borrowings	1,421.90	1,889.22
Working capital facilities from banks - (packing credit)	4,547.40	4,930.53
	<b>5,969.30</b>	<b>6,819.75</b>
	<b>5,969.30</b>	<b>6,819.75</b>

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 35

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

### A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 March 2022	Carrying amount at 31 March 2021
Term loan from banks - III	USD	Libor + 2.75%	2018-22	-	971.23
Term loan from banks - IV	₹	MCLR + 1%	2020-23	1,165.00	1,833.00
Term loan from banks - V	₹	MCLR + 0.55%	2020-23	750.00	1,000.00
Term loan from banks - VI	USD	Libor + 2.75%	2023-26	1,515.80	-
Packing credit - I	USD	Libor + 2.50%	2022-23	1,515.80	2,134.11
Packing credit - II	USD	Libor + 2.75%	2022-23	3,031.60	2,796.42
				<b>7,978.20</b>	<b>8,734.76</b>

### B. Secured bank loans

Term loan from banks are secured by first pari passu charge on the entire moveable and immovable fixed assets of the Company, both present and future; and pari passu second charge on the current assets of the Company, both present and future.

Working capital facilities (Packing credit - I and packing credit - II) are secured by first pari passu charge on the entire current assets of the Company, both present and future; and pari passu second charge on the movable fixed assets of the Company, both present and future.

## 21 PROVISIONS

	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefit</b>		
Net defined liability for gratuity	140.27	216.26
Liability for compensated absences	120.89	168.84
Other provisions	879.65	541.44
	<b>1,140.81</b>	<b>926.54</b>
Non current	-	-
Current	1,140.81	926.54
	<b>1,140.81</b>	<b>926.54</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

For details about the related employee benefit expenses, see Note 30

The Company operates the following post-employment defined benefit plans:

The Company has a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Liabilities for the same are determined through an actuarial valuation as at the reporting dates using the “projected unit cost method”.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The Company provides the gratuity benefit through annual contribution to Life Insurance Corporation of India (LIC)

### A. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

#### Reconciliation of present value of defined benefit obligation

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1,062.96	961.41
Benefits paid	(49.59)	(109.03)
Current service cost	89.93	87.16
Past service cost	83.59	-
Interest cost	61.68	56.26
Acquisition adjustment	-	56.63
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	4.95	-
- changes in financial assumptions	(33.19)	2.86
- experience adjustments	(6.18)	7.67
<b>Balance at the end of the year</b>	<b>1,214.15</b>	<b>1,062.96</b>

#### Reconciliation of present value of plan assets

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	846.70	611.48
Benefits paid	(49.59)	(109.03)
Contributions paid into the plan	201.40	299.39
Interest income	49.13	35.80
Employee transfer adjustment	-	10.41
Return on plan assets recognised in other comprehensive income	26.18	(1.35)
<b>Balance at the end of the year</b>	<b>1,073.81</b>	<b>846.70</b>
<b>Net defined benefit obligation</b>	<b>140.33</b>	<b>216.26</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### B. Expense recognised in the statement of profit or loss

	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	89.93	87.16
Past service cost	83.59	-
Interest cost	61.68	56.26
Interest income	(49.13)	(35.80)
	<b>186.07</b>	<b>107.62</b>

### Remeasurements recognised in other comprehensive income

	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial (gain) loss on defined benefit obligations	(34.42)	10.53
Return on plan assets excluding interest income	(26.18)	1.35
	(60.60)	11.88

### C. Defined benefit obligation

#### i. Actuarial assumptions

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

	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	6.35%	5.80%
Future salary growth	8.00%	8.00%
Attrition rate	16%	17%

#### ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(59.12)	65.34	(53.81)	61.39
Future salary growth (1% movement)	61.30	(57.61)	57.43	(51.97)
Attrition rate (50% of attrition rates movement)	(30.57)	62.29	(36.26)	184.20

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

### D. Movement in other provisions

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	541.44	21.19
Add: Provision made during the year	445.26	1,097.99
Less: Amount utilized during the year	(107.05)	(577.74)
<b>Balance at the end of the year</b>	<b>879.65</b>	<b>541.44</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 22 TRADE PAYABLES

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer Note 39)	773.14	582.25
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Dues to related parties (refer Note 37)	354.13	548.41
Dues to others	8,173.28	11,057.07
	<b>8,527.41</b>	<b>11,605.48</b>
	<b>9,300.55</b>	<b>12,187.73</b>

All trades payables are 'current'

The Company has no transactions with struck off companies during the year.

