



INDIA MOTOR PARTS & ACCESSORIES LIMITED

BOARD OF DIRECTORS

Sri S NARAYANAN	Chairman
Sri S RAM	
Sri ANANTH RAMANUJAM	
Sri S RAVINDRAN	
Sri S PRASAD	
Ms SHOBHANA RAMACHANDHRAN*	
Sri RASESH R DOSHI*	
Sri N KRISHNAN	Managing Director

COMMITTEES OF THE BOARD

Audit Committee

Sri S PRASAD	Chairman
Sri S RAVINDRAN	
Sri RASESH R DOSHI#	
Sri N KRISHNAN	

Shareholder / Investor Grievance Committee

Sri S NARAYANAN	Chairman
Sri N KRISHNAN	

GENERAL MANAGER – ACCOUNTS

Sri K V BHASKAR

SECRETARY

Sri B SHANMUGASUNDARAM

AUDITORS

M/S SUNDARAM & SRINIVASAN

Chartered Accountants

#23, C P Ramasamy Road

Alwarpet

Chennai – 600 018

BANKERS

STATE BANK OF INDIA

REGISTERED & CORPORATE OFFICE

“Sundaram Towers” III Floor

#46, Whites Road

Chennai – 600 014

WEBSITE

www.impal.net

*Co-opted on July 8, 2008

#With effect from July 8, 2008

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INDIA MOTOR PARTS & ACCESSORIES LIMITED

EXECUTIVES

Sri P HARIHARAN	Vice President (Marketing)
Sri L KUMAR	Vice President (Marketing)
Sri V RAMAKRISHNAN	Vice President (Marketing)
Sri G NARAYANAMOORTHY	Dy. General Manager (Accounts)
Sri T K SUNDARARAJAN	Senior Advisor
Sri R SUNDARARAJAN	Asst. General Manager
Sri L SRINIVASAN	Asst. General Manager
Sri V SRIDHAR	Asst. General Manager (Systems & Materials)
Sri MUKESH RASTOGI	Senior Area Manager
Sri R SIVARAMAN	Senior Area Manager
Sri S P SRIVASTAVA	Senior Area Manager
Sri M S HARIGOPAL	Senior Area Manager
Sri N SUNDARAM	Senior Area Manager (Accounts)
Sri R RAMAN	Senior Area Manager (Accounts)
Sri M PARAMESWARAN	Senior Area Manager (Accounts & Information Systems)

FINANCIAL HIGHLIGHTS

Rs. in Lakhs

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08
Share Capital	208.00	415.98	415.98	415.98	415.98
Reserves & Surplus	5673.83	6148.66	6723.57	7387.56	8125.02
Net Worth	5881.83	6564.64	7139.55	7803.54	8541.00
Capital Employed	6200.41	6884.64	7812.75	8644.51	9478.30
Sales	19281.69	21349.62	20707.03	22702.44	24377.59
Profit before tax	1402.95	1517.06	1382.93	1639.36	1748.12
Profit after tax	919.72	1014.84	906.94	1093.36	1199.80
Dividend Amount	260.00	291.19	291.19	374.39	395.18
Dividend %	125	70	70	90	95
Earnings per Share (Rs.)	44.22	24.40	21.80	26.28	28.84
Book Value Per Share (Rs.)	282.78	157.81	171.63	187.59	205.32

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Fifty-fourth Annual General Meeting** of the Shareholders of the Company will be held at **11.00 a.m. on Thursday, the 28th day of August 2008**, at the Music Academy, 168 (Old No.306), T T K Road, Chennai – 600 014 to transact the following business:

Ordinary Business

1. To receive and adopt the audited statement of accounts for the year ended 31st March 2008 and to consider the reports of the Directors and Auditors thereon.
2. To record interim dividend paid.
3. To elect a Director in the place of Sri Ananth Ramanujam, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Sri S Ravindran, who retires by rotation and being eligible, offers himself for re-election.
5. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s Sundaram & Srinivasan, Chartered Accountants, the retiring Auditors be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be decided by the Board of Directors exclusive of out of pocket expenses and levies such as service tax.”

Special Business

6. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:
“RESOLVED THAT Ms Shobhana Ramachandhran be and is hereby appointed as a Director of the Company liable to retire by rotation.”
7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
“RESOLVED THAT Sri Rasesh R Doshi be and is hereby appointed as a Director of the Company liable to retire by rotation.”
8. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company be and is hereby authorized to pay remuneration by way of Commission to the Directors (other than Managing Director) up to 1% of the net profits of the Company for a period of five years commencing from 1.4.2009.

FURTHER RESOLVED THAT the Board of Directors may, at its discretion, decide the quantum of remuneration by way of Commission to be distributed amongst the Directors of the Company or some or any of them (other than the Managing Director) such amounts in such proportion and in such manner from time to time.”

Chennai
8th July 2008

By Order of the Board
B Shanmugasundaram
Secretary

**EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956
SPECIAL BUSINESS**

Item No.6

Ms Shobhana Ramachandhran was appointed as Additional Director on 8.7.2008. Pursuant to Section 260 of the Companies Act, 1956, Ms Shobhana Ramachandhran holds office up to the date of the forthcoming Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose the appointment of Ms Shobhana Ramachandhran as a Director of the Company. The Board of Directors recommend her appointment.

Interest of Directors

None of the Directors, except Ms Shobhana Ramachandhran is concerned or interested in the resolution.

Item No.7

Sri Rasesh R Doshi was appointed as Additional Director on 8.7.2008. Pursuant to Section 260 of the Companies Act, 1956, Sri Rasesh R Doshi holds office up to the date of the forthcoming Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose the appointment of Sri Rasesh R Doshi as a Director of the Company. The Board of Directors recommend his appointment.

Interest of Directors

None of the Directors, except Sri Rasesh R Doshi is concerned or interested in the resolution.

Item No.8

After obtaining the members consent in the Forty Ninth Annual General Meeting held on 21st August 2003, the Non-Whole time Directors of the Company are being paid remuneration, by way of Commission, a sum not exceeding 1% of the net profits of the Company, for each financial year commencing from 1.4.2004.

The Non-Whole time Directors of the Company devote considerable time in guiding the affairs of the Company. The company benefits substantially from their advice and expertise. Having regard to their contribution and increased responsibilities, it is proposed to continue the payment of commission from the financial year commencing 1.4.2009, for a further period of 5 years. Accordingly, a special resolution is submitted for approval of the members.

Interest of Directors

All the Non-whole time Directors of the Company are deemed to be interested in the resolution.

Chennai

8th July 2008

By Order of the Board

B Shanmugasundaram

Secretary

PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

1. Item No.3 of the Notice

Name of the Director : Sri Ananth Ramanujam
 Age : 43 years
 Qualification : Graduate in Economics & Master's in Development Economics, University of Bath, U.K.

Sri Ananth Ramanujam was appointed as a Director of the Company on 5th September 2005. He has more than 18 years experience in export and manufacturing of auto components. Sri Ananth Ramanujam holds 18656 equity shares in the Company.

Details of other Directorships / Committee membership held

Director

Turbo Energy Ltd; ABI-Showatech (India) Ltd; Light Alloy Products Ltd; Transenergy Ltd; Raghuvamsa Holdings Pvt Ltd; ABI-Showatech Pte Ltd, Singapore; ABI-Showatech International Pte Ltd, Singapore; Minerva Pte Ltd, Singapore; Lawrence Ventures, Singapore; Vikasa Private Limited, Singapore

Committee Membership

ABI-Showatech (India) Ltd – Member, Audit Committee
 ABI-Showatech (India) Ltd – Member, Remuneration Committee
 Turbo Energy Ltd – Member, Audit Committee

Relationship with other Directors - Nil

2. Item No. 4 of the Notice

Name of the Director : Sri S Ravindran
 Age : 56 years
 Qualification : B.Com, ACA

Sri S Ravindran was appointed as a Director on 30th August 2006. He has diverse experience in various positions in Auto-ancillary industry, educational printing, publishing and distribution industry and health care industry in India and abroad for over 30 years. Sri S Ravindran holds 400 equity shares in the Company.

