

INDIA MOTOR PARTS & ACCESSORIES LIMITED

IMPAL

2010 - 2011

57th ANNUAL REPORT

RECORD PERFORMANCE

Rs. in Lakhs

Particulars	2010-11	2009-10	Change in %
Turnover	42799.06	35808.80	20%
Profit Before Tax	4154.09	3647.65	14%
Profit After Tax	2851.51	2479.60	15%

BOARD OF DIRECTORS

Sri S NARAYANAN
 Sri S RAM
 Sri ANANTH RAMANUJAM
 Sri S RAVINDRAN
 Sri S PRASAD
 Ms SHOBHANA RAMACHANDHRAN
 Sri RASESH R DOSHI
 SRI N KRISHNAN

Chairman

Managing Director

COMMITTEES OF THE BOARD

Audit Committee

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

Chairman

Shareholder / Investor Grievance Committee

Sri S NARAYANAN
 Sri N KRISHNAN

Chairman

VICE PRESIDENT – FINANCE & ACCOUNTS

Sri S RAMASUBRAMANIAN

GENERAL MANAGER – FINANCE & ACCOUNTS

Sri U RAVINDRANATH

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

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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 R SUNDARARAJAN	General Manager (Marketing)
Sri L SRINIVASAN	General Manager (Marketing)
Sri S NATARAJAN	General Manager (Marketing)
Sri V SRIDHAR	General Manager (Systems & Materials)
Sri M PARAMESWARAN	Deputy General Manager (Accounts & Information Systems)
Sri R SIVARAMAN	Asst. General Manager (Marketing)
Sri MUKESH RASTOGI	Asst. General Manager (Marketing)
Sri M S HARIGOPAL	Asst. General Manager (Marketing)
Sri N SUNDARAM	Asst. General Manager (Accounts)
Sri R RAMAN	Asst. General Manager (Accounts)

FINANCIAL HIGHLIGHTS

Rs. in Lakhs

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Share Capital	415.98	415.98	415.98	415.98	415.98
Reserves & Surplus	13033.71	11004.09	9278.59	8125.02	7387.56
Net Worth	13449.69	11420.07	9694.57	8541.00	7803.54
Capital Employed	13639.62	11522.02	11129.46	9478.30	8644.51
Sales	42799.06	35808.80	30055.60	24377.59	22702.44
Profit before tax	4154.09	3647.65	2531.22	1748.12	1639.36
Profit after tax	2851.51	2479.60	1737.59	1199.80	1093.36
Dividend Amount	707.17	644.77	499.18	395.18	374.39
Dividend per share on a facevalue of Rs.10/- each (Rs.)	17.00	15.50	12.00	9.50	9.00
Dividend %	170	155	120	95	90
Earnings per Share (Rs.)	68.55	59.61	41.77	28.84	26.28
Book Value Per Share (Rs.)	323.32	274.53	233.05	205.32	187.59

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Fifty-seventh Annual General Meeting** of the Shareholders of the Company will be held at **11.00 a.m.** on **Thursday, the 29th day of September 2011**, 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 2011 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 S Ravindran, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Sri Rasesh R Doshi, 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 a remuneration of Rs.4,00,000/- (Rupees Four lakhs per annum) exclusive of out of pocket expenses and levies such as service tax.”

Chennai
11th August 2011

By Order of the Board
B Shanmugasundaram
Secretary

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 **20.09.2011 to 29.09.2011** (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. Members are requested to furnish a copy of the PAN Card to the Company / RTA for registration of transfer / transmission of shares.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

6. *Members who have not encashed their dividends for the financial year ended 31st March 2005 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.*
7. 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.
8. Please bring the admission slip with you, duly filled and hand it over at the entrance of the meeting hall.
9. 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.
10. 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.
11. **The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” through its Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011, which now suggests that Companies may also consider sending various notices / documents / reports by electronic mode. We will continue to send to all our shareholders only by Hard Copy of the notices / documents / reports. Those desirous of receiving these only by electronic mode may request and avail this facility. A circular in loose leaf is enclosed for this purpose.**

PARTICULARS OF THE DIRECTORS SEEKING 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 S Ravindran
 Age : 59 years
 Qualification : B.Com, ACA

Sri S Ravindran was appointed as a Director on 30.08.2006. 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 Limited

Director

Light Alloy Products Limited; Transenergy Limited; Sundaram Finance Limited, ABI Premises Private Limited, ABI Precision Castings SAOC, Oman; ABI-Showatech (Oman) LLC (FZC); Real Talent Engineering Limited.

Committee Membership

Turbo Energy Limited – Member, Audit Committee

Sundaram Finance Limited – Member, Audit Committee

2. Item No.4 of the Notice

Name of the Director : Sri Rasesh R Doshi
 Age : 48 years
 Qualification : B.Com, M.E.P. (Indian Institute of Management, Ahmedabad)

Sri Rasesh R Doshi was appointed as a Director of the Company on 8.7.2008. He has more than 25 years of work experience in operations, finance and administration in Auto parts Distribution business. He was appointed Chief Executive of The Associated Auto Parts Ltd in the year 1985 and was co-opted to the Board as a Director in 1989 and is currently the Managing Director of the company. He has been an active member of the Managing Committee of the Maharashtra Motor Parts Dealers' Association for more than a decade and is currently serving as Vice President. Sri Rasesh R Doshi holds 4328 equity shares individually and 960 equity shares jointly with others.

