Igarashi Motors India Limited

Reg. Off. & Plant - I :
Plot No. B12 to B15 Phase II,
MEPZ - SEZ, Tambaram,
Chennai - 600 045, India.
Phone : +91-44-4229 8199
+91-44-2262 8199
Fax : +91-44-2262 8143
E-mail : igarashi@igarashimotors.co.in
CIN : L29142TN1992PLC021997

Online Submission

July 12, 2018

Bombay Stock Exchange Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai 400 001
Fax [022-22722037, 22722039]
Email [Corp.compliance@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
Fax [022-26598237/ 26598238]
Email [cmlist@nse.co.in]
Stock Code : IGARASHI

Dear Sir,

Sub: Submission of information pursuant to Regulation 19 (3) (i) of Securities Contracts (Regulations) Rules, 1957 and Regulation 30 of SEBI (LODR) Regulations, 2015- reg.

In pursuance of Regulation 19 (3) (i) of Securities and Contracts (Regulations) Rules, 1957 and Regulation 30 SEBI (LODR) Regulations, 2015 enclosed is the copy of the Annual Report for the Financial Year 2017-18. The Annual Reports is being dispatched (including by email) to the members of the Company on or after 12th July 2018.

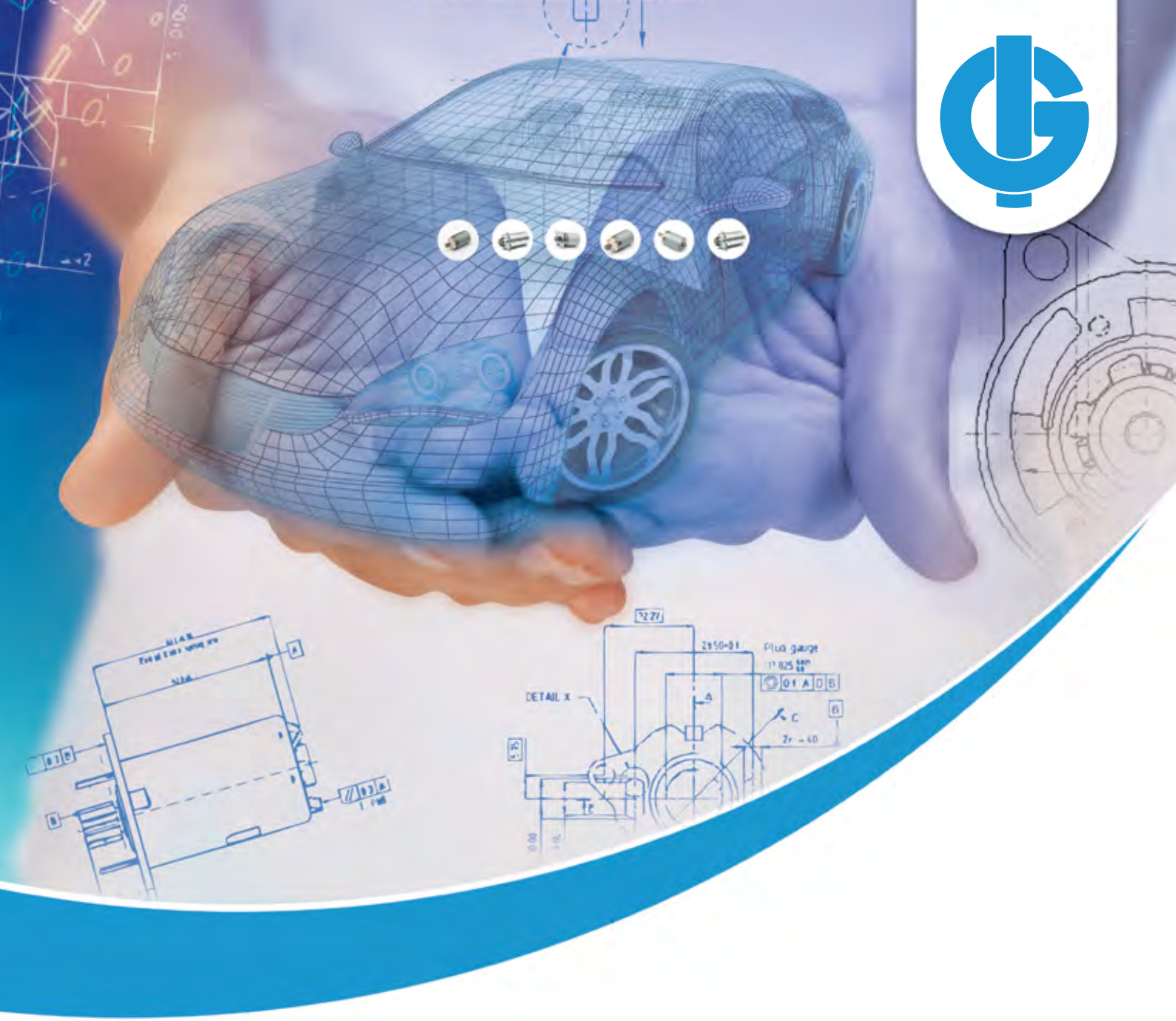
Please note that the Notice of the 26th AGM and the Annual Report for the fiscal 2018 will be made available on the Company's website at http://www.igarashimotors.com/investor-list.php?invescatid=17

Please acknowledge receipt.

Kindly acknowledge.

Thanking you
Yours truly,
For IGARASHI MOTORS INDIA LIMITED

P DINAKARA BABU
SECRETARY



IGARASHI MOTORS INDIA LTD

26th Annual Report

2017-2018

www.igarashimotors.com

OUR PHILOSOPHY ON CORPORATE GOVERNANCE

MISSION TO ENHANCE CUSTOMERS COMPETITIVENESS

GLOBAL VISION THROUGH INDIAN DOORWAY

WEALTH FOR ALL PARTNERS THROUGH THE WHEEL OF ENGINEERING

TRANSPARENCY AND COMPLIANCE

IGARASHI MOTORS INDIA LIMITED

BOARD OF DIRECTORS	Mr. K K NOHRIA (CHAIRMAN) Mr. HEMANT M NERURKAR Mr. KEIICHI IGARASHI Mr. S RADHAKRISHNAN Ms. EVA MARIA ROSA SCHORK Mr. AKHIL AWASTHI (untill August 30, 2017)
MANAGING DIRECTOR	Mr. P MUKUND
CHIEF FINANCIAL OFFICER	Mr. R CHANDRASEKARAN
COMPANY SECRETARY & COMPLIANCE OFFICER	Mr. P DINAKARA BABU
AUDITORS	B S R & CO. LLP, CHARTERED ACCOUNTANTS KRM TOWER, 1ST & 2ND FLOOR, NO.1 HARINGTON ROAD, CHETPET CHENNAI- 600 031 PH: +91-44-46083100
BANKERS	AXIS BANK STATE BANK OF INDIA
REGISTERED OFFICE	PLOT NO. B-12 TO B-15, PHASE II, MEPZ-SEZ, TAMBARAM, CHENNAI- 600 045 PHONE : +91-44-42298199/22628199, FAX : +91-44-22628143 E-MAIL :investorservices@igarashimotors.co.in, CIN : L29142TN1992PLC021997 WEBSITE : www.igarashimotors.com

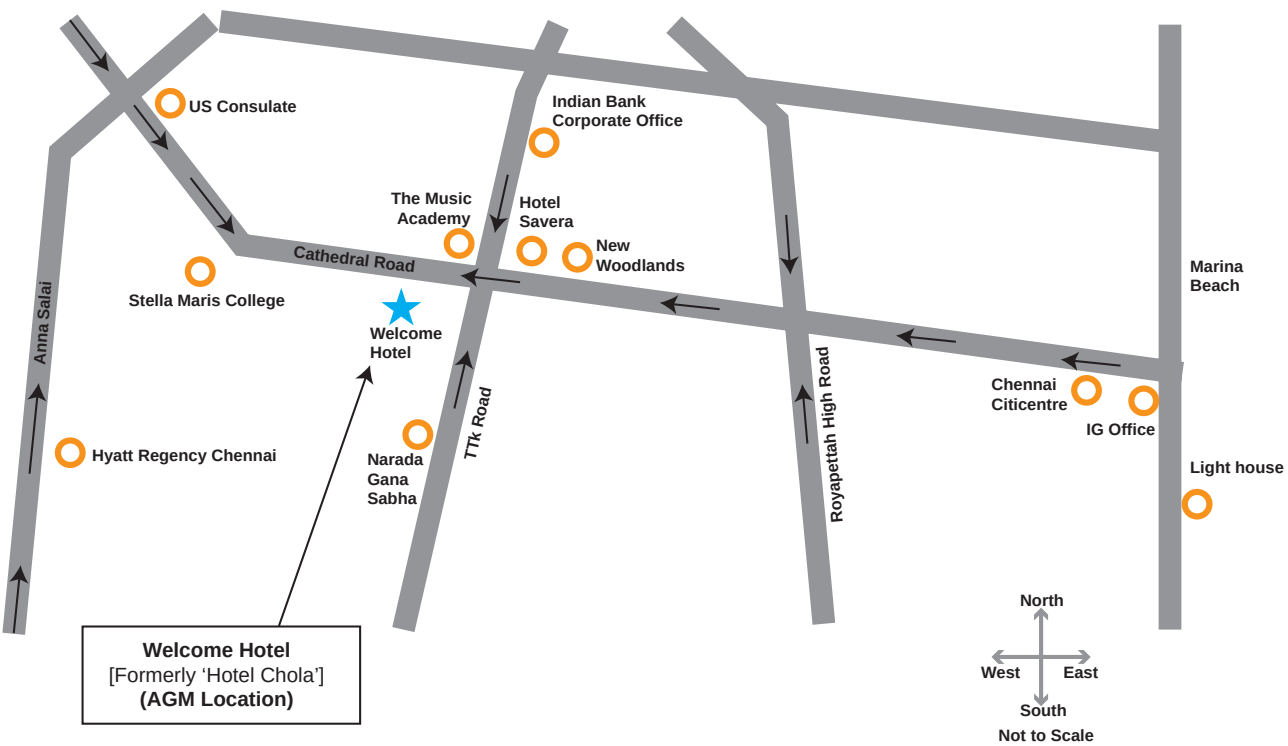
As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

PAST 5 YEARS PERFORMANCE SUMMARY

Key Performance Indicators	2013-14	2014-15	2015-16	2016-17*	**2017-18***
1. Revenues from Operations (₹ in Crores)	361.23	385.10	445.00	516.44	**458.44**
2. Operating Profit (₹ in Crores)	67.16	79.04	107.03	120.77	**102.26**
3. Operating Profit Magin (%)	18.60%	20.50%	24.10%	23.40%	**22.30%**
4. Net Profit (₹ in Crores)	46.14	48.95	63.64	75.32	**66.27**
5. Net worth (₹ in Crores)	219.27	250.95	294.41	365.17	**411.07**
6. Debt Equity Ratio	0.25	0.26	0.15	0.06	**0.06**
7. Earning Per share (₹)	15.16	16.01	20.79	24.61	**21.65**
8. Book Value per share (₹)	72.02	81.99	96.19	119.30	**134.30**
9. Dividend Per share (₹)	2.67	4.44	5.50	6.61	**6.00**

*Figures for the financial years beginning from FY 2016-17 are in line with Ind AS

Route Map to the Venue of 26th Annual General Meeting (AGM):



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NOTICE

NOTICE IS HEREBY GIVEN THAT The Twenty Sixth Annual General Meeting ('AGM') of Igarashi Motors India Limited will be held on Wednesday, the August 08, 2018 at 3.00 P.M. at Welcome Hotel (Formerly 'Hotel Chola'), Cathedral Road, Chennai – 600 086 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2018, and the Reports of the Board of Directors and Auditor's Report thereon.
2. To declare a dividend of ₹.6/- per equity share for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. Keiichi Igarashi (DIN: 00356779) who retires at this meeting and is eligible for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder including any statutory modifications(s) or re-enactment thereof and pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any Amendment thereof, Mr. K K Nohria (DIN: 00060015) a Director who was appointed as an Additional Director of the Company on the recommendation of the Nomination and Remuneration Committee by the Board with effect from July 23, 2018 and who holds office until the date of AGM, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, signifying its intention to propose Mr. K K Nohria as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company whose period of office liable to determination by retirement by rotation."

Place : Chennai
Date : May 22, 2018

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

P. Dinakara Babu
Company Secretary
Membership No. A14812

Registered Office:
Plot No. B-12 to B-15, Phase II,
MEPZ-SEZ, Tambaram,
CHENNAI- 600 045.
Phone: +91-44-42298199/22628199,
Fax: +91-44-22628143
E-mail: investorservices@igarashimotors.co.in
CIN: L29142TN1992PLC021997
Website: www.igarashimotors.com

Notes:

a) The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special business set out in the Notice is annexed hereto and forms part of this Notice.

b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED MUST BE RETURNED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE COMMENCEMENT OF THE AFORESAID MEETING.

   Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

c) Corporate members intending to send their authorised representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote on their behalf at the Annual General Meeting.

d) The Register of Members of the Company will remain closed from August 04, 2018 to August 08, 2018 (both days inclusive) for the purpose of the dividend for the financial year ended March 31, 2018 and Annual General Meeting.

e) Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid on or after August 14, 2018, to those members whose names appear on the register of members as on August 03, 2018.

f) As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations], the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in demat mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their demat account and Members holding shares in physical mode are requested to submit the said bank details to the Company's Registrar & Transfer Agent.

g) Members, Proxies and Authorised Representatives are requested to bring their Attendance Slips together with their copies of the Annual Reports to the Meeting. Copies of the Annual Report will not be provided at the AGM venue.

h) 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 Agent.

i) The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all shareholders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Cameo Corporate Services Ltd (RTA) by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque.

j) Shareholders desiring any information as regards the accounts are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.

All documents referred in the Notice will be available for inspection at the Company's registered office during all working days between 11.00 a.m. and 1.00 p.m till the date of AGM.

k) A Route map showing directions to reach the venue of the 26th Annual General Meeting is given along with this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings".

l) Members who have not so far encashed dividend warrant(s) for the Financial Year 2013-14, 2014-15, 2015-16 and 2016-17 are requested to seek to issue a duplicate warrant(s) by writing to the Company's Registrars and Transfer Agent, 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's Unpaid 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 under the section 'Investor Relations'.

m) As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its members the facility to cast their vote by electronic means (i.e. voting electronically from a place other than the venue of the general meeting) on all resolutions set forth in the Notice. The instructions for e-voting are given in Annexure A.

n) The remote e-voting period starts on Saturday, August 04, 2018, 9.00 a.m (IST) and ends on Tuesday, August 07, 2018, 5.00 p.m. (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 01, 2018 may cast their votes electronically.

o) Mr. C Prabhakar, partner, BP & Associates, Company Secretaries (Membership No. A 30433; Certificate of Practice No.11033) has been appointed as the Scrutinizer for conducting voting process (e-voting & Ballot Paper) in a fair and transparent manner.

p) The Facility for voting through Ballot paper shall be made available at the 26th AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper.

q) The members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote again.

r) The Company's website is www.igarashimotors.com, Annual Reports of the Company, unclaimed dividend list, and other shareholder communications are made available on the Company's website.

s) All the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agent whose e-mail id is 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.

t) Our Company's shares are tradable compulsorily in electronic form and through Cameo Corporate Services Limited, Registrars and Share Transfer Agent; we have established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The

International Securities Identification Number (ISIN) allotted to your Company's shares under the Depository system is INE188B01013. As on March 31, 2018, 99.25% 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 update their bank accounts with the respective Depository Participants.

u) Members of the Company had approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors at the 25th AGM of the Company which is valid till 30th AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

v) Re-appointment of Director

Pursuant to Regulation 36(3) of the SEBI Listing Regulations, and Secretarial Standard 2 on General Meetings, following information is furnished in respect of Director proposed to be reappointed:

Name of the Director	Mr. Keiichi Igarashi (DIN: 00356779)
Date of Birth	June 24, 1966
Age	51 years
Brief Profile	Mr. Keiichi Igarashi, is BA of Engineering from Chuo University. Worked at Panasonic (Japan) from 1990 to 1995 as Quality engineer. Working with Igarashi Group since 1995. He has over two decades of experience in DC Motors. He is the CEO of Igarashi Japan and Managing Director Igarashi, China and is responsible for Globalising Igarashi to the next level. He is President of Igarashi, Global. He is holding directorship in NYL Electric Limited.
Date of appointment	July 17, 2003
No of Board Meetings attended during 2017-18	4
Directorship held in all other companies	Public Companies : NYL Electric Limited Private Companies : Nil
Memberships / Chairmanships of Committees of the Board of all companies	Membership-1
Number of Equity Shares held in the Company	NIL
Inter-se relationship with other Directors / Manager / KMP	NIL

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

Item No. 4

Mr. K K Nohria (DIN : 00060015) was appointed as Non-Executive Independent Director for a period of 3 years from July 23,2015. Accordingly, Mr. K K Nohria's term as an Independent Director would conclude on July 22,2018.

On the recommendation of the Nomination and Remuneration Committee, Mr. K K Nohria (00060015) (Born 1932) has been appointed as an Additional Director of the Company with effect from July 23, 2018 pursuant to Section 161 of the Companies Act, 2013 ('Act') read with the Articles of Association of the Company by the Board of Directors at the meeting held on May 22, 2018.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. K K Nohria will hold office upto the date of the ensuing AGM. Notice under the provisions of Section 160 of the Companies Act, 2013, has been received from a member indicating his intention to propose Mr.K K Nohria for the office of Director at the forthcoming AGM.

Mr. K K Nohria is a Fellow of Institute of Electrical Engineering, UK. He graduated in Electrical Engineering from BHU (Benaras Hindu University) and pursued post-graduation and Management studies at Manchester Technical College, UK. He was awarded an Honorary D.Litt Degree from Benares Hindu University. He is Fellow of All India Management Association and also Fellow of Indian Value Engineering Society. He is former CMD (Chairman & Managing Director) of Crompton Greaves Limited and has over five decades experience in Electrical & Electronics Industry. Post retirement, he is mentoring few CEO's and is an active investor in a few startup companies.

Mr. K K Nohria is currently Chairman TIET (Thapar Institute of Engineering Technology) University. He is also Chairman NRBPT (National Board of Registration & Training of Personnel) under QCI (Quality Council of India). He is also on the Board of IIM – Indore as well as number of Indian Companies. He is Past President/Chairman of ASSOCHAM (Association of Chamber of Commerce and Industry), Bombay Chamber of Commerce and Industry, All India Management Association, All India Electrical and Electronics Manufacturers Association, CII (Confederation of Indian industry) Western Region, amongst others. He is a recipient of various awards including Lifetime Achievement award for HRD.

Mr. K K Nohria is holding Directorship of Grow Talent Company Ltd, Jolly Board Ltd, CG-PPI Adhesive Products Ltd, Accelya Kale Solutions Ltd, CTR Manufacturing Industries Ltd, Inspired Leadership Gurukul, Maini Materials Movement Pvt. Ltd, Maini Precision Products Pvt. Ltd, Coreel Technologies (India) Pvt. Ltd, Net Creations Pvt. Ltd, Polymermann (Asia) Pvt. Ltd,. Pradeep Metals Ltd.

The Company has received from Mr. K K Nohria (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. K K Nohria does not hold any shares in the Company.

Mr. K K Nohria 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.

Pursuant to the proposed amendment in Regulation 17(1A) SEBI (Listing Obligations And Disclosure Requirements) (Amendment) Regulations,2018 (Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018), the appointment or continuance of Non Executive Director who has attained the age of seventy five years is not valid unless a Special Resolution is passed in this regard.

Having regard to Mr. K K Nohria's qualifications, rich experience, contribution to the Company since inception and expert knowledge, his appointment as Non- Executive, Non-Independent Director will be in the interest of the Company.

Thus, the Board of Directors recommends the **Special Resolution** set out at Item No. 4 of the Notice for approval by the members.

No director, key managerial personnel or their relatives, except Mr. K K Nohria to whom the resolution relates, is interested or concerned in the resolution.

Place: Chennai
Date: May 22, 2018

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

P. Dinakara Babu
Company Secretary
Membership No. A14812

Registered Office:

Plot No. B-12 to B-15, Phase II,
MEPZ-SEZ, Tambaram,
CHENNAI- 600 045.
Phone: +91-44-42298199/22628199,
Fax: +91-44-22628143
E-mail: investorservices@igarashimotors.co.in
CIN: L29142TN1992PLC021997
Website: www.igarashimotors.com

ANEXURE A

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

i. The voting period begins Saturday, August 04, 2018, 9.00 a.m. (IST) and ends on Tuesday, August 07, 2018, 5.00 p.m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 01, 2018 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 venue.

iii. The shareholders should log on to the e-voting website www.evotingindia.com

iv. Click on Shareholders.

v. Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to Login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

ix. After entering these details appropriately, click on "SUBMIT" tab.

x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii. Click on the EVSN for the relevant Igarashi Motors India Limited on which you choose to vote.

xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xx. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

DIRECTORS' REPORT

To

The Shareholders,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report of your Company, together with the Audited Accounts for the year ended 31st March 2018.