Details of other Directorships / Committee membership held

Whole time Director

Turbo Energy Ltd

Director

ABI-Showatech (India) Ltd, Chennai; Allegro Holdings Private Ltd; Athreya Harsha Holdings Private Ltd; Light Alloy Products Limited; Maham Holdings Private Limited; Padmalakshmi Holdings Private Ltd; Pebble Beach Farms Private Ltd; Raghuvamsa Holdings Private Ltd; Revathi Holdings Private Ltd; Silver Oak Holdings Private Ltd; Srishti Farms Private Ltd; Transenergy Ltd; Uthirattadhi Sriram Holdings Private Ltd; Al Anwar Blank Company SAOC Muscat;

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Committee Membership

ABI-Showatech (India) Ltd – Chairman, Audit Committee

ABI-Showatech (India) Ltd – Chairman, Remuneration Committee

Turbo Energy Ltd – Member, Audit Committee

Relationship with other Directors - Nil

3. Item No.6 of the Notice

Name of the Director : Ms Shobhana Ramachandhran

Age : 48 years

Qualification : Master's Degree in Literature; ACS - Intermediate

Ms Shobhana Ramachandhran was appointed as Additional Director of the Company on 8th July 2008. She was a Lecturer in English in Fatima College before joining TVS Srichakra Ltd as Executive Assistant to the Managing Director during 1985. She took over as Managing Director of TVS Srichakra Ltd during August 1986. Ms Shobhana Ramachandhran holds 31254 equity shares in the Company.

Details of other Directorships / Committee Membership held

Managing Director

TVS Srichakra Limited

Director

Sundaram Industries Ltd; TVS Novotema Elastomeric Engineered Products Private Ltd; Firestone TVS Private Ltd.

Committee Membership

TVS Srichakra Limited – Member, Shareholders / Investors Committee

Relationship with other Directors - Nil

4. Item No.7 of the Notice

Name of the Director : Sri Rasesh R Doshi

Age : 45 years

Qualification : B.Com, M.E.P. (Indian Institute of Management, Ahmedabad)

Sri Rasesh R Doshi was appointed as Additional Director of the Company on 8th July 2008. He has more than 2 decades of work experience in operations, finance and administration in Auto parts Distribution business. He was Chief Executive of The Associated Auto Parts Ltd during the year 1985 and in 1989 was co-opted to the Board as a Director. He was a Member of the Managing Committee of the Maharashtra Motor Parts Dealers' Association for 7 years (1992-93 to 1996-97 and 2004-05 to 2005-06). During the year 1997-98 he was a co-opted Member and was nominated as Vice President of the association in the year 1999-2000 and is currently Vice President for 2007-08 (till the next AGM). Sri Rasesh R Doshi holds 4328 equity shares in the Company.

Details of other Directorships / Committee Membership held

Director

The Associated Auto Parts Ltd; RCN Synthetics & Textiles Private Ltd.

Committee Membership - Nil

Relationship with other Directors - Nil

SHAREHOLDER INFORMATION:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The proxy form duly stamped and executed, should be deposited at the Regd. & Corporate Office of the Company at least forty-eight hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21.8.2008 to 28.8.2008 (both days inclusive).
4. Members desiring any information as regards Accounts are requested to write to the Company at least 7 days before the meeting so as to enable the Management to keep the information ready.
5. Pursuant to the erstwhile provisions of Section 205A of the Companies Act, 1956, all dividends up to the financial year 1993-94 and Interim Dividend for the financial year 1994-95, which remained unclaimed have been transferred to the General Revenue Account of the Central Government. Members, who have not encashed their dividend warrants for the said period, may claim the amount from the Registrar of Companies, Shastri Bhavan, #26 Haddows Road, Chennai - 600 006.

The unclaimed dividends in respect of financial year 1994-95 (final dividend), 1995-1996 to 2000-2001 have been transferred to Investor Education and Protection Fund. **As per provisions of Section 205C of the Companies Act, 1956, no claims will lay against the Company or the Investor Education and Protection Fund in respect of such unclaimed dividend amount transferred to the Fund.**

Members who have not encashed their dividends for the financial year ended 31st March 2002 or any subsequent financial years are requested to lodge their claim with the Company / Share Transfer Agents. Reminders are sent to Members to claim their dividends before the amount is transferred to Investor Education & Protection Fund.

6. Shareholders may opt for receiving dividends through Electronic Clearing Service (ECS) for better convenience. The ECS application form is available in our website www.impal.net which may be downloaded for use. Such form is required to be duly filled in and sent to the company for registration.
7. Please bring the admission slip with you, duly filled and hand it over at the entrance of the meeting hall.
8. Members who are holding shares in identical order of names in more than one account are requested to intimate to the Registrar & Transfer Agents, the ledger folio of such accounts together with the share certificates to enable the Company to consolidate all the holdings into one account. The Share certificates will be returned to the Members after making necessary endorsement in due course.
9. Members, who are individuals may avail the facility of nomination as provided in Section 109A of the Companies Act, 1956 wherein a Member may nominate in the prescribed manner, a person to whom his shares in the company shall vest in the event of his demise. Where more than one person holds the shares jointly, the joint holder may together nominate a person to whom all the rights in the shares of the company shall vest in the event of demise of all the joint holders.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors are pleased to present the **54th Annual Report** together with the Audited Accounts for the year ended 31st March 2008.

Rs. in Lakhs

Financial Results	31.03.2008	31.03.2007
Profit before tax	1748.12	1639.36
Less: Provision for tax for earlier years	—	15.83
Less: Provision for taxation (including deferred tax)	548.32	530.17
Profit after Tax	1199.80	1093.36
Add : Balance in P&L Account brought forward from previous year	358.81	294.82
Profit available for appropriation	1558.61	1388.18
Appropriations		
Dividend		
- Interim	395.18	291.19
- Final	—	83.20
Dividend Tax (including surcharge)	67.16	54.98
General Reserve	671.25	600.00
Surplus Balance in Profit & Loss Account	425.02	358.81

Performance

The year under review saw a 7.37% increase in sales turnover from Rs.227.02 Crores to **Rs. 243.77 Crores**. Profit before tax reached an all time high of **Rs.17.48 Crores**, an increase of 6.65% from that achieved during the previous year. (Previous year Profit before tax was Rs.16.39 Crores). Profit after tax grew by 9.79% to **Rs.12.00 Crores** from Rs.10.93 Crores.

Dividend

The Board of Directors in July 2008 have declared an Interim Dividend of Rs.9.50 per equity share on the paid up share capital of Rs.415.98 lakhs for the year ended 31st March 2008. The dividend, together with dividend tax of Rs.67.16 lakhs absorbs a sum of Rs.462.34 lakhs. The Board of Directors propose to treat the said interim dividend as the total dividend for the year.

Management Discussion and Analysis Report

The Indian Economy continued its growth momentum albeit with some moderation due to the decline in the growth rates across various sectors during the year 2007-08. The Gross Domestic Product is estimated to have grown at 9%, slower than the 9.6% of the previous year 2006-07. Agricultural sector grew at 4.5% compared to 3.6% of the previous year. Manufacturing sector's growth rate estimated at 8.8% is lower than the 12% achieved during the previous year. The services sector maintained its double-digit growth rate at 10.7% during 2007-08, despite some moderation in pace and continued to be a major contributor to GDP growth.

In the automotive sector, Medium and Heavy Duty Commercial Vehicles registered a drop of 1.66% during the year under review. In the previous year, this segment grew by 33% and substantial capacity was added, which perhaps resulted in the slackening growth rate. Light Commercial Vehicles recorded a growth rate of 12.29% (previous year 34%); Cars and Multi-Utility vehicles registered a growth rate of 12.17% versus 21% of the previous year. The drop in heavy duty commercial vehicles would have been greater but for the growth in tippers.

Uttar Pradesh, the only hold out to the VAT regime finally came under the VAT umbrella from 1st January 2008. The entire country is now under VAT. However, varying degrees of VAT and surcharge in some States is a matter of concern. While Maharashtra still retains its high Octroi rates, Gujarat has introduced a 2.5% surcharge on motor parts, which effectively hikes up the uniform VAT rate of 12.5% to 15%. With the exception of West Bengal, Kerala and Gujarat, all other States have adopted the principle of uniform VAT rate of 12.5%. West Bengal, in order to stimulate the motor parts industry and to encourage entrepreneurs to invest in the manufacture of automobile components (as a sequel to the Tata Motors complex in Singur) has lowered its VAT rate to 4%. This confers a huge benefit of 8.5% to the trade thus lowering its parts prices and preventing parts entering West Bengal from other States.

During the year under review, the company's sales turnover registered an increase of 7.37%. In order to retain staff, salaries required revision and this has resulted in a 10% increase in staff cost. The market remained competitive and this cost increase could not be passed on. The Company however continues to maintain a tight grip on all other expenses. Profit before tax has reached an all time high of Rs.17.48 Crores, an increase of Rs.1.09 Crores over that of the previous year. Profit after tax increased by 9.79% to Rs.12.00 Crores from Rs.10.93 Crores.