Details of other Directorships / Committee Membership held

Director

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

Committee Membership

NIL

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present the **57th Annual Report** together with the Audited Accounts for the year ended 31st March 2011.

Financial Results

Particulars	Rs. in Lakhs	
	31.03.2011	31.03.2010
Profit before tax	4154.09	3647.65
Less: Provision for taxation (including deferred tax)	1302.58	1168.05
Profit after Tax	2851.51	2479.60
Add : Balance in P&L Account brought forward from previous year	825.34	799.84
Profit available for appropriation	3676.85	3279.44
Appropriations		
Dividend		
- Interim	707.17	582.37
- Final	—	62.40
Dividend Tax (including surcharge)	114.72	109.33
General Reserve	1900.00	1700.00
Surplus Balance in Profit & Loss Account	954.96	825.34

Dividend

The Board of Directors in May 2011 declared and paid an Interim Dividend of Rs.17/- (170%) per equity share for the year ended 31st March 2011 on the paid up share capital of Rs.415.98 lakhs. The dividend, together with dividend tax of Rs.114.72 lakhs absorbs a sum of Rs.821.89 lakhs. The Board of Directors propose to treat the said interim dividend as the total dividend for the year.

Management Discussion and Analysis Report

Your company did well during the year under review in line with the Indian economy, which had registered a strong GDP growth of 8.50%. Growth in Agriculture sector was at 5.40% whereas growth in the Industry & Services sector were at 8.20% and 9.40% respectively. In the Automotive sector, medium and heavy commercial vehicles registered a strong growth of 32% while LCV's grew at 23% and MUVs (Multi Utility Vehicles) by 29%.

For the year under review, your Company's sales increased by Rs.70.00 crores – from Rs.358.00 crores to Rs.428.00 crores. This enabled profits (before tax) to grow by 13.87% from Rs.36.48 crores to Rs.41.54 crores. Correspondingly, profit after tax increased by 14.95% from Rs.24.80 crores to Rs.28.51 crores. In view of all round inflation, operational costs including wages, freight, rent and travel went up. Some of these costs are expected to increase in the fiscal year 2011-12 as well.

Business Outlook

Your company opened new branches in Patiala, Barbil and Allahabad to have a better reach. With commodity price inflation persisting we would expect motor vehicle parts prices to go up. With moderation in vehicle production due to macro economic factors, component manufacturers are expected to service the aftermarket with better supplies. With effective cost control, the management expects to maintain performance.

Internal Audit

The Internal Audit Team visits all our branches as per audit schedule to ensure compliance with systems and procedures. Audit findings and Internal Audit Reports are reviewed by the Senior Management and Audit Committee regularly. The Audit Committee of the Board met 5 times during the year under review with the Senior Executives of the Internal Audit and the Finance & Accounts Department and the Statutory Auditors.

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.

Directors

Sri S Ravindran and Sri Rasesh R Doshi, 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 2010-2011, the Company did not have any foreign exchange earnings or outgo other than travel.

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

INDIA MOTOR PARTS & ACCESSORIES LIMITED

view of the state of affairs of the Company as at the end of the financial year ended 31st March, 2011, and 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 thank all the suppliers and dealers for their continued support and co-operation during the year under review. They also wish to thank State Bank of India for its support and assistance.

Your Directors wish to place on record their appreciation for the commitment, initiative and excellent contribution of all the staff and executives of the Company, which enabled your company to register a good performance during the year under review.

On behalf of the Board of Directors

Chennai

11th August 2011

S Narayanan

Chairman

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

1. We have audited the attached Balance Sheet of M/s.INDIA MOTOR PARTS AND ACCESSORIES LIMITED as at 31st March, 2011, 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 and 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 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, 2011.
 - 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 & Srinivasan
Chartered Accountants
Firm Registration Number : 004207S*

Place : Chennai
Date : 11th August 2011

M.Padhmanabhan
Partner
Membership Number:13291

**ANNEXURE TO THE AUDITORS' REPORT OF
M/S. INDIA MOTOR PARTS & 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 loans secured or unsecured 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, 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 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.

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

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.
(b) As at 31st March, 2011 according to the records of the Company, the disputes are as follows:
 - Sales Tax in Orissa for the year 1998-1999 is pending with the Tribunal for Rs.0.39 lakhs.
10. The Company has neither accumulated losses as at 31st March, 2011 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 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 issues 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 & Srinivasan
Chartered Accountants
Firm Registration Number : 004207S

Place : Chennai
Date : 11th August 2011

M.Padhmanabhan
Partner
Membership Number:13291

INDIA MOTOR PARTS & ACCESSORIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule No.	31.03.2011 Rs.in lakhs	31.03.2010 Rs.in lakhs
SOURCES OF FUNDS			
1. Shareholders' Funds:			
(a) Capital	1	415.98	415.98
(b) Reserves and Surplus..	2	13033.71	11004.09
		13449.69	11420.07
2. Deferred Tax Liability (Net)		97.24	90.66
3. Loan Funds:			
Secured Loans	3	92.69	11.29
Total		13639.62	11522.02
APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	4	1750.27	1744.63
(b) Less: Depreciation		793.93	747.08
(c) Net Block		956.34	997.55
2. Investments		5618.69	4725.17
3. Current Assets, Loans & Advances			
(a) Current Assets	6	9654.35	7655.77
(b) Loans & Advances	7	636.53	474.38
		10290.88	8130.15
Less: Current Liabilities & Provisions			
(a) Current Liabilities	8	2404.40	2258.09
(b) Provisions	9	821.89	72.76
		3226.29	2330.85
Net Current Assets		7064.59	5799.30
Total		13639.62	11522.02
Notes on accounts	15		