FINANCIAL RESULTS

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

Particulars	2017-18*	2016-17*
Manufacturing Sales	45,844.18	51,644.27
Add: Other Income	2,647.85	1,708.16
Total Income	**48,492.03**	**53,352.43**
Less:		
(i) Cost of Materials Consumed & Changes in inventory	26,506.47	29,961.71
(ii) Value Addition Cost	9,307.91	9,829.31
Profit before Depreciation, Amortization	**12,677.65**	**13,561.41**
Less:		
Depreciation & Amortization Expenses	2,465.95	2,203.08
Profit before Tax	**10,211.70**	**11,358.33**

*Figures for the financial years beginning from FY 2016-17 are in line with Ind AS

OPERATIONS

Your Company's Revenues for the year stood at ₹ 45,844.18 Lakhs as against ₹ 51,644.27 Lakhs for previous year. Operating Profit before Depreciation & Amortization amounted to ₹ 12,677.65 Lakhs as against ₹ 13,561.41 Lakhs for previous year. Profit before Tax amounted to ₹ 10,211.70 Lakhs as against ₹ 11,358.33 Lakhs for previous year. During the year, your Company acquired additional space of four plots on lease from MEPZ-SEZ for setting up of manufacturing lines and warehouse & logistics operations.

DIVIDEND

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.

In line with the said Policy, your Directors are pleased to recommend a dividend of ₹ 6/- per Equity Share on Face value of ₹ 10/- each for the year ended March 31, 2018.

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

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND ('IEPF')

During the year, there are no unclaimed dividends which have to transfer to IEPF by the Company.

RESERVES

The Reserves at the end of the year 31st March, 2018 is at ₹ 38,045.85 Lakhs as against the Total Reserves of ₹ 33,455.92 Lakhs as at 31st March 2017.

MATERIAL CHANGES

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

INDIAN ACCOUNTING STANDARDS

Pursuant to The Companies (Indian Accounting Standards) Rules, 2015, your Company has to comply with Indian Accounting Standards (IndAS) from April 01, 2017. Accordingly, the financial statements of the Company for the financial year 2017-18 have been prepared as per IndAS.

OPEN OFFER

On April 28, 2017, Mr. P Mukund and Igarashi Motors Sales Pvt Ltd. ('IMSPL') collectively acquired 34.04% stake in Agile Electric Sub Assembly Private Limited [AESPL] (Holding Company). Consequently, Mr. P Mukund along with Persons Acting in Concert viz., AESPL and IMSPL issued Open Offer for acquiring 7,958,196 equity shares (26.00%) at a price of ₹ 809.96/- per share to the shareholders of the Company. AESPL acquired 649,955 equity shares tendered in open offer for a consideration of ₹ 526,437,551.80/- on April 17, 2018. Consequently, the Promoters & Promoter Group holding increased to 77.12% from 75.00%. Your promoters are taking adequate steps to maintain minimum public shareholding within the permitted time frame under relevant SEBI Regulations.

AMALGAMATION

On May 27, 2017, the Board of Directors of the Company, has approved the Scheme of Arrangement ("Scheme"), under the provisions of the Companies Act, 2013 providing amalgamation of Agile Electric Sub Assembly Private Limited ('AESPL') with the Company. The Board of Directors also approved issue of bonus equity shares only to the public shareholders of the Company pursuant to the Scheme in the interest of the public shareholders and to ensure compliance of minimum public shareholding post the merger. The Scheme is subject to approval of shareholders, the National Company Law Tribunal and other regulatory and necessary approvals. The record date for the issue of bonus shares, which will be an integral part of the Merger Scheme, will be fixed only post the necessary approvals are obtained. Further, based on the inputs received from NSE in determining the 'relevant date' for valuation, the Board of Directors have approved, the revised share exchange ratio of 35 fully paid up equity shares of the face value of ₹ 10/- each of the Target Company to be issued for every 128 equity shares of ₹ 10/- each held by the equity shareholders of AESPL in their meeting held on August 02, 2017. On May 09, 2018, NSE and BSE have issued observation letters informing No Objection to file draft Scheme with National Company Law Tribunal ('NCLT'). Your Company is taking steps to submit application with NCLT for approval.

All documents including draft scheme, valuation report and Observation letters have been put up on the website of the Company at the link: http://www.igarashimotors.com/investor-list.php?invescatid=26.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your Company has no Subsidiary/ Associate Companies as on March 31, 2018. As such report under Form AOC-1 is annexed hereto.

Your Company holding 9.20% stake in Bosch Electrical Drives India Private Limited.

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

Your Company has launched Employees Stock Option Plan i.e., Employees Stock Option Scheme, 2017 ('ESOP Scheme') as per the Securities and Exchange Board of India (Share Based Employee Benefits)

Regulations, 2014 ("SEBI SBEB Regulations"). During the year under review, your Company has not issued Stock Options to the employees. The disclosure required under said Regulations is forming part of Annual report.

SHARE CAPITAL

Your Company's Paid-up equity share capital is ₹ 3,060.84 Lakhs as on March 31, 2018. There is no change in Share Capital during the year under review.

DIRECTORS

During the year, Mr. Akhil Awasthi resigned from the Directorship from August 30, 2017. During his tenure, your Board has from time to time benefited from the experience of Mr. Akhil Awasthi. Your Directors wish to place on record their sincere appreciation of the valuable contribution of Mr. Akhil Awasthi.

The shareholders at the 25th Annual General Meeting ('AGM') Re-appointed Mr. Hemant M Nerurkar and Mr. S Radhakrishnan as Non-Executive Independent Directors to hold office for three consecutive years for a term upto July 29, 2020, not liable to retire by rotation. Mr. K K Nohria, Non-Executive Independent Director has been appointed for three year period to hold office upto July 22,2018 and not liable to retire by rotation.

The Board of Directors at the recommendation of Nomination and Remuneration Committee, at their meeting held on May 22,2018 approved appointment of Mr. K K Nohria as Additional Director effective from July 23,2018 who shall hold office upto the date of ensuing AGM. As per Regulation 17(1A) SEBI (Listing Obligations And Disclosure Requirements) (Amendment) Regulations,2018, your Board of Director recommend appointment of Mr. K K Nohria by way of a Special Resolution to the Shareholders at the ensuing 26th AGM.

Mr. Keiichi Igarashi, Director retires by rotation at forthcoming Annual General Meeting and being eligible, offers him for re-appointment. The brief resume and other details as required under the Listing Regulations are provided in the Notice of the 26th AGM of the Company.

The details about the above two Directors are given in the Notice of the ensuing Annual General Meeting being sent to the shareholders along with the Annual Report.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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 including Independent Directors as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Committee. Each Board member completed a questionnaire providing feedback on the functioning and overall engagement of the Board and its committees on various parameters such as the composition, execution of specific duties, quality, quantity and timelines of flow of information, deliberations at the meeting etc.,. Besides this, one-on-one meeting of the individual directors with the Chairman of the Board was also conducted as a part of self-appraisal and peer group evaluation. The Directors were also asked to provide their valuable feedback and suggestions about the over all functioning of the Board and its committees.

NUMBER OF MEETINGS OF THE BOARD

During the year, Five Board Meetings were held on 11th May 2017, 27th May 2017, 02nd August 2017, 09th November 2017 and 05th February 2018. The Company's last Annual General Meeting was held on 02nd August 2017. The particulars of Directors, their attendance during the financial year 2017-2018 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.

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 31,2018, 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, 2018 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

99.25% of the Company's paid up Equity Share Capital is in dematerialized form as on March 31, 2018 and balance 0.75% is in physical form. The Company's Registrars are Cameo Corporate Services Limited, No.1, Subramaniam Building, Club House Road, Chennai 600 002.

CREDIT RATING

During the year under view, CARE has given credit ratings of CARE A+ for long term debt, CARE A1+ for short term debt.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

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

PARTICULARS OF LOANS & INVESTMENTS BY COMPANY

Details of loans and investments by the Company, to other body corporate or persons are given in notes to the financial statements.

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 for material related party transactions though such

transactions being entered during ordinary course of business and on arm's length basis as required under Listing Regulations. Your Company's Policy on Related Party Transactions which can be accessed through weblink : http://www.igarashimotors.com/investor-list.php?invescatid.

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 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 has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at Work Place in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. Your Company has conducted 16 training programs to the Employees by the External Trainer during the year ended March 31,2018. 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, 2018, 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. P Mukund, Manging Director, Mr. R Chandrasekaran, Chief Financial Officer and Mr. P Dinakara Babu, Company Secretary. During the year, there has been no change 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 25th Annual General Meeting held on August 02,2017 as Statutory Auditors for a term of five consecutive years to hold office until conclusion of 30th Annual General Meeting. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Accordingly, the 26th AGM Notice does not carry any resolution on ratification of appointment of Statutory Auditors.

AUDITOR'S REPORT

No qualification, adverse remarks or disclaimer made by the Statutory Auditors with regard to the financial statements for the financial year 2017-18.

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

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. C Prabhakar, Partner, BP & Associates, Company Secretaries (Membership No. A 30433; Certificate of Practice No. 11033) to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is given in Annexure to this Report. The Report does not contain any qualification.

COST AUDITOR

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

EXTRACT OF THE ANNUAL RETURN

Relevant extract of annual return to be filed with the Registrar of Companies for financial year 2017-18 is given in Annexure to this Report.

INTERNAL CONTROL SYSTEMS

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee. The CSR Committee comprises of four members and the Chairman of the Committee is an Independent Director. CSR Committee of the Board has developed a CSR Policy. The CSR Committee met three times during the year on May 11, 2017, November 09, 2017 & February 05, 2018.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

Your Company is one of the top 500 listed entities (by Market Capitalisation as on March 31, 2017). Thus, Business Responsibility Report, for the financial year ended March 31, 2018 is forming part of this Annual Report and also hosted on the Company's website at : http://www.igarashimotors.com/investor-list.php?invescatid=17 as required under Regulation 34(2)(f) of SEBI Listing Regulations.

HEALTH AND SAFETY

Health and Safety is reviewed at all meetings of Safety Committee incorporating senior executives and Key Managerial Personnel. The details of health and safety are provided else where in this Annual Report.

APPOINTMENT AND 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 Management Personnel was in accordance with remuneration policy adopted by the Company.

STATEMENT ON EMPLOYEE REMUNERATION

The information required pursuant to Section 136(1) read with Section 197 of the Companies Act, 2013, the Report of the Board of Directors is being sent to all the shareholders of the Company excluding statement prescribed under Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Statement is available for inspection by the Shareholders at the Registered office of the Company during business hours and shall be made available to any shareholder on request.

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 604 numbers of permanent employees on the rolls of the Company as on March 31, 2018. 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.

SUCCESSION POLICY

Your Company has laid down Succession Policy which can be accessed on the Company's website: http://www.igarashimotors.com/investor-list.php?invescatid=17.

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 2018-19.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : Chennai
Date : May 22,2018

K K Nohria
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

1) Energy Conservation Measures Taken

   i. Brushless DC Motor Ceiling fans which consume 50% of conventional fans have been installed. 400 KWh/ month is being saved.

   ii. LED lights installed instead of T5 –TL in which 40% of energy is saved for the same lux requirement. 10461 KWh/ month is being saved.

   iii. Day lighting increased thereby reducing daytime lighting requirement. 600 KWh/month is being saved.

2) Steps taken by the Company for utilizing alternate sources of energy are

   i. The Company uses green energy at a tariff less than Tamil Nadu Electricity Board

   ii. As a first step solar heating for canteen wash implemented.

   iii. Still process is under progress on explanatory mode.

3) The capital investment on energy conservation equipment's

   i. ₹ 216.92 lakhs for BLDC Fans

B. TECHNOLOGY ABSORPTION

1) the efforts made towards technology absorption : Nil

2) the benefits derived (like product improvement, cost reduction, product development or import substitution) : Nil

3) Information regarding imported technology (last three years): Not applicable

4) Expenditure on Research and Development:

   a) Capital : ₹ 20.15 lakhs (₹ 110.57 lakhs previous year)

   b) Recurring : ₹ 396.90 lakhs

   c) Total : ₹ 417.05 lakhs

For and on behalf of the Board of Directors

Place : Chennai
Date : May 22, 2018

K K Nohria
Chairman

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.

Sl. No.	Name	Designation	Remuneration paid FY 2017-18 (₹)	Remuneration paid FY 2016-17 (₹)	Increase in remuneration from previous year (₹)	Ratio/Times per Median of employee remuneration
1	Mr. P Mukund	Managing Director	87,08,800	88,35,447	(1%)	7.19
2	Mr. K K Nohria	Director	12,50,000#	12,00,000#	4.17%	1.03
3	Mr. Hemant M Nerurkar	Director	9,25,000#	8,00,000#	15.63%	0.76
4	Mr. S. Radhakrishnan	Director	9,25,000#	8,00,000#	15.63%	0.76
5	Mr. Keiichi Igarashi	Director	Nil	Nil	N.A	N.A
6	Ms. Eva Maria Rosa Schork	Director	Nil	Nil	N.A	N.A

Includes sitting fees paid for Board & Committee meetings & remuneration

ii) The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Mr. P Mukund, Managing Director :- (1%)

Mr. R Chandrasekaran, Chief Financial Officer –21%$

Mr. P Dinakara Babu, Company Secretary – 8%$

$ Includes Performance incentive

iii) The percentage increase in the median remuneration of employees in the financial year : 30.50%

iv) The number of permanent employees on the rolls of Company: 604

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 done fixed remuneration revision to employees and 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, 2018	March 31,2017	% Change
Market Capitalization (₹ Crores)	2473.16	2466.89	0.25%
P/E Ratio	37.31	32.75	4.56%

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, 2018 (₹)	IPO*	% Change
Market Price (BSE)	808.00	10	8080
Market Price (NSE)	809.00	10	8090

*During the year 1993-94

ix) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable

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

	Mr. P Mukund, Managing Director	Mr. R Chandrasekaran, Chief Financial Officer	Mr. P Dinakara Babu, Company Secretary
Remuneration$ in FY17 (₹ Lakhs)	87.08	93.66$	45.19$
Revenue (₹ Lakhs)	45,844.18		
Remuneration % of Revenue	0.18%	0.20%	0.09%
Profit before Tax (PBT) (₹ Lakhs)	10,211.70		
Remuneration (as % of PBT)	0.85%	0.91%	0.44%

$ Includes Performance incentive

xi) The key parameters for any variable component of remuneration availed by the directors – Not Applicable

xii) 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

xiii) 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.

STOCK OPTIONS PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

Description		ESOP Scheme- 2017
	No. of Options available under ESOP Scheme-2017	6,00,000
A)	No. of Options Granted during FY 2017-18	Nil
B)	The Pricing Formula	The exercise price shall be ₹ 650 per option or such other price as may be fixed by the Board or Committee.
C)	Options vested during FY2017-18	N.A
D)	Options Exercised during FY2017-18	N.A
E)	The total number of shares arising as a result of exercise of option	N.A
F)	Options lapsed FY2017-18	N.A
G)	Variation Terms of Options	N.A
H)	Money Realized by exercise of options	N.A
I)	Total Number of Options in Force as on March 31,2018	N.A
J)	Employee-wise details of options granted to	Details as under :
	i) Senior Managerial Personnel	NA
	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	NA
	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	NA
K)	Diluted Earnings Per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 “Earnings Per Share”	NA
L)	i) the Method of calculation of Employee Compensation Cost	Not Applicable as there were no options granted during the year under this plan
	ii) Difference between the employee compensation cost so computed at (i) above and the employee Compensation Cost that shall have been reorganized if it had used the fair value of options	Not Applicable as there were no options granted during the year under this plan
	iii) The impact of the difference on profits and on EPS of the Company	Not Applicable as there were no options granted during the year under this plan
M)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price	Not Applicable as there were no options granted during the year under this plan
N)	A description of the method and significant assumptions used during the year to estimate the fair values of options.	Not Applicable as there were no options granted during the year under this plan

For and on behalf of the Board of Directors

Place: Chennai
Date: May 22, 2018

K K Nohria
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Automotive Market

In year 2017, the total global sales of light vehicles were 95 Million units of which 4 Million units were in the Hybrid & Electric Vehicle category.

Experienced players in automotive domain estimate the total volume to grow to about 115 Million units in the next 10 years and forecast a range of 25%-35% in the Hybrid & Electric Vehicle category.

China has emerged as the largest production & consumption market, contributing to a little over 29 Million light vehicles in 2017. Strong impetus towards Electric vehicles is clearly evident in China.

Automotive Technology & Consumer Trends

Experts have analysed the key directions in technology and consumer trends in the automotive industry as Electro-mobility, Autonomous vehicles, Connectivity, Ride Sharing, while features of fuel-efficiency, emission control, safety & comfort continue to be top performance & functional priorities of Automotive manufacturers.

While Battery Technology & Electric Vehicle Power Train is evolving, strong engineering challenges are driving downsizing of the Internal Combustion Engines (ICE) which are necessitating inclusion of Turbo-chargers & Emission Control units in these Engines.

The new ICE Platforms that are being developed are now being designed to ensure that all elements in the ICE Power-train are capable to withstand wider Thermal Shock, Mechanical Shock & Electromagnetic Interference bandwidths.

Vehicle makers are also taking strong cues from concepts of Ride-sharing, Car-pool, Private-Cabs and are testing vehicles for longer than earlier specified lifecycle of vehicles i.e., if the vehicle was earlier designed for life of 200,000 miles, components are now being tested for a life of twice as much.

Interestingly, the Principle of actuators being used in the ICE Power-train is also extending to the actuators that are used in Hybrid & Electric Vehicles for applications related to cooling of Power-train elements.

Actuators & Motors

Careful assessment of the Engineering trends in actuators due to the afore-mentioned technology trends indicate that the design features of actuators and motors of the past need to be substantially upgraded for vehicles of the future.

Specific characteristics of widening performance bands in thermal, mechanical and electromagnetic requirements are warranting new materials, new components and new concepts in the design of motors and actuators.

Interfacing of various elements of an actuator is gaining increased engineering importance due to the new trends, thereby causing longer validation cycles and project launch timelines.

Market for motors and actuators in TAM segment is growing due to increased usage and improved functionality of turbo-chargers and EGR units with electric actuators. Customer enquiries also indicate that usage of coolant control actuators will steadily increase for various coolant circuits in Electric & Hybrid Vehicles.

Usage of Motors & Actuators for Comfort Applications in body, seat & steering continue to grow and requirements of downsizing, low noise & cost dominate the characteristics in this segment.

(Source : Internal Study)

Actuators which use Electric Motors of our range in TAM & CAM applications are identified in the table below:

Actuators & Motors – TAM (Torque Actuator Motor)

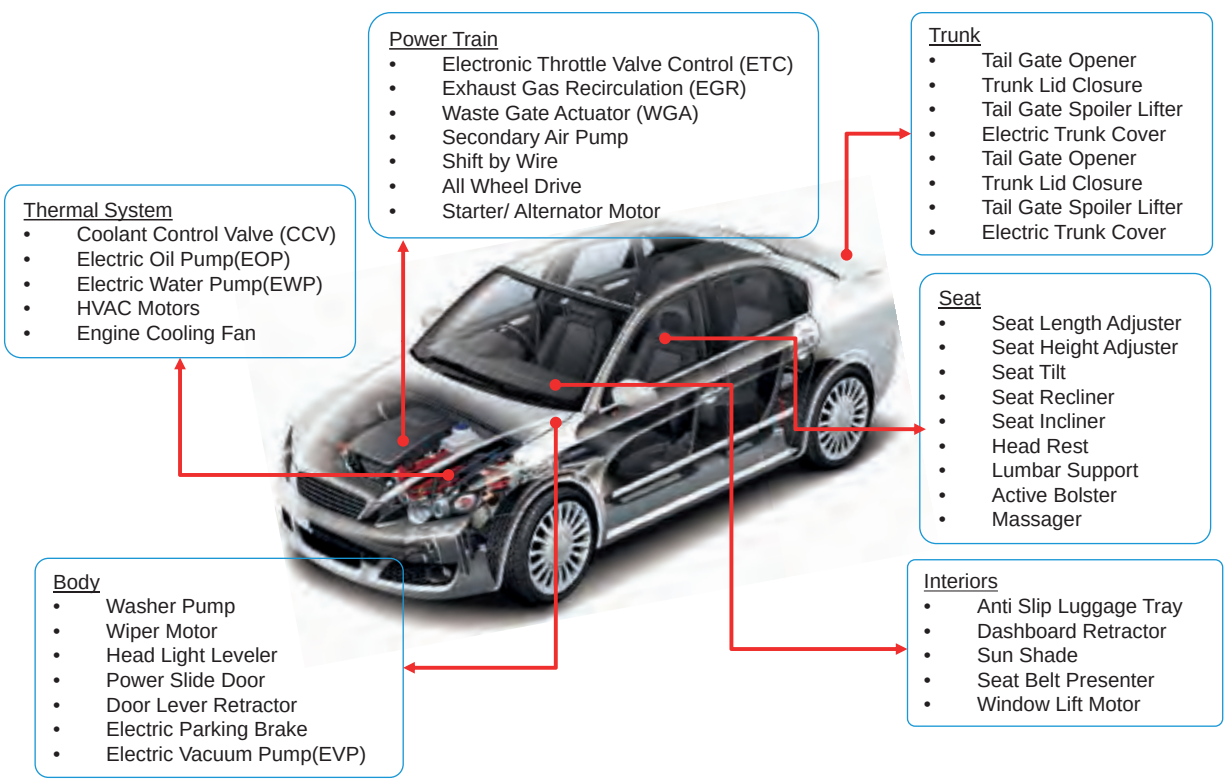
Electronic Throttle Control (ETC)	It precisely controls the amount of air for air-fuel mixture entering into the combustion chamber of the engine for perfect combustion.
Waste Gate Actuator (WGA)	Waste-gate is used to divert exhaust gas away from turbine wheel in a turbocharged engine system.
Exhaust Gas Recirculation (EGR)	It is used in internal combustion engine to reduce the pollutant emissions.
Variable Geometry Turbine (VGT)	It changes effective aspect ratio of the turbo with the changing conditions by controlling the guide vanes to control the flow of exhaust gases to the turbine.
Coolant Control Valve (CCV)	It controls the engine and other temperatures for better engine performance and comfort. Such valves are proliferating into the coolant circuit of EV / HEVs.
Air Intake Flap	It is a small butterfly valve responsible for supplying fuel-air mixture in gasoline engines and air in diesel engine to the combustion cylinder.

