

INDIA MOTOR PARTS & ACCESSORIES LIMITED

**IMPAL**

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2008 - 2009

55th ANNUAL REPORT

## RECORD PERFORMANCE\*

*Rs in lakhs*

<b>Particulars</b>	<b>2008-2009</b>	<b>2007-2008</b>	<b>Change in %</b>
* Turnover	<b>30055.60</b>	24377.59	23.29%
* Profit before tax	<b>2531.22</b>	1748.12	44.79%
* Profit after tax	<b>1737.59</b>	1199.80	44.82%

## BOARD OF DIRECTORS

Sri S NARAYANAN

**Chairman**

Sri S RAM

Sri ANANTH RAMANUJAM

Sri S RAVINDRAN

Sri S PRASAD

Ms SHOBANA 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

## ASST. VICE PRESIDENT – 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](http://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 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	2004-05	2005-06	2006-07	2007-08	2008-09
Share Capital	415.98	415.98	415.98	415.98	<b>415.98</b>
Reserves & Surplus	6148.66	6723.57	7387.56	8125.02	<b>9278.59</b>
Net Worth	6564.64	7139.55	7803.54	8541.00	<b>9694.57</b>
Capital Employed	6884.64	7812.75	8644.51	9478.30	<b>11129.46</b>
Sales	21349.62	20707.03	22702.44	24377.59	<b>30055.60</b>
Profit before tax	1517.06	1382.93	1639.36	1748.12	<b>2531.22</b>
Profit after tax	1014.84	906.94	1093.36	1199.80	<b>1737.59</b>
Dividend Amount	291.19	291.19	374.39	395.18	<b>499.18</b>
Dividend %	70	70	90	95	<b>120</b>
Earnings per Share (Rs.)	24.40	21.80	26.28	28.84	<b>41.77</b>
Book Value Per Share (Rs.)	157.81	171.63	187.59	205.32	<b>233.05</b>



## **NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the **Fifty-fifth Annual General Meeting** of the Shareholders of the Company will be held at **10.25 a.m. on Friday, the 4<sup>th</sup> day of September 2009**, 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 31<sup>st</sup> March 2009 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 Narayanan, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Sri S Ram, 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.”

Chennai  
9<sup>th</sup> July 2009

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 28.08.09 to 04.09.09 (both days inclusive).
4. **SEBI Vide its circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009 has clarified that for securities market transactions and off-market / private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to**

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

**furnish copy of PAN card to the Company / RTAs for registration of such transfer of shares. Hence, shareholders are requested to take note of this new requirement and provide the copy of their PAN card while submitting the documents for transfer of shares in order for us to comply with this new requirement.**

5. 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.
6. *Members who have not encashed their dividends for the financial year ended 31<sup>st</sup> 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.*
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](http://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.

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

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### **1. Item No.3 of the Notice**

Name of the Director : Sri S Narayanan

Age : 84 years

Sri S Narayanan has been on the Board of your Company for 44 years since 1965. He is the Chairman of the Board as well as the Chairman of the Shareholders / Investor Grievance Committee. He has also served as the Chairman of the Audit Committee. Sri S Narayanan is having over six decades of experience in the automobile industry, particularly in the distribution of automobile spare parts. He is a Member, Managing Committee of Motor Vehicles & Allied Industries Association, Chennai. Sri S Narayanan holds 1608 shares individually and 19744 shares jointly with others.

#### Details of other Directorships held by him:

##### *Chairman*

TVS Srichakra Limited

##### *Director*

- (a) Lucas Indian Service Limited
- (b) Sundaram Finance Limited
- (c) Sundharams Private Limited

#### Committee Membership in other Companies:

TVS Srichakra Limited – Chairman, Shareholders / Investor Committee

### **2. Item No.4 of the Notice**

Name of the Director : Sri S Ram

Age : 69 years

Qualification : B.E. (Mech), MS (Prod.Engg.)

Sri S Ram was appointed as Director of the Company on 24<sup>th</sup> January 2006. He has over 4 decades of work experience in Vehicle and Component Industry. Sri S Ram holds 9950 equity shares individually and 57132 shares jointly with others.

#### Details of other Directorships / Committee membership held:

##### *Chairman & Managing Director*

- (a) Wheels India Limited
- (b) Axles India Limited

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### *Director*

- (a) T V Sundram Iyengar & Sons Limited
- (b) Sundaram Industries Limited
- (c) Southern Roadways Limited
- (d) Sundaram Finance Limited
- (e) TVS Automotive Europe Limited
- (f) Irizar TVS Limited
- (g) TVS Logistics Services Limited.

### Committee Membership in other Companies:

Axles India Limited	- Chairman, Audit Committee
T V Sundram Iyengar & Sons Limited	- Member, Audit Committee
T V S Logistics Services Limited	- Member, Audit Committee
Wheels India Limited	- Member, Share Transfer & Investor Relations Committee

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present the **55<sup>th</sup> Annual Report** together with the Audited Accounts for the year ended 31<sup>st</sup> March 2009.

### Financial Results

*Rs. in Lakhs*

Particulars	31.03.2009	31.03.2008
<b>Profit before tax</b>	<b>2531.22</b>	1748.12
<b>Less:</b> Provision for taxation (including deferred tax)	<b>793.63</b>	548.32
<b>Profit after Tax</b>	<b>1737.59</b>	1199.80
<b>Add:</b> Balance in P&L Account brought forward from previous year	<b>425.02</b>	358.81
Profit available for appropriation	<b>2162.61</b>	1558.61
<b>Appropriations</b>		
Dividend - Interim	<b>499.18</b>	395.18
Dividend Tax (including surcharge)	<b>84.84</b>	67.16
General Reserve	<b>778.75</b>	671.25
Surplus Balance in Profit & Loss Account	<b>799.84</b>	425.02

### Dividend

The Board of Directors in July 2009 declared and paid an Interim Dividend of Rs.12/- (120%) per equity share for the year ended 31<sup>st</sup> March 2009 on the paid up share capital of Rs.415.98 lakhs. The dividend, together with dividend tax of Rs.84.84 lakhs absorbs a sum of Rs.584.02 lakhs. The Board of Directors propose to treat the said interim dividend as the total dividend for the year.

