

INDIA MOTOR PARTS & ACCESSORIES LIMITED

IMPAL

2009 - 2010

56th ANNUAL REPORT

RECORD PERFORMANCE*

Rs in lakhs

Particulars	2009-2010	2008-2009	Change in %
*Turnover	35808.80	30055.60	19%
*Profit before tax	3647.65	2531.22	44%
*Profit after tax	2479.60	1737.59	43%

BOARD OF DIRECTORS

Sri S NARAYANAN

Chairman

Sri S RAM

Sri ANANTH RAMANUJAM

Sri S RAVINDRAN

Sri S PRASAD

Ms SHOBHANA RAMACHANDHRAN

Sri RASESH R DOSHI

Sri N KRISHNAN

Managing Director

COMMITTEES OF THE BOARD

Audit Committee

Sri S PRASAD

Chairman

Sri S RAVINDRAN

Sri RASESH R DOSHI

Sri N KRISHNAN

Shareholder / Investor Grievance Committee

Sri S NARAYANAN

Chairman

Sri N KRISHNAN

VICE PRESIDENT – FINANCE & ACCOUNTS

Sri S RAMASUBRAMANIAN

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

Contents	Page No.
Financial Highlights	2
Notice to Shareholders	3
Directors' Report to the Shareholders	6
Auditors' Report	9
Balance Sheet	12
Profit & Loss Account	13
Schedules	14
Cash Flow Statement	25
Report on Corporate Governance	27

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	Sr. Deputy General Manager (Accounts)
Sri T K SUNDARARAJAN	Senior Advisor
Sri R SUNDARARAJAN	Deputy General Manager (Marketing)
Sri L SRINIVASAN	Deputy General Manager (Marketing)
Sri V SRIDHAR	Deputy General Manager (IT & Materials)
Sri N SUNDARAM	Asst. General Manager (Accounts)
Sri R RAMAN	Asst. General Manager (Accounts)
Sri M PARAMESWARAN	Asst. General Manager (Accounts & IT)
Sri R SIVARAMAN	Asst. General Manager
Sri MUKESH RASTOGI	Senior Area Manager
Sri S P SRIVASTAVA	Senior Area Manager
Sri M S HARIGOPAL	Senior Area Manager

FINANCIAL HIGHLIGHTS

Rs. in Lakhs

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
Share Capital	415.98	415.98	415.98	415.98	415.98
Reserves & Surplus	11004.09	9278.59	8125.02	7387.56	6723.57
Net Worth	11420.07	9694.57	8541.00	7803.54	7139.55
Capital Employed	11522.02	11129.46	9478.30	8644.51	7812.75
Sales	35808.80	30055.60	24377.59	22702.44	20707.03
Profit before tax	3647.65	2531.22	1748.12	1639.36	1382.93
Profit after tax	2479.60	1737.59	1199.80	1093.36	906.94
Dividend Amount	644.77	499.18	395.18	374.39	291.19
Dividend %	155	120	95	90	70
Earnings per Share (Rs.)	59.61	41.77	28.84	26.28	21.80
Book Value Per Share (Rs.)	274.53	233.05	205.32	187.59	171.63

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Fifty-sixth Annual General Meeting** of the Shareholders of the Company will be held at **10.25 a.m. on Friday, the 3rd day of September 2010**, 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 2010 and to consider the reports of the Directors and Auditors thereon.
2. To declare a final dividend.
3. To elect a Director in the place of Sri S Prasad, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Sri Ananth Ramanujam, 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
10th July, 2010

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 21.08.10 to 03.09.10 (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 2003 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.

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 Prasad
Age : 62 years
Qualification : Fellow Chartered Accountant

Sri S Prasad was appointed as a Director of the Company on 26th April 2007 and is the Chairman of the Audit Committee. He started his career as a Finance professional in industry and thereafter commenced independent practice from 1981. In this capacity, he now handles audits of reputed corporates in Chennai. His special interests are with JVs and FDI. Sri S Prasad holds 480 equity shares in the Company.

Details of other Directorships held by him:

Wheels India Limited; Sundaram Finance Limited; Sakthi Auto Motors Limited; Royal Sundaram Alliance Insurance Company Limited.

Committee Membership in other Companies:

- | | |
|---|--|
| Sundaram Finance Limited | – Chairman, Audit Committee
– Member, Share Transfer & Investor Relations Committee |
| Wheels India Limited | – Chairman, Audit Committee
– Member, Remuneration Committee |
| Royal Sundaram Alliance Insurance Company Limited | – Chairman, Audit Committee |

2. Item No.4 of the Notice

- | | |
|----------------------|--|
| Name of the Director | : Sri Ananth Ramanujam |
| Age | : 45 years |
| Qualification | : Graduate in Economics & Masters in Development Economics, University of Bath, U.K. |

Sri Ananth Ramanujam was appointed as a Director of the Company on 5th September 2005. He has more than 18 years experience in export and manufacturing of auto components. Sri Ananth Ramanujam holds 18656 equity shares individually and 28624 equity shares jointly with others.