Actuators & Motors – CAM (Comfort Actuator Motor)

The table below explains the specific applications of motors in Comfort Applications:

Body	These are the motors that are on the body of the vehicle, e.g., Window regulator, Power Tail Gate, Slide door, Trunk Opening & Closing Device, Sunroof, Door Opener
Seats	These are the motors for various movements in seats of the vehicle, e.g., Adjuster, Recliner, Incliner, Lumbar, Head-rest, Belt presenter, Swive
Steering	These are the motors associated with the steering of the vehicle, e.g., Column Adjuster, Tilt Mechanism

The below application portfolio indicates the opportunity basket for us and our Company is working to progressively introduce more applications to our current product portfolio, selected carefully, keeping in mind Strategic and Technical considerations.



Learnings during the year

The Company encountered a few head-winds during the year which have been significant learning experiences to factor in our future business directions.

The technical challenges posed in the new applications and new program launches delayed the launch of new program volumes by 6~9 months and we expect these new launches to take off in the forward periods.

Downsizing, withstanding wider Thermal Shock Bandwidth, withstanding wider Mechanical Shock bandwidth, Superior class of Electromagnetic Noise suppression, Longer life, Lower Mechanical Noise, lower energy consumption are specific requirements where substantial Engineering time has been spent in the last year.

The validation requirements and the timelines have also become more stringent with longer duration. Close collaboration with OEM's and Tier -1 customers over the past periods are certainly helping us to gain a knowledge edge for the new requirements, albeit, the launches are taking more time than planned.

A shift in the product mix in American markets and some corrections in the inventory pipeline reduced the offtake in the US market in the second half of the year.

The appreciation of the rupee compared to the previous year also contributed to reduction in the revenue, coupled with the aforementioned two matters.

We expect the above challenges to turn favourable during the comiing years, thereby allowing us to post good growth in volumes.

The experiences of the recent years have driven the Company to include strategic alliances, lateral inclusion of businesses and pursuits in new technology products like BLDC for future business growth.

Brushless DC Motors – BLDC:

In the last year, our technology group has explored key relevant opportunities in the Brushless DC Motor space. The main drivers for these technology endeavours are to fall in line with future trends requiring down-sizing, low energy consumption, long life and low noise in the applications in both automotive and other than automotive sectors.

Extensive usage of BLDC motors are seen in the appliance segment, office equipment, computers, telecommunication and automotive segments.

Our initial development focus is in carefully chosen applications where the integration of the electromagnetic design of the motor with the electronic driver and controller module can be understood and built for validating in applications with large volumes. In addition, the engineering focus is to realize the future trends mentioned above, with a commercial advantage.

Specific knowledge in Design & reliability of electronics in drivers & controllers is a continuous process and our technology team has taken significant strides in developing know-how in-house as well with international partners. Products for select applications will be launched in the coming year.

While cost of Electronics has been a barrier for industry to adopt BLDC, with our large volumes of motors and Technology partnerships, we are on the way to build cost effective engineering solutions.

Directionally, an aim has been set to reach a business enquiry level of 25%-30% comprising of BLDC motors in our product mix over the next 3 years.

Nil Spill

The Nil Spill quality initiative launched 2 years ago has progressed significantly with considerable improvements seen both internally & externally.

Company-wide teams have been formed to include the design/development and program management functions along with core manufacturing to institutionalize Nil Spill across various functions in the organization.

Specific indices to measure the improvements at each stage of each function have evolved and we plan to address the continuing quality improvement requirements of customers effectively through the company-wide Nil Spill initiatives to address both occurrence and detection of Spills across all operational areas.

Manufacturing Technology

As technology and employee skill levels have been increasing, the trend in our manufacturing is shifting from manual to semi-automatic lines progressively.

There has been a continuous upgrade in manufacturing technology, as there is a need to move towards higher levels of automation for both quality & productivity reasons, in addition to the specific requirements of customers to build products with lower manual intervention.

Following this, Our Company has started the Process Engineering Inflexion for Smart Manufacturing (PRISM) program for continuously improving manufacturing technology.

Our Manufacturing team has identified specific areas across manufacturing lines in the company and launched initiatives for Stage automation, Cluster Automation & Production Line Automation.

A systematic and well planned implementation program has been put in place and positive results in quality, productivity and capacity enhancement are expected in the coming years.

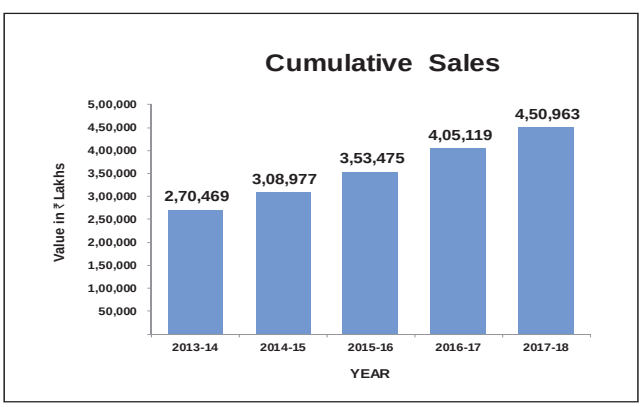
New Infrastructure

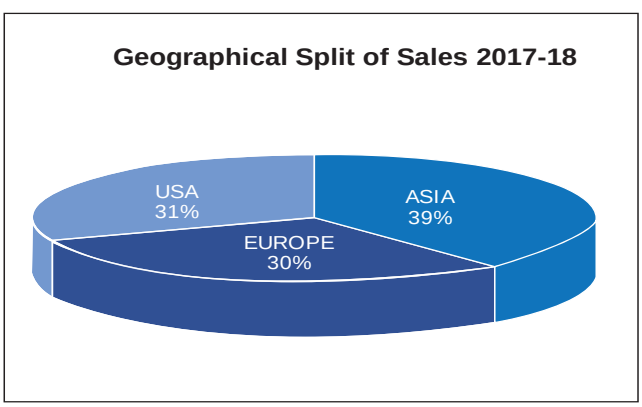
Your Company has used the plots taken on lease inside MEPZ-SEZ during last financial year and the current financial year for installing new manufacturing lines and logistic warehouses including canteen area with total new plot area of 1,46,497 sq ft.

With construction during the year on these newly acquired sites, the new plot's built up area is at 1,52,783 sq ft.

With the above, the Company's overall plot area has increased to 3,70,133 sq ft, enabling our Company to continuously add capacity every year for the customer program launches in the future periods.

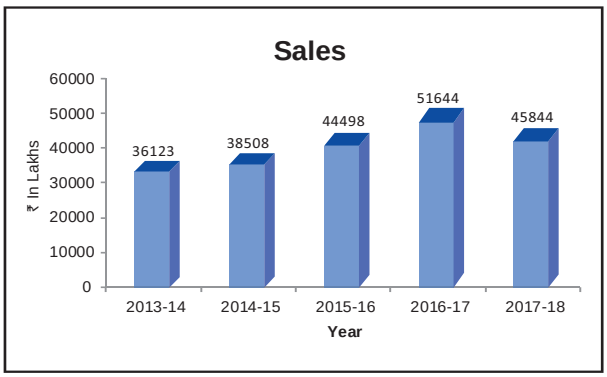
PERFORMANCE 2017-18

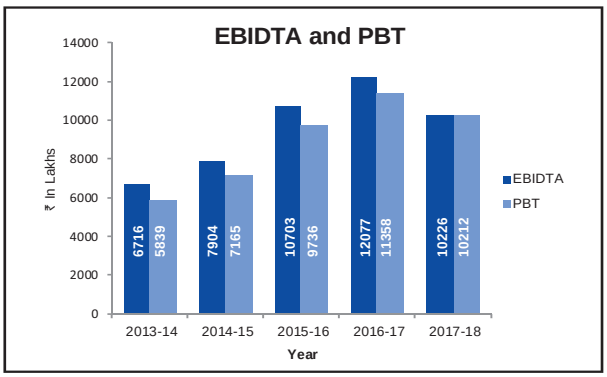


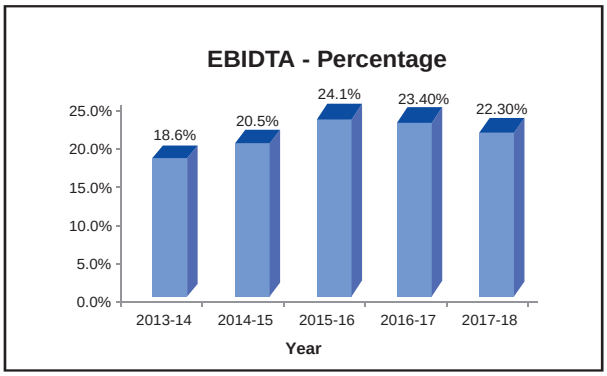


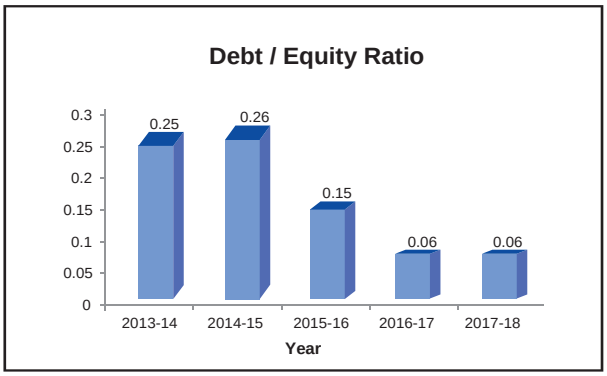
In the Year 2017-18, the Company sales volumes were 19.5 Million Motors.

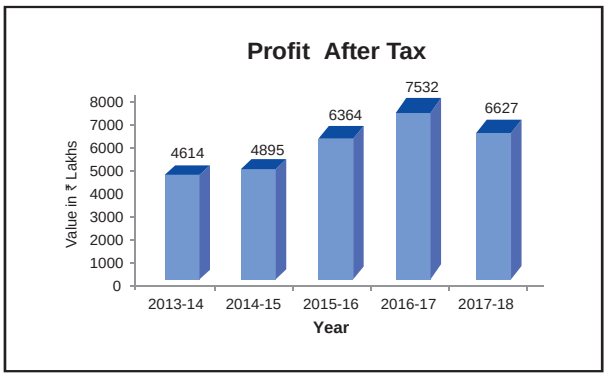
PAST 5 YEARS PERFORMANCE

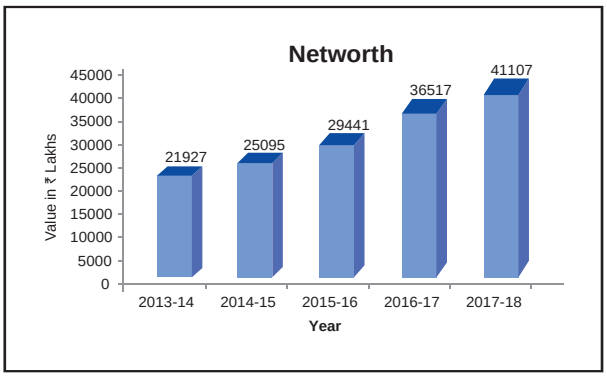


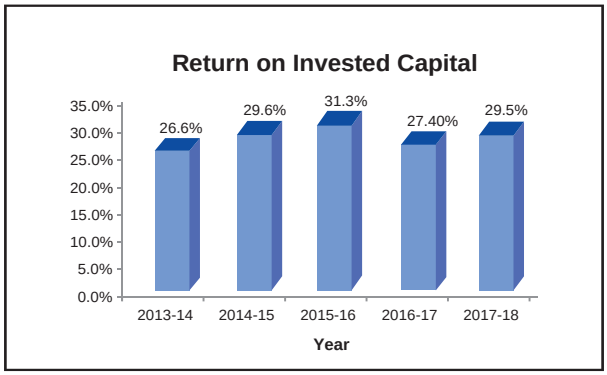












Figures for the financial years beginning from FY 2016-17 are in line with Ind AS

RISKS & CONCERNS

Your Company has formulated a Risk Management Policy which will guide the Risk Management Committee and the Internal Risk Management team to effectively manage the risks that the business faces. The key risks that the business faces are enumerated as follows:

Raw Material Prices & Foreign Exchange Rates: Any significant increase in steel/copper scrap prices/ appreciation of the Indian rupee could be detrimental especially due to long term contracts signed in exports which makes it difficult to obtain price increases from customers to compensate raw material price increases / foreign exchange movements.

Quality Risk: Spiking demand in quality requirements across APQP pipeline and series from the customer end have led to risk of quality spills. The quality standards have ascended in units from a few PPM to a few PPB.

Insurance Risk: The product liability insurances taken against warranty claims provide only limited coverage of the actual exposure and hence some part of the exposure's liability continues to remain with the manufacturer and this could impact the business as the quality standards are becoming further stringent in the automotive industry.

Geo-Political risks/ Economic Slowdowns: 9/11 tragedy and the 2008-09 economic slowdown led to significant postponement of planned roll-outs by automobile manufacturers which in turn had a cascading effect on component makers who had already made significant capital investments for the projected business. Thus, any future event of this scale can adversely impact the industry and other fundamentals.

Probable Substitutes in the Future: Brushless DC Motors and Nano-technology are possible substitutes for the Brushed DC Motor. The brushless motors is presently costing 3~5 times the traditional motors with brushes. A brushless motor is being used when high reliability, long life and high speeds are required. Hence it is used only in those applications where sophisticated control of the motor's operation is required. Nanotech is still in the nascent stage of the technology adoption cycle & is not strong enough for major tasks such as powering windows and seats. Trend in Technology movement of Motors is also being studied carefully and a visible trend of growth in Brushless DC Motors is observed. We are launching Pilot programs in this space to be prepared for the future.

Pricing Pressures: Your Company is being exposed to downward price pressures from Global Tier-1 customers due to typical characteristic of Global Automotive Industry. Your Company has taken various steps including technology intervention in both production and process development, reducing operating costs, sourcing improvements, customer negotiations and other actions to offset customer price reduction

Logistic Risk: Your company being exporter of motors to locations all over the World, it is continuously exposed to Supply Chain risks such as shipment delivery due to usage of sea freight for most of the deliveries.

Cyber Security Risk: Your company is exposed to security risk includes both cyber security and physical security. Your Company has established adequate measures for protecting networks, computers, programs and data from attack, damage or un-authorised access. Also carrying out Cyber Security Threat audits by external Experts at regular intervals. In respect of physical security, we have established surveillance cameras and access control systems.

SEGMENT WISE/ PRODUCT WISE PERFORMANCE

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

INTERNAL CONTROL SYSTEMS & ADEQUACY

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

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

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

Your Company has total employee strength of 604 out of which majority are women employees.

CAUTIONARY STATEMENT

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

For **IGARASHI MOTORS INDIA LIMITED**

Place: Chennai
Date: May 22, 2018

P. Mukund
Managing Director

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company:

Sl. No	General Information	Details
1	Corporate Identity Number (CIN) of the Company	L29142TN1992PLC021997
2	Name of the Company	IGARASHI MOTORS INDIA LIMITED
3	Registered address	Plot No.B-12 to B-15,Phase-II,MEPZ,Tambaram, Chennai – 600 045
4	Website	www.igarashimotors.com
5	E-mail id	investorservices@igarashimotors.co.in
6	Financial Year Reported	2017-18
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
a	Number of International Locations (Provide details of major 5)	Nil
b	Number of National Locations	One
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 (₹ in Lakhs)	3060.84
2	Total Turnover (₹ in Lakhs)	45,844.18
3	Total profit after taxes (₹ in Lakhs)	6627.33
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
		Multiple Sclerosis Patient Care
		Cancer Awareness Project
		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	00007788
Name	Mr. P. Mukund
Designation	Managing Director

b. Details of the BR head

DIN (if applicable)	00007788
Name	Mr. P. Mukund
Designation	Managing Director
Telephone Number	+91 44 42298199/22628199
e-mail id	investorservices@igarashimotors.co.in

List of Principles:

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

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

Sl. No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (The policies conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, SA 8000, UNGC guidelines and ILO principles and meet the regulatory requirements such as Regulation 17 of SEBI LODR Regulations. 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
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	N	Y	Y	Y	N	N	Y	Y	Y
6	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.								
7	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	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
9	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the Company has an internal persons to evaluated the workings of this Policy								

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

(Tick Up to 2 Options)

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

3. **Governance related to BR:**

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

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

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

Your Company is one of the top 500 listed entities (by Market Capitalization as on March 31, 2017) Thus, Business Responsibility Report is forming part of the Annual Report for the Financial year ended March 31, 2018 as required under Regulation 34(2)(f) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Your Company has hosted Business Responsibility Report on the Company's website: http//igarashimotors.com/investor-list.php?investcatid=17

Section E: Principle wise Performance

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

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

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

Igarashi Motors India Limited 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 – 7

Stakeholders Complaint Resolved – 7

Stakeholders Complaint Pending – Nil

Percentage of Stakeholders Complaint Resolved – 100%

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

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

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

a. Electric DC Micro Motors.

b. Stamping and Motor Components.

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

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

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

   i. BLDC Ceiling fans which consume 50% of conventional fans have been installed. 400 Kwh/month is being saved.

   ii. LED lights installed instead of T5 –TL in which 40% of energy is saved for the same lux requirement. 10461 KWh/ month are being saved.

   iii. Day lighting increased thereby reducing daytime lighting requirement. 600 KWh/ month is being saved.

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

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

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

   Yes

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

   Your Company, being a major exporter to Global Tier I customers, has to meet the huge demands of the customers by providing timely delivery and international standard quality products, hence to meet the demand it has to obtain its inputs from global market. As the local suppliers find it difficult to meet the vast quantity and global demands, ~93% of raw material, components, stores and spares are being imported. The Company continuously works with its vendors and suppliers to reduce the environmental impact of sourcing.

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

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

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

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

Principle – 3 Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

   The total number of employees was 604 as on 31st March, 2018 in the Company.

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

   The total contractual/temporary manpower employed was 624 as on 31st March, 2018 in the Company.

3. Please indicate the Number of permanent women employees

   There were 316 permanent female employees as on 31st March, 2018 in the Company.

4. Please indicate the Number of permanent employees with disabilities

   There were no employees with disabilities as on 31st March, 2018

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	77%
b	Permanent Women Employees	57%
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 Four CSR initiatives

   a. Promoting Civic Learning among children:

   Your Company along with Bala Janaagraha (NGO) have promoted civic learning among children's through different classroom/online sessions given by different faculties (Political Representatives, Corporate Volunteers, Community volunteers etc.) The students will be divided into groups for this project and are encouraged to come-up with creative solutions to the problems/shortcomings identified by them during the Project work. They will get an opportunity to present their work at various levels of Civic Fests conducted in the months of November, December & February

   b. Cancer awareness Project:

   Your Company has joined hands with Indian Cancer Society and created smoking awareness programs among school children's between the ages 12 – 16 years across the entire country. It has also developed an anti-smoking film starring Bollywood star in different regional languages.

   The Company has also developed an aggressive social media strategy by increasing Indian Cancer Society's activities on Facebook, Instagram and Twitter by creating atleast a minimum of 10 informative posts presented in an interesting manner along with ¾ I can videos every month will help increase awareness about cancer.

   c. 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.

   d. Multiple Sclerosis Patient Care:

   Your Company providing health care support to Multiple Sclerosis patients through Multiple Sclerosis

   Society of India.

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 compliant regarding Human Rights in the year 2017-18

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 initiates to reduce the consumption of power. Refer Directors Report for details in Conservation of Energy, Technology and Absorption.

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

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

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

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

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

   The Company has taken several initiates to reduce the consumption of power by taking initiatives of Wind Power sourcing. 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 2017-18

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

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

   Yes, member of Export Promotion Council for EOUs & SEZs

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

   No

Principle – 8 Businesses should support inclusive growth and equitable development

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

   The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. The Company has initiated projects like Janaagraha Centre for Citizenship and Democracy, Indian Cancer Society, Multiple Sclerosis Patient Care 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?

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

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

   a. Janaagraha Centre for Citizenship & Democracy - ₹ 0.26 Crores

   b. Indian Cancer Society - ₹ 0.30 Crores

   c. Prime Ministers National Relief Fund (PMNRF) – ₹ 1.27 Crores

   d. Multiple Sclerosis Patient Care – ₹ 0.05 Crores

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 2017-18 there were no customer complaints or cases received except quality rejections

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.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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, B-15,
Phase-II, MEPZ - SEZ,Tambaram,
Chennai – 600 045

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

Based on our verification of the Igarashi Motors India Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and as per the explanations given to us and the representations made by the management, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2018 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, 2018 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. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

f. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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, Value Added Tax, Central Excise Act and Service Tax Rules, 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 issued by The Institute of Company Secretaries of India have been generally complied with.

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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. MERGER BETWEEN AGILE ELECTRIC SUB ASSEMBLY PRIVATE LIMITED WITH IGARASHI MOTORS INDIA LIMITED:

   A Scheme of Amalgamation has been entered between Agile Electric Sub Assembly Private Limited (Transferor Company) with Igarashi Motors India Limited (Transferee Company) with their effective date from 1st April 2017 subject to the approval of the Shareholders, creditors, the National Company Law Tribunal and all other regulatory and necessary approvals.