### Management Discussion and Analysis Report

Worldwide economies were badly affected by the financial turmoil that took place in the second half of last financial year. While many developed economies registered negative growth, Indian economy did not suffer as badly. But in segments such as Commercial Vehicles, there was a drastic cutback in the third quarter of the year and for the year as a whole, a drop in the market of almost 33%. Light Commercial Vehicles were also affected to a lesser extent; the Passenger Car segment did not show a big growth, and maintained the previous year's level.

As the Vehicle industry experienced demand contraction, the spare parts market was largely unaffected. Most distributors in the automobile aftermarket had record sales last year. This has been attributed to people repairing their vehicles and not going in for new vehicles. The aftermarket players in North America appear to have experienced a similar spurt in sales for the same reasons.

The year under review saw your company for the first time crossing the Rs.300 Crore threshold in sales. This was made possible due to the good support from the dealer community, exemplary performance of

## **INDIA MOTOR PARTS & ACCESSORIES LIMITED**

your staff and the support of all suppliers. As the suppliers experienced a cut back in orders from the OE industry and went into 3-days a week and 4-days a week work schedule, the unprecedented surge in demand from the aftermarket distributors was a boon to them.

In addition to sales surpassing the Rs.300 Crore landmark during the year under review, Profit before tax (PBT) grew by 44.79% from Rs.17.48 Crore (March 2008) to Rs.25.31 Crore for the year under review. Profit after tax (PAT) went up by 44.87% from Rs.11.99 Crore to Rs.17.37 Crore.

### ***Internal Control Systems***

Your Company has adequate internal control systems for ensuring timely and reliable financial reporting between the branches and Head Office. Internal Audit Department conducts audits at regular intervals to ensure adequacy of internal control systems, their implementation and the compliance of applicable statutory laws. Internal control systems are continuously reviewed and modified when required. Audit findings and the subsequent follow-up actions are discussed and reviewed by the Audit Committee of the Board. The Audit Committee met 5 times during the year under review with the executives of the internal audit and accounts department and the statutory auditors.

### ***Human Resources***

In appreciation of the stellar performance of all the employees of the Company during the year under review, which had resulted in the steep increase in sales and profits, Management disbursed for the first time, a companywide performance incentive. In addition, salaries of marketing staff and others were revised suitably. The wage revision implemented for 2009-10 is expected to motivate the marketing staff and simultaneously combat attrition.

### ***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 Narayanan and Sri S Ram, 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 2008-2009, 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 view of the state of affairs of the Company as at the end of the financial year ended 31<sup>st</sup> March, 2009, 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 wish to thank all the suppliers and dealers for their support and cooperation during the year under review. They also wish to thank State Bank of India for their continued support and assistance.

Your Directors wish to place on record their appreciation for the commitment, teamwork and excellent contribution of all the staff and executives of the Company, which enabled the company to record an excellent performance in the year under review.

Chennai  
9<sup>th</sup> July 2009

On behalf of the Board of Directors  
**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 31<sup>st</sup> March, 2009, 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 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March, 2009.
    - 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*

**M Padhmanabhan**

*Partner*

Membership Number:13291

Chennai  
9<sup>th</sup> July 2009



**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. 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.

**ANNEXURE TO THE AUDITORS' REPORT (Contd.)**

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.  
  
(b) As at 31<sup>st</sup> March, 2009 according to the records of the Company, the disputes are as follows:
  1. 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.
  2. Sales Tax in Jharkhand for 2000-2001 is pending with Deputy Commissioner(Appeals) for Rs.2,22,772/-.
10. The Company has neither accumulated losses as at 31<sup>st</sup> March, 2009 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.

**ANNEXURE TO THE AUDITORS' REPORT (Contd.)**

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 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.

Chennai  
9<sup>th</sup> July 2009

*For* **Sundaram & Srinivasan**  
*Chartered Accountants*  
**M Padhmanabhan**  
*Partner*  
Membership Number:13291

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH , 2009

	Schedule No.	31.03.2009 Rs.in lakhs	31.03.2008 Rs.in lakhs
<b>SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds:</b>			
(a) Capital	1	415.98	415.98
(b) Reserves and Surplus	2	<u>9278.59</u>	<u>8125.02</u>
		<b>9694.57</b>	8541.00
<b>2. Deferred Tax Liability (Net)</b>		<b>82.61</b>	61.91
<b>3. Loan Funds:</b>			
Secured Loans	3	<u>1352.28</u>	<u>875.39</u>
Total		<u>11129.46</u>	<u>9478.30</u>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
(a) Gross Block	4	1732.92	1655.51
(b) Less: Depreciation		<u>684.91</u>	<u>628.22</u>
(c) Net Block		<b>1048.01</b>	1027.29
<b>2. Investments</b>		<b>6321.98</b>	4678.55
<b>3. Current Assets, Loans &amp; Advances</b>			
(a) Current Assets	6	6042.92	5042.09
(b) Loans & Advances	7	<u>532.30</u>	<u>657.78</u>
		<u>6575.22</u>	<u>5699.87</u>
<b>Less: Current Liabilities &amp; Provisions</b>			
(a) Current Liabilities	8	2212.73	1456.77
(b) Provisions	9	<u>603.02</u>	<u>470.64</u>
		<u>2815.75</u>	<u>1927.41</u>
Net Current Assets		<b>3759.47</b>	3772.46
Total		<u>11129.46</u>	<u>9478.30</u>
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