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

S NARAYANAN
Chairman

N KRISHNAN
Managing Director

As per our attached Report of even date

For **SUNDARAM & SRINIVASAN**
Chartered Accountants

Firm Registration Number : 004207S

S RAMASUBRAMANIAN
Vice President
(Finance & Accounts)

B SHANMUGASUNDARAM
Secretary

M PADHMANABHAN
Partner
Membership No: 13291

Chennai
11th August, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule No.	2010-2011 Rs.in lakhs	2009-2010 Rs.in lakhs
INCOME			
Sales - Less Returns (Net)		42799.06	35808.80
Operating Income		130.59	118.78
Non Operating Income	10	335.12	274.37
Interest	14	2.80	14.76
		43267.57	36216.71
EXPENDITURE			
Cost of Sales - Parts & Accessories	11	37041.67	30673.03
Establishment Charges	12	944.19	904.54
Administrative & Other Expenses	13	1056.61	910.41
Depreciation		71.01	81.08
		39113.48	32569.06
Profit before Tax		4154.09	3647.65
Less: Provision for Taxation		1296.00	1160.00
(Add) / Less: Provision for Deferred Tax		6.58	8.05
Profit after Tax		2851.51	2479.60
Add: Balance brought forward from previous year		825.34	799.84
Profit Available for Appropriation		3676.85	3279.44
APPROPRIATIONS:			
Interim Dividend		707.17	582.37
Dividend Distribution Tax (including Surcharge)		114.72	98.97
Final Dividend (Proposed)		-	62.40
Dividend Distribution Tax (including Surcharge)		-	10.36
General Reserve		1900.00	1700.00
Surplus-Balance carried to Balance Sheet		954.96	825.34
		3676.85	3279.44
Notes on accounts	15		
EARNINGS PER SHARE (Basic/Diluted in Rs.)		68.55	59.61

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

N KRISHNAN
Managing Director

As per our attached Report of even date

For **SUNDARAM & SRINIVASAN**
Chartered Accountants

Firm Registration Number : 004207S

S RAMASUBRAMANIAN
Vice President
(Finance & Accounts)

B SHANMUGASUNDARAM
Secretary

M PADHMANABHAN
Partner
Membership No: 13291

Chennai
11th August, 2011

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

31.03.2011
Rs. in Lakhs

31.03.2010
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 **9800.00** 8100.00
Add: Transfer from Profit & Loss Account 1900.00 1700.00 9800.00
Surplus as per Profit & Loss Account 954.96 825.34
13033.71 11004.09

Schedule No. 3

SECURED LOANS

Loan from Banks

Cash Credit 92.69 11.29
(Secured by hypothecation of book debts and stock) 92.69 11.29

Schedule No. 4

FIXED ASSETS

Rs. in Lakhs

Description	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at 01/04/2010	Additions during the year	Deductions during the year	Balance as on 31/03/2011	For the Year	Upto 31/03/2011	As at 31/03/2011	As at 31/03/2010
Land	210.35	-	-	210.35	-	-	210.35	210.35
Leasehold land & } Building	76.92	-	-	76.92	1.24	29.16	47.76	49.01
Buildings	853.05	-	-	853.05	22.48	294.62	558.43	580.90
Plant & Machinery	81.17	8.84	7.13	82.88	4.95	48.87	34.01	32.09
Electrical Fittings	22.54	0.47	0.12	22.89	0.85	19.92	2.97	3.47
Office Equipment	237.02	7.50	8.88	235.64	23.99	188.70	46.94	63.50
Furniture & Fixtures	167.73	1.74	0.29	169.18	4.87	154.17	15.01	18.15
Vehicles	95.85	14.58	11.07	99.36	12.63	58.49	40.87	40.08
TOTAL	1744.63	33.13	27.49	1750.27	71.01	793.93	956.34	997.55
Previous Year	1732.90	47.68	35.95	1744.63	81.08	747.10	997.55	

SCHEDULES

31.03.2011 31.03.2010
Rs. in Lakhs Rs. in Lakhs

Schedule No. 5

INVESTMENTS

Long Term (at cost)

In Government Securities / Trust Securities:

SBI Upper Tier Bond 2021 **10.38** 10.38

In Equity Shares:-

Long Term - At Cost - Non trade - Fully paid:

Quoted:

Sundaram Finance Ltd.,
13,90,000 equity shares of Rs. 10/- each **719.60** 719.60

Unquoted:

Royal Sundaram Alliance Insurance Company Ltd.
23739231 equity shares of Rs. 10/- each
(5720000 equity shares of Rs.10/- each purchased during the year
at a premium of Rs.6.25 each) **2731.42** 1801.92

Transenergy Ltd., 15,000 equity shares of Rs.100/- each **15.00** 15.00

In Mutual Funds:-

Unquoted:

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)

Unquoted:

Sundaram BNP Paribas FTP 15 Months Series Z - Growth
4000000 units of Rs.10/- each, Face Value Rs.400 lakhs **400.00** 400.00