2. RESIGNATION OF MR.AKHIL AWASTHI FROM DIRECTORSHIP:

   Mr. Akhil Awasthi, the Director of the Company resigned from the Board with effect from 30th August 2017.

3. DECLARATION OF DIVIDEND:

   The Company has declared and paid a dividend of ₹ 6.61 per Equity Share as Dividend for the financial year ended March 31, 2017.

4. RE-APPOINTMENT OF INDEPENDENT DIRECTORS:

   Mr. S. Radhakrishnan and Mr. Hemant Madhusudan Nerurkar, the Independent Directors of the Company have been re-appointed for a period of 3 (Three) years with effect from August 30, 2017

5. APPROVAL FOR ISSUE OF EMPLOYEE STOCK OPTION SCHEME

   The Company has acquired approval from the Shareholders by way of Special Resolution for issue of Employee Stock Option Scheme under the style of “The Igarashi Motors Employees Stock Option Scheme 2017” and “Equity Option Scheme 2017” for the employees of Igarashi Motors India Limited (the Company) and Agile Electric Sub Assembly Private Limited (Holding Company) at the Annual General Meeting held on 2nd August 2017.

For BP & Associates
Company Secretaries

Date : 22nd May 2018
Place: Chennai

C. Prabhakar
Partner
M No: A 30433
CP No: 11033

'ANNEXURE A'

To
The Members,
IGARASHI MOTORS INDIA LIMITED,
Plot No.B-12, 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. Where ever 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

Date : 22nd May 2018
Place: Chennai

C.Prabhakar
Partner
M No: A 30433
CP No: 11033

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

2. The Composition of the CSR Committee

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

a) Mr. K K Nohria, (Chairman), Non-Executive, Independent Director

b) Mr. Hemant M Nerurkar, Member, Non-Executive, Independent Director

c) Mr. S. Radhakrishnan, Member, Non-Executive, Independent Director

d) Mr. P. Mukund, Member, Executive, Managing Director

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

₹ 9,419.50 Lakhs (2014-15, 2015-16, 2016-17)

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

₹ 188.39 Lakhs

5. Details of CSR spent during the financial year 2017-18

a) Total amount to be spent for the financial year: ₹ 188.39 Lakhs

b) Amount unspent, if any; - ₹ 0.38 Lakhs

c) Manner in which the amount spent during the financial year is detailed below:-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) local area or other area (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ Lakhs)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads - (₹Lakhs)	Cumulative Expenditure upto to the reporting period – (₹ Lakhs)	Amount spent : Direct or through implementing agency*
1.	Promoting Civic Learning among children	Education	25 schools in Chennai & 4 schools in Bangalore covering 1,955 students and 7,280 in direct beneficiaries	25.68	25.68	25.68	Through Janagraha Centre for Citizenship and Democracy
2	Cancer awareness Project	Health	All over India	30.39	30.39	56.07	Through Indian Cancer Society
3	Multiple Sclerosis Patient Care	Health	All over India	5.00	5.00	61.07	Through Multiple Sclerosis Society of India
4	Prime Ministers National Relief Fund (PMNRF)	For medical assistance, floods, drought, terrorist violence and other such unforeseen occurrences, with a reserve for emergencies.	All over India	127.32	126.94	188.00	Direct (PMNRF)
	Total			**188.39**	**188.01**	**188.01**	

6. Reasons for not spending the prescribed amount

₹ 0.38 Lakhs being spent during FY-19.

7. Responsibility statement of the CSR Committee

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

On behalf of the CSR Committee of the Board

K K Nohria
Chairman of the CSR Committee

P Mukund
Member of the CSR Committee

Place: Chennai
Date: May 22, 2018

FORM NO. MGT -9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

I	CIN	L29142TN1992PLC021997
II	Registration Date	January 10, 1992
III	Name of the Company	Igarashi Motors India Limited
IV	Category / Sub-Category of the Company	Manufacturing / Automotive
V	Address of the Registered office and contact details	Plot No. B-12 to B-15, Phase II, MEPZ-SEZ, Tambaram, Chennai – 600045 Phone : +91-44-42298199/22628199, Fax : +91-44-22628143 e-mail: investorservices@igarashimotors.co.in
VI	Whether listed company Yes / No	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any.	Cameo Corporate Services Ltd "Subramanian Building" 1, Club House Road, Chennai – 600002 Phone: + 91-44-28460390 Fax No. : +91-44-28460129 E-mail: investor@cameoindia.com investor3@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name & address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Agile Electric Sub Assembly Pvt Ltd Plot Nos.A-33 & A-36, Phase I, MEPZ- SEZ, Tambaram, Chennai 600045 - Tamil Nadu, India	U34300TN2005PTC057151	Holding Company	41.92%	Section 2(46)
2.	Bosch Electrical Drives India Pvt Ltd Plot No.A-20/2, SIPCOT Industrial Growth Centre, Oragadam, Kancheepuram – 602105, Tamil Nadu, India	U31103TN2008PTC067493	Joint Venture Company	9.20%	Section 2(6)

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

A) CATEGORY WISE SHAREHOLDING

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	66,58,033	0	66,58,033	21.75	66,58,033	0	66,58,033	21.75	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp…	1,28,30,659	0	12,830,659	41.92	12,830,659	0	12,830,659	41.92	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any Other….	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	**19,488,692**	**0**	**19,488,692**	**63.67**	**19,488,692**	**0**	**19,488,692**	**63.67**	**0**
(2) Foreign									
a) NRI's Individual	0	0	0	0	0	0	0	0	0
b) Other Individual	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	34,67,641	0	34,67,641	11.33	34,67,641	0	34,67,641	11.33	**0**
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any other…	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	**34,67,641**	**0**	**34,67,641**	**11.33**	**34,67,641**	**0**	**34,67,641**	**11.33**	**0**
Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	**2,29,56,333**	**0**	**2,29,56,333**	**75.00**	**2,29,56,333**	**0**	**2,29,56,333**	**75.00**	**0**
B. Public Shareholding									
(1) Institution									
a) Mutual Funds	21,64,934	0	21,64,934	7.07	18,46,502	0	18,46,502	6.03	(1.04)
b) Banks/ FI	1,597	0	1,597	0.01	9,499	0	9,499	0.03	0.02
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	4,918	0	4,918	0.02	0	0	0	0	(0.02)
h) Foreign VCF	0	0	0	0	0	0	0	0	0
i) Others (Specify) Foreign Portfolio Investors	14,72,616	0	14,72,616	4.81	16,68,824	0	16,68,824	5.45	0.64
Alternate Investment Funds	0	0	0	0	0	0	0	**0**	0
Sub Total (B) (1)	**36,44,065**	**0**	**36,44,065**	**11.91**	**36,36,203**	**0**	**36,36,203**	**11.88**	**(0.03)**

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies Corporate									
i) Indian	7,18,243	1,100	7,19,343	2.34	12,01,362	1,100	12,02,462	3.93	1.59
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individual									
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	23,34,831	2,34,674	25,69,505	8.40	18,23,654	2,27,174	20,50,828	6.70	(1.70)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	5,89,272	0	5,89,272	1.92	5,31,084	0	5,31,084	1.74	(0.18)
C) Others Specify									
NRI	1,17,277	0	1,17,277	0.38	87,557	0	87,557	0.28	(0.10)
HUF	0	0	0	0	1,34,708	0	1,34,708	0.44	0.44
Clearing Member	12,649	0	12,649	0.04	9,269	0	9,269	0.03	(0.01)
Sub Total (B) (2)	**37,72,272**	**2,35,774**	**40,08,046**	**13.09**	**37,87,634**	**2,28,274**	**40,15,908**	**13.12**	**0.03**
Total Public Shareholding (B) =(B)(1)+(B)(2)	**74,16,337**	**2,35,774**	**76,52,111**	**25.00**	**74,23,837**	**2,28,274**	**76,52,111**	**25.00**	**0**
C. Shares held by Custodian for GDR's and ADR's	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B=C)	**3,03,72,670**	**2,35,774**	**3,06,08,444**	**100**	**3,03,80,170**	**2,28,274**	**3,06,08,444**	**100**	**0**

B) SHAREHOLDING OF PROMOTERS

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No of shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Agile Electric Sub Assembly Private Limited	1,28,30,659	41.92%	0	1,28,30,659	41.92%	0	0
2	P. Mukund	66,58,033	21.75%	0	66,58,033	21.75%	21.75%	0
3	Igarashi Electric Works H.K Ltd	24,99,993	8.17%	0	24,99,993	8.17%	0	0
4	Igarashi Electric Works Limited, Japan	9,67,648	3.16%	0	9,67,648	3.16%	0	0

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

Sl. No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	At the beginning of the year	No changes in Promoters shareholding during the year			
2	Date wise increase/ decrease in promoters shareholding during the year specifying the reason for increase or decrease	No changes in Promoters shareholding during the year			
3	At the end of the year	No changes in Promoters shareholding during the year			

D) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN PROMOTERS, DIRECTORS, AND HOLDERS OF ADR'S AND GDR'S)

Sl. No	Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Pinebridge Investments GF Mauritius Limited	9,57,040	3.13%	9,57,040	3.13%
2	DSP Blackrock Small Cap Fund	7,05,074	2.30%	3,87,445	1.26%
3	UTI Equity Fund	0	0	3,23,871	1.05%
4	UTI – MNC Fund	2,90,000	0.95%	2,90,000	0.95%
5	TATA AIA Life Insurance Co. Ltd - Whole Life MID CAP Fund	0	0	2,80,549	0.92%
6	IDFC Sterling Equity Fund	2,80,120	0.92%	2,50,000	0.81%
7	Indus India Fund (SV) Limited	1,74,544	0.57%	2,36,655	0.77%
8	UTI Transportation and Logistics Fund	1,54,000	0.50%	1,54,000	0.50%
9	UTI Bluechip Flexicap Fund	0	0	1,47,924	0.48%
10	Edelweiss Multi Strategy Funds Management Private Limited	0	0	1,45,462	0.47%

E) SHAREHOLDING OF DIRECTORS AND KMP

Sl. No	Name of the Director and KMP	Shareholding at the beginning of the year 01-Apr-17		Cumulative Shareholding during the year 31-Mar-18	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. K K Nohria	Nil	Nil	Nil	Nil
2	Mr. Hemant M Nerurkar	Nil	Nil	Nil	Nil
3	Mr. S Radhakrishnan	Nil	Nil	Nil	Nil
4	Mr. Keiichi Igarashi	Nil	Nil	Nil	Nil
5	Mr. Akhil Awasthi*	Nil	Nil	Nil	Nil
6	Mrs. Eva Maria Rosa Schork	Nil	Nil	Nil	Nil
7	Mr. P Mukund, Managing Director	66,58,033	21.75	66,58,033	21.75
8	Mr. R Chandrasekaran, Chief Financial Officer	Nil	Nil	Nil	Nil
9	Mr. P Dinakara Babu, Company Secretary	Nil	Nil	Nil	Nil

*Resigned w.e.f. 30/08/2017

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01-Apr-2017				
i) Principal Amount	2,190.86	-	-	2,190.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.24	-	-	11.24
Total (i+ii+iii)	2,202.10	-	-	2,202.10
Change in Indebtedness during the financial year				
Addition	430.24	-	-	-
Reduction	-	-	-	-
Net Change	430.24	-	-	430.24
Indebtedness at the end of the financial year 31-Mar-2018				
i) Principal Amount	2,621.10	-	-	2,621.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.92	-	-	11.92
Total (i+ii+iii)	2,633.02	-	-	2,633.02

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager Mr P. Mukund Managing Director	Total Amount (₹ In Lakhs)
1	Gross Salary		
	a) Salary as per the Provisions contained in Section 17(1) of the Income Tax Act, 1961	64.80	64.80
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	22.28	22.28
	c) Profits in lieu of Salary u/s 17(3) of the Income Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of Profits	-	-
5	Others, Please Specify	-	-
	Total (A)	**87.08**	**87.08**
	Ceiling as per the Act	10% of the net profit	10% of the net profit

B. REMUNERATION TO OTHER DIRECTORS:

Particulars of Remuneration	Name of the Directors			Total Amount (₹ In Lakhs)
Independent Directors	**Mr. K K Nohria**	**Mr. Hemant M Nerurkar**	**Mr. S. Radhakrishnan**	
-Fee for attending board & committee meetings	4.50	5.25	5.25	15.00
- Commission	8.00	4.00	4.00	16.00
- Others please specify	-	-	-	-
Total (1)	**12.50**	**9.25**	**9.25**	**31.00**
Other Non –Executive Directors	**Mr. Keiichi Igarashi**	**Mr. Akhil Awasthi**	**Mrs. Eva Maria Rosa Schork**	
- Fee for attending board & committee meetings	-	-	-	-
- Commission	-	-	-	-
- Others. Please specify	-	-	-	-
Total (2)	**-**	**-**	**-**	**-**
Total (B) = (1 + 2)	**12.50**	**9.25**	**9.25**	**31.00**
Total Managerial Remuneration (A) + (B)				**118.08**
Overall Ceiling as per the Act	**11% of net profit plus sitting fees**			

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹ In Lakhs)
		Mr R. Chandrasekaran CFO	**Mr P. Dinakara Babu Company Secretary**	
1	Gross Salary			
	a) Salary as per the Provisions contained in Section 17(1) of the Income Tax Act, 1961	75.96	36.31	112.27
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	5.70	2.95	8.65
	c) Profits in lieu of Salary u/s 17(3) of the Income Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of Profits	-	-	-
5	Others, Please Specify (Performance Incentive)	12.00	5.93	17.93
	Total	**93.66**	**45.19**	**138.85**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

Form AOC-1

(PURSUANT TO FIRST PROVISO 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 ₹)

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

Part "B": Associates and Joint Ventures

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

Sl.No	Name of the ~~Associates~~ / Joint Venture	Bosch Electrical Drives India Pvt Ltd
1	Latest audited Balance Sheet Date	March 31, 2017*
2	Shares of ~~Associate~~ /Joint Ventures held by the company on the year end	
	No.	3,370,049
	Amount of investment in ~~Associates~~ / Joint Venture	₹ 337,004,900/-
	Extent of holding %	9.20%
3	Description of how there is significant influence	N.A
4	Reason why the ~~associate~~ / joint venture is not consolidated	Since, Company is holding 9.20% stake in Bosch Electrical Drives India Pvt Ltd
5	Net worth attributable to shareholding as per latest audited Balance Sheet	₹159,287,430/-
6	Profit / Loss for the year	
	i) Considered in consolidation	-
	ii) Not considered in consolidation	₹ (14,654,444)

* The audited Balance sheet for the year ended March 31, 2018 is not yet available.

1. Names of subsidiaries which are yet to commence operations: N.A
2. 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.

Form 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.

Sl. No	Particulars	Details
A	Name(s) of the related party and nature of relationship	Nil
B	Nature of contracts/arrangements/transactions	Nil
C	Duration of the contracts/arrangements/transactions	Nil
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
E	Justification for entering into such contracts or arrangements or transactions	Nil
F	Date(s) of approval by the Board	Nil
G	Amount paid as advances, if any:	Nil
H	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

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

S.No	Particulars	Details
A	Name(s) of the related party and nature of relationship	Nil
B	Nature of contracts/arrangements/transactions	Nil
C	Duration of the contracts/arrangements/transactions	Nil
D	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
E	Date(s) of approval by the Board	Nil
F	Amount paid as advances, if any:	Nil

Also refer Related Party Transactions given in Notes to Accounts of Financial Statements.

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

For and on behalf of the Board of Directors

Place: Chennai
Date: May 22, 2018

K K Nohria
Chairman

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

A. Amount Outstanding as on March 31, 2018

Particulars	Amount (₹ Lakhs)	Purpose
Loans given	Nil	Nil
Guarantees Given		
Investments made		

B. Loans , Guarantees, Investments made during financial year 2017-18

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

For and on behalf of the Board of Directors

Place: Chennai
Date: May 22, 2018

K K Nohria
Chairman

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) Regulations, 2015 [Listing Regulations] but follows it in spirit also.

During the year ended 31st March, 2018, 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, 2018 the Board of Directors comprised the Managing Director and 5 Non-Executive Directors.

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors, which is in conformity with the Listing Regulations as of the year ended 31st March 2018, the Board consists of 6 Directors comprising of One Executive Director, Two Non-Executive -Non Independent and Three Independent Directors. The Chairman of the Board is a Non-Executive Independent Director.

During the year, Five Board Meetings were held on 11th May 2017, 27th May 2017, 02nd August 2017, 09th November 2017 and 05th February 2018. The Company's last Annual General Meeting was held on 02nd August 2017.

The particulars of Directors, their attendance during the financial year 2017-2018 and also other Directorships and Board Committee Representations of Public Limited Companies are as under:

Name of Director & Designation	Category	Attendance		Other Board Representations	
		Board Meetings	Last AGM	Directorship in Indian Public Companies	Committees $
Mr. K.K.Nohria Chairman	Non-Executive Independent	4	Yes	8	6 (Member)
Mr. P.Mukund Managing Director	Promoter- Executive	5	Yes	Nil	1 (Member)
Mr. Hemant M Nerurkar **	Non-Executive Independent	5	Yes	8	4 (Member) 3(Chairperson)
Mr. S.Radhakrishnan **	Non-Executive Independent	5	Yes	Nil	1 (Member) 1(Chairperson)
Mr. Keiichi Igarashi	Non-Executive Non-Independent	4	Yes	1	Nil
Mr. Akhil Awasthi #	Non-Executive Non-Independent	0	No	Nil	Nil
Mrs. Eva Maria Rosa Schork	Non-Executive Non Independent	4	Yes	Nil	Nil

** Re-appointed as Non-Executive and Independent Director with effect from July 30, 2017
# Resigned with effect from August 30, 2017

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

None of the Non-executive Directors held any equity shares or convertible instruments of the Company during the financial year ended 31st March, 2018. None of the Directors had any relationships inter-se.

During the year, separate meeting of the Independent Directors was held on 11th May 2017 without the attendance of non-independent directors and members of the management. All Independent Directors attended the said meeting.

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/uploads/investor/pdf/14605431993Independent_Director-_Familirization_Programme.pdf

3. AUDIT COMMITTEE: MANDATORY COMMITTEE

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

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

Mr. Hemant M Nerurkar, an Independent Non-Executive Director, is the Chairman of Audit Committee. Mr.S. Radhakrishnan and Mr. K K Nohria, Independent Non-Executive Directors are members of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

During the year, the Audit Committee met five times on 11th May 2017, 27th May 2017, 02nd August 2017, 09th November 2017 and 05th February 2018.

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

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

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

During the year, the Nomination and Remuneration Committee met once on 11th May 2017.

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

Name of the Director	No of Meetings Attended
Mr. S Radhakrishnan (Chairman)	1
Mr. Hemant M Nerurkar	1
Mr. K K Nohria	1

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 and Committee meetings and Commission as approved by members for their invaluable services to the Company.

b) Details of Remuneration paid to Directors

Name of the Director	Sitting Fee *(₹)	Salary (₹)	Perquisites (₹)	Performance Incentive/ Commission (₹)	Other Allowances (₹)	Total (₹)
Mr. P Mukund, Managing Director	N.A	64,80,000	22,28,800	-	-	87,08,800
Mr. K K Nohria, Independent Director	4,50,000	N.A	N.A	8,00,000	N.A	12,50,000
Mr. Hemant M Nerurkar, Independent Director	5,25,000	N.A	N.A	4,00,000	N.A	9,25,000
Mr. S Radhakrishnan, Independent Director	5,25,000	N.A	N.A	4,00,000	N.A	9,25,000

* includes sitting fees paid for Board & Committee meetings FY17-18

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 normally done for 3 to 5 years. The notice period is three months and the severance fee is the sum equivalent to remuneration for the notice period.

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE: MANDATORY COMMITTEE

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

Mr. S. Radhakrishnan, Independent Non-Executive Director, is the Chairman of the Committee. Mr. P Mukund, Managing Director and two Non-Executive Independent Directors Mr. Hemant M Nerurkar and Mr. K K Nohria 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 11th May 2017, 02nd August 2017, 09th November 2017 and 05th February 2018.

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

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

During the year 2017-2018, the Company received 7 complaints from the investors. As on 31st March 2018, there were no investor grievances pending and no transfers were pending for approval.

7. GENERAL BODY MEETINGS

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

Financial Year	Date	Venue	Time	Special Resolutions Passed
2016-17	02nd August 2017	Hotel My Fortune Chennai (Formerly 'Hotel Chola'), Cathedral Road, Chennai - 600 086.	3.00 P.M	Approval for Re-appointment of Mr. Hemant M Nerurkar as an Independent Director Approval for Re-appointment of Mr. S Radhakrishnan as an Independent Director Approval for ESOP 2017 Approval for ESOP 2017 to the Employees of the Holding Company Approval of amendment of Articles of Association of the Company
2015-16	04th August 2016	Hotel Savera, 146, Dr. Radhakrishnan Road, Chennai – 600 004	3.00P.M	Nil
2014-15	22nd July 2015	Music Academy, Mini Hall 306, T.T.K Road, Alwarpet, Chennai – 600014	3.00P.M	Approval of Material Transactions with Related Parties

B) Extra Ordinary General Meeting held during the year- None

C) Details of Special Resolutions passed last year through Postal Ballot- None

D) Person who conducted the Postal Ballot exercise – None

E) Details of Special Resolution is proposed to be conducted through postal ballot – None

8. MEANS OF COMMUNICATION

During the year under reference, quarterly results were published in widely circulating national and local daily newspapers such as the Business Standard (English) and The Tamil Hindu (Tamil). These were not sent individually to the shareholders. The quarterly and the annual results of the company are made online filing to the stock exchanges on which the company's shares are listed, immediately of closure of meeting of the Board of Directors. The said results were also posted on the website of the Company viz. www.igarashimotors.com. The management's discussion and analysis forms part of the Annual Report. During the year, no presentations were made to institutional investors or to the Analysists.

9. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting (AGM)

Date	:	Wednesday, August 08, 2018
Venue	:	Welcome Hotel (Formerly 'Hotel Chola'), Cathedral Road, Chennai – 600 086.
Time	:	3:00 P.M

ii) Financial Calendar	:	1st April 2017 to 31st March 2018
a) First Quarter Results	:	August 02, 2017
b) Second Quarter Results	:	November 09, 2017
c) Third Quarter Results	:	February 05, 2018
d) Last quarter Results and Annual	:	May 22, 2018
iii) Date of Book Closure	:	August 04, 2018 to August 08, 2018
iv) Dividend Payment Date	:	On or after August 14, 2018

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

1. Bombay Stock Exchange Limited (BSE),
   Phiroze Jeejeebhoy towers
   Dalal Street, Mumbai – 400023.

2. National Stock Exchange India Limited (NSE),
   Exchange Plaza, 5th Floor, G-Block,
   Bandra Kurla Complex, Bandra (West),
   Mumbai – 400051

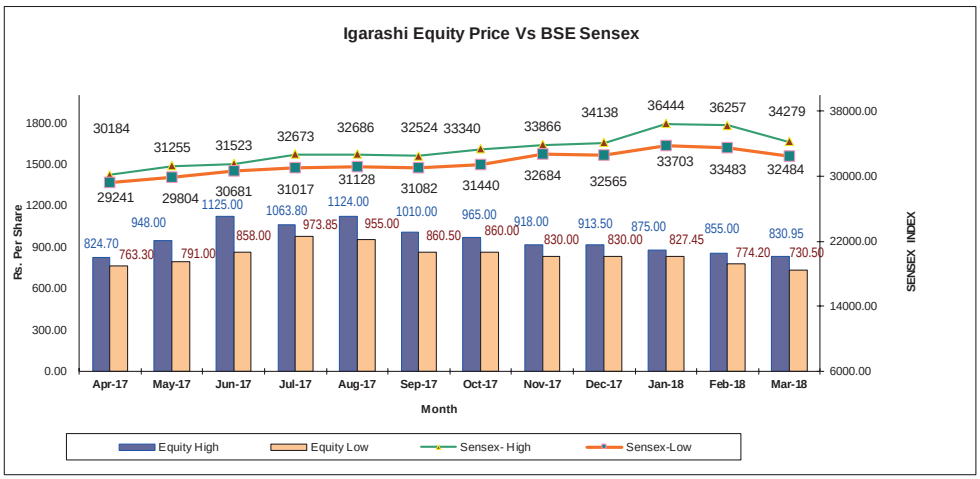
vi) Listing Fee : The Listing fee of all the stock exchanges for the Year 2018-2019 has already been paid.

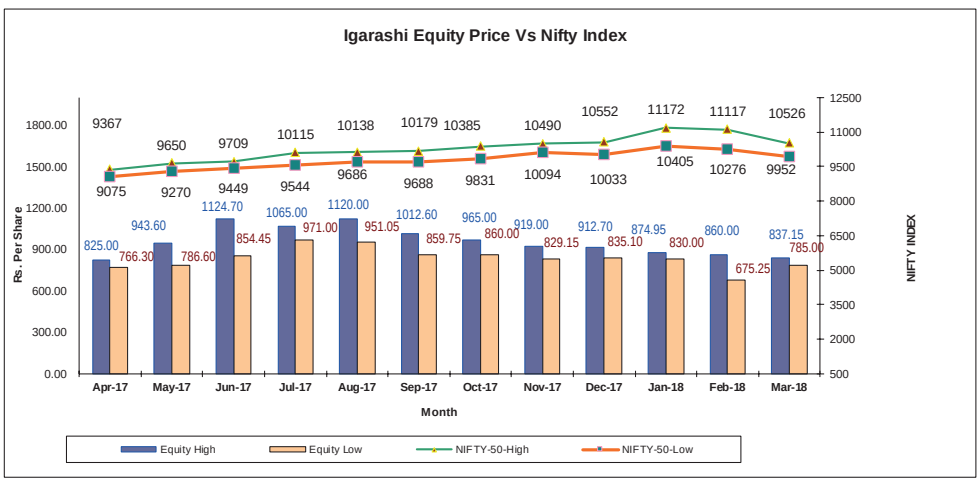
vii) Stock Code :

Serial No	Name of the Stock Exchange	Stock Code
1	National Stock Exchange	IGARASHI
2	Bombay Stock Exchange	517380

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

ix) Market Price Data :





Monthly highs and lows of market prices of the company's shares on Bombay Stock Exchange (BSE) & (NSE) National Stock Exchange during the year 2017-2018:

Equity Price

Month	BSE		NSE	
	High	Low	High	Low
April 2017	824.70	763.30	825.00	766.30
May 2017	948.00	791.00	943.60	786.60
June 2017	1125.00	858.00	1124.70	854.45
July 2017	1063.80	973.85	1065.00	971.00
August 2017	1124.00	955.00	1120.00	951.05
September 2017	1010.00	860.50	1012.60	859.75
October 2017	965.00	860.00	965.00	860.00
November 2017	918.00	830.00	919.00	829.15
December 2017	913.50	830.00	912.70	835.10
January 2018	875.00	827.45	874.95	830.00
February 2018	855.00	774.20	860.00	675.25
March 2018	830.95	730.50	837.15	785.00

(Source : NSE & BSE Websites)

x) Registrar and share Transfer Agent : Cameo Corporate Services Ltd
"Subramanian Building"
1, Club House Road, Chennai – 600002
Phone: + 91-44-28460390
Fax No.: +91-44-28460129
E-mail: investor@cameoindia.com / investor3@cameoindia.com

xi) Share Transfer system :

The Company's shares are in compulsory Dematerialization Segment. Transfers in physical form are registered within a period of 15 days from the date of receipt, provided the documents are complete and the shares under transfer are not in dispute. The share certificates duly endorsed are being immediately dispatched after effecting transfer. All requests for dematerialisation of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

xii) Distribution schedule as on 31st March 2018:

Category	No of Shareholders	Percentage	No of Shares	Percentage
Upto 5000	14863	94.15	1,11,60,380	3.65
5001 – 10000	458	2.90	36,02,010	1.18
10001 – 20000	216	1.37	32,74,690	1.07
20001 – 30000	69	0.44	17,71,200	0.58
30001 – 40000	35	0.22	12,25,060	0.40
40001 – 50000	35	0.22	15,93,890	0.52
50001 – 100000	43	0.27	29,86,470	0.97
100001 & above	67	0.43	28,04,70,740	91.63
Total	**15,786**	**100.00**	**3,060,8444**	**100.00**

Shareholding Pattern as on 31st March 2018

Category	No of Shareholders	No of Shares	Percentage of holding
Promoters and Promoter Group	4	2,29,56,333	75.00%
Body Corporate	348	12,02,462	3.93%
Mutual Fund	13	18,46,502	6.04%
NRI/FII/FPI/Banks/Clearing Members	367	18,86,527	6.15%
Public	15,053	27,16,620	8.88%
Total	**15,785**	**3,060,8444**	**100.00%**

Top 10 Shareholders as on 31st March 2018

Sl. No	Category	No of Shares	Percentage of Holding
1	Agile Electric Sub Assembly Private Limited	1,28,30,659	41.92 %
2	Mr. P. Mukund	66,58,033	21.75 %
3	Igarashi Electric Works (H.K) Ltd, Hong Kong	24,99,993	8.17 %
4	Igarashi Electric Works Limited, Japan	9,67,648	3.16 %
5	Pinebridge Investment GF Maritius Limited	9,57,040	3.13%
6	DSP Blackrock Small Cap Fund	3,87,445	1.26%
7	UTI – Equity Fund	3,23,871	1.06%
8	UTI – MNC Fund	2,90,000	0.95%
9	Tata AIA Life Insurance Co Ltd	2,80,549	0.91%
10	IDFC Sterling Equity Fund	2,50,000	0.81%

xiii) Dematerialization of Shares : 99.25% of equity shares have been dematerialized upto 31st March 2018, Trading in your Company's shares is Permitted only in the dematerialized form as per Notifications issued by SEBI

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

xv) Plant/Unit :

1. Plots B-12 to B –15, Phase II MEPZ-SEZ, Tambaram, Chennai 600 045
2. Plots A-8,9,10, Phase I, MEPZ-SEZ, Tambaram, Chennai 600 045,
3. Plot D-6/II-C, Phase II, MEPZ, Tambaram, Chennai 600045
4. Plot D-6/II-D, Phase II, MEPZ, Tambaram, Chennai 600045
5. Plot D-6/III Phase II, MEPZ, Tambaram, Chennai 600045
6. Plot B-32, Phase II, MEPZ, Tambaram, Chennai 600045

xvi) Investor Correspondence :

The Company Secretary
Igarashi Motors India Ltd
Plots B-12 to B –15, Phase II
MEPZ-SEZ, Tambaram, Chennai 600045.
Phone No.: +91-44-42298199
Fax No. : +91-44-22628143
E-mail: investorservices@igarashimotors.co.in

10. DISCLOSURES

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

There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the financial year ended March 31, 2018. 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 no Subsidiary Company.

d) Policy on dealing with related parties is displayed on the Companies website (Web link):

http://www.igarashimotors.com/uploads/investor/pdf/14531242482IMIL-Related_Party_Transaction_Policy_051115.pdf

e) 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.

f) 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.

g) Commodity price risk or foreign exchange risk and hedging activities

During the year 2017-18, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports as per Hedging Policy.

11. WHISTLE BLOWER POLICY

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

12. COMPLIANCE WITH MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

During the financial year 2017-18, the Company has complied with Corporate Governance requirements specified in the Listing Regulations.

13. COMPLIANCE WITH NON-MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

i) The Board :

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

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

ii) Shareholders rights:

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

iii) Audit Qualifications:

The auditors report does not contain any qualification.

iv) Separate post of Chairman and Chief Executive Officer:

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

v) Reporting of Internal Auditor:

The internal auditor reports to the Audit Committee.

14. CODE OF CONDUCT & INSIDER TRADING CODE

The Company has in place a Code of Conduct applicable to the Board Members as well as theSenior Management and the same have been posted on the web-site of the Company viz. www.igarashimotors.com. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2018.

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.

15. MAINTENANCE OF A WEBSITE

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

16. COMPLIANCE CERTIFICATE

As on March 31, 2018, Mr. P Mukund, Managing Director and Mr. R Chandrasekaran, CFO have certified to the Board with respect to the Financial Statements, Internal Controls and other matters as required by the Regulation 17(8) read with Schedule II of the Listing Regulations and said Certificate is contained in this Annual Report.

17. AUDITORS CERTIFICATION ON CORPORATE GOVERNANCE

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

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

As on March 31, 2018 there are no shares lying in the demat suspense account or unclaimed suspense account.

19. DECLERATION

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 22, 2018

P.Mukund

Managing Director

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, P Mukund, Managing Director and R Chandrasekaran, Chief Financial Officer, hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2018 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 violative 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	**P Mukund**	**R Chandrasekaran**
Date: May 22, 2018	Managing Director	Chief Financial Officer

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of Igarashi Motors India Limited,

We have examined the compliance of conditions of Corporate Governance by Igarashi Motors India Limited for the year ended 31 March 2018, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations].

Management's Responsibility

The Company's Management is responsible for compliance of conditions of Corporate Governance requirements as stipulated under the Listing Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the above mentioned Listing Regulations.

Auditors' Responsibility

Pursuant to the requirements of the above mentioned Listing Regulations, 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. We conducted our examination of the corporate governance compliance by the Company as per the Guidance Note on Reports or Certificates for Special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. 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

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 per Regulations 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations, as applicable. 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

This Certificate has been solely issued for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

S Sethuraman
Partner
Membership number: 203491

Place: Chennai
Date: June 11, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Igarashi Motors India Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Igarashi Motors India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including 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) prescribed 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the Auditor's Report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the Auditor's Report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other matters

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor Auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 11 May 2017 and 19 May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

   (e) On the basis of written representations received from the directors as on 31 March 2018, taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2018 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 Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements; - Refer Note 37 to the Ind AS financial statements.

ii The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv The disclosures in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: 22 May 2018

Annexure A to the Independent Auditor's Report on the Ind AS financial statements of Igarashi Motors India Limited as of and for the year ended 31 March 2018

(referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of records produced by the Company, the title deeds of the immoveable properties included in fixed assets is in the name of the Company.

(ii) Inventories apart from goods in transit and inventories lying with outside parties have been physically verified by the Management during the year and the discrepancies noticed on such verification between the physical stock and book records were not material. In our opinion, the frequency of such verification is reasonable. For major portion of the inventories lying with outside parties at the year-end, written confirmations have been obtained by the Company and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the investments made. The Company has not granted any loans or provided any guarantee or security to the parties covered under Section 185 and 186 of the Act. Accordingly, to that extent paragraph 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of such records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of customs, employees' state insurance and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, duty of customs, employees' state insurance and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report on the Ind AS financial statements of Igarashi Motors India Limited as of and for the year ended 31 March 2018

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

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

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks and financial institutions. The Company has not taken any loans or borrowings from government and has not issued any debentures.

(ix) According to the information and explanations given to us, money raised by way of term loans / buyers credit were applied for the purposes for which those are raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals as per provision of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: 22 May 2018

Annexure B to the Independent Auditor's Report on the Ind AS financial statements of Igarashi Motors India Limited as of and for the year ended 31 March 2018

(referred to in our report of even date)

Report on the Internal Financial Controls with reference to Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Igarashi Motors India Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 system with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes 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 Ind AS 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 Ind AS financial statements.

Annexure B to the Independent Auditor's Report on the Ind AS financial statements of Igarashi Motors India Limited as of and for the year ended 31 March 2018

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: 22 May 2018

Balance Sheet as at 31st March 2018

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

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	5	17,992.68	15,685.29	13,680.89
Capital work-in-progress	5	4,003.40	257.10	1,107.18
Intangible assets	6	89.66	108.94	98.49
Intangible assets under development	6	216.00	-	64.67
Financial assets				
Investments	7	3,507.05	3,019.01	2,812.52
Deposits and other receivables	13	380.75	354.46	131.21
Other financial assets	14	-	90.65	-
Income tax assets		74.75	115.18	99.02
Other non-current assets	15	306.92	233.82	102.45
Total non-current assets		**26,571.21**	**19,864.45**	**18,096.43**
Current assets				
Inventories	8	3,683.90	4,435.47	3,424.27
Financial assets				
Investments	9	1,523.84	14,388.94	-
Trade receivables	10	10,318.86	10,324.18	8,591.76
Cash and cash equivalents	11	255.38	385.34	10,935.40
Other bank balances	12	10,382.75	616.52	1,576.52
Deposits and other receivables	13	53.79	24.92	311.99
Other financial assets	14	176.26	163.65	76.02
Other current assets	15	1,089.31	199.44	221.96
Total current assets		**27,484.09**	**30,538.46**	**25,137.92**
Total assets		**54,055.30**	**50,402.91**	**43,234.35**
Equity and liabilities				
Equity				
Equity share capital	16	3,060.84	3,060.84	3,060.84
Other equity				
Securities premium		13,519.01	13,519.01	13,519.01
Retained earnings		23,935.73	19,743.51	12,764.37
Others (including items of Other Comprehensive Income)		591.11	193.40	(139.78)
Total equity		**41,106.69**	**36,516.76**	**29,204.44**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	20	365.29	851.94	2,236.43
Provisions	21	129.97	-	-
Deferred tax liablities (net)	34	1,417.48	1,514.67	1,224.23
Total non-current liabilities		**1,912.74**	**2,366.61**	**3,460.66**

Balance Sheet as at 31st March 2018

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

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current liabilities				
Financial liabilities				
Borrowings	20	1,768.76	-	-
Trade payables	22	6,702.12	9,004.60	7,442.82
Other financial liabilities	23	1,749.49	1,913.48	2,826.22
Other current liabilities	24	221.34	522.67	222.03
Provisions	21	55.55	38.37	20.68
Income tax liabilities		538.61	40.42	57.50
Total current liabilities		**11,035.87**	**11,519.54**	**10,569.25**
Total liabilities		**12,948.61**	**13,886.15**	**14,029.91**
Total equity and liabilities		**54,055.30**	**50,402.91**	**43,234.35**
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
ICAI Firm Registration
No. 101248W/W-100022

For and on behalf of the Board of Directors of
Igarashi Motors India Limited
(CIN: L29142TN1992PLC021997)

S Sethuraman
Partner
Membership No. 203491

P Mukund
Managing Director
DIN: 00007788

K K Nohria
Chairman
DIN: 00060015

Keiichi Igarashi
Director
DIN: 00356779

Place: Chennai
Date: 22 May 2018

R Chandrasekaran
Chief Financial Officer

Hemant M Nerurkar
Director
DIN: 00265887

P. Dinakara Babu
Company Secretary
Membership No. A14812

Statement of Profit and Loss for the year ended 31st March 2018

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

Particulars	Note	As at 31 March 2018	As at 31 March 2017
Revenue			
Revenue from operations	26	45,844.18	51,644.27
Other income	27	2,647.85	1,708.16
Total Income		**48,492.03**	**53,352.43**
Expenses			
Cost of materials consumed	28	26,675.34	30,085.52
Changes in inventory of finished goods and work-in-progress	29	(168.87)	(123.81)
Employee benefits expense	30	3,117.50	2,718.21
Finance costs	31	196.35	223.67
Depreciation and amortization expense	32	2,465.95	2,203.08
Other expenses	33	5,994.06	6,887.43
Total expenses		**38,280.33**	**41,994.10**
Profit before income tax		**10,211.70**	**11,358.33**
Income tax	34		
Current tax		3,659.77	3,601.26
Deferred tax charge / (credit)		(75.40)	225.32
Income tax expense		**3,584.37**	**3,826.58**
Profit for the year		**6,627.33**	**7,531.75**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability	21	(45.71)	(25.01)
Equity investments through other comprehensive income - net change in fair value		454.56	206.49
Income tax relating to items that will not be reclassified to profit or loss	34	15.97	9.92
Net other comprehensive income that will not to be reclassified subsequently to profit or loss		**424.82**	**191.40**
Items that will be subsequently reclassified to profit or loss			
Effective portion of gains (losses) on hedging instruments in cash flow hedges		(40.55)	216.82
Income tax relating to items that will be reclassified to profit or loss	34	13.44	(75.04)
Net other comprehensive income that will be reclassified subsequently to profit or loss		**(27.11)**	**141.78**
Other comprehensive income for the year, net of income tax		**397.71**	**333.18**
Total comprehensive income for the year		**7,025.04**	**7,864.93**
Earnings per share			
Basic and diluted earnings per share (in Indian Rupees)	18	21.65	24.61
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
ICAI Firm Registration
No. 101248W/W-100022

For and on behalf of the Board of Directors of
Igarashi Motors India Limited
(CIN: L29142TN1992PLC021997)

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: 22 May 2018

P Mukund
Managing Director
DIN: 00007788

R Chandrasekaran
Chief Financial Officer

K K Nohria
Chairman
DIN: 00060015

Hemant M Nerurkar
Director
DIN: 00265887

Keiichi Igarashi
Director
DIN: 00356779

P. Dinakara Babu
Company Secretary
Membership No. A14812

Statement of Cash Flows for the year ended 31 March 2018

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

Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities			
Profit for the year		6,627.33	7,531.75
Adjustments for:			
Depreciation and amortization		2,465.95	2,203.08
Provision for doubtful debts		8.53	0.48
Unrealised foreign exchange (gain)/ loss		49.34	(55.01)
Loss / (profit) on sale of fixed assets (net)		-	(1.17)
Fixed assets written off		16.71	-
Finance costs		196.35	223.67
Interest income on security deposits at amortized cost		(22.49)	(8.11)
Gain on sale of investments		(434.53)	(339.33)
Interest income on cash and bank balances		(442.69)	(605.46)
Income tax expense		3,584.37	3,826.58
		12,048.87	**12,776.48**
Working capital adjustments:			
(Increase) / decrease in inventories		751.57	(1,011.20)
(Increase) / decrease in trade receivables		98.75	(1,732.90)
(Increase) / decrease in deposits and other receivables		(55.16)	71.93
(Increase) / decrease in other current / non-current financial assets		78.04	(36.45)
(Increase) / decrease in other current / non-current assets		(860.21)	(114.70)
Increase / (decrease) in trade payable and other financial liabilities		(2,2262.30)	1,489.54
Increase / (decrease) in provisions and other current liabilities		(199.88)	293.32
Cash generated from operating activities		**9,599.68**	**11,736.02**
Income tax paid (net)		(3,161.63)	(3,528.13)
Net cash generated from operating activities (A)		**6,438.05**	**8,207.89**
Cash flow from investing activities			
Interest received on Cash and Bank balances		386.02	673.15
Acquisition of property, plant and equipment, intangible assets and capital work-in-progress net of payable for capital goods and capital advances		(8,176.45)	(3,441.37)
Investments in mutual funds (net)		13,299.63	(14,049.61)
Investments in equity shares		(33.48)	-
Investments in bank deposits (net)		(9,766.23)	960.00
Net cash used in investing activities (B)		**(4,290.51)**	**(15,857.83)**