**KVBHASKAR**  
Assistant Vice President  
(Accounts)

**B SHANMUGASUNDARAM**  
Secretary

**M PADHMANABHAN**  
Partner  
Membership No: 13291

Chennai  
9<sup>th</sup> July, 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH , 2009**

	Schedule No.	2008-2009 Rs.in lakhs	2007-2008 Rs.in lakhs
<b>INCOME</b>			
Sales - Less Returns (Net)		<b>30055.60</b>	24377.59
Operating Income		<b>93.20</b>	78.81
Non Operating Income	10	<b>312.17</b>	225.67
Interest	14	<b>10.04</b>	8.24
		<u><b>30471.01</b></u>	<u>24690.31</u>
<b>EXPENDITURE</b>			
Cost of Sales - Parts & Accessories	11	<b>26331.61</b>	21474.43
Establishment Charges	12	<b>756.12</b>	710.79
Administrative & Other Expenses	13	<b>784.78</b>	695.18
Depreciation		<b>67.28</b>	61.79
		<u><b>27939.79</b></u>	<u>22942.19</u>
<b>Profit before Tax</b>		<b>2531.22</b>	1748.12
Less: Provision for Taxation		<b>760.83</b>	531.00
(Add) / Less: Provision for Deferred Tax		<b>20.70</b>	1.32
Less: Provision for Fringe Benefit Tax		<b>12.10</b>	16.00
<b>Profit after Tax</b>		<b>1737.59</b>	1199.80
Add: Balance brought forward from previous year		<b>425.02</b>	358.81
<b>Profit Available for Appropriation</b>		<u><b>2162.61</b></u>	<u>1558.61</u>
<b>APPROPRIATIONS:</b>			
Interim Dividend		<b>499.18</b>	395.18
Dividend Tax (including Surcharge)		<b>84.84</b>	67.16
Final Dividend		-	-
Dividend Tax (including Surcharge)		-	-
General Reserve		<b>778.75</b>	671.25
Surplus-Balance carried to Balance Sheet		<b>799.84</b>	425.02
		<u><b>2162.61</b></u>	<u>1558.61</u>
<b>Notes on accounts</b>	15		
<b>EARNINGS PER SHARE (Basic/Diluted)</b>		<b>41.77</b>	28.84
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

**KVBHASKAR**  
Assistant Vice President  
(Accounts)

**B SHANMUGASUNDARAM**  
Secretary

**M PADHMANABHAN**  
Partner  
Membership No: 13291

Chennai  
9<sup>th</sup> July, 2009

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### SCHEDULES

31.03.2009  
Rs. in Lakhs

31.03.2008  
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 7321.25 6650.00  
Add: Transfer from Profit & Loss Account 778.75 8100.00 671.25 7321.25  
Surplus as per Profit & Loss Account 799.84 425.02  
9278.59 8125.02

#### Schedule No. 3

##### SECURED LOANS

###### Loan from Banks

Cash Credit 1352.28 875.39  
(Secured by hypothecation of book debts and stock)  
1352.28 875.39

#### Schedule No. 4

##### FIXED ASSETS

Rs. in Lakhs

Description	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at 01/04/2008	Additions during the year	Deductions during the year	Balance as on 31/03/2009	For the Year	Upto 31/03/2009	As at 31/03/2009	As at 31/03/2008
Land	210.35	-	-	210.35	-	-	210.35	210.35
Leasehold land & } Building	76.92	-	-	76.92	1.24	26.67	50.25	51.49
Buildings	853.04	-	-	853.04	24.91	248.48	604.56	629.47
Plant & Machinery	78.72	4.55	3.09	80.18	4.55	49.92	30.26	30.59
Electrical Fittings	21.98	0.52	0.03	22.47	1.17	18.44	4.03	4.69
Office Equipment	152.18	78.93	3.64	227.47	16.12	140.87	86.60	24.49
Furniture & Fixtures	164.95	0.38	0.04	165.29	4.44	146.06	19.23	23.30
Vehicles	97.37	5.50	5.67	97.20	14.85	54.47	42.73	52.91
<b>TOTAL</b>	<b>1655.51</b>	<b>89.88</b>	<b>12.47</b>	<b>1732.92</b>	<b>67.28</b>	<b>684.91</b>	<b>1048.01</b>	<b>1027.29</b>
Previous Year	1626.18	53.12	23.79	1655.51	61.79	628.22	1027.29	

**SCHEDULES**

	<b>31.03.2009</b>	31.03.2008
	<b>Rs. in Lakhs</b>	Rs. in Lakhs
<b>Schedule No. 5</b>		
<b>INVESTMENTS</b>		
<b>Long Term ( at cost)</b>		
<b>In Government Securities / Trust Securities:</b>	-	-
<b>In Equity Shares:-</b>		
Long Term - At Cost - Non trade - Fully paid:		
<u>Quoted:</u>		
Sundaram Finance Ltd., 13,90,000 equity shares of Rs. 10/- each (769 equity shares of Rs.10/- each purchased during the year 6,95,000 equity shares of Rs.10/- each allotted as Bonus)	719.60	715.04
<u>Unquoted:</u>		
Royal Sundaram Alliance Insurance Company Ltd. 1,80,19,231 equity shares of Rs. 10/- each (40,40,000 equity shares of Rs.10/- each purchased during the year)	1801.92	1397.92
Transenergy Ltd., 15,000 equity shares of Rs.100/- each	15.00	15.00
<b>In Mutual Funds:-</b>		
<u>Unquoted:</u>		
Sundaram BNP Paribas Energy Opportunities Fund - Growth - 1500000.00 Units of Rs.10/- each, Face Value 150.00 lakhs	150.00	150.00
<b>Current Investments: ( at cost or market value , whichever is lower )</b>		
<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
Birla Sunlife Savings Fund Institutional Plan - Daily Dividend Reinvestment - 2139686.77 units of Rs.10/- each, Face Value Rs.213.97 lakhs	214.11	-
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 - 3476284.294 units of Rs.10/- each, Face Value Rs.347.63 lakhs	350.44	100.67
HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment 4889699.522 units of Rs.10/- each, Face Value Rs.488.97 lakhs	520.09	-