Details of other Directorships held by him:

Director

Turbo Energy Ltd; ABI-Showatech (India) Ltd; Transenergy Ltd; Raghuvamsa Holdings Pvt Ltd; ABI-Showatech Pte Ltd, Singapore; ABI-Showatech International Pte Ltd, Singapore.

Committee Membership in other Companies:

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors are pleased to present the **56th Annual Report** together with the Audited Accounts for the year ended 31st March 2010.

Financial Results

Rs. in Lakhs

Particulars	31.03.2010	31.03.2009
Profit before tax	3647.65	2531.22
Less: Provision for taxation (including deferred tax)	1168.05	793.63
Profit after Tax	2479.60	1737.59
Add: Balance in P&L Account brought forward from previous year	799.84	425.02
Profit available for appropriation	3279.44	2162.61
Appropriations		
Dividend - Interim	582.37	499.18
- Final (Proposed)	62.40	-
Dividend Tax (including surcharge)	109.33	84.84
General Reserve	1700.00	778.75
Surplus Balance in Profit & Loss Account	825.34	799.84

Dividend

The Board of Directors in February 2010 declared and paid an Interim Dividend of Rs.14/- per equity share (140%) for the year ended 31st March 2010 on the paid up share capital of Rs.415.98 lakhs. Your Directors are now pleased to recommend a final dividend of Rs.1.50 per equity share (15%). Together, the total dividend aggregates to Rs.15.50 per equity share (155%) for the year ended 31st March 2010, on the paid up capital of Rs. 415.98 lakhs. The dividend, together with dividend tax of Rs.109.33 lakhs absorbs a sum of Rs.754.10 lakhs.

Management Discussion and Analysis Report

Indian Economy performed well in the last financial year with a growth of 7.4%. This was achieved inspite of negative growth in the agricultural sector and export of goods sector. The truck segment was able to come back from the low level of 2008-09. Growth in cars, multi utility vehicles and tractor segments was impressive.

Demand for branded parts and genuine parts sold by us were robust during the year under review. The stimulus package of the Central government led to a progressive reduction in Excise Duty for Motor parts from 16% to 8%. The replacement market for spare parts was good and in general almost all players performed well. Your company managed to grow by 19% to a Sales Turnover of Rs.358.00 Crores during

the year under review, on the existing high base of Rs.300 crores, being the turnover achieved in 2008-09. For the 24 month period ending 31st March 2010, the sales turnover has grown by 47%.

Your Company continues to exercise good control over all costs which resulted in the Profit before tax growing impressively by 44% from Rs.25.31 Crores to Rs.36.48 Crores. Profit after tax also increased by 43% from 17.37 Crores to 24.79 Crores. The good growth enjoyed by the company in the last two years has resulted in the net worth of the company advancing beyond Rs.100 Crores and it also enabled the Board to declare good dividends. For the year under review, establishment cost has gone up keeping up with the general trend.

The Internal Audit Department continues to visit all our branches in the company on a regular basis, to ensure adherence to systems and procedures. Their findings, in the form of Internal Audit reports are reviewed at the Head Office by the Senior Management Committee on a regular basis. In addition, the Audit Committee of the Board met 5 times during the year under review with the Senior Executives of the Internal Audit, the 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 Prasad and Sri Ananth Ramanujam, 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 2009-2010, the Company did not have any foreign exchange earnings or outgo other than travel and subscription.

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 31st March, 2010, and the profit of the Company for that year.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

- 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 during the year under review. They also wish to gratefully acknowledge the support and assistance given by the State Bank of India.

Your Directors wish to place on record their appreciation for the dedication, commitment and teamwork of all the staff and executives of the Company. This enabled your company to register a good performance in the year under review.

Chennai
10th July, 2010

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 & ACCESSORIES LIMITED as at 31st March, 2010, 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2010 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, 2010.
 - 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 No:004207S
M Padhmanabhan
Partner
Membership Number:13291

Chennai
10th July, 2010

**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.
7. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
8. This being a trading company, the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 are not applicable.
9. (a) According to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax and other material statutory dues applicable to it.

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

- (b) As at 31st March, 2010 according to the records of the Company, the disputes are as follows:
1. Sales Tax in Orissa for the year 1998-1999 is pending with the Tribunal for Rs.0.39 lakhs.
 2. Sales Tax in Bihar for 2006-2007 is pending with the Joint Commissioner for Rs.3.67 lakhs.
10. The Company has neither accumulated losses as at 31st March, 2010 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.