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in Note 35. Also, refer Note 39 for disclosure required under Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables ageing schedules

#### As at 31 March, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	773.14	-	-	-	773.14
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,988.05	-	-	-	7,988.05
(iii) Disputed dues, of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues, of creditors other than micro enterprises and small enterprises	-	-	-	-	-
(v) Unbilled dues and other dues	539.36	-	-	-	539.36
	<b>9,300.55</b>	-	-	-	<b>9,300.55</b>

#### As at 31 March, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	582.25	-	-	-	582.25
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,268.73	-	-	-	10,268.73
(iii) Disputed dues, of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues, of creditors other than micro enterprises and small enterprises	-	-	-	-	-
(v) Unbilled dues and other dues	1,336.75	-	-	-	1,336.75
	<b>12,187.73</b>	-	-	-	<b>12,187.73</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 23 OTHER FINANCIAL LIABILITIES

	As at 31 March 2022	As at 31 March 2021
Payables for capital goods	334.42	403.94
Contract liabilities	205.08	-
Others	11.35	8.40
Unpaid dividends	56.02	61.91
	<b>606.87</b>	<b>474.25</b>

All other financial liabilities are 'current'

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in Note 35.

### 24 OTHER CURRENT LIABILITIES

	As at 31 March 2022	As at 31 March 2021
Dues to employees	379.04	511.26
Advances from customers	177.95	158.73
Statutory dues	122.95	202.16
	<b>679.93</b>	<b>872.15</b>

### 25 OPERATING SEGMENTS

#### A Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has determined two reporting segments viz. automotive and non-automotive based on the nature of products, risk and returns and information reviewed by the Company's Chief Operating Decision Maker. The Company's operations are entirely domiciled in India and as such all its non-current assets are located in India.

#### B Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's MD. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

Particulars	Automotive		Non-automotive		Total	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
<b>Segment revenue</b>						
External revenue	49,819.75	50,282.33	5,820.71	3,003.72	55,640.46	53,286.05
Inter-segment revenue	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>49,819.75</b>	<b>50,282.33</b>	<b>5,820.71</b>	<b>3,003.72</b>	<b>55,640.46</b>	<b>53,286.05</b>
Segment results	4,811.01	7,511.15	(459.13)	(351.08)	4,351.88	7,160.07
<b>Unallocable corporate income / (expenses)</b>						
Other income					462.24	495.40
Employee benefits expense					(2,500.17)	(2,285.22)
Finance costs					(655.04)	(618.35)
Depreciation and amortization expenses					(334.73)	(384.07)
Other expenses					(1,092.76)	(1,122.89)
<b>Profit before tax</b>					<b>231.42</b>	<b>3,244.94</b>
<b>Tax expense</b>						
Current tax					-	592.27
Deferred tax charge / (credit)					112.42	90.64
<b>Profit for the year</b>					<b>119.00</b>	<b>2,562.03</b>
<b>Other information</b>						
Segment assets	54,224.91	59,938.69	8,237.84	6,519.61	62,462.75	66,458.30
Unallocable corporate assets					5,200.10	3,518.85
<b>Total assets</b>					<b>67,662.85</b>	<b>69,977.15</b>
<b>Segment liabilities</b>	<b>12,462.11</b>	<b>13,511.57</b>	<b>879.04</b>	<b>1,223.64</b>	<b>13,341.15</b>	<b>14,735.21</b>
Unallocable corporate liabilities					10,493.51	11,310.25
<b>Total liabilities</b>					<b>23,834.66</b>	<b>26,045.46</b>
<b>Depreciation and amortization expense</b>	<b>3,756.00</b>	<b>3,873.99</b>	<b>356.43</b>	<b>210.06</b>	<b>4,112.43</b>	<b>4,084.05</b>
Unallocable corporate expense					334.73	384.08
<b>Total expense</b>					<b>4,447.16</b>	<b>4,468.13</b>

### D Geographic information :

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

	Year ended 31 March 2022	Year ended 31 March 2021
Japan	29,730.24	37,485.52
India	16,698.44	10,011.64
Hong Kong	3,235.15	-
Germany	1,304.96	918.52
United States of America	688.90	1,204.46
Rest of the world	3,982.77	3,665.91
	<b>55,640.46</b>	<b>53,286.05</b>

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

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### E Major Customers

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

	Year ended 31 March 2022	Year ended 31 March 2021
Customer A	29,730.24	37,485.52
Customer B	5,218.37	2,649.33

### 26 REVENUE FROM OPERATIONS

#### Disaggregation of revenue / revenue streams

	Year ended 31 March 2022	Year ended 31 March 2021
<b>a Revenue streams</b>		
Sale of products	54,036.94	52,029.89
Other operating revenue		
Scrap Sales	1,603.52	1,256.16
	<b>55,640.46</b>	<b>53,286.05</b>
<b>b Reconciliation of sale of products and services with the contracted price</b>		
Contracted price	53,671.56	51,991.36
Less: Variable consideration components like commodity price adjustments	365.38	38.53
<b>Sale of products</b>	<b>54,036.94</b>	<b>52,029.89</b>
<b>c Timing of revenue recognition</b>		
Goods transferred at a point in time	55,640.46	53,286.05
Services transferred over time	-	-
<b>Total revenue from contracts with customers</b>	<b>55,640.46</b>	<b>53,286.05</b>
<b>d Contract balances</b>		
The following disclosure provide information about receivables, contract assets and liabilities from contract with customers.		
Receivable which are included in trade receivables (refer Note 11)	13,471.38	16,708.43
Payable which are included in other financial liabilities (refer Note 23)	205.08	-
Payable which are included in other current liabilities (refer Note 24)	177.94	158.73