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### SCHEDULES

INVESTMENTS (Contd.)	31.03.2009 Rs. in Lakhs	31.03.2008 Rs. in Lakhs		
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		
Principal Liquid Plus Fund Daily Dividend Reinvestment - 1600256.157 units of Rs.10/- each, Face Value Rs.160.03 lakhs	-	160.34		
Sundaram BNP Paribas Money Fund Super Institutional Daily Dividend - 7509470.909 units of Rs.10/- each, Face Value Rs.750.95 lakhs	<b>758.10</b>	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 units of Rs.10/- each, Face Value Rs.254.18 lakhs	-	254.18		
ICICI Prudential FMP Series 41 - 19 Months Plan - Institutional Cumulative 1000000 units of Rs.10/- each, Face Value Rs.100.00 lakhs	<b>100.00</b>	100.00		
LIC MF Savings Plus Fund - Daily Dividend Plan - 7735661.536 units of Rs.1000/- each, Face Value Rs.773.57 lakhs	<b>773.57</b>	-		
UTI Treasury Advantage Fund Institutional Plan - Daily Dividend Option 38216.613 units of Rs.1000/- each, Face Value Rs.382.17 lakhs	<b>382.25</b>	-		
Sundaram BNP Paribas Ultra Short Term Fund - Daily Dividend - 5354558.411 units of Rs.10/- each, Face Value Rs.535.45 lakhs	<b>536.90</b>	-		
	<b><u>6321.98</u></b>	<b><u>4678.55</u></b>		
Aggregate value of Investments	<b>Book value</b>	<b>Market Value</b>	Book value	Market Value
Quoted	<b>719.60</b>	<b>2293.50</b>	715.04	4004.32
UnQuoted	<b>5602.38</b>		3963.51	



**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 Sun Life Liquid Plus Inst. DDR	41226295.66	4122.63	4125.43
SBNPP Liquid Plus SI DDR	156442337.73	15644.23	15683.34
SBNPP Money Fund SI DDR	326226665.38	32622.67	32933.56
Principal Liquid Plus DDR	10001604.02	1000.16	1002.16
Principal Cash Management	19926168.92	1992.62	1992.87
Principal Floating Rate FMP Inst. DDR	1477276.98	147.73	150.61
HDFC Floating Rate	53692148.75	5369.21	5412.65
Reliance Liquid Plus Inst. Option DDR	282568.93	2825.69	2828.90
Reliance Liquidity DDR	87261654.62	8726.17	8728.87
DBS Chola Short Term Floating DDR	2198145.68	219.81	220.18
DBS Chola Freedom Income STP DDR	2729887.76	272.99	273.31
SBI Premier Liquid Inst. Daily Div.	29179351.99	2917.94	2927.42
SBI SHF Liquid Plus Inst. Div.	10342381.85	1034.24	1034.76
ING Liquid Fund DDR	7431399.04	743.14	816.95
ING Liquid Plus Inst. DDR	3442178.22	344.22	344.33
DBS Chola Interval Div.	2552171.96	254.70	255.56
Birla Sun Life Cash Inst. Plan Mgr	66639784.04	6663.98	6665.98
SBNPP Interval Qly Plan C	4087528.00	408.75	408.75
SBNPP Interval Qly Plan A	1640601.31	164.06	164.06
ICICI Prudential Flex. Income	5277229.62	527.72	557.99
ICICI Prudential Liquid	8692923.97	869.29	1030.23
HDFC Cash Management Fund	78157348.33	7815.73	8313.13
Reliance Medium Term DDR	10167464.77	1016.75	1738.18
Canara Robeco Liquid DDR	9582810.36	958.28	1023.92
Canara Robeco Liquid Plus DDR	4460551.12	446.06	553.43
Reliance Qly Interval Series III Inst DD	1999860.02	200.00	200.00
ICICI	1165.02	0.12	0.14
UTI Liquid Cash Inst. DDR	66912.33	669.12	682.13
UTI Liquid Plus Inst. DDR	33347.42	333.47	338.87
UTI Liquid Plus Inst. DDR	17036.27	170.36	170.40
LIC MF Liquid Plus DDR	4176067.35	417.61	417.61
LIC MF Liquid Fund Dividend Plan	13936796.78	1393.68	1530.27
UTI Treasury Adv. Fund IP DDR	7324.04	73.24	73.26
SBNPP FTP 90 days Series 8 Inst. Div	2046714.00	204.67	204.67
SBI Ultra Short Term DDR	4357219.90	435.72	435.94
LIC MF Income Plus Fund DDR	9337645.91	933.76	933.76
SBNPP Ultra ST Fund Super Inst.DDR	46936652.01	4693.67	4706.20
LIC MF Savings Plus Fund DDR	7735661.54	773.57	773.57
SBNPP Interval Fund Qly Plan B Inst.	2038888.00	203.89	203.89
Birla Sun Life Savings Fund Inst. DDR	2139686.77	213.97	214.11