Chennai
10th July, 2010

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No:004207S
M Padhmanabhan
Partner
Membership Number:13291

INDIA MOTOR PARTS & ACCESSORIES LIMITED

BALANCE SHEET AS AT 31ST MARCH , 2010

	Schedule No.	31.03.2010 Rs.in lakhs	31.03.2009 Rs.in lakhs
SOURCES OF FUNDS			
1. Shareholders' Funds:			
(a) Capital	1	415.98	415.98
(b) Reserves and Surplus	2	<u>11004.09</u>	<u>9278.59</u>
		11420.07	9694.57
2. Deferred Tax Liability (Net)		90.66	82.61
3. Loan Funds:			
Secured Loans	3	<u>11.29</u>	<u>1352.28</u>
Total		<u>11522.02</u>	<u>11129.46</u>
APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	4	1744.65	1732.92
(b) Less: Depreciation		<u>747.10</u>	<u>684.91</u>
(c) Net Block		997.55	1048.01
2. Investments		4725.17	6321.98
3. Current Assets, Loans & Advances			
(a) Current Assets	6	7655.77	6042.92
(b) Loans & Advances	7	<u>540.26</u>	<u>532.30</u>
		<u>8196.03</u>	<u>6575.22</u>
Less: Current Liabilities & Provisions			
(a) Current Liabilities	8	2258.09	2212.73
(b) Provisions	9	<u>138.64</u>	<u>603.02</u>
		<u>2396.73</u>	<u>2815.75</u>
Net Current Assets		<u>5799.30</u>	<u>3759.47</u>
Total		<u>11522.02</u>	<u>11129.46</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
Firm Registration No:004207S

S RAMASUBRAMANIAN
Vice President (Finance & Accounts)

B SHANMUGASUNDARAM
Secretary

M PADHMANABHAN
Partner
Membership No: 13291

Chennai
10th July, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2010

	Schedule No.	2009-2010 Rs.in lakhs	2008-2009 Rs.in lakhs
INCOME			
Sales - Less Returns (Net)		35808.80	30055.60
Operating Income		118.78	93.20
Non Operating Income	10	274.37	312.17
Interest	14	14.76	10.04
		<u>36216.71</u>	<u>30471.01</u>
EXPENDITURE			
Cost of Sales - Parts & Accessories	11	30642.83	26331.61
Establishment Charges	12	904.54	756.12
Administrative & Other Expenses	13	940.61	784.78
Depreciation		81.08	67.28
		<u>32569.06</u>	<u>27939.79</u>
Profit beforeTax		3647.65	2531.22
Less: Provision for Taxation		1160.00	760.83
(Add) / Less: Provision for Deferred Tax		8.05	20.70
Less: Provision for Fringe Benefit Tax		-	12.10
Profit after Tax		2479.60	1737.59
Add: Balance brought forward from previous year		799.84	425.02
Profit Available for Appropriation		<u>3279.44</u>	<u>2162.61</u>
APPROPRIATIONS:			
Interim Dividend		582.37	499.18
Dividend Distribution Tax (including Surcharge)		98.97	84.84
Final Dividend (Proposed)		62.40	-
Dividend Distribution Tax (including Surcharge)		10.36	-
General Reserve		1700.00	778.75
Surplus-Balance carried to Balance Sheet		825.34	799.84
		<u>3279.44</u>	<u>2162.61</u>
Notes on accounts	15		
EARNINGS PER SHARE (Basic/Diluted in Rs.)		59.61	41.77
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 No:004207S

S RAMASUBRAMANIAN
Vice President (Finance & Accounts)

B SHANMUGASUNDARAM
Secretary

M PADHMANABHAN
Partner
Membership No: 13291

Chennai
10th July, 2010

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

31.03.2010
Rs. in Lakhs

31.03.2009
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 8100.00 7321.25
Add: Transfer from Profit & Loss Account 1700.00 9800.00 778.75 8100.00
Surplus as per Profit & Loss Account 825.34 799.84
11004.09 9278.59

Schedule No. 3

SECURED LOANS

Loan from Banks

Cash Credit 11.29 1352.28
(Secured by hypothecation of book debts and stock) 11.29 1352.28

Schedule No. 4

FIXED ASSETS

Rs. in Lakhs

Description	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As at 01/04/2009	Additions during the year	Deductions during the year	Balance as on 31/03/2010	For the Year	Upto 31/03/2010	As at 31/03/2010	As at 31/03/2009
Land	210.35	-	-	210.35	-	-	210.35	210.35
Leasehold land & } Building	76.92	-	-	76.92	1.24	27.91	49.01	50.25
Buildings	853.04	-	-	853.04	23.66	272.14	580.90	604.56
Plant & Machinery	80.18	18.79	17.80	81.17	4.93	49.08	32.09	30.26
Electrical Fittings	22.47	0.30	0.22	22.55	0.86	19.08	3.47	4.03
Office Equipment	227.47	10.48	0.90	237.05	33.44	173.55	63.50	86.60
Furniture & Fixtures	165.29	2.87	0.43	167.73	3.92	149.58	18.15	19.23
Vehicles	97.20	15.24	16.60	95.84	13.03	55.76	40.08	42.73
TOTAL	1732.92	47.68	35.95	1744.65	81.08	747.10	997.55	1048.01
Previous Year	1655.51	89.88	12.47	1732.92	67.28	684.91	1048.01	

