

49th Annual Report



2002-2003



INDIA MOTOR PARTS & ACCESSORIES LIMITED

CHAIRMAN EMERITUS

Sri T S SANTHANAM

BOARD OF DIRECTORS

Sri S NARAYANAN

Chairman

Sri K R RAGAVAN

Sri V GOPALAKRISHNAN

Sri S VIJI

Sri R SRIKANTH

Sri N KRISHNAN

Managing Director

AUDIT COMMITTEE

Sri S NARAYANAN

Chairman

Sri K R RAGAVAN

Sri V GOPALAKRISHNAN

AUDITORS

M/S SUNDARAM & SRINIVASAN

Chartered Accountants

CHENNAI

BANKERS

STATE BANK OF INDIA and

STATE BANK OF MYSORE

REGISTERED OFFICE :

21, Patullos Road,
Chennai 600 002

ADMINISTRATIVE OFFICE :

46, Whites Road,
Chennai 600 014

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Branches: AGRA – AHMEDABAD – ALLAHABAD – ASANSOL – BANGALORE – BARODA – BATHINDA – BHILWARA – BHUBANESWAR – CALICUT – CHANDIGARH – CHENNAI – COCHIN – COIMBATORE – CUTTACK – DEHRADUN – DHANBAD – GANDHIDHAM – GURGAON – GUWAHATI – GORAKHPUR – HUBLI – HYDERABAD – INDORE – JAIPUR (2 Branches) – JALANDHAR – JAMSHEDPUR – JODHPUR – KANPUR – KOLKATA – KOTA – LUDHIANA – MADURAI – MANGALORE – NAGPUR – NAVI MUMBAI – NEW DELHI – PATNA – PUNE – RAIPUR – RAJKOT – RANCHI – SALEM – SAMBALPUR – SILIGURI – SURAT – TRICHY – TIRUNELVELI – UDAIPUR – VARANASI – VIJAYAWADA

INDIA MOTOR PARTS & ACCESSORIES LIMITED**Executives**

Sri P.S. VENKATESWARAN

President - Marketing & New Business Development

Sri L KUMAR

General Manager (Marketing)

Sri P HARIHARAN

General Manager (Marketing)

Sri S M SUNDARAM

General Manager (Accounts)

Sri M S CHANDRASEKAR

General Manager (Accounts)

Sri R SUNDARARAJAN

Asst. General Manager

Sri S R SWAMINATHAN

Asst. General Manager (Material Services)

Sri U RAVINDRANATH

Asst. General Manager (Accounts)

Sri P VIJAYA MADHAVA

Secretary**FINANCIAL HIGHLIGHTS****(Rs. in Lakhs)**

	1998-99	1999-2000	2000-01	2001-02	2002-03
Share Capital	208.00	208.00	208.00	208.00	208.00
Reserves & Surplus	2654.31	3162.20	3966.34	4578.86	5047.42
Net Worth	2862.31	3370.20	4174.34	4786.86	5255.42
Capital Employed	3976.52	4189.26	4668.48	5233.63	5630.19
Sales	17580.19	18590.17	17893.53	17582.85	17975.39
Profit Before Tax	870.31	1107.09	1040.03	1250.21	1287.00
Profit After Tax	571.41	692.59	637.01	838.39	820.53
Dividend Amount	166.40	166.40	166.40	249.60	312.00
Dividend %	80	80	80	120	150
Earnings per share (Rs.)	27.47	33.30	30.63	40.31	39.45
Book Value Per Share (Rs.)	137.61	162.03	200.69	230.14	252.66

IMPAL

Distribution Network



INDIA MOTOR PARTS & ACCESSORIES LIMITED**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the **Forty Ninth Annual General Meeting** of the Shareholders of the Company will be held at the Music Academy, 168, (Old No. 306), T T K Road, Chennai – 600 014, on Thursday, the 21st August, 2003 at 10.15 A.M. to transact the following business:

1. To receive and adopt the Audited Statements of Accounts for the year ended 31st March, 2003 and to consider the reports of the Directors and Auditors thereon.
2. To declare a dividend.
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. K.R.Ragavan 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 until the conclusion of the Fiftieth Annual General Meeting on such remuneration as may be decided by the Board of Directors plus reimbursement of out of pocket expenses and levies such as service tax.”