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### SCHEDULES

	31.03.2009 Rs. in Lakhs	31.03.2008 Rs. in Lakhs
<b><u>Schedule No. 6</u></b>		
<b>CURRENT ASSETS</b>		
Stock-in-Trade at cost or Net realisable value whichever is lower as Certified by the Management	2014.44	1860.52
Goods-in-Transit (at cost)	63.64	110.48
Sundry Debtors -		
Over six months (unsecured) considered good	17.35	13.31
Others (unsecured) considered good	3059.56	2319.97
<b>Cash and Bank Balances:</b>		
Cash and Cheques on Hand	233.69	164.77
With Scheduled Banks		
Current Accounts	141.15	161.16
Fixed Deposit Accounts	2.54	2.37
Remittance in Transit	510.55	409.51
	<u>6042.92</u>	<u>5042.09</u>
<b><u>Schedule No. 7</u></b>		
<b>LOANS AND ADVANCES</b>		
Advances recoverable in cash or in kind or for value to be received	532.30	657.78
	<u>532.30</u>	<u>657.78</u>
<b><u>Schedule No. 8</u></b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors - for purchases	1839.37	1068.33
- for expenses	229.44	186.20
- for others	110.94	173.97
Unclaimed Dividend*	32.82	28.11
Unclaimed matured Fixed Deposits*	0.16	0.16
	<u>2212.73</u>	<u>1456.77</u>
(*There are no amounts outstanding to be credited to Investor Education and Protection Fund.)		
<b><u>Schedule No. 9</u></b>		
<b>PROVISIONS</b>		
Provision for Taxation (Net of Advance Tax and tax deducted at source)	19.00	8.30
Interim Dividend (Includes Dividend tax & Surcharge Rs.84.84 Lakhs, — Previous year Rs.67.16 Lakhs)	584.02	462.34
	<u>603.02</u>	<u>470.64</u>

**SCHEDULES**

	2008-2009 Rs. in Lakhs	2007-2008 Rs. in Lakhs
<b><u>Schedule No. 10</u></b>		
<b>Non Operating Income</b>		
Dividend Receipts -		
Long Term Investments in Equity Shares	159.77	74.39
Current Investments	147.68	122.30
Profit on Sale of Assets	1.08	1.40
Profit on Sale of Investments		
Current Investments	1.11	1.29
Others	2.53	26.29
	<u>312.17</u>	<u>225.67</u>
<b><u>Schedule No. 11</u></b>		
<b>COST OF SALES-PARTS &amp; ACCESSORIES</b>		
Opening Stock	1860.52	2067.39
Add: Purchases	26485.53	21267.56
	<u>28346.05</u>	<u>23334.95</u>
Less: Closing Stock	2014.44	1860.52
	<u>26331.61</u>	<u>21474.43</u>
<b><u>Schedule No. 12</u></b>		
<b>ESTABLISHMENT CHARGES</b>		
Salaries, Allowances, Commission and Bonus	633.97	594.51
Contribution to PF and Other Funds	56.88	55.19
Gratuity	20.14	18.11
Staff Welfare Expenses	45.13	42.98
	<u>756.12</u>	<u>710.79</u>
<b><u>Schedule No. 13</u></b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	80.20	73.00
Rates, Taxes and Licences	32.79	24.39
Rebates and Discounts	135.99	106.71
Power and Lighting	35.48	34.28
Audit Fees : as Auditors	2.64	2.36
for Tax Audit	0.28	0.28
for Certification	0.28	0.28
out of pocket expenses	0.17	0.15
Directors' Sitting Fees	3.42	3.00
Insurance	6.96	6.51
Maintenance of Buildings	26.43	27.97
Maintenance of Plant & Machinery	4.59	4.56
Maintenance of Other Assets	34.38	34.07
Donations	36.11	2.80
Loss on Sale of Assets	0.64	0.89
Loss on Sale of Current Investments	0.36	0.44
Other Expenses	384.06	373.49
	<u>784.78</u>	<u>695.18</u>

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### SCHEDULES

	2008-2009 Rs. in Lakhs	2007-2008 Rs. in Lakhs
<b>Schedule No. 14</b>		
<b>INTEREST &amp; FINANCE CHARGES / (RECEIPTS)</b>		
Interest - Cash Credit	-	1.52
Less: Interest Receipts - Gross	(10.04)	(9.76)
(Tax Deducted at source Rs. 2.17 lakhs, Previous year Rs. 1.73 lakhs)		
	<u>(10.04)</u>	<u>(8.24)</u>

### 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.2.54 lakhs (previous year Rs.2.37 lakhs).

(b) Unclaimed Dividend Bank Account Balance of Rs.32.82 Lakhs (previous year Rs.28.11 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 31.03.2009 are as follows:

	<b>31-03-2009</b>	31-03-2008
	<b>Rs in lakhs</b>	Rs in lakhs
(a) Deferred Tax Liability		
Depreciation	<b>94.84</b>	81.66
(b) Deferred Tax Asset:		
Other Provisions	<u>12.23</u>	<u>19.75</u>
Net Deferred Tax Liability	<u><b>82.61</b></u>	<u>61.91</u>

**3. Profit & Loss Account**

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

	<b>31-03-2009</b>	31-03-2008
	<b>Rs in lakhs</b>	Rs in lakhs
<u>Automobile Products and Accessories</u>		
Opening Stock	<b>1860.52</b>	2067.39
Purchases	<b>26485.53</b>	21267.56
Sales	<b>30055.60</b>	24377.59
Closing Stock	<b>2014.44</b>	1860.52

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:

	<b>31-03-2009</b>	31-03-2008
	<b>Rs in lakhs</b>	Rs in lakhs
Contribution to Superannuation Fund	<b>6.42</b>	7.30
Contribution to Pension Fund	<b>21.66</b>	20.75
Contribution to Employees' State Insurance - ESI	<b>13.15</b>	12.32
Contribution to Provident Fund	<b>13.93</b>	13.32