The steep increase in Crude oil prices in the last 12 months is a matter of concern to our economy. Oil prices have more than doubled from about 60\$ a barrel last year to about 135\$ a barrel now. This, and the commodity price boom caused by growth in emerging markets has resulted in a high inflation rate of 8% plus during May 2008. Of immediate concern to us is that steel prices continue to rise. Most of our major suppliers have announced price increases effective from the first quarter 2008-2009.

Government of India has put up price of diesel by Rs.3/- and petrol by Rs.5/- a litre with effect from 5th June 2008. The impact of all these on our market will be known in the next 9 months of the year.

Internal Control Systems

The Company has adequate internal control systems. Procedures pertaining to financial and operational functions are documented. The prevailing internal control systems gives a reasonable assurance regarding accounting controls, protection of assets and reliable financial reporting. Internal Audit is conducted at regular intervals at all the branches of the company. The audit observations and follow-up actions are discussed and reviewed by the Audit Committee of the Board. The Committee met 5 times during the year under review with the executives of the internal audit and accounts department, and statutory auditors.

Human Resources

A new wage agreement for a period of 3 years and 3 months commencing from 01.01.2008 was entered into with the Union employees. Despite the existing agreement expiring only on 31.03.2008, the new wage agreement was entered into, so that the employees will get better benefits three months ahead and for three months more. Refresher courses at the field level to update parts knowledge for the sales staff was conducted more vigorously for all the major brands. The Management continues to have harmonious relationship with all its employees.

Corporate Governance

A detailed report on corporate governance, together with a certificate from the Statutory Auditors in compliance with Clause 49 of the Listing Agreement is attached, forming part of this report.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Directors

During the year 2007-08, Sri V Gopalakrishnan, Director resigned from the Board and ceased to be a Director with effect from 30th April 2007. The Board of Directors place on record their appreciation of the valuable services rendered by Sri V Gopalakrishnan during his long association with the Company.

Your Directors have co-opted Ms Shobhana Ramachandhran and Sri Rasesh R Doshi as Additional Directors of the Company with effect from 8th July 2008. Their appointment requires the approval of the Members at the ensuing Annual General Meeting.

Sri Ananth Ramanujam and Sri S Ravindran, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Auditors

The Auditors, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed. A certificate under Section 224(1B) of the Companies Act, 1956 has been received from them.

Information as per Section 217(1)(e) of the Companies Act, 1956

Your Company has no activity relating to conservation of energy or technology absorption. During 2007-2008, the Company did not have any foreign exchange earnings or outgo other than travel and subscription expenses.

Personnel

There is no employee, particulars of whom are to be furnished under Section 217(2A) of the Companies Act, 1956.

Directors' responsibility statement

As required under Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2008 and of the profit of the Company for that year.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis.

Acknowledgement

Your Directors wish to thank all the suppliers and dealers for their support and co-operation during the year under review. They also wish to convey their grateful appreciation to State Bank of India for their continued support and confidence in the management.

Your Directors wish to place on record their appreciation for the commitment displayed and the collective contribution made by all the staff and executives of the Company.

On behalf of the Board of Directors

Chennai
8th July 2008

S Narayanan
Chairman

**AUDITOR’S REPORT TO THE MEMBERS OF
M/S.INDIA MOTOR PARTS AND ACCESSORIES LIMITED**

1. We have audited the attached Balance Sheet of M/s.INDIA MOTOR PARTS AND ACCESSORIES LIMITED as at 31st March, 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company’s Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor’s Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) Section 227 of the Companies Act, 1956 as amended , we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet , Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the Directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the matter so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - 1) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - 2) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
 - 3) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

*For Sundaram and Srinivasan
Chartered Accountants*

Chennai
8th July 2008

M Padhmanabhan
Partner
Membership No: 13291

**ANNEXURE TO THE AUDITORS' REPORT OF
M/S.INDIA MOTOR PARTS AND ACCESSORIES LIMITED**

Referred to in paragraph 3 of our report of even date

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) According to the information and explanations given to us, there is a regular programme of verification of fixed assets which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the fixed assets physically verified.
(c) There was no substantial disposal of fixed assets during the year.
2. (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and the discrepancies noticed during the physical verification of inventory between the physical stock and the book records were not material in relation to the size of operations of the Company.
3. The Company has not granted/taken any secured or unsecured loans, to/from the Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. The Company has got adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
5. (a) The particulars of Contracts or Arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section and
(b) The transactions made in pursuance of such Contracts and Arrangements have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public during the year covered by our audit report. The company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. This being a trading company, the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 are not applicable.
9. (a) According to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax and other material statutory dues applicable to it.

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

- (b) As at 31st March, 2008 according to the records of the Company, the disputes are as follows:
1. Sales Tax in Kerala for the year 1998-1999 is pending with Tribunal for Rs.1,71,299/- .
 2. Sales Tax in Jharkhand for the year 1999-2000 & 2000-2001 is pending with Deputy Commissioner(Appeals) for Rs.1,99,521/- and Rs.2,22,772/- respectively.
 3. Sales Tax in Orissa for the year 1996-1997 & 1998-1999 is pending with the Tribunal for Rs.18,041/- and Rs.1,14,313/- respectively.
 4. Sales Tax in Bihar for the year 2000-2001 is pending with Joint Commissioner of Commercial Taxes for Rs.4,41,804/-
10. The Company has neither accumulated losses as at 31st March, 2008 nor has incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
 11. Based on our audit and on the information and explanations given by the management we are of the opinion that the Company has not defaulted in the repayment of its dues to bankers during the year.
 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
 14. In our opinion and according to information and explanations given to us the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies(Auditor's Report) Order 2003 are not applicable to the Company.
 15. According to the information and explanations given to us the company has not given any guarantee for loans taken by others from bank or financial institutions.
 16. The Company has not raised any term loans during the year.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion there are no funds raised on a short term basis which have been used for long term investment.
 18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
 19. The Company has not issued any debentures during the year.
 20. The Company has not raised any money by public issue during the year.
 21. Based upon the audit procedures performed and information and explanations given to us we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Sundaram and Srinivasan
Chartered Accountants

Chennai
8th July 2008

M Padhmanabhan
Partner
Membership No: 13291

INDIA MOTOR PARTS & ACCESSORIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule No.	31.03.2008 Rs.in lakhs	31.03.2007 Rs.in lakhs
SOURCES OF FUNDS			
1. Shareholders' Funds:			
(a) Capital	1	415.98	415.98
(b) Reserves and Surplus	2	8125.02	7387.56
		8541.00	7803.54
2. Deferred Tax Liability (Net)			
		61.91	60.59
3. Loan Funds:			
Secured Loans	3	875.39	780.38
Total		9478.30	8644.51
APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	4	1655.51	1626.18
(b) Less: Depreciation		628.22	583.27
(c) Net Block		1027.29	1042.91
2. Investments			
	5	4678.55	3415.52
3. Current Assets, Loans & Advances			
(a) Current Assets	6	5042.00	5121.27
(b) Loans & Advances	7	657.87	770.09
		5699.87	5891.36
Less: Current Liabilities & Provisions			
(a) Current Liabilities	8	1456.77	1528.62
(b) Provisions	9	470.64	176.66
		1927.41	1705.28
Net Current Assets		3772.46	4186.08
Total		9478.30	8644.51
Notes on accounts	15		

The schedules referred to above and notes attached thereto form an integral part of the Balance Sheet.

S NARAYANAN
Chairman

S RAM

ANANTH RAMANUJAM

SRAVINDRAN

N KRISHNAN
Managing Director

SPRASAD
Directors

KVBHASKAR
General Manager - Accounts

B SHANMUGASUNDARAM
Secretary

As per our attached Report
of even date
For **SUNDARAM & SRINIVASAN**
Chartered Accountants

M PADHMANABHAN
Partner
Membership No: 13291

Chennai
8th July, 2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2008

	Schedule No.	31.03.2008 Rs.in lakhs	31.03.2007 Rs.in lakhs
INCOME			
Sales - Less Returns (Net)		24377.59	22702.44
Operating Income		78.81	91.35
Non Operating Income	10	225.67	207.42
Interest	14	1.72	2.14
		<u>24683.79</u>	<u>23003.35</u>
EXPENDITURE			
Cost of Sales - Parts & Accessories	11	21474.43	19985.42
Establishment Charges	12	710.79	626.91
Administrative & Other Expenses	13	688.66	688.76
Depreciation		61.79	62.90
		<u>22935.67</u>	<u>21363.99</u>
Profit for the year (Before Tax)		1748.12	1639.36
Less: Provision for taxation made for earlier years		-	15.83
Less: Provision for Taxation (includes Wealth tax Rs. NIL previous year Rs.0.09 lakhs)		531.00	490.00
(Add) / Less: Provision for Deferred Tax		1.32	24.17
Less: Provision for Fringe Benefit Tax		16.00	16.00
Net Profit after Tax		1199.80	1093.36
Add: Balance brought forward from previous year		358.81	294.82
Profit Available for Appropriation		1558.61	1388.18
APPROPRIATIONS:			
Interim Dividend		395.18	291.19
Dividend Tax (including Surcharge)		67.16	40.84
Final Dividend		-	83.20
Dividend Tax (including Surcharge)		-	14.14
General Reserve		671.25	600.00
Surplus-Balance carried to Balance Sheet		425.02	358.81
		<u>1558.61</u>	<u>1388.18</u>
Notes on accounts	15		
EARNINGS PER SHARE (Basic/Diluted in Rs.)		28.84	26.28
See Note No : 4 (iv) of Notes to Accounts			
The schedules referred to above and notes attached thereto form an integral part of the Profit and Loss account.			