### 27 OTHER INCOME

	Year ended 31 March 2022	Year ended 31 March 2021
Income from MEIS scrips	16.16	407.96
Interest income on		
Cash and bank balances	3.53	14.34
Others	14.36	37.90
Financial assets at FVTPL-net change in fair value	26.32	50.01
Gain on foreign currency transactions (net)	203.95	229.08
Provision/ liabilities no longer required written back	155.67	60.77
Insurance claim (net)	214.89	-
Miscellaneous income	58.42	153.51
	<b>693.30</b>	<b>953.57</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 28 COST OF MATERIALS CONSUMED

	Year ended 31 March 2022	Year ended 31 March 2021
Inventory of materials at the beginning of the year	8,380.00	5,808.79
Add: Purchases	34,981.92	34,556.51
Less: Inventory of materials at the end of the year	(7,107.35)	(8,380.00)
	<b>36,254.57</b>	<b>31,985.30</b>

### 29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	Year ended 31 March 2022			Year ended 31 March 2021		
	Opening stock	Closing stock	(Increase) / Decrease	Opening stock	Closing stock	(Increase) / Decrease
Finished goods	990.60	527.98	462.62	1,057.38	990.60	66.78
Work-in-progress	363.75	262.88	100.87	342.46	363.75	(21.29)
	<b>1,354.35</b>	<b>790.86</b>	<b>563.49</b>	<b>1,399.84</b>	<b>1,354.35</b>	<b>45.49</b>

### 30 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	3,734.21	3,439.29
Contribution to provident funds	242.05	210.30
Expenses related to post-employment defined benefit plans	186.07	107.62
Expenses related to compensated absences	36.84	80.69
Equity-settled share based payments	-	40.54
Staff welfare expenses	744.55	736.41
	<b>4,943.72</b>	<b>4,614.85</b>

### 31 FINANCE COSTS

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on financial liabilities (other than lease liabilities) measured at amortised cost	397.26	494.49
Interest expense on lease liabilities	84.22	107.13
Applicable net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	53.74	(69.26)
Others	119.82	85.99
	<b>655.04</b>	<b>618.35</b>

### 32 DEPRECIATION AND AMORTIZATION EXPENSES

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment (refer Note 5)	3,628.93	3,770.17
Depreciation of right-of-use assets (refer Note 6)	518.32	496.46
Amortization of intangible assets (refer Note 7)	299.91	201.50
	<b>4,447.16</b>	<b>4,468.13</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 33 OTHER EXPENSES

	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores and tools	919.87	717.26
Freight, delivery and shipping charges	680.62	670.03
Rent	65.10	51.69
Outsourced manpower cost	1,903.58	1,909.07
Commission	24.92	23.28
Power and fuel	1,248.00	1,036.01
Rates and taxes	56.88	57.79
Insurance	263.19	178.05
Repairs and maintenance		
Buildings	32.73	55.54
Machinery	1,239.26	956.21
Others	49.03	21.78
Legal and professional charges (refer note (a) below)	477.11	488.52
Royalty	353.61	410.32
Travel and Conveyance	463.74	532.84
Communication expenses	37.85	40.23
Recruitment and training	4.26	12.97
Sitting fees and commission to Independent Directors' (including taxes)	34.95	37.47
Security expenses	247.37	217.16
Printing and stationery	33.04	41.69
Quality cost	445.26	1,097.99
Provision for loss allowance for expected credit losses	-	65.10
Bank charges	66.35	68.34
Expenditure on corporate social responsibility (refer note (b) below)	105.00	149.10
Miscellaneous expenses	486.64	424.12
	<b>9,238.36</b>	<b>9,262.56</b>

#### a. Payment to auditors (excluding taxes)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>As auditor</b>		
Statutory audit	53.00	53.00
Tax audit	5.00	5.00
Limited review of quarterly results	27.00	27.00
<b>In other capacity</b>		
Tax services	3.00	3.00
Certification	7.00	7.00
<b>Reimbursement of expenses</b>	4.11	4.05
	<b>99.11</b>	<b>99.05</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### b. Details of expenditure on Corporate social responsibility

	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount required to be spent by the company during the year,	100.56	147.00
(ii) Amount of expenditure incurred,	105.00	149.10
(a) Construction/acquisition of any asset		-
(b) On purposes other than (a) above	105.00	149.10
(iii) Shortfall at the end of the year,	-	-
(iv) Total of previous years shortfall,	-	-
(v) Reason for shortfall,	Not applicable	Not applicable
(vi) Nature of CSR activities,	-	-
(vii) Details of related party transactions	Nil	Nil

## 34 INCOME TAX

### A. Amount recognised in the statement of profit and loss

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current tax</b>		
Current period	-	763.13
Tax for earlier years	-	(170.86)
<b>Total current tax expense</b>	-	<b>592.27</b>
<b>Deferred tax</b>		
Origination and reversal of temporary difference	112.42	90.64
<b>Total deferred tax expense / (benefit)</b>	<b>112.42</b>	<b>90.64</b>
	<b>112.42</b>	<b>682.91</b>