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

“**RESOLVED** that subject to the limits laid down in sections 198, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords the approval and consent to the revision in terms of remuneration paid or payable to Sri N Krishnan, Managing Director of the Company, with effect from 1.4.2003 for the remaining period of his term of office, as set out hereunder:

- | | | |
|----------------|---|---|
| a) Salary | : | Rs.85,000 (Rupees Eighty Five Thousand Only) per month effective 1st April 2003 in the scale of Rs.85,000 - Rs.150,000. Annual increase will be effective 1st April every year and the quantum will be decided by the Board of Directors. |
| b) Commission | : | Subject to a ceiling of 1% on the net profits of the Company for each financial year, the quantum whereof to be determined by the Board of Directors. |
| c) Perquisites | : | As detailed in the annexure to the Explanatory Statement.” |

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

“**RESOLVED** that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be amended by insertion of the following Article as 10(A) after the existing Article 10.

10(A) Subject to the provisions of Section 255 of the Companies Act, 1956, the Board of Directors may appoint any person or designate any director as a non-rotational director on the Board and decide the term of office. The directors so appointed or designated shall not be required to retire by rotation.”

IMPAL

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

"RESOLVED that pursuant to Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company be and is hereby authorised to pay remuneration by way of Commission to the Directors (other than Managing Director) upto 1% of the net profits of the Company for a period of five years commencing from 1.4.2004.

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

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

"RESOLVED that the consent of the Company be and is hereby accorded under Section 163 of the Companies Act, 1956 to maintain the Register of Members and Index at the office of the Registrar & Share Transfer Agents M/s Cameo Corporate Services Limited at "Subramanian Building" No.1 Club House Road, Chennai 600 002 or at such other offices of the Share Transfer Agents as may be considered convenient for administrative reasons."

By Order of the Board

Chennai
9th July, 2003

P Vijaya Madhava
Secretary

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

SPECIAL BUSINESS

Item No.6

The Board of Directors at their meeting held on 4th July 2002 re-appointed Sri N Krishnan as the Managing Director of the Company for a period of 5 years with effect from 5th July 2002 on a salary of Rs. 75,000/- per month, commission not exceeding 1% of net profits for each year besides other perquisites. The said terms of appointment was approved by the shareholders at the Annual General Meeting held on 12th August 2002.

The Board of Directors of the Company at their meeting held on 9th July 2003 revised the terms of remuneration payable to Sri N Krishnan, Managing Director of the Company with effect from 1st April 2003 for the remaining period of his term of office.

The said terms of remuneration payable to the Managing Director by way of Salary, Commission & Perquisites (as given in annexure) are within the specified limits laid down in Schedule XIII to the Companies Act, 1956 and require your approval. Accordingly, the said resolution is submitted for your consideration.

Interest of Directors

None of the Directors except Sri N Krishnan and Sri S Narayanan, who is related to him is concerned or interested in the resolution.

The explanatory statement together with the accompanying notice is and should be treated as an abstract of the terms of variation and memorandum of interest under Section 302 of the Companies Act, 1956.

INDIA MOTOR PARTS & ACCESSORIES LIMITED**Item No.7**

It is proposed to insert a new Clause 10(A) in the Articles of Association to enable the Board of Directors to appoint any person or designate any director as a non-rotational Director and decide the term of office, subject to the provisions of Section 255 of the Companies Act, 1956. Accordingly, a special resolution is placed for approval of the members.

INTEREST OF DIRECTORS

None of the Directors is interested in the resolution.

Item No.8

After obtaining the members consent at the Forty Fourth Annual General Meeting held on 2nd September, 1998 the Non-wholetime directors of the Company are being paid remuneration by way of Commission a sum not exceeding 1% of the net profits of the Company for each financial year commencing from 1.4.1999.

The Non-wholetime Directors of the Company devote considerable time in shaping the growth of the Company and guiding with their wise counsel. Having regard to their contribution and increased responsibilities, it is proposed to continue the payment of commission from the financial year commencing from 1.4.2004 for a further period of 5 years. Accordingly, a special resolution is submitted for approval of the members.

INTEREST OF DIRECTORS

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

Item No.9

The Register of Members and Index were kept at the Administrative Office of the Company at No.46 Whites Road, Chennai 600 014. M/s Cameo Corporate Services Limited has been appointed as Share Transfer Agents to handle physical share transfer work from April 2003. The Register of Members and Index are being kept at the office of the Share Transfer Agents. The Special Resolution is accordingly placed before the members for approval.

INTEREST OF DIRECTORS

None of the Directors is interested in the resolution except as shareholders.