S NARAYANAN
Chairman

S RAM

ANANTH RAMANUJAM

SRAVINDRAN

N KRISHNAN
Managing Director

SPRASAD
Directors

K V BHASKAR
General Manager - Accounts

B SHANMUGASUNDARAM
Secretary

As per our attached Report
of even date
For **SUNDARAM & SRINIVASAN**
Chartered Accountants

M PADHMANABHAN
Partner
Membership No: 13291

Chennai
8th July, 2008

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

31.03.2008
Rs. in Lakhs

31.03.2007
Rs. in Lakhs

Schedule No. 1

SHARE CAPITAL

Authorised:

100,00,000 Equity Shares of Rs. 10/-each 1000.00 1000.00

Issued, Subscribed and Paid up:

41,59,800 Equity Shares of Rs. 10/- each fully paid up
(Includes 34,69,800 Equity Shares of Rs.10/- each
allotted as fully paid up by way of Bonus Shares
by Capitalisation of Reserves) 415.98 415.98

Schedule No. 2

RESERVES AND SURPLUS

Capital Reserve:

As per Last Balance Sheet **378.75** 378.75

General Reserve:

As per Last Balance Sheet **6650.00** 6050.00

Add: Transfer from Profit & Loss Account 671.25 **7321.25** 600.00 6650.00

Surplus as per Profit & Loss Account **425.02** 358.81

8125.02 7387.56

Schedule No. 3

SECURED LOANS

Loan from Banks

Cash Credit **875.39** 780.38

(Secured by hypothecation of book debts and stock)

875.39 780.38

Schedule No. 4

FIXED ASSETS

Rs. in Lakhs

Description	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at 01/04/2007	Additions during the year	Deductions during the year	Balance as on 31/03/2008	For the Year	Upto 31/03/2008	As at 31/03/2008	As at 31/03/2007
Land	210.35	-	-	210.35	-	-	210.35	210.35
Leasehold land & Building	76.92	-	-	76.92	1.24	25.43	51.49	52.74
Buildings	844.80	8.24	-	853.04	26.09	223.57	629.47	647.32
Plant & Machinery	78.45	1.93	1.98	78.40	4.83	47.81	30.59	33.90
Electrical Fittings	21.76	0.22	-	21.98	0.84	17.29	4.69	5.31
Office Equipment	145.21	9.40	2.13	152.48	7.49	127.99	24.49	23.20
Furniture & Fixtures	163.75	1.20	-	164.95	5.31	141.65	23.30	27.41
Vehicles	84.94	32.13	19.68	97.39	15.99	44.48	52.91	42.68
TOTAL	1626.18	53.12	23.79	1655.51	61.79	628.22	1027.29	1042.91
Previous Year	1637.85	32.79	44.46	1626.18	62.90	583.27	1042.91	

SCHEDULES

	31.03.2008	31.03.2007
	Rs. in Lakhs	Rs. in Lakhs
Schedule No. 5		
INVESTMENTS		
Long Term (at cost)		
In Government Securities / Trust Securities:	-	-
In Equity Shares:-		
Long Term - At Cost - Non trade - Fully paid:		
<u>Quoted:</u>		
Sundaram Finance Ltd., 6,94,231 equity shares of Rs. 10/- each.	715.04	715.04
<u>Unquoted:</u>		
Royal Sundaram Alliance Insurance Company Ltd. 1,39,79,231 equity shares of Rs. 10/- each (24,66,923 Equity Shares purchased during the year)	1397.92	1151.23
Transenergy Ltd., 15,000 equity shares of Rs.100/- each	15.00	15.00
In Mutual Funds:-		
<u>Unquoted:</u>		
Sundaram BNP Paribas Energy Opportunities Fund - Growth - 1500000.00 Units of Rs.10/- each, Face Value Rs.150.00 lakhs	150.00	-
Current Investments: (at cost or market value , whichever is lower)		
<u>Unquoted:</u>		
Birla Sunlife Liquid Plus Institutional Plan - Daily Dividend Reinvestment - 736676.06 units of Rs.10/- each, Face Value Rs.73.67 lakhs	73.72	-
Reliance Liquid Plus Fund - Institutional option - Daily Dividend Reinvestment - 21891.93 Units of Rs.1000/- each, Face Value Rs.218.92 lakhs	219.17	-
ING Liquid Plus Fund - Institutional Daily Dividend - 720854.056 Units of Rs.10/- each, Face Value Rs.72.09 lakhs	72.11	-
HDFC Floating Rate - Short Term Plan - Wholesale Dividend - 998595.148 Units of Rs.10/- each, Face Value Rs.99.86 lakhs	100.67	-
DBS Chola Freedom Income STP Institutional - Daily Dividend Reinvestment Plan - 526449.36 Units of Rs.10/- each, Face Value Rs.52.65 lakhs	52.66	-
SBI Premier Liquid Fund - Institutional - Daily Dividend -5938978.7253 Units of Rs.10/- each, Face value Rs.593.90 lakhs	595.83	-

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

INVESTMENTS (Contd.)	31.03.2008		31.03.2007	
	Rs. in Lakhs		Rs. in Lakhs	
Principal Liquid Plus Fund Daily Dividend Reinvestment - 1600256.157 Units of Rs.10/- each, Face Value of Rs.160.03 lakhs	160.34		-	
Sundaram BNP Paribas Money Fund Super Institutional Daily Dividend - 3172869.833 Units of Rs.10/- each, Face Value Rs. 317.30 lakhs	320.31		-	
Sundaram BNP Paribas Interval Fund Qly-Plan-A-Inst. Div. - 2499525.091 Units of Rs.10/- each, Face Value Rs. 249.95 lakhs	250.00		-	
Sundaram BNP Paribas Interval Fund Qly-Plan-C-Inst. Div. 2015419.236 Units of Rs.10/- each, Face Value Rs. 201.54 lakhs	201.60		-	
DBS Chola Interval Income Fund - QPB - Inst Dividend - 2541764.559 of Rs.10/- each, Face Value Rs. 254.18 lakhs	254.18		-	
ICICI Prudential FMP Series 41 - 19 Months Plan - Insitutional Cumulative 1000000 Units of Rs.10/- each, Face Value Rs.100.00 lakhs	100.00		-	
Birla Sunlife Cash Manager Institutional Plan - Daily Dividend Reinvestment - 6405156.480 units Rs.10/- each face value Rs.640.64 lakhs	-		640.64	
Standard Chartered Fixed Maturity Plan -Quarterly Series 6 Dividend - 250000 units of Rs.10/- each face value of Rs.25.00 lakhs	-		25.00	
Reliance Fixed Horizon Fund I Quarterly Plan Series IV Dividend Plan - 1000000 units of Rs.10/- each face value of Rs.100.00 lakhs	-		100.00	
Reliance Fixed Horizon Fund II Quarterly Plan Series II Dividend Plan - 750000 units of Rs.10/- each face value of Rs.75.00 lakhs	-		75.00	
HDFC Cash Management Fund - Call Plan - Daily Dividend Reinvestment - 15373111.386 units of Re.1/- each face value of Rs.160.29 lakhs	-		160.29	
HDFC Cash Management Fund-Savings Plan-Daily Dividend Reinvestment - 1884175.032 units of Rs.10/- each face value of Rs. 200.41 lakhs	-		200.41	
Standard Chartered Liquidity Manager - Daily Dividend Reinvestment - 2578837.460 units of Rs.10/- each face value of 257.91 lakhs	-		257.91	
UTI - Fixed Maturity Plan - (Q FMP / 0107/I) Dividend Plan - 750000 units of Rs.10/- each face value Rs. 75.00 lakhs	-		75.00	
	<u>4678.55</u>		<u>3415.52</u>	
Aggregate value of Investments	Book value	Market Value	Book value	Market Value
Quoted	715.04	4004.32	715.04	2746.38
UnQuoted	3963.51		2700.48	