SCHEDULES

	31.03.2010	31.03.2009
	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	-
In Equity Shares:-		
Long Term - At Cost - Non trade - Fully paid:		
<u>Quoted:</u>		
Sundaram Finance Ltd., 13,90,000 equity shares of Rs. 10/- each	719.60	719.60
<u>Unquoted:</u>		
Royal Sundaram Alliance Insurance Company Ltd. 1,80,19,231 equity shares of Rs. 10/- each	1801.92	1801.92
Transenergy Ltd., 15,000 equity shares of Rs.100/- each	15.00	15.00
In Mutual Funds:-		
<u>Unquoted:</u>		
Sundaram BNP Paribas Energy Opportunities Fund - Growth - 1500000.00 Units of Rs.10/- each, Face Value 150.00 lakhs	150.00	150.00
Current Investments: (at cost or market value, whichever is lower)		
<u>Unquoted:</u>		
Birla Sunlife Savings Fund Institutional Plan - Daily Dividend Reinvestment - 2139686.77 units of Rs.10/- each, Face Value Rs.213.97 lakhs	-	214.11
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Dividend - 3476284.294 Units of Rs.10/- each, Face Value Rs.347.63 lakhs	-	350.44
HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment 4889699.522 Units of Rs.10/- each, Face Value Rs.488.97 lakhs	-	520.09
Sundaram BNP Paribas Money Fund Super Institutional Daily Dividend - 7509470.909 Units of Rs.10/- each, Face Value Rs.750.95 lakhs	-	758.10
Sundaram BNP Paribas Interval Fund Qly-Plan-E-Retail Div. - 4000000 Units of Rs.10/- each, Face Value Rs.400 lakhs	400.00	-
Sundaram BNP Paribas FTP 15 Months Series Z - Growth 4000000 Units of Rs.10/- each, Face Value Rs.400 lakhs	400.00	-
ICICI Prudential FMP Series 41 - 19 Months Plan - Institutional Cumulative 1000000 Units of Rs.10/- each, Face Value Rs.100.00 lakhs	-	100.00

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

INVESTMENTS (Contd.)	31.03.2010 Rs. in Lakhs	31.03.2009 Rs. in Lakhs
LIC MF Savings Plus Fund - Daily Dividend Plan - 7735661.536 Units of Rs.10/- each, Face Value Rs.773.57 lakhs	-	773.57
LIC MF Savings Plus Fund - Daily Dividend Plan - 7387282.962 Units of Rs.10/- each, Face Value Rs.738.73 lakhs	738.73	-
UTI Treasury Advantage Fund Institutional Plan - Daily Dividend Option 38209.109 Units of Rs.1000/- each, Face Value Rs.382.09 lakhs	-	382.17
UTI Treasury Advantage Fund Institutional Plan - Daily Dividend Option 7.504 Units of Rs.1000/- each, Face Value Rs.0.08 lakhs	-	0.08
Sundaram BNP Paribas Ultra Short Term Fund - Daily Dividend - 4356343.299 Units of Rs.10/- each, Face Value Rs.435.63 lakhs	-	436.72
Sundaram BNP Paribas Ultra Short Term Fund - Daily Dividend - 998215.112 Units of Rs.10/- each, Face Value Rs.99.82 lakhs		100.18
Sundaram BNP Paribas Flexible Fund Short Term Instl. - Daily Dividend - 4870086.58 Units of Rs.10/- each, Face Value Rs.487 lakhs	489.54	
	<u>4725.17</u>	<u>6321.98</u>

Aggregate value of Investments	Book value	Market Value	Book value	Market Value
Quoted	719.60	5243.77	719.60	2293.50
UnQuoted	4005.57		5602.38	

Current Investments bought and sold during the year

Name	No.of Units	Rs. in Lakhs	
		Face Value	At Cost
SBNPP Money Fund SI DDR	297795535.33	29779.55	30063.35
HDFC Floating Rate Income Fund ST Plan Wholesale Option - DR	209365609.45	20936.56	21105.94
Birla Sun Life Cash Mgr- IP - DDR	11867529.00	1186.75	1187.11
HDFC Cash Management Fund - Savings Plan - DDR	251523850.34	25152.39	26753.08
ICICI Prudential FMP Series 41 - Instl. Cumulative	1000000.00	100.00	114.91
UTI Liquid Cash Plan Inst. DR	31785.56	317.86	324.04
LIC MF Liquid Fund Dividend Plan	69044687.85	6904.47	7581.18
UTI Treasury Adv. Fund IP DDR	71007.99	710.08	710.23
SBNPP FTP 15 mths Series Z Growth	4000000.00	400.00	400.00
SBNPP Flexible Fund ST Inst. DD	45622931.11	4562.29	4585.97
SBNPP Ultra ST Fund Super Inst.DDR	242808757.73	24280.88	24370.71
LIC MF Savings Plus Fund DDR	55196101.20	5519.61	5519.61
SBNPP Interval Fund Qly Plan E Retail	4000000.00	400.00	400.00
Birla Sun Life Savings Fund Inst. DDR	8227068.41	822.71	823.27