### B. Income tax recognised in other comprehensive income

	Year ended 31 March 2022			Year ended 31 March 2021		
	Before tax	Tax benefit	Net of tax	Before tax	Tax expense	Net of tax
Remeasurement of defined benefit liability (asset)	60.60	(15.25)	45.35	(11.88)	2.99	(8.89)
Effective portion of gains (losses) on hedging instruments in cash flow hedges	332.15	(83.60)	248.55	94.73	(23.84)	70.89
	<b>392.75</b>	<b>(98.85)</b>	<b>293.90</b>	<b>82.85</b>	<b>(20.85)</b>	<b>62.00</b>

### C. Reconciliation of effective tax rate

	Year ended 31 March 2022		Year ended 31 March 2021	
Profit before tax		231.42		3,244.94
Tax using the Company's domestic tax rate	25.17%	58.24	25.17%	816.69
Tax related to prior years	0.00%	-	-5.27%	(170.86)
Effect of non-deductible expenses	23.41%	54.18	1.14%	37.08
<b>Income tax expense</b>	<b>48.58%</b>	<b>112.42</b>	<b>21.05%</b>	<b>682.91</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### D. Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		Deferred tax liabilities		Net Deferred tax (assets) / liabilities	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Property, plant and equipment	-	-	2,271.67	2,154.46	2,271.67	2,154.46
Leases	-	(17.34)	9.56	-	9.56	(17.34)
Provision - employee benefits	(3.53)	(96.92)	-	-	(3.53)	(96.92)
Effective portion of cash flow hedges	-	-	-	9.57	-	9.57
Business loss as per taxation laws	(75.01)	-	-	-	(75.01)	-
Other items	(127.10)	(185.45)	-	-	(127.10)	(185.45)
<b>Net deferred tax (assets) / liabilities</b>	<b>(205.64)</b>	<b>(299.71)</b>	<b>2,281.23</b>	<b>2,164.03</b>	<b>2,075.59</b>	<b>1,864.32</b>

Note: Pursuant to Ind AS - 12 "Income Taxes", where there are unused tax losses and unused tax credits, deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

### Movement in temporary differences:

	Balance as at 1 April 2020	Recognized in profit or loss during 2020-21	Recognized in OCI during 2020-21	Balance as at 31 March 2021	Recognized in profit or loss during 2021-22	Recognized in OCI during 2021-22	Balance as at 31 March 2022
Property, plant and equipment	2,038.72	115.74	-	2,154.46	117.21	-	2,271.67
Leases	(51.90)	34.56	-	(17.34)	26.90	-	9.56
Provision - employee benefits	(128.29)	34.36	(2.99)	(96.92)	78.14	15.25	(3.53)
Effective portion of cash flow hedges	(14.27)	-	23.84	9.57	(93.17)	83.60	-
Business loss as per taxation laws	-	-	-	-	(75.01)	-	(75.01)
Other items	<b>(91.43)</b>	<b>(94.02)</b>	-	<b>(185.45)</b>	<b>58.35</b>	-	<b>(127.10)</b>
	<b>1,752.83</b>	<b>90.64</b>	<b>20.85</b>	<b>1,864.32</b>	<b>112.42</b>	<b>98.85</b>	<b>2,075.59</b>

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 35 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

#### A. Accounting classification and fair values 31 March 2022

	Note	Carrying amount				Fair value					
		Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI - equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value</b>											
<b>Investments</b>											
-Equity shares	8	-	-	62.90	-	-	62.90	-	62.90	-	62.90
-Mutual funds	10	-	2,023.88	-	-	-	2,023.88	-	-	-	2,023.88
Forward exchange contracts used for hedging	14	361.29	-	-	-	-	361.29	-	361.29	-	361.29
		<b>361.29</b>	<b>2,023.88</b>	<b>62.90</b>	<b>-</b>	<b>-</b>	<b>2,448.07</b>	<b>2,023.88</b>	<b>361.29</b>	<b>62.90</b>	<b>2,448.07</b>
<b>Financial assets not measured at fair value (Refer Note 1 below)</b>											
Trade receivables	11	-	-	-	13,471.38	-	13,471.38	-	-	-	13,471.38
Cash and cash equivalents	12	-	-	-	606.95	-	606.95	-	-	-	606.95
Bank balances other than cash and cash equivalents	13	-	-	-	56.02	-	56.02	-	-	-	56.02
Other financial assets	14	-	-	-	917.19	-	917.19	-	-	-	917.19
		<b>-</b>	<b>-</b>	<b>-</b>	<b>15,051.54</b>	<b>-</b>	<b>15,051.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,051.54</b>
<b>Financial liabilities not measured at fair value (Refer Note 1 below)</b>											
Trade payables	22	-	-	-	-	9,300.55	9,300.55	-	-	-	9,300.55
Lease Liabilities	6	-	-	-	-	2,052.71	2,052.71	-	-	-	2,052.71
Borrowings	20	-	-	-	-	7,978.20	7,978.20	-	-	-	7,978.20
Other financial liabilities	23	-	-	-	-	606.87	606.87	-	-	-	606.87
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,938.33</b>	<b>19,938.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,938.33</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