SCHEDULES
INVESTMENTS (Contd.)
Current Investments bought and sold during the year

<u>Name</u>	<u>No.of Units</u>	Rs. in Lakhs	
		<u>Face Value</u>	<u>At Cost</u>
Birla Sunlife Cash Manager - IP - DDR	21771067.26	2177.11	2177.76
ING Liquid Fund - Instl - DD option	3202547.10	320.25	320.64
HDFC Cash Mangement - Call Plan - DDR	2738446.57	273.84	285.53
HDFC Cash Management - SPP - DD	250205.34	25.02	25.10
HDFC Cash Management - SP- DDR	7418752.25	741.88	789.09
HDFC Floating Rate Income Fund - STP - Retail Option - DDR	1042024.71	104.20	105.05
HDFC Liquid Fund Dividend - DDR	1029776.63	102.98	105.02
TATA Liquid Super High Invt. Fund - DDR	8974.23	89.74	100.02
TFLD TATA Floater Fund - Daily Dividend	1011301.90	101.13	101.49
ICICI Prudential Liquid Plan - DDR	548556.32	54.86	65.00
ICICI Prudential Flexible Plan - DDR	624282.85	62.43	66.01
Principal Floating Rate Fund FMP - Regular Option - DDR	849689.25	84.97	85.07
Principal Floating Rate Fund FMP - Instl option - DDR	25642827.41	2564.28	2567.44
Principal Cash Management Fund - Liquid Option - DDR	849963.69	85.00	85.02
Principal Cash Management Fund - Liquid Option - Inst Plan	32042005.76	3204.20	3204.91
DBS Chola Short Term Floating Rate Fund - DDR	25227288.36	2522.73	2526.87
Magnum Insta Cash Fund - DDR - SBI	1219546.95	121.95	204.28
SBI - SHF - Liquid Plus - Inst Plan - DDR	6955064.25	695.51	695.85
Sundaram BNP Paribas Liquid Plus - Inst - DDR	15670774.61	1567.08	1570.13
Sundaram BNP Paribas Liquid Plus - Super Inst- DDR	57689614.14	5768.96	5782.73
Reliance Liquidty Fund - DDR Option	22469638.38	2246.96	2252.33
Grindlays Floting Rate Fund-LT-Inst-Plan B-Daily Dividend	9108396.43	910.84	911.34
Standard Chartered Liquidity Manager-Plus-Daily Dividend	101638.53	1016.39	1016.60
HDFC FMP 90D April 2007 (5) - Retail Plan Dividend	900000.00	90.00	90.00
Reliance Monthly Interval Fund-Series 1-Retail Dividend Plan	998472.34	99.85	100.00
Reliance Monthly Interval Fund-Series 1-Retail Dividend Plan	1996426.40	199.64	200.00
Reliance Monthly Interval Fund-Series 1-Retail Dividend Plan	499686.45	49.97	50.01
SBI Debt Fund Series - 90 Days - 13 - (Aug 07) - Dividend	2144342.59	214.43	214.43
DBS Chola FMP - Series 8 (Quarterly Plan -2) Dividend	1100392.99	110.04	110.12
Sundaram BNP Paribas Interval Fund Qly-Plan -A-Inst Div	2000000.00	200.00	200.00
ING Fixed Maturity Fund - 34 Inst. Dividend	2000000.00	200.00	200.00

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

	31.03.2008 Rs. in Lakhs	31.03.2007 Rs. in Lakhs
Schedule No. 6		
CURRENT ASSETS		
Stock-in-Trade at cost or Net realisable value whichever is lower as Certified by the Management	1860.52	2067.39
Goods-in-Transit (at cost)	110.48	184.58
Sundry Debtors - Over six months (unsecured) considered good	13.31	14.89
Others (unsecured) considered good	2319.97	2010.54
Cash and Bank Balances:		
Cash and Cheques on Hand	164.68	268.61
With Scheduled Banks		
Current Accounts	161.16	199.62
Fixed Deposit Accounts	2.37	2.37
Remittance in Transit	409.51	373.27
	<u>5042.00</u>	<u>5121.27</u>
Schedule No. 7		
LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	657.87	770.09
	<u>657.87</u>	<u>770.09</u>
Schedule No. 8		
CURRENT LIABILITIES		
Sundry Creditors - for purchases	1068.33	1144.00
- for expenses	186.20	91.15
- for others	173.97	213.03
Unclaimed Dividend*	28.11	79.98
Unclaimed matured Fixed Deposits*	0.16	0.16
Interest accrued but not due on loans	-	0.30
	<u>1456.77</u>	<u>1528.62</u>
*There are no amounts outstanding to be credited to Investor Education and Protection Fund.		
Schedule No. 9		
PROVISIONS		
Provision for Taxation (Net of Advance Tax and tax deducted at source)	8.30	79.32
Interim Dividend (Includes Dividend tax & Surcharge Rs.67.16 Lakhs)	462.34	-
Proposed Final Dividend (Includes Dividend tax & Surcharge Rs.14.14 Lakhs)	-	97.34
	<u>470.64</u>	<u>176.66</u>

SCHEDULES

	31.03.2008 Rs. in Lakhs	31.03.2007 Rs. in Lakhs
Schedule No. 10		
Non Operating Income		
Dividend Receipts -		
Long Term Investments in Equity Shares	74.39	95.22
Current Investments	122.30	89.65
Profit on Sale of Assets	1.40	3.36
Profit on Sale of Investments		
Current Investments	1.29	18.21
Others	26.29	0.98
	<u>225.67</u>	<u>207.42</u>
Schedule No. 11		
COST OF SALES-PARTS & ACCESSORIES		
Opening Stock	2067.39	1916.67
Less : VAT Credit available on Opening Stock	-	12.41
	<u>2067.39</u>	<u>1904.26</u>
Add: Purchases	21267.56	20148.55
	<u>23334.95</u>	<u>22052.81</u>
Less:Closing Stock	1860.52	2067.39
	<u>21474.43</u>	<u>19985.42</u>
Schedule No. 12		
ESTABLISHMENT CHARGES		
Salaries, Allowances, Commission and Bonus	594.51	513.83
Contribution to PF and Other Funds	55.19	54.13
Gratuity	18.11	18.29
Staff Welfare Expenses	42.98	40.66
	<u>710.79</u>	<u>626.91</u>
Schedule No. 13		
ADMINISTRATIVE & OTHER EXPENSES		
Rent	73.00	70.90
Rates, Taxes and Licences	24.39	22.29
Rebates and Discounts	106.71	99.49
Power and Lighting	34.28	34.85
Audit Fees : as Auditors	2.36	2.13
for Tax Audit	0.28	0.23
for Certification	0.28	0.22
out of pocket expenses	0.15	0.13
Directors' Sitting Fees	3.00	2.70
Insurance	6.51	7.90
Maintenance of Buildings	27.97	29.00
Maintenance of Plant & Machinery	4.56	4.26
Maintenance of Other Assets	34.07	34.60
Donations	2.80	32.26
Loss on Sale of Assets	0.89	0.63
Loss on Sale of Current Investments	0.44	-
Other Expenses	366.97	347.17
	<u>688.66</u>	<u>688.76</u>

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

	31.03.2008	31.03.2007
	Rs. in Lakhs	Rs. in Lakhs
Schedule No. 14		
INTEREST & FINANCE CHARGES / (RECEIPTS)		
Interest - Cash Credit	1.52	0.27
Finance Charges	<u>6.52</u>	<u>3.28</u>
	8.04	3.55
Less: Interest Receipts - Gross	<u>9.76</u>	<u>5.69</u>
(Tax Deducted at source Rs.1.73 lakhs, Previous year Rs. 0.91 lakhs)	<u>(1.72)</u>	<u>(2.14)</u>

Schedule No. 15

NOTES ON ACCOUNTS

1. Significant Accounting Policies:

- (a) Sales are net of trade discounts, returns and exclusive of VAT/Sales Tax .
- (b) 1. Fixed Assets are valued at cost less depreciation.
2. Depreciation has been provided based on written down value method , in accordance with Schedule XIV of the Companies Act, 1956.
3. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of purchase.
4. Depreciation on lease hold assets are amortised over the period of lease.
- (c) Inventories are valued in line with the Accounting Standard (AS 2). Cost of inventories is net of VAT in respect of Local Purchases.
- (d) Long term investments are carried at cost and provision for decline in value, if any , other than temporary, are made whenever necessary. Current Investments are stated at lower of cost or market value.
- (e) Employee Benefits:
- A) Short Term Employee Benefits:
Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered
- B) Post employment benefits:
Defined Contribution Plan
a) *Provident Fund*
Contributions are made to the company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and the notified interest rate.
The Company also contributes to government administrated pension fund and to Employees' State Insurance Schemes on behalf of its employees.
- b) *Superannuation*
The Company makes fixed contributions as a percentage on salary to the superannuation fund, which is administered by trustees and managed by the Life Insurance Corporation of India (LIC).
Defined Benefit Plan
a) *Gratuity*
The Company makes contribution to gratuity fund, as per actuarial valuation, which is administered by trustees and managed by the Life Insurance Corporation of India (LIC).
b) *Leave Encashment*
Liability on account of encashment of leave to employees is provided on the basis of an actuarial valuation.
The expenses and actuarial gain / loss on account of the above benefit plans are recognised in the profit and loss account on the basis of an actuarial valuation.