SCHEDULES

	31.03.2010 Rs. in Lakhs	31.03.2009 Rs. in Lakhs
<u>Schedule No. 6</u>		
CURRENT ASSETS		
Interest accrued on Investments	0.90	-
Stock-in-Trade (at cost or Net realisable value whichever is lower) as Certified by the Management	3013.95	2014.44
Goods-in-Transit (at cost)	198.43	63.64
Sundry Debtors -		
More than six months (unsecured) considered good	10.35	17.35
Others (unsecured) considered good	3367.11	3059.56
Cash and Bank Balances:		
Cash and Cheques on Hand	281.88	233.69
With Scheduled Banks		
Current Accounts	198.16	141.15
Fixed Deposit Accounts	2.65	2.54
Remittance in Transit	582.34	510.55
	<u>7655.77</u>	<u>6042.92</u>
<u>Schedule No. 7</u>		
LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	540.26	532.30
	<u>540.26</u>	<u>532.30</u>
<u>Schedule No. 8</u>		
CURRENT LIABILITIES		
Sundry Creditors - for purchases	1702.85	1839.37
- for expenses	329.06	229.44
- for others	169.83	110.94
Unclaimed Dividend*	56.35	32.82
Unclaimed matured Fixed Deposits	-	0.16
	<u>2258.09</u>	<u>2212.73</u>
(*There are no amounts outstanding to be credited to Investor Education and Protection Fund.)		
<u>Schedule No. 9</u>		
PROVISIONS		
Provision for Taxation (Net of Advance Tax and tax deducted at source)	65.88	19.00
Interim Dividend (Includes Dividend tax & Surcharge Rs.NIL Lakhs, — Previous year Rs.84.84 Lakhs)	-	584.02
Final Dividend - Proposed (Includes Dividend tax & Surcharge, Rs.10.36 Lakhs — Previous year Rs. Nil)	72.76	-
	<u>138.64</u>	<u>603.02</u>

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

	2009-2010 Rs. in Lakhs	2008-2009 Rs. in Lakhs
<u>Schedule No. 10</u>		
Non Operating Income		
Dividend Receipts -		
Long Term Investments in Equity Shares	118.15	159.77
Current Investments	135.21	147.68
Profit on Sale of Assets	2.21	1.08
Profit on Sale of Investments		
Current Investments	15.45	1.11
Others	3.35	2.53
	<u>274.37</u>	<u>312.17</u>
<u>Schedule No. 11</u>		
COST OF SALES-PARTS & ACCESSORIES		
Opening Stock	2014.44	1860.52
Add: Purchases	31642.34	26485.53
	33656.78	28346.05
Less: Closing Stock	3013.95	2014.44
	<u>30642.83</u>	<u>26331.61</u>
<u>Schedule No. 12</u>		
ESTABLISHMENT CHARGES		
Salaries, Allowances, Commission and Bonus	781.03	633.97
Contribution to PF and Other Funds	60.30	56.88
Gratuity	14.22	20.14
Staff Welfare Expenses	48.99	45.13
	<u>904.54</u>	<u>756.12</u>
<u>Schedule No. 13</u>		
ADMINISTRATIVE & OTHER EXPENSES		
Rent	85.45	80.20
Rates, Taxes and Licences	42.68	32.79
Rebates and Discounts	187.38	135.99
Power and Lighting	35.71	35.48
Audit Fees : as Auditors	3.30	2.64
for Tax Audit	0.28	0.28
for Certification	0.28	0.28
out of pocket expenses	0.17	0.17
Directors' Sitting Fees	3.60	3.42
Insurance	13.15	6.96
Maintenance of Buildings	27.30	26.43
Maintenance of Plant & Machinery	3.30	4.59
Maintenance of Other Assets	34.67	34.38
Donations	37.60	36.11
Loss on Sale of Assets	10.04	0.64
Loss on Sale of Current Investments	-	0.36
Other Expenses	455.70	384.06
	<u>940.61</u>	<u>784.78</u>

SCHEDULES

	2009-2010	2008-2009
	Rs. in Lakhs	Rs. in Lakhs
Schedule No. 14		
INTEREST & FINANCE CHARGES / (RECEIPTS)		
Interest Receipts - Gross	(14.76)	(10.04)
(Tax Deducted at source Rs. 2.17 lakhs, Previous year Rs. 2.17 lakhs)	<u>(14.76)</u>	<u>(10.04)</u>

Schedule No. 15
NOTES ON ACCOUNTS
1. Significant Accounting Policies:

- (a) Sales are net of trade discounts, returns and exclusive of VAT/Sales Tax
- (b)
 1. Fixed Assets are valued at cost less depreciation.
 2. Depreciation has been provided based on written down value method , in accordance with Schedule XIV of the Companies Act, 1956.
 3. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of purchase.
 4. Depreciation on lease hold assets are amortised over the period of lease.
- (c) Inventories are valued in line with the Accounting Standard (AS 2). Cost of inventories is net of VAT in respect of Local Purchases.
- (d) Long term investments are carried at cost and provision for decline in value, if any , other than temporary, are made whenever necessary. Current Investments are stated at lower of cost or market value.
- (e) 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.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

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.2.65 lakhs (previous year Rs.2.54 lakhs).