Sundaram Ultra Short Term Fund - SPR INST - Daily Dividend
Reinvestment -1980454.93 units of Rs.10/- each,
Face Value Rs.198.05 lakhs **198.78** -

LIC Nomura MF Liquid Fund - Daily Dividend Plan -
683185.44 units of Rs.10/- each, Face Value Rs.68.32 lakhs **75.01** -

Birla Sunlife Cash Manager Fund Institutional Plan -
Daily Dividend Reinvestment - 4039379.13 units of Rs.10/- each,
Face Value Rs.403.94 lakhs **404.06** -

SBI SHF Ultra Short Term Fund - Institutional Plan - Daily Dividend -
10637981.90 units of Rs.10.00 each, Face value Rs.1063.80 lakhs **1064.44** -

Sundaram BNP Paribas Interval Fund Qly-Plan-E-Retail Div. -
4000000 Units of Rs.10/- each, Face Value Rs.400 lakhs - 400.00

LIC MF Savings Plus Fund - Daily Dividend Plan - 7387282.962 Units
of Rs.10/- each, Face Value Rs.738.73 lakhs - 738.73

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

INVESTMENTS (Contd.)

	31.03.2011 Rs. in Lakhs	31.03.2010 Rs. in Lakhs
Sundaram BNP Paribas Flexible Fund Short Term Instl. - Daily Dividend - 4870086.58 Units of Rs.10/- each, Face Value Rs.487 lakhs	-	489.54
	5618.69	4725.17

Aggregate value of Investments	Book value	Market Value	Book value	Market Value
Quoted	719.60	6810.30	719.60	5243.77
UnQuoted	4899.09		4005.57	

Current Investments bought and sold during the year

Name	No.of Units	Face Value	Rs. In Lakhs At Cost
HDFC Floating Rate Income Fund STP DDR	84900761.64	8490.08	8558.76
LIC Nomura MF Saving Plus Fund DDR	68876803.74	6887.68	6887.68
Sundaram Money Fund INST	69136126.81	6913.61	6979.50
Birla Sun Life Saving Fund INSTL DDR	5127251.15	512.73	513.07
Birla Sun Life Cash Plus INSTL DDR	4703259.69	470.33	508.06
SBI Premier Liquid Fund Super Instlt DD	4984711.72	498.47	500.09
SBI Magnum Insta Cash Fund DD	6179802.76	617.98	1035.14
Sundaram Interval Fund Qly-Plan-A-Inst Div	4049644.00	404.96	404.96
Sundaram Flexible Fund ST	10128872.66	1012.89	1018.14
HDFC Cash Mgt Fund Saving Plan DDR	105842854.07	10584.29	11257.87
LIC Nomura MF Liquid Fund DDR	195803180.32	19580.32	21499.39
Sundaram Ultra ST Fund SPR INST	56030901.46	5603.09	5623.82
SBI SHF Ultra ST Fund Instl DDR	4997001.80	499.70	500.00
Birla Sun Life Short Term FMP Series 2	4000000.00	400.00	400.00
SBI Debt Fund Series - 90 Days	5000000.00	500.00	500.00

Schedule No. 6

CURRENT ASSETS

Interest accrued on Investments	0.90	0.90
Stock-in-Trade (at cost or Net realisable value whichever is lower) as Certified by the Management	3821.16	3013.95
Goods-in-Transit (at cost)	351.60	198.43
Sundry Debtors -		
More than six months (unsecured) considered good	6.08	10.35
Others (unsecured) considered good	4246.90	3367.11

SCHEDULES

CURRENT ASSETS (Contd.)	31.03.2011 Rs. in Lakhs	31.03.2010 Rs. in Lakhs
Cash and Bank Balances:		
Cash and Cheques on Hand	312.08	281.88
With Scheduled Banks		
Current Accounts	229.18	198.16
Fixed Deposit Accounts	2.65	2.65
Remittances in Transit	683.80	582.34
	<u>9654.35</u>	<u>7655.77</u>

Schedule No. 7

LOANS AND ADVANCES

Advances recoverable in cash or in kind or for value to be received	636.53	474.38
	<u>636.53</u>	<u>474.38</u>

Schedule No. 8

CURRENT LIABILITIES

Sundry Creditors- for purchases	1793.00	1702.85
- for expenses	354.57	329.06
- for others	212.41	169.83
Unclaimed Dividend*	44.42	56.35
	<u>2404.40</u>	<u>2258.09</u>

(*There are no amounts outstanding to be credited to Investor Education and Protection Fund.)

Schedule No. 9

PROVISIONS

Interim Dividend (Includes Dividend Distribution Tax & Surcharge Rs.114.72 Lakhs — Previous year Rs. NIL)	821.89	—
Final Dividend (Includes Dividend Distribution Tax & Surcharge Rs. NIL — Previous year Rs.10.36 Lakhs)	—	72.76
	<u>821.89</u>	<u>72.76</u>

Schedule No. 10

NON OPERATING INCOME

Dividend Receipts -		
Long Term Investments in Equity Shares	152.90	118.15
Current Investments	177.19	135.21
Profit on Sale of Assets	0.53	2.21
Profit on Sale of Investments		
Current Investments	-	15.45
Others	4.50	3.35
	<u>335.12</u>	<u>274.37</u>