SCHEDULES

NOTES ON ACCOUNTS (Contd.)

C) Other Long Term Employee Benefits:

The estimated liability in respect of other long term benefits like entitlement of sick leave has been provided on the basis of actuarial valuation.

The above contributions are charged to the Profit and Loss Account.

(f) Insurance claims are accounted as and when the claims are settled.

(g) Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax to the extent that the timing differences are expected to crystallise.

2. Balance Sheet

i) Balance with Scheduled Banks include:

(a) Guarantee Deposits of Rs.2.37 lakhs (previous year Rs.2.37 lakhs).

(b) Unclaimed Dividend Bank Account Balance of Rs.28.11 Lakhs (previous year Rs.79.98 lakhs).

ii) Liability provided for but contested in appeal - ESI Contribution Rs.19.16 Lakhs (Previous year Rs.19.16 lakhs).

iii) The components of Deferred Tax Liability / Asset as on 31.03.2008 are as follows:

	31.03.2008	31.03.2007
	Rs in lakhs	Rs in lakhs
(a) Deferred Tax Liability		
Depreciation	81.66	78.16
(b) Deferred Tax Asset:		
Other Provisions	<u>19.75</u>	<u>17.57</u>
Net Deferred Tax Liability	<u>61.91</u>	<u>60.59</u>

3. Profit & Loss Account

i) Information for each class of goods purchased, sold and stocks during the year

	31.03.2008	31.03.2007
	Rs in lakhs	Rs in lakhs
<u>Automobile Products and Accessories</u>		
Opening Stock	2067.39	1916.67
Purchases	21267.56	20148.55
Sales	24377.59	22702.44
Closing Stock	1860.52	2067.39

None of the individual items account for 10% or more of the total value of Opening stock, Purchases, Sales and Closing stock

ii) Employee Benefits:

Defined Contribution Plans:

During the year, the Company has recognized the following amounts in the Profit and Loss Account, which are included in Establishment expenses in Schedule 12:

	Rs.in Lakhs
Contribution to Superannuation Fund	7.30
Contribution to Pension Fund	20.75
Contribution to Employees' State Insurance - ESI	12.32
Contribution to Provident Fund	13.32

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

NOTES ON ACCOUNTS (Contd.)

Defined Benefit Plans:

	Description of Benefits Plan	Funded Gratuity Rs.in Lakhs
A)	Reconciliation of opening and closing balances of the present value of the defined benefit obligation	
	Present value of obligation as at 01/04/2007	100.87
	Current service cost	9.49
	Interest cost	6.93
	Benefits paid	(17.05)
	Actuarial loss on obligations	1.94
	Present value of obligation as at 31/03/2008	102.17
B)	Reconciliation of opening and closing balance of the fair value of plan assets	
	Fair value of plan assets as at 01/04/2007	100.29
	Expected return on plan assets	7.64
	Contributions made	20.22
	Benefits paid	(17.05)
	Actuarial gain on plan assets	1.11
	Fair value of plan assets as at 31/03/2008	112.21
C)	Reconciliation of present value of defined benefit obligation and fair value of plan assets	
	Present value of obligation as at 31/03/2008	102.17
	Fair value of plan assets as at 31/03/2008	112.21
	Unrecognised past service cost	—
	Net Asset / (Liability) not recognised in Balance Sheet	10.04
D)	Expenses recognised in the Profit and Loss account	
	Current service cost	9.49
	Interest cost	6.93
	Expected return on plan assets	(7.64)
	Net actuarial loss recognised	0.83
	Expenses included in the Profit and Loss account	9.60
E)	Actual return on plan assets	
	Expected return on plan assets	7.64
	Actuarial gain on plan assets	1.11
	Actual return on plan assets	8.75
F)	Actuarial assumptions	
	Discount rate	LIC - 8%
	Expected rate of return on plan assets	LIC - 8%
	Rate of increase in compensation levels	4.50 %

The present value of obligation towards compensated absences and entitlement of sick leave, as per actuarial certificate, as on 31-03-2008 is Rs.20.85 lakhs (previous year Rs.14.75 Lakhs) and is provided for in the books of accounts.

SCHEDULES

NOTES ON ACCOUNTS (Contd.)

	31.03.2008	31.03.2007
	Rs in lakhs	Rs in lakhs
iii) Remuneration to Directors:-		
a) Remuneration to Managing Director		
Salary	18.24	16.50
Commission	22.67	21.00
Contribution to Provident Fund & Other Funds	4.86	4.46
Perquisites	15.56	15.20
Sitting Fees	0.66	0.66
	61.99	57.82
b) Commission to Non-Wholetime Directors	3.00	2.50
	64.99	60.32
iv) Computation of Net Profit in accordance with Section 198 read with sections 349 and 350 of the Companies Act, 1956 for the purpose of managerial remuneration.		
Net Profit as per Accounts	1748.12	1639.36
Add: Director's Remuneration	64.99	60.32
Directors' sitting fees (Other than Managing Director)	2.34	2.04
Loss on sale of Assets	0.89	0.63
Loss on sale of Current Investments	0.44	-
	1816.78	1702.35
Less: Profit on sale of Assets	1.40	3.36
Profit on sale of Current Investments	1.29	18.21
	1814.09	1680.78
1.5% thereof	27.21	25.20
Commission to Managing Director 1.25% (Previous year 1.25%)	22.67	21.00
Commission to Non-Wholetime Directors	3.00	2.50

v) There was no Interest on Fixed Deposits paid/payable to the Directors (previous year - Nil)

4) General

i) Segment Reporting:
The company operates only in one business segment. viz. "Sale and Distribution of Automotive spares".

ii) Related Party Disclosures

1. Related parties:

a. Associates:

T V Sundram Iyengar & Sons Ltd.

b. Key Management Personnel:

Sri. N. Krishnan, Managing Director.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

NOTES ON ACCOUNTS (Contd.)

2. The disclosure of related party transactions during the year and balances as on 31/03/2008 are as follows.

Rs. in Lakhs

Nature of Transaction	Associates	Key Management Personnel	Relatives of Key Management Personnel
Sale of Goods	35.14	0.00	0.00
Purchase of Goods	4.10	0.00	0.00
Receiving Services	3.70	0.00	0.00
Payable Balance	1.49	0.00	0.00
Receivable Balance	2.15	0.00	0.00
Remuneration	0.00	61.99	0.86

- iii) There are no dues to micro enterprises and small enterprises in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006, based on the information available with the Company.