	Note	Carrying amount				Fair value					
		Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI - equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>31 March 2021</b>											
<b>Financial assets and liabilities</b>											
Investments											
-Equity shares	8	-	-	89.71	-	-	89.71	-	-	89.71	89.71
Forward exchange contracts used for hedging	14	8.81	-	-	-	-	8.81	-	8.81	-	8.81
		<b>8.81</b>	<b>-</b>	<b>89.71</b>	<b>-</b>	<b>-</b>	<b>98.52</b>	<b>-</b>	<b>8.81</b>	<b>89.71</b>	<b>98.52</b>
<b>Financial assets not measured at fair value (Refer Note 1 below)</b>											
Trade receivables	11	-	-	-	16,708.43	-	16,708.43	-	-	-	16,708.43
Cash and cash equivalents	12	-	-	-	1,158.51	-	1,158.51	-	-	-	1,158.51
Bank balances other than cash and cash equivalents	13	-	-	-	189.01	-	189.01	-	-	-	189.01
Other financial assets	14	-	-	-	549.39	-	549.39	-	-	-	549.39
		<b>-</b>	<b>-</b>	<b>-</b>	<b>18,605.34</b>	<b>-</b>	<b>18,605.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,605.34</b>
<b>Financial liabilities not measured at fair value (Refer Note 1 below)</b>											
Trade payables	22	-	-	-	-	-	-	12,187.73	12,187.73	-	12,187.73
Borrowings	20	-	-	-	-	-	-	8,734.76	8,734.76	-	8,734.76
Lease Liabilities	6	-	-	-	-	-	-	777.49	777.49	-	777.49
Other financial liabilities	23	-	-	-	-	-	-	474.25	474.25	-	474.25
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,174.23</b>	<b>22,174.23</b>	<b>-</b>	<b>22,174.23</b>

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

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### B. Measurement of fair values

#### i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation process are described in Note 2.5

Type	Valuation technique used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward contracts used for hedging	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable	Not applicable

#### ii. Level 3 fair values

	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	(3,336.35)	(2,696.04)
Loss included in OCI - net change in fair value (unrealised)	-	(640.31)
Transfer to retained earnings on disposal	3,336.35	-
<b>Closing balance</b>	<b>-</b>	<b>(3,336.35)</b>

### C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see C.ii);
- liquidity risk (see C.iii); and
- market risk (see C.iv)

#### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

### a. Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about customers. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

More than 57% of the Company's customers are related parties who have been transacting with the Company for over five years, and none of these customers' balances have been credit-impaired in the past. In monitoring customer credit risk, customers are grouped according to their credit characteristics, and their geographic location and existence of previous financial difficulties.

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

	As at 31 March 2022	As at 31 March 2021
Japan	5,877.36	11,322.28
India	5,482.94	3,971.66
Hong Kong	1,188.71	-
United States of America	223.33	399.36
Germany	113.78	194.30
Rest of the world	620.45	986.08
<b>Total receivables (Gross)</b>	<b>13,506.58</b>	<b>16,873.68</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

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

### As at 31 March 2022

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	11,743.02	0.09%	(11.14)	No
Past due 1-90 days	1,646.77	0.30%	(4.95)	No
Past due 90-180 days	108.35	9.84%	(10.66)	No
Past due 181-365 days	7.43	99.93%	(7.43)	No
Past due 365 - 720 days	1.02	99.84%	(1.02)	No
<b>Total</b>	<b>13,506.58</b>		<b>(35.20)</b>	

### As at 31 March 2021

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	14,147.93	0.45%	(64.06)	No
Past due 1-90 days	2,656.52	1.34%	(35.58)	No
Past due 90-180 days	9.27	63.97%	(5.93)	No
Past due 181-365 days	1.32	78.79%	(1.04)	No
Past due 365 - 720 days	58.64	100.00%	(58.64)	Yes
<b>Total</b>	<b>16,873.68</b>		<b>(165.25)</b>	

*Movements in the allowance for impairment in respect of trade receivables and loans:*

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

	31 March 2022	31 March 2021
Balances at 1 April	165.25	100.15
Provision (reversed and write offs) / made for the year	(130.05)	65.10
<b>Balance at 31 March</b>	<b>35.20</b>	<b>165.25</b>

- b. *Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivable)*

The Company holds cash and bank balances of ₹ 662.97 lakhs as at 31 March 2022 (31 March 2021: ₹ 1,347.52 lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

- c. *Security deposits*

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

- d. *Advance to employees*

This balance is primarily constituted by advances given to the employees. The Company does not expect any losses from non-performance by these counter-parties as the amounts are recoverable by salary deductions.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

e. *MEIS receivable from Government*

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

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (excluding trade payables).