(b) Unclaimed Dividend Bank Account Balance of Rs.56.35 Lakhs (previous year Rs.32.82 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 31.03.2010 are as follows:

	31-03-2010	31-03-2009
	Rs in lakhs	Rs in lakhs
(a) Deferred Tax Liability		
Depreciation	105.12	94.84
(b) Deferred Tax Asset:		
Other Provisions	14.46	<u>12.23</u>
Net Deferred Tax Liability	90.66	<u>82.61</u>

3. Profit & Loss Account

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

	2009-2010	2008-2009
	Rs in lakhs	Rs in lakhs
<u>Automobile Products and Accessories</u>		
Opening Stock	2014.44	1860.52
Purchases	31642.34	26485.53
Sales	35808.80	30055.60
Closing Stock	3013.95	2014.44

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:

	2009-2010	2008-2009
	Rs in lakhs	Rs in lakhs
Contribution to Superannuation Fund	7.48	6.42
Contribution to Pension Fund	22.71	21.66
Contribution to Employees' State Insurance - ESI	14.27	13.15
Contribution to Provident Fund	14.97	13.93

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 01/04/2009	128.44	102.17
Current service cost	9.04	5.79
Interest cost	10.27	7.72
Benefits paid	(2.60)	(11.20)
Actuarial (gain) / loss on obligations	(12.44)	23.96
Present value of obligation as at 31/03/2010	132.71	128.44
B) Reconciliation of opening and closing balance of the fair value of plan assets		
Fair value of plan assets as at 01/04/2009	130.63	112.21
Expected return on plan assets	11.98	9.32
Contributions made	14.00	19.84
Benefits paid	(2.60)	(11.20)
Actuarial gain on plan assets	-	0.46
Fair value of plan assets as at 31/03/2010	154.01	130.63
C) Reconciliation of present value of defined benefit obligation and fair value of plan assets		
Present value of obligation as at 31/03/2010	132.71	128.44
Fair value of plan assets as at 31/03/2010	154.01	130.63
Unrecognised past service cost	-	-
Net Asset / (Liability) not recognised in Balance Sheet	21.30	2.19
D) Expenses		
Current service cost	9.04	5.79
Interest cost	10.27	7.72
Expected return on plan assets	(11.98)	(9.32)
Net actuarial (gain) / loss recognised	(12.44)	23.50
Expenses	(5.11)	27.69
E) Actual return on plan assets		
Expected return on plan assets	11.98	9.32
Actuarial gain on plan assets	-	0.46
Actual return on plan assets	11.98	9.78
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	5.50 %	5.50 %

The Present value of obligation towards compensated absences and entitlement of sick leave, as per actuarial certificate, as on 31-03-2010 is Rs.23.38 lakhs (previous year Rs.16.82 Lakhs) and is provided for in the books of accounts.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

SCHEDULES

NOTES ON ACCOUNTS (Contd.)

	2009-2010 Rs in lakhs	2008-2009 Rs in lakhs
iii) Remuneration to Directors:-		
a) Remuneration to Managing Director		
Salary	36.72	20.16
Commission	56.25	30.00
Contribution to Provident Fund & Other Funds	5.77	5.38
Perquisites	2.95	15.29
Sitting Fees	0.66	0.66
	<u>102.35</u>	<u>71.49</u>
b) Commission to Non-whole time Directors	5.00	4.25
	<u>107.35</u>	<u>75.74</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	3647.65	2531.22
Add: Director's Remuneration	107.35	75.74
Directors' sitting fees (Other than Managing Director)	2.94	2.76
Loss on sale of Assets	10.04	0.64
Loss on Sale of Current Investments	-	0.36
	<u>3767.98</u>	<u>2610.72</u>
Less: Profit on Sale of Assets	2.21	1.08
Profit on Sale of Current Investments	15.45	1.11
	<u>3750.32</u>	<u>2608.53</u>
1.5% thereof	56.25	39.13
Commission to Managing Director	56.25	30.00
Commission to Non-whole time Directors	5.00	4.25
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 31/03/2010 are as follows:

Rs. in Lakhs

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Sale of Goods	29.56	38.48	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	4.61	2.63	0.00	0.00	0.00	0.00
Payable Balance	0.00	0.00	56.25	30.00	0.50	0.50
Receivable Balance	0.59	2.95	0.00	0.00	0.00	0.00
Remuneration	0.00	0.00	102.35	71.49	0.74	0.86

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

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

		31.03.2010	31.03.2009
Profit after Taxation	Rs. in Lakhs	2479.60	1737.59
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.	59.61	41.77
Face value per share	Rs.	10.00	10.00

- v) Expenditure in foreign currency
 - Travelling & Subscription Rs. in Lakhs **3.24** 0.86
- vi) Contingent Liability not provided for
 - Tax Liability under dispute at various forums of appeal Rs. in Lakhs **278.49** 277.98
- 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	31.03.2010	

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	1152202	Total Assets	1152202
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SOURCES OF FUNDS