- iv) Basic and diluted Earning Per Share (EPS) of Face Value of Rs.10/- each is calculated as under :

		31.03.2008	31.03.2007
Profit after Taxation	Rs. in Lakhs	1199.80	1093.36
Total Equity Shares outstanding at the end of the year	Nos.	4159800	4159800
Weighted average number of Equity Shares	Nos.	4159800	4159800
Earnings per share (Basic and Diluted)	Rs.	28.84	26.28
Face value per share	Rs.	10.00	10.00

- v) Expenditure in foreign currency
- Travelling & Subscription
- | | | | |
|--|--------------|-------------|------|
| | Rs. in Lakhs | 1.54 | 1.03 |
|--|--------------|-------------|------|
- vi) Contingent Liability not provided for
- Tax Liability under dispute at various forums of appeal
- | | | | |
|--|--------------|---------------|--------|
| | Rs. in Lakhs | 286.08 | 289.83 |
|--|--------------|---------------|--------|
- vii) Previous year's figures have been re-grouped wherever necessary, to make them comparable.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No.: L65991TN1954PLC000958	State Code	18
Balance Sheet Date	31.03.2008	

II CAPITAL RAISED DURING THIS YEAR (Amount in Rs.Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	947830	Total Assets	947830
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SOURCES OF FUNDS

Paid-up Capital	41598	Reserves & Surplus	812502
Secured Loans	87539	Unsecured Loans	—
		Deferred Tax Liability	6191

APPLICATION OF FUNDS

Net Fixed Assets	102729	Investments	467855
Net Current Assets	377246	Misc. Expenditure	—

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover (including other income)	2468379	Total Expenditure	2293567
Profit Before Tax (+)	174812	Profit After Tax (+)	119980
Earnings Per Share in Rs.	28.84	Dividend Rate	95 %

V GENERIC NAME OF PRINCIPAL PRODUCT/SERVICE OF THE COMPANY (As per Monetary Terms)

ITC Code	Not applicable
Product Description	Sale and Distribution of Automotive Spares

CASH FLOW STATEMENT

	2007-2008 (Rs in lakhs)	2006-2007 (Rs in lakhs)
A) Cash flow from Operating Activities		
a) Net Profit Before tax	1748.12	1639.36
Adjustment for:		
Depreciation	61.79	62.90
Interest & Finance Charges	6.52	3.28
Interest Receipts - Gross		
Govt	-	-
Others	-	-
Dividend Income		
Long Term	(74.39)	(95.22)
Current	(122.30)	(89.65)
Loss on Sale of Assets	0.89	0.63
Loss on Sale of Investments	0.44	-
Profit on Sale of Assets	(1.40)	(3.36)
Profit on Sale of :		
Long Term Investments	-	-
Current Investments	(1.29)	(18.21)
b) Operating Profit before Working Capital Changes	1618.38	1499.73
Adjustment for:		
Decrease/ (Increase) in Trade Receivables	(307.85)	(72.10)
Decrease / (Increase) in Loans & Advances	112.22	(301.02)
(Increase) / Decrease in Inventories	280.97	(213.67)
(Decrease) / Increase in Trade Payable	(19.98)	(20.34)
	65.36	(607.13)
c) Cash Generated from Operations	1683.74	892.60
Direct taxes Paid	(618.02)	(454.18)
	(618.02)	(454.18)
d) Cash flow before Extraordinary item	1065.72	438.42
e) Extraordinary Item	-	-
Net Cash flow from Operating Activities	1065.72	438.42
B) Cash flow from Investing Activities		
Sale of Fixed Assets	7.46	14.09
Sale of Investments		
Long Term	-	-
Current	1535.10	1543.65
Dividend received		
Long Term	74.39	95.22
Current	122.30	89.65

CASH FLOW STATEMENT (Contd.)

	2007-2008 (Rs in lakhs)	2006-2007 (Rs in lakhs)
Interest received		
Govt	-	-
Others	-	-
Purchase of Fixed Assets	(53.12)	(32.79)
Purchase of :		
Long Term Investments	(396.69)	-
Current Investments	(2400.59)	(1534.25)
Net Cash used in Investing Activities	(1111.15)	175.57
C) Cash flow from Financing Activities		
Borrowing / (Repayment) of Cash Credit	95.01	143.60
Repayment of Fixed Deposits	-	-
Interest paid on Fixed Deposits	-	(0.14)
Interest Others	-	-
Finance charges	(6.52)	(3.28)
Dividend Paid	(149.21)	(605.09)
Net Cash flow from Financing Activities	(60.72)	(464.91)
D) Net Increase / (Decrease) in Cash & Cash Equivalent	(106.15)	149.08
Cash & Cash Equivalent at beginning of the year	843.87	694.79
Cash & Cash Equivalent at the end of the year	737.72	843.87

S NARAYANAN <i>Chairman</i>	S RAM ANANTH RAMANUJAM SRAVINDRAN	K V BHASKAR <i>General Manager - Accounts</i>	As per our attached Report of even date For SUNDARAM & SRINIVASAN <i>Chartered Accountants</i>
N KRISHNAN <i>Managing Director</i>	S PRASAD <i>Directors</i>	B SHANMUGASUNDARAM <i>Secretary</i>	M PADHMANABHAN <i>Partner</i> Membership No: 13291

Chennai
8th July, 2008

REPORT ON CORPORATE GOVERNANCE

1. Company’s Philosophy on Corporate Governance: The Company’s Philosophy on Corporate Governance is to ensure transparent functioning of the Company in the conduct of its business. Management’s goal is to enhance Shareholder value and stakeholders’ interests through sound business decisions, prudent financial management and high standards of ethics in the Organization.

2.1 Board of Directors: The Board comprises of eight members. Out of this, seven members are Non-Executive Directors. Sri S Narayanan is the Non-Executive Chairman. The Board has one Executive Director, Sri N Krishnan, designated as Managing Director. Sri S. Ram, Sri Ananth Ramanujam, Directors represent the promoter group. Sri S Ravindran, Sri S. Prasad, Sri Rasesh R Doshi and Ms Shobhana Ramachandhran are the Independent Directors. The composition of the Board is in conformity with the listing requirements.

All Directors and Senior Management Personnel have affirmed compliance with the code of Conduct approved and adopted by the Board of Directors.

2.2 Attendance at Board meeting and last Annual General Meeting

During the financial year 2007-08, the Board met 6 times on 26th April 2007, 16th July 2007, 25th July 2007, 31st October 2007, 29th January 2008 and 24th March 2008.

Details of attendance at Board Meetings, Annual General Meeting and details of Directorship in other Boards and Board Committees:

Name	Attendance Particulars		No. of other Directorship & Committee membership / chairmanship other than IMPAL (as on 31.03.2008)		
	Board meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Sri S Narayanan	6	Yes	3	-	1
Sri N Krishnan	6	Yes	-	-	-
Sri S Ram	4	Yes	8	3	1
Sri Ananth Ramanujam	6	Yes	4	3	-
Sri S Ravindran	6	Yes	4	1	2
Sri S Prasad	6	Yes	1	1	1

Note: 1. Other Directorship excludes Private Limited Companies and Foreign Companies.
 2. Only Audit Committee, Shareholders/ Investors grievance committee & Remuneration Committee is reckoned for this purpose.

3. Audit Committee:

Sri V Gopalakrishnan, a Director and Chairman of the Audit Committee, resigned from the Board of Directors and the Audit Committee on 30th April 2007. The Audit Committee was reconstituted with Sri S Prasad as Chairman, Sri S Ravindran – Director and Sri N Krishnan – Managing Director as its Members.

The audit committee reviews the annual financial statements, un-audited quarterly financial results, adequacy of internal control systems, related party transactions, compliance to listing and other legal requirements relating to financial statements. Heads of Accounts and Internal Audit are invitees to the Committee Meetings. The Committee also interacts with internal and statutory auditors on audit related issues.

During the financial year 2007-08, the Audit Committee met 5 times on 26th April 2007, 13th July 2007, 25th July 2007, 31st October 2007 and 29th January 2008. The composition and attendance particulars are as follows:

Name	Position	No. of Meetings attended
Sri S Prasad*	Chairman	4
Sri S Ravindran	Member	5
Sri N Krishnan	Member	5

* Co-opted as a Member of the Committee with effect from 30.4.2007

4. Remuneration to Directors:

Directors of the Company are paid a sitting fee of Rs.6000/- each for every meeting of the Board and Audit Committee.

Remuneration to Non-Executive Directors

The Non-Executive Directors are remunerated by way of commission within the ceiling of 1% of the net profits of the Company for each financial year as approved by the shareholders. The details of remuneration paid and the number of shares held by the Non- Executive Directors are as follows: -

Name of the Director	Sitting Fee (Rs.)	Commission (Rs.)	No. of shares held (as at 31.03.2008)	Relationship with Other Directors
Sri S Narayanan	36000	50000	1608 ¹	-
Sri S Ram	24000	50000	9950 ²	-
Sri Ananth Ramanujam	36000	50000	18656 ³	-
Sri S Ravindran	66000	75000	400	-
Sri S Prasad	60000	75000	480	-

Number of shares held jointly with others ¹19744 ²57132 ³28624

Managing Director

The Managing Director has been appointed on contractual terms for a period of five years. The remuneration comprises of salary, allowances, commission and perquisites. The quantum of commission payable to the Managing Director is decided by the Board of Directors for each financial year. The remuneration is within the limits prescribed under Schedule XIII to the Companies Act, 1956. Details of remuneration paid to Managing Director is as under: -

Nature of Payment	Sri N Krishnan, Managing Director	Relationship with Other Directors
	Rs. in Lakhs	
Salary	18.24	Son of Sri S Narayanan
Commission	22.67	
Sitting Fees	0.66	
Contribution to Provident Fund & other funds	4.86	
Perquisites	15.56	

5. Shareholders / Investors grievance committee:

The shareholders / investors grievance committee was constituted to attend to shareholders and investors complaints from September 2001. The Committee consists of Sri S Narayanan and Sri N Krishnan as its members. Sri S Narayanan is the Chairman of the Committee.