Statement of Cash Flows for the year ended 31st March 2018

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

Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from financing activities			
Repayments of borrowings (net)*		(1,377.59)	(2,169.98)
Proceeds from borrowings (net)*		1,719.78	-
Interest paid		(1,95.67)	(186.94)
Dividend paid (and related dividend distribution tax)		(2,424.02)	(543.20)
Net cash used in financing activities (C)		**(2,277.50)**	**(2,900.12)**
Net decrease in cash and cash equivalents (A+B+C)		**(129.96)**	**(10,550.06)**
Cash and cash equivalents as at April 1	11	385.34	10,935.40
Cash and cash equivalents as at March 31	11	**255.38**	**385.34**
Significant accounting policies	3		

* Also refer Note 20 for disclosure on changes in liabilities arising from financing activities

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
ICAI Firm Registration
No. 101248W/W-100022

For and on behalf of the Board of Directors of
Igarashi Motors India Limited
(CIN: L29142TN1992PLC021997)

S Sethuraman
Partner
Membership No. 203491

P Mukund
Managing Director
DIN: 00007788

K K Nohria
Chairman
DIN: 00060015

Keiichi Igarashi
Director
DIN: 00356779

Place: Chennai
Date: 22 May 2018

R Chandrasekaran
Chief Financial Officer

Hemant M Nerurkar
Director
DIN: 00265887

P. Dinakara Babu
Company Secretary
Membership No. A14812

Statement of Changes in Equity for the year ended 31 March 2018

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

(a) Equity share capital

Particulars	Amount	No. of shares
Equity shares of ₹ 10 each issued, subscribed and fully paid		
Balance as at 1 April 2016	3,060.84	3,06,08,444
Changes in equity share capital during the year	-	-
Balance as at 1 April 2017	3,060.84	3,06,08,444
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	**3,060.84**	**3,06,08,444**

(b) Other equity

	Reserves and surplus			Other comprehensive income (OCI)			Total
	Securities premium	Retained earnings	General reserve	Effective portion of cash flow hedges	Equity investments through OCI	Other items of OCI	
Balance as at 1 April 2016	**13,519.01**	**12,764.37**	**464.42**	**-**	**(557.53)**	**(46.67)**	**26,143.60**
Total comprehensive income for the year ended 31 March 2017							
Profit for the year	-	7,531.75	-	-	-	-	**7,531.75**
Other comprehensive income for the year (net of tax)	-	-	-	141.78	206.49	(15.09)	**333.18**
Total comprehensive income	**-**	**7,531.75**	**-**	**141.78**	**206.49**	**(15.09)**	**34,008.53**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends	-	(459.13)	-	-	-	-	**(459.13)**
Dividend distribution tax	-	(93.48)	-	-	-	-	**(93.48)**
Total Contributions and distributions to owners	**-**	**(552.61)**	**-**	**-**	**-**	**-**	**(552.61)**
Balance as at 31 March 2017	**13,519.01**	**19,743.51**	**464.42**	**141.78**	**(351.04)**	**(61.76)**	**33,455.92**

Statement of Changes in Equity for the year ended 31 March 2018

(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	Effective portion of cash flow hedges	Equity investments through OCI	Other items of OCI	
Balance as at 1 April 2017	**13,519.01**	**19,743.51**	**464.42**	**141.78**	**(351.04)**	**(61.76)**	**33,455.92**
Total comprehensive income for the year ended 31 March 2018							
Profit for the year	-	6,627.33	-	-	-	-	**6,627.33**
Other comprehensive income for the year (net of tax)	-	-	-	(27.11)	454.56	(29.74)	**397.71**
Total comprehensive income	**-**	**6,627.33**	**-**	**(27.11)**	**454.56**	**(29.74)**	**7,025.04**
Contributions and distributions to owners							
Dividends	-	(2,023.22)	-	-	-	-	**(2,023.22)**
Dividend distribution tax	-	(411.89)	-	-	-	-	**(411.89)**
Total Contributions and distributions to owners	**-**	**(2,435.11)**	**-**	**-**	**-**	**-**	**(2,435.11)**
Total transactions with owners	**-**	**(2,435.11)**	**-**	**-**	**-**	**-**	**(2,435.11)**
Balance as at 31 March 2018	**13,519.01**	**23,935.73**	**464.42**	**114.67**	**103.52**	**(91.50)**	**38,045.85**

Significant accounting policies 3

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Igarashi Motors India Limited
(CIN: L29142TN1992PLC021997)

S Sethuraman
Partner
Membership No. 203491

P Mukund
Managing Director
DIN: 00007788

K K Nohria
Chairman
DIN: 00060015

Keiichi Igarashi
Director
DIN: 00356779

Place: Chennai
Date: 22 May 2018

R Chandrasekaran
Chief Financial Officer

Hemant M Nerurkar
Director
DIN: 00265887

P. Dinakara Babu
Company Secretary
Membership No. A14812

Notes forming part of the financial statements for the year ended 31 March 2018

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

1. Background

Igarashi Motors India Limited ('IMIL' / 'Company') is primarily engaged in the manufacture of micro motors and its accessories mainly for automotive sector. The Company is a public limited company incorporated and domiciled in India and has its registered office in Chennai, Tamil Nadu, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

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.

The financial statements upto and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 43.

These financial statements were authorised for issue by the Company's Board of Directors on 22 May 2018.

Details of the Company's accounting policies are included in Note 3.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
- Certain financial assets and liabilities (including derivative instruments)	Fair value
- Net defined benefit assets/(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.

Notes forming part of the financial statements for the year ended 31 March 2018

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

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 ended 31 March 2019 is included in the following notes:

- Note 21 – measurement of defined benefit obligations: key actuarial assumptions

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 35 – financial instruments

3 Significant accounting policies

3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in

a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss exccept exchange differences arising from translation on 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.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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 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.

Notes forming part of the financial statements for the year ended 31 March 2018

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, refer Note 3.2 (v) for derivatives designated as hedging instruments.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, 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.

Notes forming part of the financial statements for the year ended 31 March 2018

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

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. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment (see note 43).

iii. 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.

iv. 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	30 - 60 years	30 - 60 years
Plant and equipment (including Electrical installation and Lab equipment)	3 - 15 years	15 years
Office equipments	5 years	5 years
Furniture and fixtures	5 - 10 years	10 years
Vehicles	8 years	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

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

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. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment (see note 43).

iii. 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.

iv. Amortization

Amortization 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	6 years
Software	6 years

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Notes forming part of the financial statements for the year ended 31 March 2018

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

3.6 Impairment

i. Impairment of financial instruments

In accordance with Ind AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company 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 a trust formed for this purpose through the Company gratuity scheme.

The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii. Provident fund

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

iv. Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised is the period in which the absences occur.

v. Share-based compensation

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

Notes forming part of the financial statements for the year ended 31 March 2018

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

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.

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 the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimate reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, goods and service tax and applicable trade discounts and allowances.

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

i. Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

ii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 a business combination or 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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Notes forming part of the financial statements for the year ended 31 March 2018

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

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.

4 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new standard and amendments to existing Ind AS standards which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2018:

New Standard

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

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

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

The Company is in the process of assessing the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. Accordingly, the quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

Amendments to the existing standards

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Appendix B inserted in Ind AS 21 as an amendment explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company has evaluated the effect of this on the financial statements and the impact is expected to be insignificant.

5. Property, plant and equipment

Particulars	Buildings	Plant and machinery	Office equipments	Furniture and fixtures	Vehicles	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying amount								
Balance at 1 April 2016	1,634.61	11,939.11*	26.36	62.56	18.25	13,680.89	1,107.18	14,788.07
Additions	706.90	3,338.48	25.68	9.06	34.14	4,114.26	3,264.18	7,378.44
Disposals / Deletions	-	(31.85)	-	-	-	(31.85)	(4,114.26)	(4,146.11)
Balance at 31 March 2017	**2,341.51**	**15,245.74**	**52.04**	**71.62**	**52.39**	**17,763.30**	**257.10**	**18,020.40**
Additions	1,444.92	3,172.05	45.65	92.32	-	4,754.94	8,501.24	13,256.18
Disposals / Deletions	-	(11.07)	(4.62)	(15.55)	-	(31.24)	(4,754.94)	(4,786.18)
Balance at 31 March 2018	**3,786.43**	**18,406.72**	**93.07**	**148.39**	**52.39**	**22,487.00**	**4,003.40**	**26,490.40**
Accumulated depreciation								
Balance at 1 April 2016	-	-	-	-	-	-	-	-
Additions	83.32	1,993.09	9.09	16.58	6.19	2,108.27	-	2,108.27
Disposals	-	(30.26)	-	-	-	(30.26)	-	(30.26)
Balance at 31 March 2017	**83.32**	**1,962.83**	**9.09**	**16.58**	**6.19**	**2,078.01**	**-**	**2,078.01**
Additions	109.22	2,274.85	18.21	19.70	8.86	2,430.84	-	2,430.84
Disposals	-	(1.01)	(0.66)	(12.86)	-	(14.53)	-	(14.53)

Notes forming part of the financial statements for the year ended 31 March 2018

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

Particulars	Buildings	Plant and machinery	Office equipments	Furniture and fixtures	Vehicles	Total (A)	Capital work-in-progress (B)	Total (A+B)
Balance at 31 March 2018	**192.54**	**4,236.67**	**26.64**	**23.42**	**15.05**	**4,494.32**	**-**	**4,494.32**
Carrying amount (net)								
As at 1 April 2016	1,634.61	11,939.11	26.36	62.56	18.25	13,680.89	1,107.18	14,788.07
As at 31 March 2017	2,258.19	13,282.91	42.95	55.04	46.20	15,685.29	257.10	15,942.39
As at 31 March 2018	**3,593.89**	**14.170.05**	**66.43**	**124.97**	**37.34**	**17,992.68**	**4,003.40**	**21,996.08**
* Includes asset taken on lease amounting to ₹ 393.49 lakhs which was acquired by the Company in October, 2016								

6. Intangible assets

Particulars	Product design expenses	Specialised software	Intangible assets under development	Total
Gross carrying amount				
Balance at 1 April 2016	82.82	15.67	64.67	163.16
Additions	64.67	40.59	-	105.26
Disposals	-	-	(64.67)	(64.67)
Balance at 31 March 2017	**147.49**	**56.26**	**-**	**203.75**
Additions	-	15.83	216.00	231.83
Disposals	-	-	-	-
Balance at 31 March 2018	**147.49**	**72.09**	**216.00**	**435.58**
Accumulated amortization				
Balance at 1 April 2016	-	-	-	-
Additions	88.21	6.60	-	94.81
Disposals	-	-	-	-
Balance at 31 March 2017	**88.21**	**6.60**	**-**	**94.81**
Additions	23.83	11.28	-	35.11
Disposals	-	-	-	-
Balance at 31 March 2018	**112.04**	**17.88**	**-**	**129.92**
Carrying amount (net)				
As at 1 April 2016	82.82	15.67	64.67	163.16
As at 31 March 2017	59.28	49.66	-	108.94
As at 31 March 2018	35.45	54.21	216.00	305.66

Notes forming part of the financial statements for the year ended 31 March 2018

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

7. Non-current investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unquoted instruments			
Equity shares at FVOCI			
3,370,049 (31 March 2017: 3,370,049; 1 April 2016: 3,370,049) equity shares of Bosch Electrical Drives India Private Limited	3,473.57	3,019.01	2,812.52
176,228 (31 March 2017: Nil; 1 April 2016: Nil) equity shares of Beta Wind Farm Private Limited	33.48	-	-
	3,507.05	**3,019.01**	**2,812.52**
Aggregate value of unquoted investments	3,507.05	3,019.01	2,812.52

8. Inventories

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials and components (includes raw materials in transit amounting to INR 696.23 lakhs; 31 March 2017: 1,216.95 lakhs; 1 April 2016: INR 891.11 lakhs)	2,617.94	3,028.20	2,421.20
Work in progress	333.32	283.67	227.24
Finished goods	260.81	141.59	74.21
Stores and spares (includes stores and spares in transit amounting to INR 9.61 lakhs; 31 March 2017: 34.13 lakhs; 1 April 2016: 1.02 lakhs)	289.73	275.49	226.48
Tools	182.10	706.52	475.14
	3,683.90	**4,435.47**	**3,424.27**

9. Current investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unquoted investments carried at FVTPL **Units in mutual funds**			
ICICI Prudential Mutual fund - Flexible Income Growth Plan Nil units (31 March 2017 - 1,603,502 units; 1 April 2016 - Nil units)	-	5,012.13	-
ICICI Prudential Mutual fund - Ultra Short Term Growth Plan Nil units (31 March 2017 - 43,295,197 units; 1 April 2016 - Nil units)	-	7,408.85	-
ICICI Prudential Mutual fund - Saving Fund Growth Plan 187,651 units (31 March 2017 - 781,610 units; 1 April 2016 - Nil units)	507.30	1,967.96	-
ICICI Prudential Fixed Maturity Plan Series 82 - 103 Days Plan 10,000,000 units (31 March 2017 - Nil units; 1 April 2016 - Nil units)	1,006.50	-	-
Tata Money Market Fund - Growth Plan 367 units (31 March 2017 Nil units; 1 April 2016 - Nil units)	10.04	-	-
	1,523.84	**14,388.94**	**-**
Aggregate value of unquoted investments	**1,523.84**	**14,388.94**	**-**

Notes forming part of the financial statements for the year ended 31 March 2018

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

10 Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good	10,328.86	10,325.65	8,592.75
Doubtful	-	-	-
Less : Loss allowance	(10.00)	(1.47)	(0.99)
	10,318.86	**10,324.18**	**8,591.76**
Of the above, trade receivables from related parties are as below:			
Total trade receivables from related parties	8,968.01	9,028.85	7,412.11
Less : Loss allowance	-	-	-
Net trade receivables	**8,968.01**	**9,028.85**	**7,412.11**

The Company's exposure to credit and currency risks, loss allowances are disclosed in note 35.

For receivables secured against borrowings, see Note 20

11 Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance with banks:			
- in current accounts	218.50	159.55	1,307.43
- in unpaid dividend account	36.88	25.79	16.39
- Deposits with original maturity of less than 3 months	-	200.00	9,611.58
Cash and cash equivalents in balance sheet	255.38	385.34	10,935.40
Cash and cash equivalents in the statements of cash flows	**255.38**	**385.34**	**10,935.40**

During the previous year, the Company had specified bank notes (SBN) and other denomination notes as defined in the MCA Notification G.S.R 308(E) dated 30 March, 2017 on the details of specified bank notes held and transacted during the period from 8 November, 2016 to 30 December, 2016. The denomination wise SBN and other notes as per the notification are given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	1.50	0.14	1.64
(+) Permitted receipts	-	1.84	1.84
(-) Permitted payments	-	1.97	1.97
(-) Amount deposited in banks	1.50	-	1.50
Closing cash in hand as on 30 December 2016	-	0.01	0.01

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

Notes forming part of the financial statements for the year ended 31 March 2018

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

12 Other bank balances

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Demand deposits with original maturity of more than three months	10,382.75	616.52	1,576.52
	10,382.75	**616.52**	**1,576.52**

Other bank balances include demand deposits amounting to ₹ 382.75 lakhs (31 March 2017 : ₹ 616.52 lakhs; 1 April 2016 : ₹ 594.16 lakhs) marked as a lien in respect of certain financing arrangements.

13 Deposits and other receivables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Security deposit	300.49	260.98	87.51
Advance to employees	80.26	93.48	43.70
	380.75	**354.46**	**131.21**
Current			
Security deposit	27.62	12.00	250.36
Advance to employees	26.17	12.92	61.63
	53.79	**24.92**	**311.99**

14 Other financial assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Forward exchange contracts used for hedging	-	90.65	-
	-	**90.65**	**-**
Current			
Forward exchange contracts used for hedging	176.26	163.65	76.02
	176.26	**163.65**	**76.02**

15 Other assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Capital advances	147.11	123.51	61.67
Prepayments	159.81	110.31	40.78
	306.92	**233.82**	**102.45**
Current			
Prepayments	193.12	140.70	114.23
Export incentive receivable	798.30	-	-
Others	97.89	58.74	107.73
	1,089.31	**199.44**	**221.96**

Notes forming part of the financial statements for the year ended 31 March 2018

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

16 Share Capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised			
35,000,000 (31 March 2017: 35,000,000 and 1 April 2016: 35,000,000) equity shares of ₹ 10 each	3,500.00	3,500.00	3,500.00
Issued, Subscribed and Paid-up			
30,608,444 (31 March 2017: 30,608,444 and 1 April 2016: 30,608,444) equity shares of ₹ 10 each fully paid up	3,060.84	3,060.84	3,060.84

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2018		31 March 2017	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
At the commencement of the period	3,06,08,444	3,060.84	3,06,08,444	3,060.84
Issued during the year	-	-	-	-
At the end of the period	**3,06,08,444**	**3,060.84**	**3,06,08,444**	**3,060.84**

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.

Employee stock options

Terms attached to stock options granted to employees are described in note 19 regarding share based payments.

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

Particulars	31 March 2018		31 March 2017	
	No. of Shares	Amount	No. of Shares	Amount
Agile Electric Sub Assembly Private Limited, the Holding Company	1,28,30,659	1,283.07	1,28,30,659	1,283.07
Igarashi Electric Works (H.K) Limited, Hong Kong, the subsidiary of the ultimate holding company	24,99,993	250.00	24,99,993	250.00
Igarashi Electric Works Limited, Japan, the ultimate holding company	9,67,648	96.76	9,67,648	96.76

Notes forming part of the financial statements for the year ended 31 March 2018

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

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

Particulars	31 March 2018		31 March 2017	
	No. of Shares	Amount	No. of Shares	Amount
Agile Electric Sub Assembly Private Limited	1,28,30,659	41.92%	1,28,30,659	41.92%
Mr. P. Mukund	66,58,033	21.75%	66,58,033	21.75%
Igarashi Electric Works (H.K) Limited, Hong Kong	24,99,993	8.17%	24,99,993	8.17%

The Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the current year and previous year.

17 Other equity

a. 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.

b. Dividends

The following dividends were paid by the Company.

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
₹ 6.61 per equity share (31 March 2017: ₹ 1.5 per equity share)	2,023.22	459.13
Dividend distribution tax (DDT) on dividend to equity shareholders	411.89	93.48
	2,435.11	**552.61**

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

	31 March 2018	31 March 2017
₹ 6 per equity share (31 March 2017: ₹ 6.61 per equity share)	1,836.51	2,023.22

c. Analysis of accumulated OCI, net of tax

(i) Other items of OCI

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Remeasurements of defined benefit liability	(91.50)	(61.76)	(46.67)
	(91.50)	**(61.76)**	**(46.67)**

Remeasurements of defined benefit liability

	31 March 2018	31 March 2017
Opening balance	(61.76)	(46.67)
Remeasurements of defined benefit liability	(29.74)	(15.09)
Closing balance	**(91.50)**	**(61.76)**

Notes forming part of the financial statements for the year ended 31 March 2018

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

(ii) Disaggregation of changes in items of OCI

	Equity investments through OCI	Effective portion of cash flow hedges	Remeasurement of defined benefit liability	Total
Year ended 31 March 2017				
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	-	141.78	-	141.78
Equity investments through other comprehensive income - net change in fair value	206.49	-	-	206.49
Remeasurement of defined benefit liability	-	-	(15.09)	(15.09)
	206.49	**141.78**	**(15.09)**	**333.18**
Year ended 31 March 2018				
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	-	(27.11)	-	(27.11)
Equity investments through other comprehensive income - net change in fair value	454.56	-	-	454.56
Remeasurement of defined benefit liability	-	-	(29.74)	(29.74)
	454.56	**(27.11)**	**(29.74)**	**397.71**

d. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

18 Earnings per share

Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

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

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit for the year, attributable to the equity holders	6,627.33	7,531.75

(ii) Weighted average number of equity shares (basic and diluted)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening balance (number of equity shares)	3,06,08,444	3,06,08,444
Effect of fresh issue of shares for cash	-	-
Weighted average number of equity shares for the year	**3,06,08,444**	**3,06,08,444**

Notes forming part of the financial statements for the year ended 31 March 2018

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

19 Share-based payments

At 31 March 2018, the Company has the following share-based payment arrangements:

Employees Stock Option Scheme - 2017

The scheme was approved by a resolution of the Board of Directors of Igarashi Motors India Limited duly passed on May 11, 2017 and by a special resolution of shareholders on August 02, 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. 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. No options have been granted during the year.

20 Borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current borrowings			
Term Loan from banks (Secured)			
External commercial borrowings	365.29	851.94	2,236.43
	365.29	**851.94**	**2,236.43**
Current borrowings			
Loan from banks (Secured)			
Current maturities of long term borrowings	487.05	1,338.92	2,048.09
facilities from banks (Buyer's credit)	1,768.76	-	-
Current maturities of finance lease obligations (unsecured)	-	-	128.23
	2,255.81	**1,338.92**	**2,176.32**
Less: Amount included under 'other financial liabilities'	(487.05)	(1,338.92)	(2,176.32)
	1,768.76	**-**	**-**

Information about the Company's exposure to interest rate, foreign currency and liquidity risk is included in Note 35.