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

	2010-2011 Rs. in Lakhs	2009-2010 Rs. in Lakhs
Schedule No. 11		
COST OF SALES-PARTS & ACCESSORIES		
Opening Stock	3013.95	2014.44
Add: Purchases	<u>37848.88</u>	<u>31672.54</u>
	40862.83	33686.98
Less: Closing Stock	<u>3821.16</u>	<u>3013.95</u>
	<u>37041.67</u>	<u>30673.03</u>
Schedule No. 12		
ESTABLISHMENT CHARGES		
Salaries, Allowances, Commission and Bonus	806.00	781.03
Contribution to PF and Other Funds	68.47	60.30
Gratuity	15.36	14.22
Staff Welfare Expenses	<u>54.36</u>	<u>48.99</u>
	<u>944.19</u>	<u>904.54</u>
Schedule No. 13		
ADMINISTRATIVE & OTHER EXPENSES		
Rent	103.15	85.45
Rates, Taxes and Licences	9.86	12.48
Rebates and Discounts	219.36	187.38
Power and Lighting	32.84	35.71
Audit Fees : as Auditors	3.30	3.30
for Tax Audit	0.28	0.28
for Certification	0.28	0.28
out of pocket expenses	0.17	0.17
Directors' Sitting Fees	3.84	3.60
Insurance	11.93	13.15
Maintenance of Buildings	32.10	27.30
Maintenance of Plant & Machinery	4.05	3.30
Maintenance of Other Assets	36.24	34.67
Donations	54.75	37.60
Loss on Sale of Assets	0.44	10.04
Loss on Sale of Current Investments	13.30	-
Other Expenses	<u>530.72</u>	<u>455.70</u>
	<u>1056.61</u>	<u>910.41</u>
Schedule No. 14		
INTEREST & FINANCE CHARGES / (RECEIPTS)		
Interest - Cash Credit	0.02	-
Interest Receipts - Gross	(2.82)	(14.76)
(Tax Deducted at source Rs. 2.04 lakhs, Previous year Rs. 2.17 lakhs)	<u>(2.80)</u>	<u>(14.76)</u>

SCHEDULES

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) Employees Benefits:
 - A) Short Term Employees Benefits:
Short Term Employees Benefits for services rendered by them 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.
 - 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.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

NOTES ON ACCOUNTS (Contd.)

2. Balance Sheet

- i) Balance with Scheduled Banks include:
- (a) Guarantee Deposits of Rs.2.65 lakhs (previous year Rs.2.65 lakhs).
- (b) Unclaimed Dividend Bank Account Balance of Rs.44.42 Lakhs (previous year Rs.56.35 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 31.03.2011 are as follows:

	31-03-2011	31-03-2010
	Rs in lakhs	Rs in lakhs
(a) Deferred Tax Liability		
Depreciation	110.97	105.12
(b) Deferred Tax Asset:		
Other Provisions	13.73	14.46
Net Deferred Tax Liability	97.24	90.66

3. Profit & Loss Account

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

	2010-2011	2009-2010
	Rs.in Lakhs	Rs in lakhs
<u>Automobile Products and Accessories</u>		
Opening Stock	3013.95	2014.44
Purchases	37848.88	31672.54
Sales	42799.06	35808.80
Closing Stock	3821.16	3013.95

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 schedule12:

	2010-2011	2009-2010
	Rs.in Lakhs	Rs in lakhs
Contribution to Superannuation Fund	7.93	7.48
Contribution to Pension Fund	22.94	22.71
Contribution to Employees' State Insurance - ESI	17.59	14.27
Contribution to Provident Fund	15.95	14.97

SCHEDULES

NOTES ON ACCOUNTS (Contd.)

Defined Benefit Plans:

Description of Benefits Plan	Funded Gratuity Rs.in Lakhs	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 01/04/2010	132.71	128.44
Current service cost	9.66	9.04
Interest cost	10.62	10.27
Benefits paid	(11.04)	(2.60)
Actuarial (gain) / loss on obligations	27.05	(12.44)
Present value of obligation as at 31/03/2011	169.00	132.71
B) Reconciliation of opening and closing balance of the fair value of plan assets		
Fair value of plan assets as at 01/04/2010	154.01	130.63
Expected return on plan assets	13.91	11.98
Contributions made	15.25	14.00
Benefits paid	(11.04)	(2.60)
Actuarial gain on plan assets	—	—
Fair value of plan assets as at 31/03/2011	172.13	154.01
C) Reconciliation of present value of defined benefit obligation and fair value of plan assets		
Present value of obligation as at 31/03/2011	169.00	132.71
Fair value of plan assets as at 31/03/2011	172.13	154.01
Unrecognised past service cost	—	—
Net Asset / (Liability) not recognised in Balance Sheet	3.13	21.30
D) Expenses		
Current service cost	9.66	9.04
Interest cost	10.62	10.27
Expected return on plan assets	(13.91)	(11.98)
Net actuarial (gain) / loss recognised	27.05	(12.44)
Expenses	33.42	(5.11)
E) Actual return on plan assets		
Expected return on plan assets	13.91	11.98
Actuarial gain on plan assets	—	—
Actual return on plan assets	13.91	11.98
F) Actuarial assumptions		
Discount rate	LIC - 8%	LIC - 8%
Expected rate of return on plan assets	LIC - 8%	LIC - 8%
Rate of increase in compensation levels	7.00 %	5.50 %

The present value of obligation towards compensated absences and entitlement of sick leave, as per actuarial certificate, as on 31-03-2011 is Rs.22.17 lakhs (previous year Rs.23.38 Lakhs) and is provided for in the books of accounts.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

NOTES ON ACCOUNTS (Contd.)