Sri B Shanmugasundaram, Secretary of the company is the compliance officer. During the year under review, no investor complaints were received.

6. General Body Meetings:

a) Details of location and time of the last three Annual General Meetings (AGM):

Year	Location	Date and time
51 st AGM (2004-05)	Music Academy 168, TTK Road, Chennai –14.	September 5, 2005 10.25 a.m.
52 nd AGM (2005-06)	Music Academy 168, TTK Road, Chennai –14.	August 30, 2006 10.30 a.m.
53 rd AGM (2006-07)	Music Academy 168, TTK Road, Chennai –14.	September 7, 2007 10.25 a.m.

b) Details of Special Resolutions passed in the previous three Annual General Meetings (AGM):

Year	Date	Details of Special Resolution
51 st AGM (2004-05)	September 5, 2005	NIL
52 nd AGM (2005-06)	August 30, 2006	1. Amendment to Articles of Association 2. Delisting of shares from Madras Stock Exchange
53 rd AGM (2006-07)	September 7, 2007	NIL

There was no requirement for seeking approval of the shareholders by a postal ballot in the above Meetings.

7. Disclosures:

- There were no materially significant related party transactions with the Company’s Promoters, Directors, the Management or Relatives, which may have a potential conflict with the interest of the Company at large.
- There have been no instances of non-compliance by the Company on any matters relating to capital market, nor has any penalty / strictures been imposed on the Company by the Stock Exchange or SEBI or any other Statutory authority on such matters.
- All the mandatory requirements specified under Clause 49 of the Listing Agreement have been complied with.
- The Company proposes to adopt other non-mandatory requirements as and when necessary.

8. Means of Communication:

- The quarterly unaudited financial results of the Company is being published in leading national newspapers such as Business Line, The Economic Times and in the vernacular (Tamil) newspaper in the prescribed format.
- Quarterly results, Annual results including the Annual Report, shareholding pattern are all available on our Company's website www.impal.net and also in SEBI's website - Electronic Data Information Filing & Retrieval (EDIFAR) <http://sebidifار.nic.in>

9. General Shareholder Information:

a.	54 th Annual General Meeting	
	Date and Time Venue	28 th August 2008 – 11.00 A.M The Music Academy 168 (Old No.306), T T K Road Chennai 600 014
b.	Financial Calendar (Tentative)	
	Annual General Meeting First quarter results ended June 30, 2008 Second quarter results ending September 30, 2008 Third quarter results ending December 31, 2008 Fourth quarter results ending March 31, 2009 Audited results for the year ending March 31, 2008	28 th August 2008 July, 2008 October, 2008 January, 2009 April, 2009 July, 2009
c.	Period of Book Closure	From 21.8.08 to 28.8.08 (Both days inclusive)
d.	Dividend payment date	On or before 4 th August, 2008 (Interim Dividend)
e.	Listing on Stock Exchanges	National Stock Exchange of India Limited (NSE)
f.	Stock Code a) Trading Symbol in NSE b) Demat ISIN Numbers in NSDL & CDSL	IMPAL INE547E01014

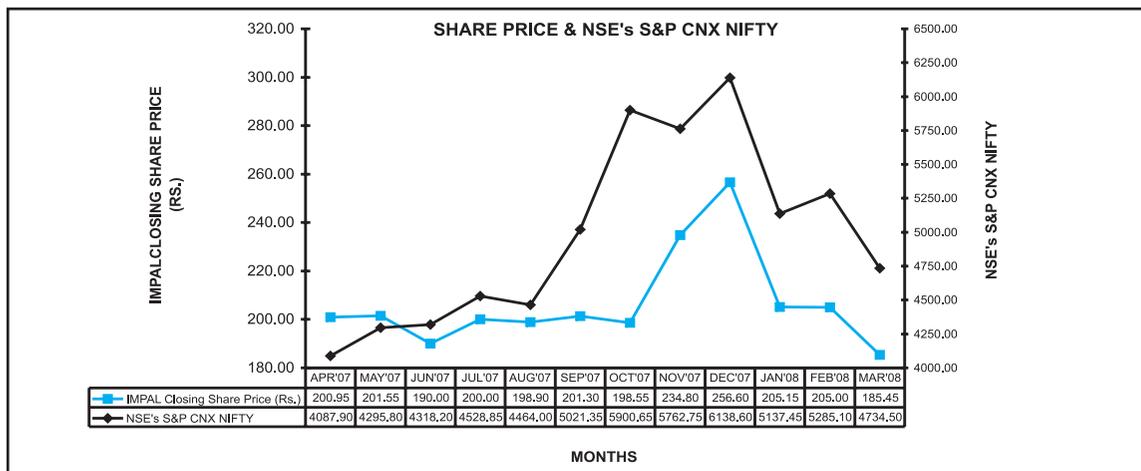
g. The Company has paid the listing fee up to the year 2008-09 to National Stock Exchange.

h. Market Price Data (Rs.)

MONTH		Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08
NSE	HIGH	208.90	206.95	201.90	209.00	217.00	230.00	237.75	270.00	295.00	270.00	225.00	226.50
	LOW	180.10	181.60	180.00	173.40	181.00	160.20	158.25	171.10	200.60	177.00	180.00	160.60

INDIA MOTOR PARTS & ACCESSORIES LIMITED

i. Share price performance in comparison to broad based indices: –



j. Share Transfer Systems / Registrar and Transfer Agents:

M/s Cameo Corporate Services Limited, Chennai, is Registrar and Transfer Agent for the Company providing connectivity with the NSDL and CDSL for demat services. They also handle physical share transfer and related services. The share transfer and other requests are processed within 15 days from the date of receipt subject to documents being complete in all respects.

Members are requested to send all their communications & documents pertaining to both shares in physical form & dematerialised form to the Registrar at the following address:

<p>M/S CAMEO CORPORATE SERVICES LIMITED UNIT: IMPAL V Floor, 'Subramanian Building' #1, Club House Road Chennai – 600 002 Phone: 044 -28460390 (5 Lines) Fax: 044 -28460129 Email: investor@cameoindia.com</p>	<p>Contact Person: Sri R D Ramaswamy Designation: Director</p> <p>Sri D Narasimhan Designation: Senior Executive (Shares)</p>
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k. (i) Distribution of Shareholding pattern as on March 31, 2008

No. of Shares	Shareholders		No. of Shares	
	Number	%	Number	%
Upto 500	5995	87.47	916194	22.02
501-1000	587	8.56	399624	9.61
1001-2000	146	2.13	203910	4.90
2001-5000	65	0.95	212516	5.11
5001-10000	27	0.39	223051	5.36
10001 & above	34	0.50	2204505	53.00
Total	6854	100.00	4159800	100.00

(ii) Pattern of Shareholding as on March 31, 2008

S.No	Particulars	No. of shares held	% of total
1	Promoters	1952740	46.95
2	Non Residents (NRI)	30379	0.73
3	Corporate Bodies	104357	2.50
4	Resident Individuals	2072324	49.82
	Total	4159800	100.00

i. Dematerialisation of shares:

The trading in equity shares of the company is permitted only in dematerialised form. As of March 31, 2008 about 31.87% of total outstanding Shares have been dematerialised. Out of 2207060 equity shares held by the shareholders other than the promoters, 1306157 (forming 59.18% of the non promoters shareholding) have been dematerialised up to 31st March 2008.

m. The Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

n. Address for Correspondence and any assistance / clarification:

B Shanmugasundaram Company Secretary India Motor Parts & Accessories Limited 'Sundaram Towers' 3 rd Floor # 46, Whites Road, Royapettah, Chennai – 600 014. Designated email i.d. for investor complaints	Tel : +91 44 28591433 Tel : +91 44 28524097 Fax: +91 44 28523009 Email: bss@impal.net bss@impal.net
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N Krishnan
Managing Director

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the members of M/s. India Motor Parts & Accessories Limited

1. We have reviewed the implementation of Corporate Governance procedures by M/s. INDIA MOTOR PARTS & ACCESSORIES LIMITED for the year ended 31st March 2008 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further 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.

3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the Stock Exchange have been complied with in all material respect by the Company.
4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that there are no investors' grievance pending for a period exceeding one month against the Company as per the records maintained by the Company.

For **Sundaram and Srinivasan**
Chartered Accountants

Chennai
8th July 2008

M Padhmanabhan
Partner
Membership No: 13291