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### 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 01/04/2008	<b>102.17</b>	100.87
Current service cost	<b>5.79</b>	9.49
Interest cost	<b>7.72</b>	6.93
Benefits paid	<b>(11.20)</b>	(17.05)
Actuarial loss on obligations	<b>23.96</b>	1.94
Present value of obligation as at 31/03/2009	<b>128.44</b>	102.17
B) Reconciliation of opening and closing balance of the fair value of plan assets		
Fair value of plan assets as at 01/04/2008	<b>112.21</b>	100.29
Expected return on plan assets	<b>9.32</b>	7.64
Contributions made	<b>19.84</b>	20.22
Benefits paid	<b>(11.20)</b>	(17.05)
Actuarial gain on plan assets	<b>0.46</b>	1.11
Fair value of plan assets as at 31/03/2009	<b>130.63</b>	112.21
C) Reconciliation of present value of defined benefit obligation and fair value of plan assets		
Present value of obligation as at 31/03/2009	<b>128.44</b>	102.17
Fair value of plan assets as at 31/03/2009	<b>130.63</b>	112.21
Unrecognised past service cost	<b>—</b>	—
Net Asset / (Liability) not recognised in Balance Sheet	<b>2.19</b>	10.04
D) Expenses		
Current service cost	<b>5.79</b>	9.49
Interest cost	<b>7.72</b>	6.93
Expected return on plan assets	<b>(9.32)</b>	(7.64)
Net actuarial loss recognised	<b>23.50</b>	0.83
Expenses	<b>27.69</b>	9.60
E) Actual return on plan assets		
Expected return on plan assets	<b>9.32</b>	7.64
Actuarial gain on plan assets	<b>0.46</b>	1.11
Actual return on plan assets	<b>9.78</b>	8.75
F) Actuarial assumptions		
Discount Rate	<b>LIC - 8%</b>	LIC - 8%
Expected rate of return on plan assets	<b>LIC - 8%</b>	LIC - 8%
Rate of increase in compensation levels	<b>5.50 %</b>	4.50 %

The present value of obligation towards compensated absences and entitlement of sick leave, as per actuarial certificate, as on 31-03-2009 is Rs.16.82 lakhs (previous year Rs.20.85 Lakhs) and is provided for in the books of accounts.

## SCHEDULES

### NOTES ON ACCOUNTS (Contd.)

	31-03-2009 Rs in lakhs	31-03-2008 Rs in lakhs
iii) Remuneration to Directors:-		
a) Remuneration to Managing Director		
Salary	20.16	18.24
Commission	30.00	22.67
Contribution to Provident Fund & Other Funds	5.38	4.86
Perquisites	15.29	15.56
Sitting Fees	0.66	0.66
	<u>71.49</u>	<u>61.99</u>
b) Commission to Non-Wholetime Directors	4.25	3.00
	<u>75.74</u>	<u>64.99</u>
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	2531.22	1748.12
Add: Director's Remuneration	75.74	64.99
Directors' sitting fees (Other than Managing Director)	2.76	2.34
Loss on sale of Assets	0.64	0.89
Loss on sale of Current Investments	0.36	0.44
	<u>2610.72</u>	<u>1816.78</u>
Less: Profit on Sale of Assets	1.08	1.40
Profit on Sale of Current Investments	1.11	1.29
	<u>2608.53</u>	<u>1814.09</u>
1.5% thereof	39.13	27.21
Commission to Managing Director	30.00	22.67
Commission to Non-Wholetime Directors	4.25	3.00

#### 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.

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### SCHEDULES

#### NOTES ON ACCOUNTS (Contd.)

2. The disclosure of related party transactions during the year and balances as on 31/03/2009 are as follows.

*Rs. in Lakhs*

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Sale of Goods	38.48	35.14	0.00	0.00	0.00	0.00
Purchase of Goods	0.00	4.10	0.00	0.00	0.00	0.00
Receiving Services	2.63	3.70	0.00	0.00	0.00	0.00
Payable Balance	0.00	1.49	30.00	22.67	0.50	0.50
Receivable Balance	2.95	2.15	0.00	0.00	0.00	0.00
Remuneration	0.00	0.00	71.49	61.99	0.86	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 :

		<b>31.03.2009</b>	31.03.2008
Profit after Taxation	Rs. in Lakhs	<b>1737.59</b>	1199.80
Total Equity Shares outstanding at the end of the year	Nos.	<b>4159800</b>	4159800
Weighted average number of Equity Shares	Nos.	<b>4159800</b>	4159800
Earnings per share (Basic and Diluted)	Rs.	<b>41.77</b>	28.84
Face value per share	Rs.	<b>10.00</b>	10.00

- v) Expenditure in foreign currency  
 - Travelling & Subscription Rs. in Lakhs **0.86** 1.54
- vi) Contingent Liability not provided for  
 - Tax Liability under dispute at various forums of appeal Rs. in Lakhs **277.98** 286.08
- 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.: <b>L65991TN1954PLC000958</b>	State Code	<b>18</b>
Balance Sheet Date	<b>31.03.2009</b>	

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

Public Issue	<b>NIL</b>	Rights Issue	<b>NIL</b>
Bonus Issue	<b>NIL</b>	Private Placement	<b>NIL</b>

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

Total Liabilities	<b>1112946</b>	Total Assets	<b>1112946</b>
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**SOURCES OF FUNDS**

Paid-up Capital	<b>41598</b>	Reserves & Surplus	<b>927859</b>
Secured Loans	<b>135228</b>	Unsecured Loans	<b>—</b>
		Deferred Tax Liability	<b>8261</b>

**APPLICATION OF FUNDS**

Net Fixed Assets	<b>104801</b>	Investments	<b>632198</b>
Net Current Assets	<b>375947</b>	Misc. Expenditure	<b>—</b>

**IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)**

Turnover (including other income)	<b>3047101</b>	Total Expenditure	<b>2793979</b>
Profit Before Tax (+)	<b>253122</b>	Profit After Tax (+)	<b>173759</b>
Earnings Per Share in Rs.	<b>41.77</b>	Dividend Rate	<b>120 %</b>

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

ITC Code	<b>Not applicable</b>
Product Description	<b>Sale and Distribution of Automotive Spares</b>