*Exposure to liquidity risk*

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Contractual cash flows					
	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>31 March 2022</b>						
<b>Non derivative financial liabilities</b>						
Borrowings	7,978.20	5,131.40	837.90	1,254.79	754.11	-
Trade payables	9,300.55	9,300.55	-	-	-	-
Lease Liabilities	2,052.71	297.67	229.00	352.74	1,284.32	387.33
Other financial liabilities	606.87	606.87	-	-	-	-
	<b>19,938.33</b>	<b>15,336.49</b>	<b>1,066.90</b>	<b>1,607.53</b>	<b>2,038.44</b>	<b>387.33</b>

	Contractual cash flows					
	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>31 March 2021</b>						
<b>Non derivative financial liabilities</b>						
Borrowings	8,734.76	5,912.01	907.74	1,168.00	747.00	-
Trade payables	12,187.73	12,187.73	-	-	-	-
Lease Liabilities	777.49	342.58	228.07	206.84	-	-
Other financial liabilities	474.25	474.25	-	-	-	-
	<b>22,174.23</b>	<b>18,916.57</b>	<b>1,135.81</b>	<b>1,374.84</b>	<b>747.00</b>	<b>-</b>

As disclosed in Note 21, the Company has borrowings that contains loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Companies income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

### a. Currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows:

	USD	Others
<b>31 March 2022</b>		
<b>Financial assets:</b>		
Trade receivables	8,023.64	-
<b>Financial liabilities:</b>		
Borrowings	4,547.40	-
Trade payables	5,635.09	824.11
Others	-	-
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>(2,158.85)</b>	<b>(824.11)</b>

	USD	Others
<b>31 March 2021</b>		
<b>Financial assets:</b>		
Trade receivables	12,860.68	45.12
Cash and cash equivalents	253.01	-
<b>Financial liabilities:</b>		
Borrowings	5,901.76	-
Trade payables	7,680.96	1,316.76
Others	5.32	10.38
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>(474.35)</b>	<b>(1,282.02)</b>

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against ₹ at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2022</b>				
USD (1% movement)	(21.59)	21.59	(16.16)	16.16
<b>31 March 2021</b>				
USD (1% movement)	(4.74)	4.74	(3.55)	3.55

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### b. Hedge accounting

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated.

Company's risk management policy is to hedge using forward contracts. Hedge exposure is calculated based on highly probable forecast transactions received from each customer. Hedging Strategy on the net exposure is limited to the 75%, 50%, 25% rule as below:

- 75% coverage of hedge exposure of current year
- 50% coverage of hedge exposure of next year
- 25% coverage of hedge exposure of third year

At 31 March 2022, the Company holds the following instruments to hedge exposures to changes in foreign currency:

	Maturity		
	1-6 months	6-12 months	More than one year
<b>Foreign currency risk</b>			
<b>Forward exchange contracts</b>			
Net exposure	3,789.63	3,638.04	10,080.40
Average ₹:USD forward contract rate	77.64	78.28	79.94

At 31 March 2021, the Company holds the following instruments to hedge exposures to changes in foreign currency:

	Maturity		
	1-6 months	6-12 months	More than one year
<b>Foreign currency risk</b>			
<b>Forward exchange contracts</b>			
Net exposure	441.54	441.54	-
Average ₹:USD forward contract rate	74.93	76.67	-

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

	31 March 2022 Equity head 'Effective portion of cash flow hedges'	31 March 2021 Equity head 'Effective portion of cash flow hedges'
Balance as at 1 April	5.47	(65.42)
Effective portion of changes in fair value		
Foreign currency risk – Sales	332.15	94.73
Tax on movements in relevant items of OCI during the year	(83.60)	(23.84)
<b>Balance as at 31 March</b>	<b>254.02</b>	<b>5.47</b>

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### c. Interest rate risk

The Company has only variable rate instruments i.e. external commercial borrowings, term loans, packing credit and buyer's credit.

#### *Exposure to interest rate risk*

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

	31 March 2022	31 March 2021
Fixed rate borrowings	-	-
Variable rate borrowings	7,978.20	8,734.76
	<b>7,978.20</b>	<b>8,734.76</b>

#### *Cash flow sensitivity analysis for variable rate instruments*

A reasonable possible change of 100 basis points (bp) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Effect on profit and loss before tax	
	100 bp increase	100 bp decrease
<b>31 March 2022</b>		
Variable rate instrument	(79.78)	79.78
<b>Cash flow sensitivity (net)</b>	<b>(79.78)</b>	<b>79.78</b>
<b>31 March 2021</b>		
Variable rate instrument	(87.35)	87.35
<b>Cash flow sensitivity (net)</b>	<b>(87.35)</b>	<b>87.35</b>

## 36 COMMITMENTS AND CONTINGENT LIABILITIES

	As at 31 March 2022	As at 31 March 2021
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided	400.59	793.14
<b>Claims against the Company not acknowledged as debts</b>		
Income tax liability that may arise in respect of matters for which the Company is under appeal	-	-
Employees State Insurance demand on dues for trainees	24.34	24.34