Paid-up Capital	41598	Reserves & Surplus	1100409
Secured Loans	1129	Unsecured Loans	—
		Deferred Tax Liability	9066

APPLICATION OF FUNDS

Net Fixed Assets	99755	Investments	472517
Net Current Assets	579930	Misc. Expenditure	—

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover (including other income)	3621671	Total Expenditure	3256906
Profit Before Tax (+)	364765	Profit After Tax (+)	247960
Earnings Per Share in Rs.	59.61	Dividend Rate	155 %

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

	2009-2010 (Rs in lakhs)	2008-2009 (Rs in lakhs)
A) Cash flow from Operating Activities		
a) Net Profit Before tax	3647.65	2531.22
Adjustment for:		
Depreciation	81.08	67.28
Dividend Income		
Long Term	(118.15)	(159.77)
Current	(135.21)	(147.68)
Loss on Sale of Assets	10.04	0.64
Loss on Sale of Investments	-	0.36
Profit on Sale of Assets	(2.21)	(1.08)
Profit on Sale of Current Investments	(15.45)	(1.11)
b) Operating Profit before Working Capital Changes	3467.75	2289.86
Adjustment for:		
Decrease / (Increase) in Trade Receivables & others	(301.45)	(743.63)
Decrease / (Increase) in Loans & Advances	(7.96)	125.48
(Increase) / Decrease in Inventories	(1134.30)	(107.08)
(Decrease) / Increase in Trade Payable	21.99	751.25
	(1421.72)	26.02
c) Cash Generated from Operations	2046.03	2315.88
Direct taxes Paid	(1098.00)	(762.24)
	(1098.00)	(762.24)
d) Cash flow before Extraordinary item	948.03	1553.64
e) Extraordinary Item	-	-
Net Cash flow from Operating Activities	948.03	1553.64
B) Cash flow from Investing Activities		
Sale of Fixed Assets	9.24	2.32
Sale of Investments		
Current	28600.85	20174.68
Dividend received		
Long Term	118.15	159.77
Current	135.21	147.68
Purchase of Fixed Assets	(47.68)	(89.88)
Purchase of :		
Long Term Investments	-	(408.56)
Current Investments	(27004.04)	(21408.79)
Net Cash used in Investing Activities	1811.73	(1422.78)

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CASH FLOW STATEMENT (Contd.)

	2009-2010 (Rs in lakhs)	2008-2009 (Rs in lakhs)
C) Cash flow from Financing Activities		
Borrowing / (Repayment) of Cash Credit	(1340.99)	476.89
Repayment of Fixed Deposits	0.16	-
Dividend Paid	(1241.83)	(457.63)
Net Cash flow from Financing Activities	(2582.66)	19.26
D) Net Increase / (Decrease) in Cash & Cash Equivalent	177.10	150.12
Cash & Cash Equivalent at beginning of the year	887.93	737.81
Cash & Cash Equivalent at the end of the year	1065.03	887.93

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
10th July, 2010

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 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 adopted by the Board of Directors.

2.2 Attendance at Board meeting and last Annual General Meeting

During the financial year 2009-10, 6 Board Meetings were held on 28th April 2009, 09th July 2009, 30th July 2009, 23rd October 2009, 28th January 2010 and 08th February 2010.

All the Directors of the Company attended the 55th Annual General Meeting held on 04th September 2009. 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 31.03.2010)		
		Other Directorship	Committee Membership	Committee Chairmanship
Sri S Narayanan	4	3	-	1
Sri N Krishnan	6	-	-	-
Sri S Ram	5	8	3	1
Sri Ananth Ramanujam	4	3	2	-
Sri S Ravindran	5	4	2	-
Sri S Prasad	6	4	2	3
Ms Shobhana Ramachandhran	5	3	1	-
Sri Rasesh R Doshi	5	1	-	-

Only Audit Committee, Shareholders / Investors Grievance Committee & Remuneration 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 2009-10, 5 Audit Committee meetings were held on 28th April 2009, 08th July 2009, 30th July 2009, 23rd October 2009 and 28th January 2010. 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 31.03.2010)	Relationship with Other Directors
Sri S Narayanan	24000	50000	1608 ¹	-
Sri S Ram	30000	50000	9950 ²	-
Sri Ananth Ramanujam	24000	50000	18656 ³	-
Sri S Ravindran	60000	100000	400	-
Sri S Prasad	66000	100000	480	-
Ms Shobhana	30000	50000	31472	-
Ramachandhran				-
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 on terms approved by the shareholders. 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	36.72	Son of Sri S Narayanan
Commission	56.25	
Sitting Fees	0.66	
Contribution to Provident Fund & other funds	5.77	
Perquisites	2.95	

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, nine 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
53 rd AGM (2006-07)	Music Academy 168, TTK Road, Chennai –14.	September 7, 2007 10.25 a.m.
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.

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

Year	Date	Details of Special Resolution
53 rd AGM (2006-07)	September 07, 2007	NIL
54 th AGM (2007-08)	August 28, 2008	Commission to Directors
55 th AGM (2008-09)	September 04, 2009	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 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 displayed on our Company's website www.impal.net and also published in SEBI's website - Electronic Data Information Filing & Retrieval (EDIFAR) <http://sebidifar.nic.in> in accordance with the listing agreement with the National Stock Exchange.