	2010-2011	2009-2010
	Rs in lakhs	Rs in lakhs
iii) Remuneration to Directors:-		
a) Remuneration to Managing Director		
Salary	39.17	36.72
Commission	64.33	56.25
Contribution to Provident Fund & Other Funds	6.22	5.77
Perquisites	3.00	2.95
Sitting Fees	0.66	0.66
	113.38	102.35
b) Commission to Non-whole time Directors	5.00	5.00
	118.38	107.35
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	4154.09	3647.65
Add: Director's Remuneration	118.38	107.35
Directors' sitting fees (Other than Managing Director)	3.18	2.94
Loss on sale of Assets	0.44	10.04
Loss on Sale of Current Investments	13.30	—
	4289.39	3767.98
Less: Profit on Sale of Assets	0.53	2.21
Profit on Sale of Current Investments	0.00	15.45
	4288.86	3750.32
1.5% thereof	64.33	56.25
Commission to Managing Director	64.33	56.25
Commission to Non-whole time Directors	5.00	5.00

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.

SCHEDULES

NOTES ON ACCOUNTS (Contd.)

2. The disclosure of related party transactions during the year and balances as on 31/03/2011 are as follows.

Rs. in Lakhs

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sale of Goods	17.31	29.56	0.00	0.00	0.00	0.00
Purchase of Goods	0.00	0.00	0.00	0.00	0.00	0.00
Receiving Services	6.56	4.61	0.00	0.00	0.00	0.00
Payable Balance	0.00	0.00	64.33	56.25	0.50	0.50
Receivable Balance	0.75	0.59	0.00	0.00	0.00	0.00
Remuneration	0.00	0.00	113.38	102.35	0.86	0.74

- 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 :

		31-03-2011	31-03-2010
Profit after Taxation	Rs. in Lakhs	2851.51	2479.60
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.	68.55	59.61
Face value per share	Rs.	10.00	10.00

- v) Expenditure in foreign currency
 - Travelling & Subscription Rs. in Lakhs **0.97** 0.85
- vi) Contingent Liability not provided for
 - Tax Liability under dispute at various forums of appeal Rs. in Lakhs **274.82** 278.49
- vii) Previous year's figures have been re-grouped wherever necessary, to make them comparable.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No.: L65991TN1954PLC000958	State Code	18
Balance Sheet Date	31.03.2011	

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	1363962	Total Assets	1363962
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SOURCES OF FUNDS

Paid-up Capital	41598	Reserves & Surplus	1303371
Secured Loans	9269	Unsecured Loans	—
		Deferred Tax Liability	9724

APPLICATION OF FUNDS

Net Fixed Assets	95634	Investments	561869
Net Current Assets	706459	Misc. Expenditure	—

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover (including other income)	4326757	Total Expenditure	3911348
Profit Before Tax (+)	415409	Profit After Tax (+)	285151
Earnings Per Share in Rs.	68.55	Dividend Rate	170 %
		Dividend Rate per Share in Rs.	17.00

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

	2010-2011 (Rs in lakhs)	2009-2010 (Rs in lakhs)
A) Cash flow from Operating Activities		
a) Net Profit Before tax	4154.09	3647.65
Adjustment for:		
Depreciation	71.01	81.08
Dividend Income		
Long Term	(152.90)	(118.15)
Current	(177.19)	(135.21)
Loss on Sale of Assets	0.44	10.04
Loss on Sale of Investments	13.30	-
Profit on Sale of Assets	(0.53)	(2.21)
Profit on Sale of Current Investments	-	(15.45)
 b) Operating Profit before Working Capital Changes	 3908.22	 3467.75
Adjustment for:		
Decrease / (Increase) in Trade Receivables and others	(875.52)	(301.45)
Decrease / (Increase) in Loans & Advances	(162.15)	57.92
(Increase) / Decrease in Inventories	(960.38)	(1134.30)
(Decrease) / Increase in Trade Payable	158.24	21.99
	(1839.81)	(1355.84)
 c) Cash Generated from Operations	 2068.41	 2111.91
Direct taxes Paid	(1296.00)	(1163.88)
	(1296.00)	(1163.88)
 d) Cash flow before Extraordinary item	 772.41	 948.03
 e) Extraordinary Item	 -	 -
Net Cash flow from Operating Activities	772.41	948.03
 B) Cash flow from Investing Activities		
Sale of Fixed Assets	3.40	9.24
Sale of Investments		
Long Term	136.73	-
Current	34631.61	28600.85
Dividend received		
Long Term	152.90	118.15
Current	177.19	135.21
Purchase of Fixed Assets	(33.13)	(47.68)
Purchase of :		
Long Term Investments	(929.50)	-
Current Investments	(34745.64)	(27004.04)
 Net Cash used in Investing Activities	 (606.44)	 1811.73

CASH FLOW STATEMENT (Contd.)