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 2018	Carrying amount at 31 March 2017	Carrying amount at 1 April 2016
External commercial borrowings	USD	Libor + 3.4%	2017-18	-	852.09	2,238.55
External commercial borrowings	USD	Libor + 3.4%	2019-20	852.34	1,338.77	1,863.57
Buyer's credit	USD	2.24% - 3.45%	2018-19	931.65	-	-
Buyer's credit	JPY	0.65% - 0.85%	2018-19	837.11	-	-
Foreign Currency Term Loan	USD	4.40%	2016-17	-	-	182.40
Finance lease obligations	INR	9% - 10%	2016-17	-	-	128.23
				2,621.10	**2,190.86**	**4,412.75**

Notes forming part of the financial statements for the year ended 31 March 2018

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

B. Secured bank loans

External commercial borrowings are secured by first pari passu charge on the 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.

Buyer's credit are secured by first pari passu charge on the entire 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.

Foreign Currency Term Loan was secured by first ranking pari-passu charge on all movable fixed assets of the Company, both present and future, an equitable mortgage over the superstructures constructed by the Company and second ranking pari-passu charge on all the current assets of the Company, both present and future.

C. Changes in liabilities arising from financing activities

Particulars	As at 31 March 2017	Cash flows	Foreign exchange movement	As at 31 March 2018
Long-term borrowings (including current maturities)	2,190.86	(1,377.59)	39.07	852.34
Short-term borrowings	-	1,719.78	48.98	1,768.76
Total liabilities from financing activities	**2,190.86**	**342.19**	**88.05**	**2,621.10**

21 Provisions

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefit			
Net defined liability for gratuity	124.00	9.88	4.94
Liability for compensated absences	61.52	28.49	15.74
	185.52	**38.37**	**20.68**
Non current	129.97	-	-
Current	55.55	38.37	20.68
	185.52	**38.37**	**20.68**

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.

Notes forming part of the financial statements for the year ended 31 March 2018

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

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

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	223.32	190.29
Benefits paid	(11.18)	(17.71)
Current service cost	43.86	9.73
Past service cost	38.57	-
Interest cost	15.62	14.06
Employee transfer adjustment	16.28	-
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	2.05	-
- changes in financial assumptions	(47.81)	34.17
- experience adjustments	93.42	(7.22)
Balance at the end of the year	**374.13**	**223.32**

Reconciliation of present value of plan assets

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	213.44	185.34
Benefits paid	(11.18)	(17.71)
Contributions paid into the plan	15.71	29.51
Interest income	14.93	14.36
Employee transfer adjustment	15.28	-
Return on plan assets recognised in other comprehensive income	1.95	1.94
Balance at the end of the year	**250.13**	**213.44**
Net defined benefit obligation	**124.00**	**9.88**

C. Expense recognised in the statement of profit or loss

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	43.86	9.73
Past service cost	38.57	-
Interest cost	15.62	14.06
Interest income	(14.93)	(14.36)
	83.12	**9.43**

Notes forming part of the financial statements for the year ended 31 March 2018

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

Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Actuarial (gain) loss on defined benefit obligations	47.66	26.95
Return on plan assets excluding interest income	(1.95)	(1.94)
	45.71	**25.01**

D. Defined benefit obligation

i. Actuarial assumptions

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.80%	7.00%	7.75%
Return on plan assets	8.00%	8.00%	8.35%
Future salary growth	8.00%	8.00%	8.00%
Attrition rate	10%	1% - 3%	1% - 3%

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 2018		As at 31 March 2017	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	(25.81)	29.56	(30.91)	38.24
Future salary growth (1% movement)	26.94	23.94	32.71	(28.12)
Attrition rate (50% movement)	(2.62)	4.86	(2.71)	3.13

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

22 Trade payables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payables to related parties (refer note 38)	911.85	1,372.83	964.04
Other trade payables	5,790.27	7,631.77	6,478.78
	6,702.12	**9,004.60**	**7,442.82**

All trades payables are ‘current’

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.

23 Other financial liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Dues to employees	95.80	-	-
Current maturities of long-term borrowings (refer note 20)	487.05	1,338.92	2,176.32
Payables for capital goods	1,117.84	537.53	612.29
Interest accrued but not due	11.92	11.24	20.54
Unpaid dividends	36.88	25.79	16.39
Other payables	-	-	0.68
	1,749.49	**1,913.48**	**2,826.22**

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances from customers	123.15	424.42	104.55
Statutory dues	98.19	98.25	117.48
	221.34	**522.67**	**222.03**

25 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess the performance.

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

A. Geographic information :

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

Notes forming part of the financial statements for the year ended 31 March 2018

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

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
United States of America	14,216.75	19,493.34
Germany	13,953.17	14,361.88
Hong Kong	8,979.77	10,584.74
India	5,345.43	5,304.14
Rest of the world	3,349.06	1,900.17
	45,844.18	**51,644.27**

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

B. Major Customers

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

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Igarashi Motoren Gmbh, Germany	11,503.74	11,898.84
Igarashi Motor Sales USA LLC, USA	14,219.88	19,476.09
Igarashi Electric Works International Limited, Hong Kong	8,992.77	10,587.92

26 Revenue from operations

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products	43,745.51	50,789.43
Other operating revenue		
Scrap Sales	1,052.75	854.84
Capacity commitment fees	1,045.93	-
	45,844.19	**51,644.27**

27 Other income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Income from MEIS scrips	1,343.27	94.21
Interest income on		
Cash and bank balances	442.69	605.46
Security deposits at amortized cost	22.49	8.11
Gain on foreign currency transactions (net)	324.80	429.54
Financial assets at FVTPL-net change in fair value:		
Mandatorily measured at FVTPL - others	434.53	339.33
Miscellaneous income	80.07	231.51
	2,647.85	**1,708.16**

Notes forming part of the financial statements for the year ended 31 March 2018

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

28 Cost of materials consumed

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Inventory of materials at the beginning of the year	3,734.72	2,896.34
Add: Purchases	25,740.66	30,923.90
Less: Inventory of materials at the end of the year	(2,800.04)	(3,734.72)
	26,675.34	**30,085.52**

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

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Opening stock	Closing stock	(Increase) / Decrease	Opening stock	Closing stock	(Increase) / Decrease
Finished goods	141.59	260.81	(119.22)	74.21	141.59	(67.38)
Work-in-progress	283.67	333.32	(49.65)	227.24	283.67	(56.43)
	425.26	**594.13**	**(168.87)**	**301.45**	**425.26**	**(123.81)**

30 Employee benefits expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	2,310.80	2,089.04
Contribution to provident funds	121.60	78.00
Expenses related to post-employment defined benefit plans	83.12	9.43
Expenses related to compensated absences	36.42	19.76
Staff welfare expenses	565.56	521.98
	3,117.50	**2,718.21**

31 Finance costs

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on financial liabilities measured at amortised cost	86.88	188.71
Applicable net loss on foreign currency transaction and translations to the extent regarded as borrowing costs	14.07	-
Others	95.40	34.96
	196.35	**223.67**

32 Depreciation and amortization expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment (refer note 5)	2,430.83	2,108.27
Amortization of intangible assets (refer note 6)	35.12	94.81
	2,465.95	**2,203.08**

Notes forming part of the financial statements for the year ended 31 March 2018

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

33 Other expenses

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Consumption of stores and tools	749.55	895.12
Freight, delivery and shipping charges	213.82	310.98
Rent	71.45	306.30
Outsourced manpower cost	1,224.66	1,258.23
Commission	55.67	127.71
Power and fuel	615.36	670.71
Rates and taxes	95.68	36.13
Insurance	78.70	62.51
Repairs and maintenance		
Buildings	49.85	106.37
Machinery	737.84	1,066.16
Others	26.40	26.89
Legal and professional charges (refer note (a))	531.27	412.39
Travel and Conveyance	428.26	501.57
Communication expenses	54.12	42.16
Recruitment and training	30.58	96.15
Sitting fees and commission to Independent Directors' (including taxes)	31.97	32.81
Security expenses	124.29	93.72
Printing and stationery	36.41	39.17
Quality cost	200.06	164.72
Provision for doubtful debts	8.53	0.48
Fixed assets written off	16.71	-
Bank charges	61.08	131.42
Expenditure on corporate social responsibility (refer note (b) below)	188.01	246.84
Miscellaneous expenses	363.79	258.89
	5,994.06	**6,887.43**

a. Payment to auditors (excluding taxes)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
As auditor		
Statutory audit	30.00	14.00
Tax audit	3.00	1.25
Limited review of quarterly results (quarters ended Sep-17 and Dec-17)	10.00	3.60
Limited review of quarterly results (quarter ended Jun-17) and others*	11.02	-
In other capacity		
Tax services	7.38	-
Certification	3.00	9.70
Reimbursement of expenses	1.66	0.73
	66.06	**29.28**

* Paid to auditors other then B S R & Co. LLP

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

b. Details of corporate social responsibility expenditure

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Amount required to be spent by the Company during the year	188.39	146.08
Amount spent during the year (in cash) :		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	188.01	246.84
	188.01	**246.84**

34 Income tax

A. Amount recognised in profit and loss

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
Current period	3,659.77	3,601.26
Total current tax expense	**3,659.77**	**3,601.26**
Deferred tax		
Origination and reversal of temporary difference	(75.40)	225.32
Total deferred tax expenses/ (benefit)	**(75.40)**	**225.32**
	3,584.37	**3,826.58**

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability (asset)	(45.71)	15.97	(29.74)	(25.01)	9.92	(15.09)
Equity investments through other comprehensive income - net change in fair value	454.56	-	454.56	206.49	-	206.49
Effective portion of gains (losses) on hedging instruments in cash flow hedges	(40.55)	13.44	(27.11)	216.82	(75.04)	141.78
	368.30	**29.41**	**397.71**	**398.30**	**(65.12)**	**333.18**

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
Profit before tax		**10,211.70**		**11,358.33**
Tax using the Company's domestic tax rate	34.608%	3,534.07	34.608%	3,930.89
Tax incentives	-0.67%	(68.68)	-1.35%	(153.71)
Changes in estimates related to prior years	0.13%	12.90	0.00%	-
Effect of non-deductible expenses	1.04%	106.08	0.43%	49.40
Income tax expense	**35.10%**	**3,584.37**	**33.69%**	**3,826.58**

34 Income tax (contd.)

D. Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax (assets)		Deferred tax liabilities		Net Deferred tax (assets) liabilities	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Property, plant and equipment	-	-	1,439.02	1,361.65	1,439.02	1,361.65
Provision - employee benefits	(89.06)	(19.42)	-	-	(89.06)	(19.42)
Investments at fair value through profit or loss	-	-	6.99	89.38	6.99	89.38
Effective portion of cash flow hedges	-	-	69.22	75.04	69.22	75.04
Other items	(8.69)	(16.67)	-	24.69	(8.69)	8.02
Net deferred tax (assets) liabilities	**(97.75)**	**(36.09)**	**1,515.23**	**1,550.76**	**1,417.48**	**1,514.67**

Movement in temporary differences:

Particulars	Balance as at 1 April 2016	Recognized in profit or loss during 2016-17	Recognized in OCI during 2016-17	Balance as at 31 March 2017	Recognized in profit or loss during 2017-18	Recognized in OCI during 2017-18	Balance as at 31 March 2018
Property, plant and equipment	1,205.32	156.33	-	1,361.65	77.37	-	1,439.02
Provision - employee benefits	(8.07)	(1.43)	(9.92)	(19.42)	(53.67)	(15.97)	(89.06)
Investments at fair value through profit or loss	-	89.38	-	89.38	(82.39)	-	6.99
Effective portion of cash flow hedges	-	-	75.04	75.04	-	(5.82)	69.22
Other items	26.98	(18.96)	-	8.02	(16.71)	-	(8.69)
	1,224.23	**225.32**	**65.12**	**1,514.67**	**(75.40)**	**(21.79)**	**1,417.48**

Notes forming part of the financial statements for the year ended 31 March 2018

(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

Financial assets measured at fair value

31 March 2018

Particulars	Carrying amount							Fair value			
	Note	Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI -equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Investments											
-Equity shares	7	-	-	3,507.05	-	-	3,507.05	-	-	3,507.05	3,507.05
-Mutual funds	9	-	1,523.84	-	-	-	1,523.84	1,523.84	-	-	1,523.84
Forward contracts used for hedging	14	176.26	-	-	-	-	176.26	-	176.26	-	176.26
		176.26	**1,523.84**	**3,507.05**	**-**	**-**	**5,207.15**	**1,523.84**	**176.26**	**3,507.05**	**5,207.15**

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

Particulars	Carrying amount						
	Note	Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI -equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount
Trade receivables	10	-	-	-	10,318.86	-	10,318.86
Cash and cash equivalents	11	-	-	-	255.38	-	255.38
Other bank balances	12	-	-	-	10,382.75	-	10,382.75
Deposits and other receivables	13	-	-	-	434.54	-	434.54
		-	**-**	**-**	**21,391.53**	**-**	**21,391.53**

Notes forming part of the financial statements for the year ended 31 March 2018

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

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

Particulars	Carrying amount						
	Note	Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI -equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount
Trade payables	22	-	-	-	-	6,702.12	6,702.12
Borrowings	20	-	-	-	-	2,621.10	2,621.10
Other financial liabilities	23	-	-	-	-	1,262.44	1,262.44
		-	-	-	-	**10,585.66**	**10,585.66**

Financial assets measured at fair value

31 March 2017

Particulars	Carrying amount							Fair value			
	Note	Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI -equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
31 March 2017											
Financial assets measured at fair value											
Investments											
-Equity shares	7	-	-	3,019.01	-	-	3,019.01	-	-	3,019.01	3,019.01
-Mutual funds	9	-	-	-	-	-	-	-	-	-	-
Forward contracts used for hedging	14	254.30	-	-	-	-	254.30	-	254.30	-	254.30
		254.30	**-**	**3,019.01**	**-**	**-**	**3,273.31**	**-**	**254.30**	**3,019.01**	**3,273.31**

Notes forming part of the financial statements for the year ended 31 March 2018

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

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

B. Accounting classification and fair values (contd.)

Particulars	Carrying amount							Fair value			
	Note	Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI -equity instruments	Other financial assets - Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value (Refer Note 1 below)											
Trade receivables	10	-	-	-	10,324.18	-	10,324.18				
Cash and cash equivalents	11	-	-	-	385.34	-	385.34				
Other bank balances	12	-	-	-	616.52	-	616.52				
Deposits and other receivables	13	-	-	-	379.38	-	379.38				
		-	**-**	**-**	**11,705.42**	**-**	**11,705.42**				
Financial liabilities not measured at fair value (Refer Note 1 below)											
Trade payables	22		-	-	-	9,004.60	9,004.60				
Borrowings	20		-	-	-	2,190.86	2,190.86				
Other financial liabilities	23		-	-	-	574.56	574.56				
			-	**-**	**-**	**11,770.02**	**11,770.02**				
1 April 2016											
Financial assets measured at fair value											
Investments											
-Equity shares	7	-	-	2,812.52	-	-	2,812.52	-	-	2,813	2,812.52
-Mutual funds	9	-	-	-	-	-	-	-	-	-	-
Forward contracts used for hedging	14	76.02	-	-	-	-	76.02	-	76.02	-	76.02
		76.02	**-**	**2,812.52**	**-**	**-**	**2,888.54**	**-**	**76.02**	**2,812.52**	**2,888.54**
Financial assets not measured at fair value (Refer Note 1 below)											
Trade receivables	10	-	-	-	8,591.76	-	8,591.76				
Cash and cash equivalents	11	-	-	-	10,935.40	-	10,935.40				
Other bank balances	12	-	-	-	1,576.52	-	1,576.52				
Deposits and other receivables	13	-	-	-	443.20	-	443.20				
		-	**-**	**-**	**21,546.88**	**-**	**21,546.88**				
Financial liabilities not measured at fair value (Refer Note 1 below)											
Trade payables	22	-	-	-	-	7,442.82	7,442.82				
Borrowings	20	-	-	-	-	4,412.75	4,412.75				
Other financial liabilities	23	-	-	-	-	649.90	649.90				
		-	**-**	**-**	**-**	**12,505.47**	**12,505.47**				

Note 1: The Company has not disclosed fair values of financial instruments such as trade receivables, cash and bank balances, deposits and other receivables, 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 2018

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

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

C. 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
Investments in unquoted equity shares	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these equity instruments.	- Forecast annual revenue growth rate (31 March 2018: 4 - 15%; 31 March 2017: 4 - 15%). - Forecast EBITDA margin (31 March 2018: 7 - 12%; 31 March 2017: 7 - 12%). - Risk adjusted discount rate (31 March 2018: 13.42%; 31 March 2017: 12.01%)	The estimated fair value would increase (decrease) if: - the annual revenue growth rate were higher (lower); - the EBITDA margin were higher (lower);or - the adjusted market multiple were higher (lower). Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin
Forward exchange contracts	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

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening balance	(351.04)	(557.53)
Gain included in OCI		
- Net change in fair value (unrealised)	454.56	206.49
Closing balance	**103.52**	**(351.04)**

Sensitivity analysis

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

Particulars	Year ended 31 March 2018		Year ended 3 March 2017	
	OCI, net of tax		OCI, net of tax	
	Increase	Decrease	Increase	Decrease
EBITDA margin (50 bps movement)	152.59	(152.59)	237.99	(237.99)
Risk-adjusted discount rate (100 bps movement)	(392.76)	489.34	(395.07)	494.33

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

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see C.ii);

- liquidity risk (see C.iii); and

- market risk (see C.iv)

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

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.

Notes forming part of the financial statements for the year ended 31 March 2018

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

C. Financial risk management (contd.)

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 85% 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:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
United States of America	1,821.66	2,515.58	1,836.47
Asia-pacific region (excluding India)	4,209.38	3,456.53	1,987.03
Europe	3,175.03	3,280.60	3,381.26
India	1,122.79	1,072.94	1,387.99
	10,328.86	**10,325.65**	**8,592.75**

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

As at 31 March 2018

Particulars	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit-impaired
Not due	8,804.83	0.00%	-	No
Past due 1-90 days	1,464.73	0.15%	(2.13)	No
Past due 90-180 days	55.98	12.38%	(6.93)	No
Past due 181-270 days	3.32	28.31%	(0.94)	No
Total	**10,328.86**		**(10.00)**	

As at 31 March 2017

Particulars	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	9,121.32	0.00%	-	No
Past due 1-90 days	1,197.26	0.11%	(1.30)	No
Past due 90-180 days	7.07	2.40%	(0.17)	No
Past due 181-270 days	-	0.00%	-	No
Total	**10,325.65**		**(1.47)**	

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

C. Financial risk management (contd.)

As at 1 April 2016

Particulars	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	7,896.16	0.00%	-	No
Past due 1-90 days	694.35	0.14%	(0.94)	No
Past due 90-180 days	2.24	2.23%	(0.05)	No
Past due 181-270 days	-	0.00%	-	No
Total	**8,592.75**		**(0.99)**	

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:

Particulars	31 March 2018	31 March 2017
Balances at 1 April	1.47	0.99
Provision for the year	8.53	0.48
Balance at 31 March	**10.00**	**1.47**

b. Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivable)

The Company holds cash and bank balances of INR 10,638.13 lakhs at 31 March 2018 (31 March 2017: INR 1,025.58 lakhs; 1 April 2016: 12,603.32 lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

c. Security deposits

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

d. Advance to employees

This balance is primarily constituted by advances given to the employees. The Company does not expect any losses from non-performance by these counter-parties as the amounts are recoverable by salary deductions.

e. Receivable from forward exchange contracts used for hedging

This balance is primarily constituted by mark to market gains on forward contracts. The Company does not expect any losses from non-performance by these counter-parties as the amounts are due from a scheduled bank which is rated AA+, based on CRISIL ratings.