**CASH FLOW STATEMENT**

	2008-2009 (Rs in lakhs)	2007-2008 (Rs in lakhs)
<b>A) Cash flow from Operating Activities</b>		
a) Net Profit Before tax	2531.22	1748.12
Adjustment for:		
Depreciation	67.28	61.79
Interest & Finance Charges		
Interest Receipts - Gross		
Govt	-	-
Others	-	-
Dividend Income		
Long Term	(159.77)	(74.39)
Current	(147.68)	(122.30)
Loss on Sale of Assets	0.64	0.89
Loss on Sale of Investments	0.36	0.44
Profit on Sale of Assets	(1.08)	(1.40)
Profit on Sale of :		
Long Term Investments	-	-
Current Investments	(1.11)	(1.29)
b) Operating Profit before Working Capital Changes	2289.86	1611.86
Adjustment for:		
Decrease/ (Increase) in Trade Receivables	(743.63)	(307.85)
Decrease / (Increase) in Loans & Advances	125.48	112.31
( Increase ) / Decrease in Inventories	(107.08)	280.97
( Decrease) / Increase in Trade Payable	751.25	(19.98)
	26.02	65.45
c) Cash Generated from Operations	2315.88	1677.31
Direct taxes Paid	(762.24)	(618.02)
	(762.24)	(618.02)
d) Cash flow before Extraordinary item	1553.64	1059.29
e) Extraordinary Item	-	-
Net Cash flow from Operating Activities	1553.64	1059.29
<b>B) Cash flow from Investing Activities</b>		
Sale of Fixed Assets	2.32	7.46
Sale of Investments		
Long Term	-	-
Current	20174.68	18244.30
Dividend received		
Long Term	159.77	74.39
Current	147.68	122.30

## CASH FLOW STATEMENT (Contd.)

	2008-2009 (Rs in lakhs)	2007-2008 (Rs in lakhs)
Interest received		
Govt	-	-
Others	-	-
Purchase of Fixed Assets	(89.88)	(53.12)
Purchase of :		
Long Term Investments	(408.56)	(396.69)
Current Investments	(21408.79)	(19109.79)
Net Cash used in Investing Activities	(1422.78)	(1111.15)
<b>C) Cash flow from Financing Activities</b>		
Borrowing / (Repayment) of Cash Credit	476.89	95.01
Repayment of Fixed Deposits	-	-
Interest paid on Fixed Deposits	-	-
Interest Others	-	-
Finance charges	-	-
Dividend Paid	(457.63)	(149.21)
Net Cash flow from Financing Activities	19.26	(54.20)
<b>D) Net Increase / (Decrease) in Cash &amp; Cash Equivalent</b>	<b>150.12</b>	<b>(106.06)</b>
Cash & Cash Equivalent at beginning of the year	737.81	843.87
Cash & Cash Equivalent at the end of the year	887.93	737.81

**S NARAYANAN**  
Chairman

**N KRISHNAN**  
Managing Director

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

**KVBHASKAR**  
Assistant Vice President  
(Accounts)

**B SHANMUGASUNDARAM**  
Secretary

**M PADHMANABHAN**  
Partner  
Membership No: 13291

Chennai  
9<sup>th</sup> July, 2009

**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. Sri N Krishnan is 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 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 2008-09, 6 Board Meetings were held on 29<sup>th</sup> April 2008, 08<sup>th</sup> July 2008, 29<sup>th</sup> July 2008, 25<sup>th</sup> October 2008, 29<sup>th</sup> January 2009 and 23<sup>rd</sup> March 2009.

All the Directors of the Company attended the 54<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> August 2008. 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 31.03.2009)		
		Other Directorship	Committee Membership	Committee Chairmanship
Sri S Narayanan	6	3	1	1
Sri N Krishnan	6	-	-	-
Sri S Ram	3	8	3	1
Sri Ananth Ramanujam	5	3	3	-
Sri S Ravindran	6	4	2	-
Sri S Prasad	6	2	2	1
Ms Shobhana Ramachandhran	3	2	1	-
Sri Rasesh R Doshi	4	1	-	-

**3. Audit Committee:**

During the year 2008-09, the Audit Committee was reconstituted in July 2008 by inducting Sri Rasesh R Doshi as a Member of the Committee. The audit committee reviews the un-audited quarterly financial results, adequacy of internal control systems, related party transactions, annual financial statements, compliance to listing and other legal requirements relating to financial statements. Heads of Accounts and Internal Audit, Statutory Auditors are invitees to the Committee Meetings. The Committee also interacts with internal and statutory auditors on audit related matters.

During the financial year 2008-09, 5 Audit Committee meetings were held on 29<sup>th</sup> April 2008, 07<sup>th</sup> July 2008, 29<sup>th</sup> July 2008, 25<sup>th</sup> October 2008 and 29<sup>th</sup> January 2009. The composition and attendance particulars are as follows:

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	3

#### 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 31.03.2009)	Relationship with Other Directors
Sri S Narayanan	36000	50000	1608 <sup>1</sup>	-
Sri S Ram	18000	50000	9950 <sup>2</sup>	-
Sri Ananth Ramanujam	30000	50000	18656 <sup>3</sup>	-
Sri S Ravindran	66000	75000	400	-
Sri S Prasad	66000	75000	480	-
Ms Shobhana Ramachandhran	18000	50000	31254	-
Sri Rasesh R Doshi	42000	75000	4328 <sup>4</sup>	-

Number of shares held jointly with others <sup>1</sup>19744 <sup>2</sup>57132 <sup>3</sup>28624 <sup>4</sup>960

##### 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	20.16	Son of Sri S Narayanan
Commission	30.00	
Sitting Fees	0.66	
Contribution to Provident Fund & other funds	5.38	
Perquisites	15.29	

**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, four investor complaints were received and resolved.

**6. General Body Meetings:**

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

<b>Year</b>	<b>Location</b>	<b>Date and time</b>
52 <sup>nd</sup> AGM (2005-06)	Music Academy 168, TTK Road, Chennai –14.	August 30, 2006 10.30 a.m.
53 <sup>rd</sup> AGM (2006-07)	Music Academy 168, TTK Road, Chennai –14.	September 7, 2007 10.25 a.m.
54 <sup>th</sup> AGM (2007-08)	Music Academy 168, TTK Road, Chennai –14.	August 28, 2008 11.00 a.m.