	2010-2011 (Rs in lakhs)	2009-2010 (Rs in lakhs)
C) Cash flow from Financing Activities		
Borrowing / (Repayment) of Cash Credit	81.40	(1340.99)
Repayment of Fixed Deposits	-	0.16
Dividend Paid	(84.69)	(1241.83)
Net Cash flow from Financing Activities	(3.29)	(2582.66)
D) Net Increase / (Decrease) in Cash & Cash Equivalent	162.68	177.10
Cash & Cash Equivalent at beginning of the year	1065.03	887.93
Cash & Cash Equivalent at the end of the year	1227.71	1065.03

S NARAYANAN
Chairman

N KRISHNAN
Managing Director

As per our attached Report
of even date
For **SUNDARAM & SRINIVASAN**
Chartered Accountants
Firm Registration No: 004207S

S RAMASUBRAMANIAN
Vice President
(Finance & Accounts)

B SHANMUGASUNDARAM
Secretary

M PADHMANABHAN
Partner
Membership No: 13291

Chennai
11th August, 2011

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, of which seven are Non Executive Directors. Sri S Narayanan is the Non-Executive Chairman. The Board has one Executive Director, Sri N Krishnan as the 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 Ramachandran 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 2010-11, 6 Board Meetings were held on 29th April 2010, 10th July 2010, 12th August 2010, 28th October 2010, 04th February 2011 and 22nd March 2011.

All the Directors of the Company attended the 56th Annual General Meeting held on 3rd September 2010. Details of attendance at Board Meetings, other directorships, committee chairmanship / membership held by the Directors are given below:

Name	Board Meetings attended	No. of other Directorship & Committee membership / chairmanship in other public limited companies in India (as on 31.03.2011)		
		Other Directorship	Committee Membership	Committee Chairmanship
Sri S Narayanan	6	3	-	1
Sri N Krishnan	6	-	-	-
Sri S Ram	5	8	4	1
Sri Ananth Ramanujam	6	3	2	-
Sri S Ravindran	6	6	2	-
Sri S Prasad	6	4	4	4
Ms Shobhana Ramachandran	4	3	1	-
Sri Rasesh R Doshi	5	1	-	-

Only Audit Committee & Shareholders / Investors Grievance Committee are reckoned for this purpose.

3. Audit Committee:

The audit committee reviews the un-audited quarterly financial results, adequacy of internal control systems, annual financial statements, compliance to listing and other legal requirements relating to financial statements, related party transactions, management discussion and analysis. Heads of Accounts and Internal Audit, Statutory Auditors are invitees to the Committee Meetings.

During the financial year 2010-11, 5 Audit Committee meetings were held on 29th April 2010, 09th July 2010, 12th August 2010, 28th October 2010 and 04th February 2011. The composition and attendance particulars are as follows:

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Name	Position	No. of Meetings attended
Sri S Prasad	Chairman	5
Sri S Ravindran	Member	5
Sri N Krishnan	Member	5
Sri Rasesh R Doshi	Member	5

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 for each financial year within the ceiling of 1% of the net profits of the Company 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 31.03.2011)	Relationship with Other Directors
Sri S Narayanan	36000	50000	1608 ¹	-
Sri S Ram	30000	50000	9950 ²	-
Sri Ananth Ramanujam	36000	50000	18656 ³	-
Sri S Ravindran	66000	100000	400	-
Sri S Prasad	66000	100000	480	-
Ms Shobhana				
Ramachandhran	24000	50000	31472	-
Sri Rasesh R Doshi	60000	100000	4328 ⁴	-

Number of shares held jointly with others ¹19744 ²57584 ³28624 ⁴960

Managing Director

The Managing Director has been appointed on contractual terms for a period of five years from 05th July 2007. The remuneration approved by shareholders comprises of salary, allowances, commission and perquisites. The 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	39.17	Son of Sri S Narayanan
Commission	64.33	
Sitting Fees	0.66	
Contribution to Provident Fund & other funds	6.22	
Perquisites	3.00	

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, three investor complaints were received and resolved.

6. General Body Meetings:

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

Year	Location	Date and time
54 th AGM (2007-08)	Music Academy 168, TTK Road, Chennai –14.	August 28, 2008 11.00 a.m.
55 th AGM (2008-09)	Music Academy 168, TTK Road, Chennai –14.	September 4, 2009 10.25 a.m.
56 th AGM (2009-10)	Music Academy 168, TTK Road, Chennai –14.	September 3, 2010 10.25 a.m.

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

Year	Date	Details of Special Resolution
54 th AGM (2007-08)	August 28, 2008	Commission to Directors
55 th AGM (2008-09)	September 4, 2009	NIL
56 th AGM (2009-10)	September 3, 2010	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 and the Voluntary Guidelines on Corporate Governance and Corporate Social Responsibility issued by Ministry of Corporate Affairs in 2009 in due course.

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 displayed on our Company's website www.impal.net in accordance with the listing agreement with the National Stock Exchange.