Chennai
9th July, 2003

By Order of the Board
P Vijaya Madhava
Secretary

Annexure to the Explanatory Statement

Details of Perquisites referred to in the Resolution No. 6

1. Free use of furnished accommodation owned or leased by the Company with amenities including Water, Gas, Electricity and Furnishings. If no accommodation is provided, the Managing Director shall be entitled to House Rent Allowance subject to a ceiling of 70% of his salary. The expenditure incurred by the Company on Water, Gas, Electricity and Furnishings will be evaluated as per Income Tax Rules, 1962.
2. Medical Reimbursement for self and family including premium payable for medical insurance in accordance with the rules of the Company.
3. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.

Explanation: Family means the spouse, dependent children and dependent parents of the appointee.

4. Sitting Fee for attending the meeting of Board of Directors and Committee thereof, as applicable to other Directors.
5. Fees of clubs subject to a maximum of two clubs. This will not include admission fee and life membership fee.
6. Personal Accident Insurance as per the rules of the Company.
7. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and payment of Gratuity as per the rules of the Company.
8. Encashment of leave at the end of the tenure.
9. Provision of Car(s) with driver for Company business, the value of which will be evaluated as per Income-tax Rules 1962.
10. Provision of telephone at the residence of the Managing Director.
11. Such other perquisites, benefits and amenities as may be provided by the Company to the other senior executives from time to time.

INDIA MOTOR PARTS & ACCESSORIES LIMITED**NOTES:**

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 Administrative Office of the Company atleast 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 12th August 2003 to 21st August, 2003 (both days inclusive).
4. Members desiring any information as regards Accounts are requested to write to the Company atleast 7 days before the meeting so as to enable the Management to keep the information ready.
5. All dividends including Interim Dividend for the financial year 1994-95, which remained unclaimed have been transferred to the General Revenue Account of the Central Government. Members, who have not encashed their dividend warrants for the said period may claim the amount from the Registrar of Companies, Shastri Bhavan, 26, Haddows Road, Chennai 600 006. The final dividend for the financial year 1994-95 has been transferred to Investor Education and Protection Fund. It may be noted that no claims will lie against the Company or the Investor Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the Fund.

As per the provisions of Section 205A read with 205C of the Companies Act, 1956, the Company is required to transfer the dividends declared for the financial year ended 31st March 1996 and subsequent years which remain unpaid or unclaimed for a period of 7 years to the Investor Education and Protection Fund established by the Central Government.

Members who have not encashed their dividends for the financial year ended 31st March 1996 or any subsequent financial years are requested to lodge their claim with the Company / Share Transfer Agents.

6. Shareholders who are holding shares in **physical form** are requested to notify any change of address / bank mandate to the Company / Share Transfer Agents so as to reach us not later than 8th August 2003 to enable us to incorporate the changes for preparation of dividend warrants.
7. Shareholders who are holding shares in **electronic form** are requested to notify any of the above changes to their respective Depository Participants.
8. Please bring the admission slip with you, duly filled and hand it over at the entrance of the meeting hall.
9. Members are requested to bring their copies of the Annual Report to the meeting.
10. All documents referred to in the Notice and the Explanatory Statement are open for inspection at the Administrative Office of the Company during business hours.
11. Members are requested to be in their seats at the meeting hall before the scheduled time of commencement of the meeting to avoid interruptions in the proceedings. Members are also requested to avoid being accompanied by non-members and children.

IMPAL

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT ABOUT THE PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED AT THE 49th ANNUAL GENERAL MEETING

Item No. 3 of the Notice

Sri S. Narayanan

Sri S Narayanan has been on the Board of the Company since 1965. He is the Chairman of the Board as well as the Audit Committee. Sri S Narayanan is having over 58 years of experience in the automobile industry particularly in the distribution of spareparts.

The details of other Directorships held by him:

1. M/s TVS Srichakra Limited
2. M/s Sundaram Finance Limited
3. M/s Lucas Indian Service Limited
4. M/s TVS Autolec Limited
5. M/s Sundharams Private Limited

Committee Membership

1. M/s. TVS Srichakra Limited - Chairman, Shareholders/Investor Committee
2. M/s. TVS Autolec Limited - Chairman, Audit Committee

Item No. 4 of the Notice

Sri. K.R. Ragavan

Sri K.R. Ragavan has been on the Board of the Company since 1983. He holds a bachelor's degree in Commerce. He has over 50 years of experience in marketing Automobiles, Spare Parts and Accessories and Service.

The details of other Directorship held by him:

1. M/s Axles India Limited
2. M/s Sundharams Private Limited
3. M/s TVS Srichakra Limited
4. M/s Lakshmi General Finance Limited