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

<b>Year</b>	<b>Date</b>	<b>Details of Special Resolution</b>
52 <sup>nd</sup> AGM (2005-06)	August 30, 2006	1. Amendment to Articles of Association 2. Delisting of shares from Madras Stock Exchange
53 <sup>rd</sup> AGM (2006-07)	September 07, 2007	NIL
54 <sup>th</sup> AGM (2007-08)	August 28, 2008	Commission to Directors

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](http://www.impal.net) and also in SEBI's website - Electronic Data Information Filing & Retrieval (EDIFAR) <http://sebidifar.nic.in>

### 9. General Shareholder Information:

a.	55 <sup>th</sup> Annual General Meeting	
	- Date and Time - Venue	4 <sup>th</sup> September 2009 – 10.25 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, 2009 Second quarter results ending September 30 2009 Third quarter results ending December 31, 2009 Fourth quarter results ending March 31, 2010 Audited results for the year ending March 31, 2010	4 <sup>th</sup> September 2009 July, 2009 October, 2009 January, 2010 April, 2010 July, 2010
c.	Period of Book Closure	From 28.08.09 to 04.09.09 (Both days inclusive)
d.	Dividend payment date	On or before 5 <sup>th</sup> August 2009 (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

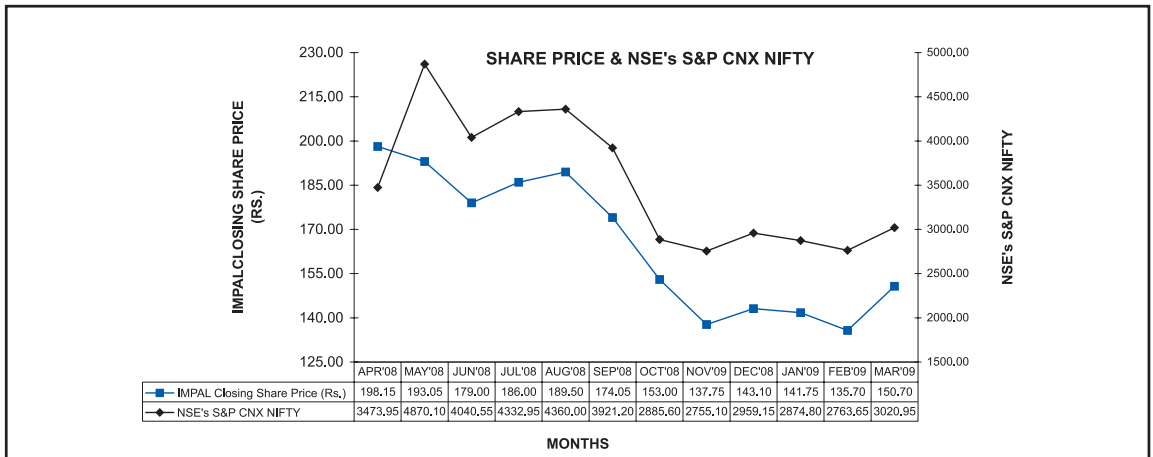
g. The Company has paid the listing fee up to the year 2009-10 to National Stock Exchange.

h. Market Price Data (Rs.)

MONTH		Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
NSE	HIGH	219.75	217.00	225.75	200.00	198.50	233.50	189.90	169.00	166.90	162.90	155.00	164.00
	LOW	175.55	183.00	170.00	162.00	153.10	155.25	125.00	127.50	113.00	122.25	135.55	135.05

## 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:

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](mailto:investor@cameoindia.com)

Contact Person:  
 Sri R D Ramaswamy  
 Designation: Director  
  
 Sri D Narasimhan  
 Designation: Senior Executive (Shares)

k. (i) Distribution of Shareholding pattern as on March 31, 2009

No. of Shares	Shareholders		No. of Shares	
	Number	%	Number	%
Upto 500	6014	87.55	904011	21.73
501-1000	582	8.47	397573	9.56
1001-2000	147	2.14	203048	4.88
2001-5000	63	0.92	207977	5.00
5001-10000	29	0.42	234075	5.63
10001 & above	34	0.50	2213116	53.20
<b>Total</b>	<b>6869</b>	<b>100.00</b>	<b>4159800</b>	<b>100.00</b>



(ii) Pattern of Shareholding as on March 31, 2009

S.No	Particulars	No. of shares held	% of total
1	Promoters	1970192	47.36
2	Non Residents (NRI)	30939	0.74
3	Corporate Bodies	99303	2.39
4	Public	2059366	49.51
	<b>Total</b>	<b>4159800</b>	<b>100.00</b>

I. Dematerialisation of shares:

The trading in equity shares of the company is permitted only in dematerialised form. As of March 31, 2009 about 32.75% of total outstanding Shares have been dematerialised. Out of 2189608 equity shares held by the shareholders other than the promoters, 1325254 (forming 60.52% of the non promoters shareholding) have been dematerialised up to 31<sup>st</sup> March 2009.

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 <sup>rd</sup> 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 E-mail: <a href="mailto:bss@impal.net">bss@impal.net</a>  <a href="mailto:bss@impal.net">bss@impal.net</a>
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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 31<sup>st</sup> March, 2009 with the relevant records and documents is 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 of 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.

Chennai  
9<sup>th</sup> July 2009

*For Sundaram & Srinivasan*  
*Chartered Accountants*  
**M. Padhmanabhan**  
*Partner*  
Membership Number:13291

## Distribution Network



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