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

Notes forming part of the financial statements for the year ended 31 March 2018

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

unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (excluding trade payables).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Contractual cash flows					
	Carrying amount	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
31 March 2018						
Non derivative financial liabilities						
Borrowing	2,621.10	243.53	2,012.02	365.55	-	-
Trade payables	6,702.12	6,702.12	-	-	-	-
Other financial liabilities	1,262.44	1,262.44	-	-	-	-
	10,585.66	**8,208.09**	**2,012.02**	**365.55**	**-**	**-**
	Contractual cash flows					
	Carrying amount	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
31 March 2017						
Non derivative financial liabilities						
Borrowing	2,190.86	1,095.50	243.41	486.82	365.13	-
Trade payables	9,004.60	9,004.60	-	-	-	-
Other financial liabilities	574.56	574.56	-	-	-	-
	11,770.02	**10,674.66**	**243.41**	**486.82**	**365.13**	**-**
	Contractual cash flows					
	Carrying amount	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
1 April 2016						
Non derivative financial liabilities						
Borrowing	4,412.75	1,243.47	932.84	1,865.68	370.76	-
Trade payables	7,442.82	7,442.82	-	-	-	-
Other financial liabilities	649.90	649.90	-	-	-	-
	12,505.47	**9,336.19**	**932.84**	**1,865.68**	**370.76**	**-**

As disclosed in Note 20, the Company has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

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

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

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the 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:

Particulars	USD	Others
31 March 2018		
Financial assets:		
Trade receivables	8,899.99	-
Financial liabilities:		
Borrowings	1,783.99	837.11
Trade payables	4,679.12	378.62
Others	11.92	-
Net exposure in respect of recognised assets and liabilities	**2,424.96**	**(1,215.73)**

Particulars	USD	Others
31 March 2017		
Financial assets:		
Trade receivables	9,913.77	-
Financial liabilities:		
Borrowings	2,190.86	-
Trade payables	6,646.30	1,152.01
Others	11.24	-
Net exposure in respect of recognised assets and liabilities	**1,065.37**	**(1,152.01)**

Particulars	USD	Others
1 April 2016		
Financial assets:		
Trade receivables	8,395.24	-
Financial liabilities:		
Borrowings	4,284.52	-
Trade payables	4,749.23	934.80
Others	21.21	-
Net exposure in respect of recognised assets and liabilities	**(659.72)**	**(934.80)**

Notes forming part of the financial statements for the year ended 31 March 2018

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

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

C. Financial risk management (contd.)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against INR at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit / (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
USD (1% movement)	24.25	(24.25)	15.86	(15.86)
31 March 2017				
USD (1% movement)	10.65	(10.65)	6.96	(6.96)

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 2018, the Company holds the following instruments to hedge exposures to changes in foreign currency:

Particulars	Maturity		
	1-6 months	6-12 months	More than one year
Foreign currency risk			
Forward exchange contracts			
Net exposure	2,477.46	2,636.56	194.82
Average INR:USD forward contract rate	69.16	69.87	68.15

At 31 March 2017, the Company holds the following instruments to hedge exposures to changes in foreign currency:

Particulars	Maturity		
	1-6 months	6-12 months	More than one year
Foreign currency risk			
Forward exchange contracts			
Net exposure	1,394.06	1,167.12	1,491.32
Average INR:USD forward contract rate	69.86	71.25	73.58

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

At 1 April 2016, the Company holds the following instruments to hedge exposures to changes in foreign currency:

Particulars	Maturity		
	1-6 months	6-12 months	More than one year
Foreign currency risk			
Forward exchange contracts			
Net exposure	1,863.95	165.83	-
Average INR:USD forward contract rate	69.83	70.97	-

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:

Particulars	31 March 2018 Equity head 'Effective portion of cash flow hedges'	31 March 2017 Equity head 'Effective portion of cash flow hedges'
Balance as at 1 April	141.78	-
Effective portion of changes in fair value		
Foreign currency risk – Sales	(5.73)	254.30
Amount reclassified to profit or loss:		
Foreign currency risk – Sales	(34.82)	(37.48)
Tax on movements in relevant items of OCI during the year	13.44	(75.04)
Balance as at 31 March	**114.67**	**141.78**

c. Interest rate risk

The Company has only variable rate instruments i.e. external commercial borrowings 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:

Particulars	31 March 2018	31 March 2017	1 April 2016
Fixed rate borrowings	-	-	310.63
Variable rate borrowings	2,621.10	2,190.86	4,102.12
	2,621.10	**2,190.86**	**4,412.75**

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.

Particulars	Effect on profit and loss before tax	
	100 bp increase	100 bp decrease
31 March 2018		
Variable rate instrument	(26.21)	26.21
Cash flow sensitivity (net)	**(26.21)**	**26.21**
31 March 2017		
Variable rate instrument	(21.91)	21.91
Cash flow sensitivity (net)	**(21.91)**	**21.91**

Notes forming part of the financial statements for the year ended 31 March 2018

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

36 Operating leases

A. Leases as lessee

The Company has taken factory premises under cancellable operating leases. The leases are for varied periods, which are renewable at the option of the Company.

i. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Lease expense - minimum lease payments	71.45	306.30

Finance leases

The company had acquired certain plant and equipment on finance lease which were fully repaid in Oct, 2016. Minimum lease payments and present value of minimum lease payable as on 1 April 2016 in respect of the above finance lease were ₹ 129.71 lakhs and ₹ 128.23 lakhs respectively, due within one year.

37 Capital commitments and contingent liabilitie

Particulars	As at 31 March 2018	As at 31 March 2017
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided	2,001.71	2,131.81
Claims against the Company not acknowledged as debts		
Income tax liability that may arise in respect of matters for which the Company is under appeal	118.39	53.50
Employees State Insurance demand on dues for trainees	24.34	24.34

In addition to the above, there are certain claims which the Company receives from time to time in the ordinary course of business for with the amount of obligation cannot be measured with sufficient reliability. Management is of the view that such claims will not have any material adverse effect on the Company's financial position and result of operations.

38 Related parties

A. Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Ultimate Holding Company	Igarashi Electric Works Limited, Japan
Holding Company	Agile Electric Sub Assembly Private Limited
Fellow subsidiaries	Igarashi Electric Works International Limited, Hong Kong
	Igarashi Motoren Gmbh, Germany
	Igarashi Motor Sales USA LLC, USA
Key Managerial Personnel	Mr. P. Mukund, Managing Director
	Mr. R. Chandrasekaran, Chief financial officer
	Mr. P. Dinakara Babu, Company Secretary

38 Related parties (contd.)

B. Transaction with key managerial personnel

Key management personnel of the Company comprise of the Board of Directors and 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:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Short term employee benefits	225.96	207.76
Post-employment defined benefits	*	*
Compensated absences	*	*
Total	**225.96**	**207.76**

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 10).

* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

C. Related party transactions other than those with key managerial personnel

Particulars	Transaction value		Balance outstanding Receivable / (Payable)		
	For the year ended 31 March 2018	For the year ended 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Sale of goods and services					
Holding Company	3,463.83	3,261.34	933.07	822.98	1,231.46
Ultimate Holding Company	1,045.93	-	1,045.93	-	-
Fellow subsidiaries					
Igarashi Electric Works International Limited, Hong Kong	8,992.77	10,587.92	2,793.98	3,194.85	1,812.32
Igarashi Motoren Gmbh, Germany	11,530.74	11,898.84	2,373.51	2,495.44	1,836.47
Igarashi Motor Sales USA LLC, USA	14,219.88	19,476.09	1,821.52	2,515.58	2,531.86
Purchase of fixed assets					
Ultimate Holding Company	-	6.97		-	-
Holding Company	26.42	76.63	-	-	-
Purchase of goods					
Ultimate Holding Company	494.23	615.84	(128.62)	(162.78)	(177.40)
Holding Company	3,659.61	5,404.12	(783.23)	(1,372.83)	(786.64)
Dividend paid					
Ultimate Holding Company	63.96	14.51	-	-	-
Holding Company	848.11	192.46	-	-	-

Notes forming part of the financial statements for the year ended 31 March 2018

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

Particulars	Transaction value		Balance outstanding Receivable / (Payable)		
	For the year ended 31 March 2018	For the year ended 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fellow subsidiaries					
Igarashi Electric Works International Limited, Hong Kong	165.25	37.50	-	-	-
Key Managerial Personnel					
Mr. P. Mukund	440.10	149.68	-	-	-
Reimbursement of expenses received					
Holding company	40.96	36.61	-	-	-
Cost of services charged					
Holding company	-	43.73	-	-	-

39 Due to micro, small and medium enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 02, 2006, certain disclosures are required to be made relating to dues to micro, small and medium enterprises (MSME). On the basis of the information and records available with the management, none of the Company's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are not applicable.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(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;	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

40 Board of Directors of the Company at its meeting held on 27 May 2017 approved the scheme of arrangement ("Scheme") facilitating the amalgamation of Agile Electric Sub Assembly Private Limited ("AESPL") with the Company under Section 230 read with section 232 and other applicable provisions of the Companies Act, 2013 with the appointed date of 1 April 2017 and/or such date as the National Company Law Tribunal modifies. The Company has received no objection certificate from the stock exchanges on 9 May 2018. The scheme is subject to the approval of the Shareholders, creditors, the National Company Law Tribunal and all other regulatory and necessary approvals.

41 Transfer pricing

The Company has entered into transactions with certain related parties during the year ended 31 March 2018. 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.

42 Expenditure incurred on research and development

Particulars	As at 31 March 2018	As at 31 March 2017
Revenue expenditure - charged to statement of profit and loss	396.90	-
Capital expenditure	20.15	110.57
	417.05	**110.57**

43 Explanation of transition to Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

Notes forming part of the financial statements for the year ended 31 March 2018

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

43 Explanation of transition to Ind AS (contd.)

A. Optional exemptions availed

a. Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101 and as mentioned in (iii) above, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets.

b. Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

The Company has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition.

B. Mandatory exceptions

a. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

43 Explanation of transition to Ind AS (contd.)

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

"- Fair valuation of financial instruments carried at FVTOCI

- Impairment of financial assets based on the expected credit loss model

- Determination of discount value for financial instruments carried at amortized cost"

b. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

c. Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, Financial Instruments, at the date of transition. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as on the date of transition are reflected as hedges in the financial statements under Ind AS.

C. Reconciliations

The following reconciliations provides the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101 - First-time adoption of Ind AS

Notes forming part of the financial statements for the year ended 31 March 2018

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

(i) Reconciliation of equity

Particulars	Note	As at date of transition 1 April 2016			As at 31 March 2017		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets							
Non-current assets							
Property, plant and equipment		13,680.89	-	13,680.89	15,685.29	-	15,685.29
Capital work-in-progress		1,107.18	-	1,107.18	257.10	-	257.10
Intangible assets		98.49	-	98.49	108.94	-	108.94
Intangible assets under development		64.67	-	64.67	-	-	-
Financial assets							
Investments	d	3,370.05	(557.53)	2,812.52	3,370.05	(351.04)	3,019.01
Deposits and other receivables		139.15	(7.94)	131.21	418.93	(64.47)	354.46
Other financial assets		-	-	-	90.65	-	90.65
Income tax assets		99.02	-	99.02	115.18	-	115.18
Other non-current assets	b	61.67	40.78	102.45	159.89	73.93	233.82
Total non-current assets		**18,621.12**	**(524.69)**	**18,096.43**	**20,206.03**	**(341.58)**	**19,864.45**

Notes forming part of the financial statements for the year ended 31 March 2018

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

(i) Reconciliation of equity (contd.)

Particulars	Notes	As at date of transition 1 April 2016			As at 31 March 2017		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Current assets							
Inventories		3,424.27	-	3,424.27	4,435.47	-	4,435.47
Financial assets							
Investments	d	-	-	-	14,130.67	258.27	14,388.94
Trade receivables		8,592.75	(0.99)	8,591.76	10,325.65	(1.47)	10,324.18
Cash and Cash equivalents		10,935.40	-	10,935.40	385.34	-	385.34
Other bank balances		1,576.52	-	1,576.52	616.52	-	616.52
Deposits and other receivables		315.69	(3.70)	311.99	38.87	(13.95)	24.92
Other financial assets		76.02	-	76.02	163.65	-	163.65
Other current assets	b	173.16	48.80	221.96	172.33	27.11	199.44
Total current assets		**25,093.81**	**44.11**	**25,137.92**	**30,268.50**	**269.96**	**30,538.46**
Total assets		**43,714.93**	**(480.58)**	**43,234.35**	**50,474.53**	**(71.62)**	**50,402.91**
Equity and liabilities							
Equity							
Equity share capital		3,060.84	-	3,060.84	3,060.84	-	3,060.84
Other equity		26,380.59	(236.99)	26,143.60	33,974.39	(518.47)	33,455.92
Total equity	**(iii)**	**29,441.43**	**(236.99)**	**29,204.44**	**37,035.23**	**(518.47)**	**36,516.76**
Non-current liabilities							
Financial liabilities							
Borrowings		2,236.43	-	2,236.43	851.94	-	851.94
Provisions		-	-	-	-	-	-
Deferred tax liablities (net)	f	915.21	309.02	1,224.23	1,067.82	446.85	1,514.67
Total non-current liabilities		**3,151.64**	**309.02**	**3,460.66**	**1,919.76**	**446.85**	**2,366.61**
Current liabilities							
Financial liabilities							
Trade payables		7,442.82	-	7,442.82	9,004.60	-	9,004.60
Other financial liabilities		2,826.22	-	2,826.22	1,913.48	-	1,913.48
Other current liabilities		222.03	-	222.03	522.67	-	522.67
Provisions	a	573.29	(552.61)	20.68	38.37	-	38.37
Other tax liabilities		57.50	-	57.50	40.42	-	40.42
Total current liabilities		**11,121.86**	**(552.61)**	**10,569.25**	**11,519.54**	**-**	**11,519.54**
Total liabilities		**14,273.50**	**(243.59)**	**14,029.91**	**13,439.30**	**446.85**	**13,886.15**
Total equity and liabilities		**43,714.93**	**(480.58)**	**43,234.35**	**50,474.53**	**(71.62)**	**50,402.91**

Notes forming part of the financial statements for the year ended 31 March 2018

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

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	Year ended 31 March 2017		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Revenue from operations		51,644.27	-	51,644.27
Other income	d	1,449.89	258.27	1,708.16
Total income		**53,094.16**	**258.27**	**53,352.43**
Expenses				
Cost of materials consumed		30,085.52	-	30,085.52
Changes in inventory of finished goods and work-in-progress		(123.81)	-	(123.81)
Employee benefit expense	c	2,735.59	(17.38)	2,718.21
Finance costs	b	176.96	46.71	223.67
Depreciation and amortization expense		2,203.08	-	2,203.08
Other expenses		6,885.96	1.47	6,887.43
Total expenses		**41,963.30**	**30.80**	**41,994.10**
Profit before tax		**11,130.86**	**227.47**	**11,358.33**
Current tax		3,601.26	-	3,601.26
Deferred tax	f	152.62	72.70	225.32
Income tax expense		**3,753.88**	**72.70**	**3,826.58**
Profit for the year		**7,376.98**	**154.77**	**7,531.75**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability(asset)	c	-	(25.01)	(25.01)
Equity investments through other comprehensive income - net change in fair value	d	-	206.49	206.49
Income tax relating to items that will not be reclassified to profit or loss	f	-	9.92	9.92
		-	191.40	191.40
Items that will be subsequently reclassified to profit or loss				
Effective portion of gains (losses) on hedging instruments in cash flow hedges	e	-	216.82	216.82
Income tax relating to items that will be reclassified to profit or loss	f	-	(75.04)	(75.04)
		-	141.78	141.78
Other comprehensive income for the year, net of income tax		**-**	**333.18**	**333.18**
Total comprehensive income for the year		**7,376.98**	**487.95**	**7,864.93**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of the financial statements for the year ended 31 March 2018

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

(iii) Reconciliation of total equity

Particulars	Note	1 April 2016	31 March 2017
Equity under previous GAAP attributable to shareholders of the Company		29,441.43	37,035.23
Adjustments:			
Impact on account of proposed dividend	a	552.61	-
Effective interest rate adjustment on borrowings	b	77.95	31.24
Mark to market adjustments on investments	d	(557.53)	(92.77)
Impact of applying expected credit loss model on financial assets		(0.99)	(2.46)
Income tax on above and adjustments for earlier years	f	(309.03)	(454.48)
Equity under Ind AS attributable to shareholders of the Company		**29,204.44**	**36,516.76**

(iv) Reconciliation of the profit

Particulars	Note	31 March 2017
Profit attributable to shareholders of the Company as per previous GAAP [A]		**7,376.98**
Adjustments:		
Mark to market adjustments on investments	d	258.27
Effective interest rate adjustment on borrowings	b	(46.70)
Impact of applying expected credit loss model on financial assets		(1.47)
Remeasurements of the defined benefit liability recognised in OCI	c	25.01
Income tax impact on above adjustments	f	(80.34)
Total adjustments [B]		**154.77**
Profit for the year [C= A+B]		**7,531.75**
Other comprehensive income (OCI):		
Re-measurement gains on defined benefit plans	c	(25.01)
Effective portion of gains on hedging instruments in cash flow hedges	e	216.82
Equity investments through other comprehensive income - net change in fair value	d	206.49
Income tax impact on above adjustments	f	(65.12)
Sub-total [D]		**333.18**
Total Comprehensive income for the year [C + D]		**7,864.93**

Notes to reconciliation

a. Proposed dividend

Under previous GAAP(upto 31 March 2017), dividends proposed by the board of directors after the reporting date but before the approval of financial statements were considered to be adjusting event and accordingly recognised (along with related dividend distribution tax) as liabilities at the reporting date. Under Ind AS, dividends so proposed by the board are considered to be non-adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised under previous GAAP has been reversed.

Notes forming part of the financial statements for the year ended 31 March 2018

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

b. Measurement of financial liabilities

Under previous GAAP, transactions costs relating to borrowings were charged off to the statement of profit and loss as when those were paid. Under Ind AS, at initial recognition, an entity shall measure a financial liability at its fair value after adjusting the transaction costs that are directly attributable to the financial liability. Subsequently the financial liabilities would be measured at amortised cost using the effective interest rate (EIR) method.

c. Remeasurement of the defined benefit liability

Under Ind AS, remeasurement of the defined benefit liability/ (asset) are recognised in other comprehensive income. Under previous GAAP the Company recognised such remeasurements in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 or as on 31 March 2017.

d. Fair valuation of investments

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries, associates and joint ventures as well as mutual funds have been fair valued. The Company has designated certain investments classified as fair value through profit or loss with certain others designated as at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost.

e. Hedge accounting

Under the previous GAAP, the Company had adopted the hedge accounting principles as provided in Accounting Standard 30, Financial Instruments: Recognition and Measurement, issued by the Institute of Chartered Accountants of India, and accordingly, the cost relating to hedging was expensed in the profit or loss to the extent considered ineffective. The effective portion of the cost of hedging was taken to hedge reserves directly. Under Ind AS 109, costs relating to hedging are accounted as a part of the other comprehensive income to the extent considered as effective and are aligned to the hedging strategy.

f. Income-tax

Represents (decrease) / increase of deferred tax liability with respect to the above and adjustments for earlier years.

44. There are no subsequent events that have occurred after the reporting period till the date of approval of these financial statements.

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

For and on behalf of the Board of Directors of
Igarashi Motors India Limited
(CIN: L29142TN1992PLC021997)

S Sethuraman
Partner
Membership No. 203491

P Mukund
Managing Director
DIN: 00007788

K K Nohria
Chairman
DIN: 00060015

Keiichi Igarashi
Director
DIN: 00356779

Place: Chennai
Date: 22 May 2018

R Chandrasekaran
Chief Financial Officer

Hemant M Nerurkar
Director
DIN: 00265887

P. Dinakara Babu
Company Secretary
Membership No, A14812

ATTENDANCE SLIP

IGARASHI MOTORS INDIA LIMITED
CIN : L29142TN1992PLC021997
Regd.Office:
Plot No. B-12 to B-15, Phase II MEPZ- SEZ, Tambaram, Chennai 600 045,
Phone : +91-44-42298199/22628199 Fax : +91-44-22628143,
e-mail :investorservices@igarashimotors.co.in, Website: www.igarashimotors.com

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.
ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE METTING

Name of the attending member(s)	:	Folio/DP ID-Client ID No. :
No. of Shares held	:	

I hereby record my presence at the 26th ANNUAL GENERAL MEETING of the Company to be held at Welcome Hotel (Formerly 'Hotel Chola'), Cathedral Road, Chennai - 600 086 on Wednesday, the 8th August, 2018 at 3:00 P.M.

NAME OF PROXY IN BLOCK LETTERS	SIGNATURE OF THE SHAREHOLDER/ PROXY*

* Strike out whichever is not applicable.

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IGARASHI MOTORS INDIA LIMITED

PROXY FORM

CIN : L29142TN1992PLC021997
Regd.Office: Plot No. B-12 to B-15, Phase II MEPZ- SEZ, Tambaram, Chennai 600 045 Phone : +91-44-42298199/22628199
Fax : +91-44-22628143, e-mail :investorservices@igarashimotors.co.in, Website: www.igarashimotors.com

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the members	:
Registered Address	:
E-mail id :	:
DP ID / Client ID/Folio NO.	:

I/we, being the member(s) of…….....shares of Igarashi Motors India Limited, hereby appoint
(1)Name…….....Address…….....
e-mail id…….....signature.....Or failing him/her;
(2)Name…….....Address…….....
e-mail id…….....signature.....Or failing him/her;
(3)Name…….....Address…….....
e-mail id…….....signature.....Or failing him/her;

my/ourProxy to vote for me /us on my/our behalf at the 26th Annual General Meeting of the Company to be held at Wednesday, the August 08, 2018 at 3.00 p.m. at Welcome Hotel (Formerly 'Hotel Chola'), Cathedral Road, Chennai – 600 086 and at any adjournment thereof in respect of such resolutions as are indicated below :

** I wish my above Proxy to vote in the manner as indicated in the box below:

No.	Resolution	For**	Against**	Abstain**
Ordinary Business				
1	Adoption of audited Financial Statements for the financial year ended 31st March 2018, and the Reports of the Board of Directors and Auditors' Report thereon			
2	Approval for declaration of dividend of ₹ 6/- per equity share.			
3	Appointment of Mr. Keiichi Igarashi (DIN: 00356779) retires by rotation and being eligible, seeks re-appointment			
Special Business				
4	Appointment of Mr. K K Nohria (DIN: 00060015) as Non Executive, Non Independent Director, liable to retire by rotation			

Signed this ……..day of ……,2018.

Member's Folio/DP ID No.....Signature of Shareholder(s).....

Signature of Proxyholder(s).....

Affix a ₹ 1 Revenue Stamp

Notes:

I. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

II. A Proxy need not be a member of the Company.

III. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

IV. ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

V. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

VI. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

NOTES

GLOBAL IGARASHI MOTOR APPLICATIONS

Manufactured in India

IGARASHI
MOTORS INDIA LTD

Registered Office

IGARASHI MOTORS INDIA LTD.
Plots B-12 to B-15, Phase II, MEPZ - SEZ,
Tambaram, Chennai - 600 045, Tamil Nadu, India,
Tel: +91-44-2262 8199 / 4229 8199 Fax: +91-44-2262 8143
Email : investorservices@igarashimotors.co.in