9. General Shareholder Information:

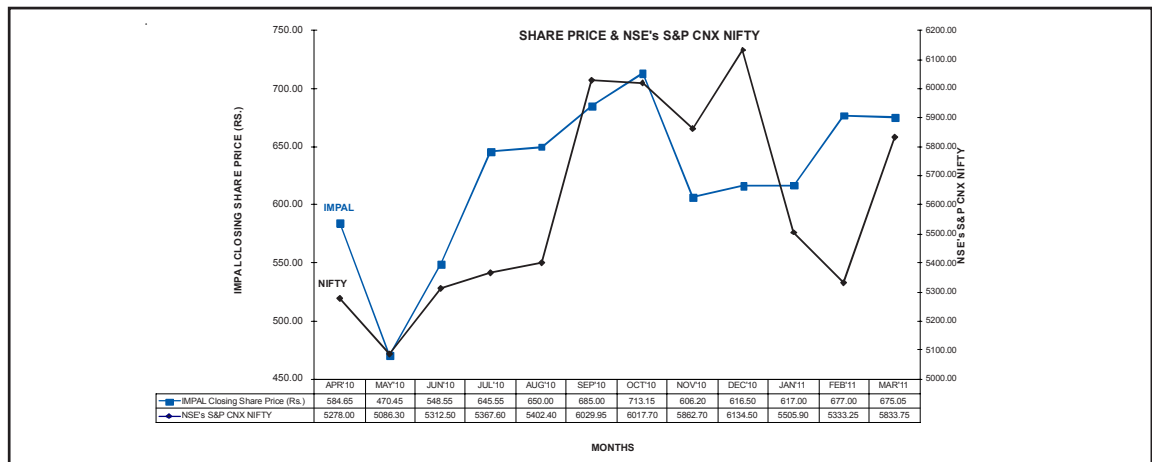
a.	57 th Annual General Meeting	
	- Date and Time - Venue	29 th September 2011 – 11.00 A.M The Music Academy, 168 (Old No.306), T T K Road, Chennai 600 014
b.	Financial Calendar (Tentative)	
	Annual General Meeting First quarter results ended June 30, 2011 Second quarter results ending September 30,2011 Third quarter results ending December 31, 2011 Fourth quarter results ending March 31, 2012 Audited results for the year ending March 31, 2012	29 th September 2011 August, 2011 November, 2011 February, 2012 May, 2012 July - August 2012
c.	Period of Book Closure	From 20.09.2011 to 29.09.2011 (Both days inclusive)
d.	Dividend payment date	19 th May 2011 (Interim Dividend)
e.	Listing on Stock Exchanges	National Stock Exchange of India Limited (NSE)
f.	Stock Code	
	a) Trading Symbol b) Demat ISIN Numbers in NSDL & CDSL	NSE - IMPAL INE547E01014

g. The Company has paid the listing fee up to the year 2011-12 to National Stock Exchange.

h. Market Price Data (Rs.)

MONTH		Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
NSE	HIGH	584.65	624.00	570.00	654.95	669.45	757.00	754.00	735.00	740.00	740.00	715.00	748.45
	LOW	428.00	444.50	455.00	543.50	616.50	650.00	680.00	600.00	580.00	610.00	611.00	675.00

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 process the 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 and dematerialized 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: Assistant Manager</p>
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k. (i) Distribution of Shareholding pattern as on March 31, 2011

No. of Shares	Shareholders		No. of Shares	
	Number	%	Number	%
Upto 500	5719	88.07	800509	19.24
501-1000	519	8.00	349797	8.41
1001-2000	125	1.92	176672	4.25
2001-5000	66	1.02	217735	5.23
5001-10000	32	0.49	256227	6.16
10001 & above	33	0.50	2358860	56.71
Total	6494	100.00	4159800	100.00

(ii) Pattern of Shareholding as on March 31, 2011

S.No	Particulars	No. of shares held	% of total
1	Promoters	1996712	48.00
2	Non Residents (NRI)	32005	0.77
3	Corporate Bodies	73520	1.77
4	FII	177210	4.26
5	Public	1880353	45.20
	Total	4159800	100.00

l. Dematerialisation of shares:

The trading in equity shares of the company is permitted only in dematerialised form. As of March 31, 2011 about 34.65% of total outstanding Shares have been dematerialised. Out of 2163088 equity shares held by the shareholders other than the promoters, 1377728 (forming 63.69% of the non promoters shareholding) have been dematerialised up to 31st March 2011.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

- m. The Company has not issued GDRs / ADRs / Warrants or any convertible instruments.
- n. Address for Investor Correspondence for any queries, grievances and complaints:

S Hari Prasad Company Secretary (w.e.f. 19.08.2011) India Motor Parts & Accessories Limited 'Sundaram Towers' 3 rd Floor # 46, Whites Road, Royapettah, Chennai – 600 014.	Tel: +91 44 28591433 Tel: +91 44 28524097 Fax: +91 44 28523009 E-mail: hariprasad@impal.net
Designated email i.d. for investor complaints	hariprasad@impal.net

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 examined the compliance of the conditions of Corporate Governance by India Motor Parts & Accessories Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 the opinion on the financial statements of the Company.
3. In our opinion and the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that in respect of investor grievances received during the year ended 31st March, 2011, no investor grievances are pending against the Company as on 11.08.2011 as per the records maintained by the Company.
5. 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.

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration Number : 004207S

Chennai
11th August, 2011

M. Padhmanabhan
Partner
Membership Number:13291

Distribution Network



Branches: AGRA AHMEDABAD ALLAHABAD ASANSOL BANGALORE BARBIL BARODA BHILWARA BHUBANESWAR CALICUT CHANDIGARH CHENNAI COCHIN COIMBATORE CUTTACK DHANBAD GANDHIDHAM GUWAHATI HISAR HUBLI HYDERABAD JAIPUR JALANDHAR JAMMU JAMSHEDPUR JODHPUR KANPUR KOLHAPUR KOLKATA KOTA LUDHIANA MADURAI MANGALORE MUMBAI NAGPUR NEW DELHI PATIALA PATNA PUNE RAIPUR RAJKOT RANCHI SALEM SAMBALPUR SILIGURI SURAT TRICHY TIRUNELVELI UDAIPUR VARANASI VIJAYAWADA.