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

In addition to the above, there are certain claims which the Company receives from time to time in the ordinary course of business for which the amount of obligation cannot be measured with sufficient reliability. Management is of the view that such claims will not have any material adverse effect on the Company's financial position and result of operations.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### 37 RELATED PARTIES

#### A. Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Ultimate Holding Company	Igarashi Electric Works Limited, Japan
Holding Company	Agile Electric Sub Assembly Private Limited
Fellow subsidiaries	Igarashi Electric Works International Limited, Hong Kong Igarashi Electric Works (H.K) Limited, Hong Kong Igarashi Motoren Gmbh, Germany Igarashi Motor Sales USA LLC, USA Igarashi Electric Works (Shenzhen) Ltd, China Igarashi Electric Works (Zhuhai) Ltd, China Yat Yue Industrial Co.(HK) Ltd, Hong Kong
Key Managerial Personnel	Mr. R. Chandrasekaran, Managing Director Mr. S. Vivekchandranath, Chief Financial Officer Mr. P. Dinakara Babu, Company Secretary

#### B. Transaction with key managerial personnel

Key management personnel of the Company comprise of key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation during the year are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Short term employee benefits	226.50	237.50
Post-employment defined benefits	*	*
Compensated absences	*	*
Equity-settled share based payments	-	3.42
<b>Total</b>	<b>226.50</b>	<b>240.92</b>

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 30).

\* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

### C. Related party transactions other than key managerial personnel compensation

	Transaction value		Gross balance outstanding Receivable / (Payable)	
	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Sale of goods and services</b>				
Ultimate Holding Company	29,730.24	37,485.52	5,877.36	11,322.28
Holding Company	721.75	619.40	170.19	306.38
Fellow subsidiaries				
Igarashi Electric Works International Limited, Hong Kong	7.14	32.35	0.53	3.58
Igarashi Motoren Gmbh, Germany	66.50	6.70	(0.40)	-
Igarashi Motor Sales USA LLC, USA	33.09	333.71	(20.27)	8.10
Igarashi Electric Works (Shenzhen) Ltd, China	1.75	1.07	1.74	1.07
Acquisition of property, plant and equipment, intangible assets and capital work-in-progress				
Fellow subsidiaries				
Igarashi Motoren Gmbh, Germany	5.24	34.00	-	-
<b>Purchase of goods</b>				
Ultimate Holding Company	356.08	492.65	(89.36)	-
Holding Company	207.14	263.96	(66.86)	(138.49)
Fellow subsidiaries				
Igarashi Electric Works (Shenzhen) Ltd, China	-	14.25	-	-
Igarashi Electric Works (Zhuhai) Ltd, China	0.55	58.18	(0.45)	-
Yat Yue Industrial Co.(HK) Ltd, Hong Kong	403.59	670.42	(99.56)	(244.39)
Igarashi Motoren Gmbh, Germany	0.10	-	(1.89)	-
<b>Dividend paid</b>				
Ultimate Holding Company	59.46	47.57	-	-
Holding Company	257.13	205.71	-	-
Fellow subsidiaries				
Igarashi Electric Works (H.K) Limited, Hong Kong	37.50	30.00	-	-
<b>Royalty</b>				
Ultimate Holding Company	353.61	410.32	(65.90)	(160.66)
<b>Quality cost</b>				
Ultimate Holding Company	9.03	-	-	-
Holding Company	-	3.52	-	-
Fellow subsidiaries				

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

	Transaction value		Gross balance outstanding Receivable / (Payable)	
	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
Igarashi Electric Works International Limited, Hong Kong	0.04	3.74	-	-
Igarashi Motoren GmbH, Germany	16.19	33.83	-	(4.87)
Igarashi Motor Sales USA LLC, USA	2.36	10.97	-	-
<b>Reimbursement of expenses paid</b>				
Ultimate Holding Company	1.09	-	-	-
Holding company	4.79	80.07	-	-
Fellow subsidiaries				
Igarashi Electric Works International Limited, Hong Kong	0.94	1.05	-	-
Igarashi Motoren GmbH, Germany	1.70	0.94	-	-
Igarashi Electric Works (Zhuhai) Ltd, China	14.95	14.73	(3.00)	-
Igarashi Motor Sales USA LLC, USA	21.05	-	-	-
<b>Reimbursement of expenses received</b>				
Ultimate Holding Company	14.84	-	-	-
Fellow subsidiaries				
Igarashi Electric Works International Limited, Hong Kong	-	4.94	-	-
Igarashi Motor Sales USA LLC, USA	4.46	-	-	-
Yat Yue Industrial Co.(HK) Ltd, Hong Kong	5.00	-	-	-
<b>Advances received</b>				
Fellow subsidiaries				
Igarashi Motoren GmbH, Germany	-	47.30	-	(47.30)
<b>Rental deposit</b>				
Holding company	-	-	22.20	22.20
<b>Rent and power expense</b>				
Holding company	169.21	62.98	(6.48)	-

All transactions with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in cash within six months of the reporting date. None of the balances are secured.