9. General Shareholder Information:

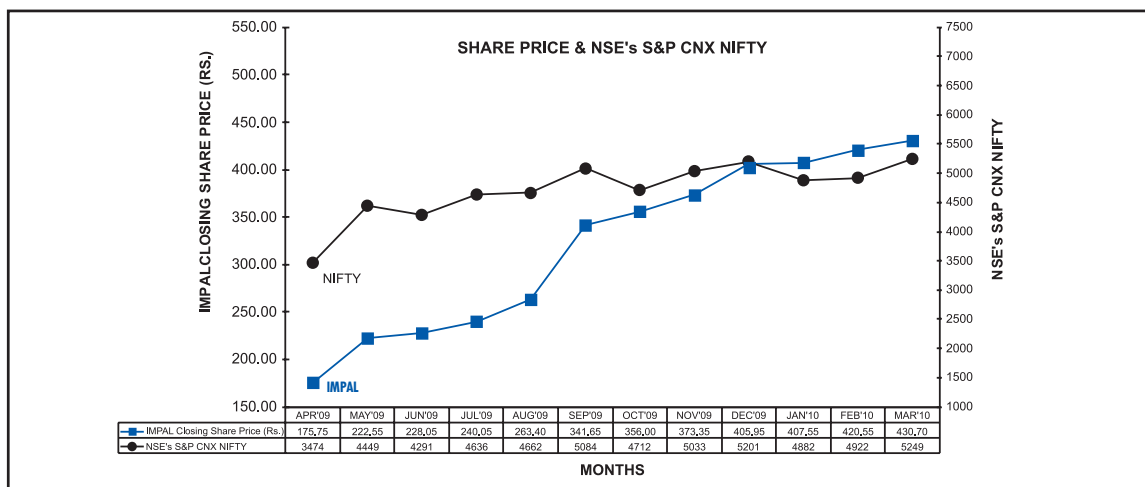
a.	56 th Annual General Meeting	
	- Date and Time - Venue	3 rd September 2010 – 10.25 A.M The Music Academy, 168 (Old No.306), T T K Road, Chennai 600 014
b.	Financial Calendar (Tentative)	
	Annual General Meeting First quarter results ended June 30, 2010 Second quarter results ending September 30 2010 Third quarter results ending December 31, 2010 Fourth quarter results ending March 31, 2011 Audited results for the year ending March 31, 2011	3 rd September 2010 August, 2010 October, 2010 January, 2011 April, 2011 July, 2011
c.	Period of Book Closure	From 21.08.10 to 03.09.10 (Both days inclusive)
d.	Dividend payment date	19 th February 2010 onwards (Interim Dividend) 6 th September 2010 onwards (Final 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 2010-11 to National Stock Exchange.

h. Market Price Data (Rs.)

MONTH		Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
NSE	HIGH	193.90	257.40	250.00	261.00	293.00	378.00	389.90	380.00	444.90	476.00	547.00	484.00
	LOW	152.10	167.50	208.85	202.00	220.00	243.00	330.10	350.00	355.55	380.00	380.00	400.00

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:

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	Contact Person: Sri R D Ramaswamy Designation: Director Sri D Narasimhan Designation: Senior Executive (Shares)
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k. (i) Distribution of Shareholding pattern as on March 31, 2010

No. of Shares	Shareholders		No. of Shares	
	Number	%	Number	%
Upto 500	6047	88.05	862791	20.74
501-1000	557	8.11	377774	9.08
1001-2000	133	1.94	186912	4.49
2001-5000	68	0.99	229705	5.52
5001-10000	31	0.45	251232	6.04
10001 & above	32	0.46	2251386	54.13
Total	6868	100.00	4159800	100.00

(ii) Pattern of Shareholding as on March 31, 2010

S.No	Particulars	No. of shares held	% of total
1	Promoters	1991522	47.88
2	Non Residents (NRI)	28188	0.68
3	Corporate Bodies	93231	2.24
4	FII	68650	1.65
5	Public	1978209	47.55
	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, 2010 about 33.70% of total outstanding Shares have been dematerialised. Out of 2168278 equity shares held by the shareholders other than the promoters, 1343285 (forming 61.95% of the non promoters shareholding) have been dematerialised up to 31st March 2010.

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:

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

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

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

1. We have reviewed the implementation of Corporate Governance procedures by M/s.INDIA MOTOR PARTS & ACCESSORIES LIMITED for the year ended 31st March, 2010 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No:004207S

Chennai
10th July, 2010

M Padhmanabhan
Partner
Membership Number:13291

Distribution Network



Branches: AGRA AHMEDABAD ASANSOL BANGALORE 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 PATNA PUNE RAIPUR RAJKOT RANCHI SALEM SAMBALPUR SILIGURI SURAT TRICHY TIRUNELVELI UDAIPUR VARANASI VIJAYAWADA