

INDIA MOTOR PARTS & ACCESSORIES LIMITED

IMPAL

2008 - 2009

55th ANNUAL REPORT

RECORD PERFORMANCE**Rs in lakhs*

Particulars	2008-2009	2007-2008	Change in %
* Turnover	30055.60	24377.59	23.29%
* Profit before tax	2531.22	1748.12	44.79%
* Profit after tax	1737.59	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

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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	415.98
Reserves & Surplus	6148.66	6723.57	7387.56	8125.02	9278.59
Net Worth	6564.64	7139.55	7803.54	8541.00	9694.57
Capital Employed	6884.64	7812.75	8644.51	9478.30	11129.46
Sales	21349.62	20707.03	22702.44	24377.59	30055.60
Profit before tax	1517.06	1382.93	1639.36	1748.12	2531.22
Profit after tax	1014.84	906.94	1093.36	1199.80	1737.59
Dividend Amount	291.19	291.19	374.39	395.18	499.18
Dividend %	70	70	90	95	120
Earnings per Share (Rs.)	24.40	21.80	26.28	28.84	41.77
Book Value Per Share (Rs.)	157.81	171.63	187.59	205.32	233.05

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 4th 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 31st 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
9th 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**

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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 31st March 2002 or any subsequent financial years are requested to lodge their claim with the Company / Share Transfer Agents. Reminders are sent to Members to claim their dividends before the amount is transferred to Investor Education & Protection Fund.*
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.



IMPAL

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 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 24th 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

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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 **55th Annual Report** together with the Audited Accounts for the year ended 31st March 2009.

Financial Results

		<i>Rs. in Lakhs</i>
Particulars	31.03.2009	31.03.2008
Profit before tax	2531.22	1748.12
Less: Provision for taxation (including deferred tax)	793.63	548.32
Profit after Tax	1737.59	1199.80
Add: Balance in P&L Account brought forward from previous year	425.02	358.81
Profit available for appropriation	2162.61	1558.61
Appropriations		
Dividend - Interim	499.18	395.18
Dividend Tax (including surcharge)	84.84	67.16
General Reserve	778.75	671.25
Surplus Balance in Profit & Loss Account	799.84	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 31st 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

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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.