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 38 ANALYTICAL RATIOS

Particulars	Numerator	Denominator	Year ended 31 March 2022	Year ended 31 March 2021	Variance	Reason for variance (above 25%)
<b>A. Liquidity ratio</b>						
a) Current ratio	Current assets	Current liabilities	1.51	1.42	6.34%	Not applicable
<b>B. Solvency ratio</b>						
a) Debt-Equity ratio	Total debt	Shareholder's equity	0.18	0.20	-10.00%	Not applicable
b) Debt Service Coverage Ratio	Earnings available	Debt service**	1.75	1.63	7.36%	Not applicable
<b>C. Utilization ratio</b>						
a) Net capital turnover ratio	Revenue from operations	Average working capital	6.02	7.38	-18.43%	Not applicable
b) Inventory turnover ratio	Cost of Goods Sold	Average Inventory	3.96	3.60	10.00%	Not applicable
c) Trade receivables turnover ratio	Revenue from operations	Average accounts receivables	3.69	3.50	5.43%	Not applicable
d) Trade payables turnover ratio	Purchases	Average accounts payables	3.26	3.15	3.49%	Not applicable
<b>D. Profitability ratio</b>						
a) Return on Equity Ratio (%)	Net profit after tax	Average net worth	0.00%	6.00%	-100.00%	The margins have decreased due to the
b) Net profit ratio (%)	Net profit	Net sales	0.00%	5.00%	-100.00%	impact of increase in the
c) Return on Capital employed (%)	Net profit before taxes and finance cost	Capital employed***	2.00%	7.00%	-71.43%	commodity prices.
d) Return on investment (%)	Income generated from invested funds	Average investments	3.00%	4.00%	-25.00%	The return on investment has reduced due to decrease in market interest rates.

Notes:

\*Earnings available for debt services = Net profit after taxes+Non-cash operating expenses like depreciation and amortization+Interest+other adjustments

\*\*Debt Service = Interest & Lease Payments + Principal repayments

\*\*\*Capital Employed = Net worth+ Total debt + Deferred Tax liability

### 39 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006.

	As at 31 March 2022	As at 31 March 2021
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	773.14	582.25
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	6.59

# Notes forming part of the Financial Statements

## for the year ended 31 March 2022

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

	As at 31 March 2022	As at 31 March 2021
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above disclosures are provided based on the information available with the Company in respect of the registration status of its vendors/suppliers. (Also refer Note 22)

#### 40 TRANSFER PRICING

The Company has entered into transactions with certain related parties during the year ended 31 March 2022. The management believes that all such transactions are in compliance with the provisions of Income-tax Act, 1961 and also confirms that it maintains documentation as prescribed, to prove that the transactions are at arm's length. Further, management also believes the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

- 41 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released the draft rules for the code on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact once the subject rules are notified and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

#### 42 EVENTS AFTER THE REPORTING PERIOD

There are no subsequent events that have occurred after the reporting period till the date of approval of these financial statements other than dividend recommended by the Board. (Refer Note 17).

As per our report of even date attached

#### for B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

#### Harsh Vardhan Lakhotia

Partner

Membership No. 222432

Place: Chennai

Date: 23 May 2022

for and on behalf of the board of directors of

**Igarashi Motors India Limited**

(CIN: L29142TN1992PLC021997)

#### R Chandrasekaran

Managing Director

DIN: 00012643

#### S Vivekchandranath

Chief Financial Officer

Place: Chennai

Date: 23 May 2022

#### L Ramkumar

Director

DIN: 00090089

#### P. Dinakara Babu

Company secretary

Membership No. A14812

# GLOSSARY

**BEV** – Battery Operated Electric Vehicle

**BEE** – Bureau of Energy Efficiency

**BLDC** – Brushless DC Motor

**BS VI** – Bharat Stage VI

**CCV** – Coolant Control Valve

**EFA** – Exhaust Flap Actuators

**EGR** – Exhaust Gas Recirculation

**EPB** – Electric Parking Brake

**ESDM** – Electronic System Design & Manufacturing

**ETC** – Electronic Throttle Control

**ETV** – Electric Track Vehicle System

**EV** – Electric Vehicle

**EVA** – Electric Vehicle Assistant

**EVP** – Electric Vacuum Pump

**E2W** – Electric Two Wheeler

**E3W** – Electric Three Wheeler

**E4W** – Electric Four Wheeler

**FMEG** – Fast Moving Electrical Goods

**HEV** – Hybrid Electric Vehicle

**ICE** – Internal Combustion Engine

**IOT** – Internet of Things

**LED** – Light-Emitting Diode

**OEM** – Original Equipment Manufacturer

**PCB** – Printed Circuit Board

**PV** – Passenger Vehicle

**TAM** – Torque Actuator Motors

**TBW** – Throttle By Wire

**TOCD** – Trunk Opening & Closing Device

**TPW** – Table Pedestal Wall-Mount Fan

**VTG** – Variable Turbine Geometry

**WGA** – Waste Gate Actuator

**2W TAM** – Two Wheeler Torque Actuator Motors

**4W TAM** – Four Wheeler Torque Actuator Motors



## Igarashi Motors India Limited

### Registered Office

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CIN : L29142TN1992PLC021997