

INDIA MOTOR PARTS & ACCESSORIES LIMITED

**IMPAL**

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2009 – 2010

56th ANNUAL REPORT

## RECORD PERFORMANCE<sup>\*</sup>

*Rs in lakhs*

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

## BOARD OF DIRECTORS

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

**Chairman**

**Managing Director**

## COMMITTEES OF THE BOARD

### Audit Committee

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

**Chairman**

### Shareholder / Investor Grievance Committee

Sri S NARAYANAN  
Sri N KRISHNAN

**Chairman**

## VICE PRESIDENT – FINANCE & ACCOUNTS

Sri S RAMASUBRAMANIAN

## SECRETARY

Sri B SHANMUGASUNDARAM

## AUDITORS

M/S SUNDARAM & SRINIVASAN

*Chartered Accountants*

#23, C P Ramasamy Road

Alwarpet, Chennai – 600 018

## BANKERS

STATE BANK OF INDIA

## REGISTERED & CORPORATE OFFICE

“Sundaram Towers” III Floor

#46, Whites Road

Chennai – 600 014

## WEBSITE

[www.impal.net](http://www.impal.net)

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	<b>415.98</b>	415.98	415.98	415.98	415.98
Reserves & Surplus	<b>11004.09</b>	9278.59	8125.02	7387.56	6723.57
Net Worth	<b>11420.07</b>	9694.57	8541.00	7803.54	7139.55
Capital Employed	<b>11522.02</b>	11129.46	9478.30	8644.51	7812.75
Sales	<b>35808.80</b>	30055.60	24377.59	22702.44	20707.03
Profit before tax	<b>3647.65</b>	2531.22	1748.12	1639.36	1382.93
Profit after tax	<b>2479.60</b>	1737.59	1199.80	1093.36	906.94
Dividend Amount	<b>644.77</b>	499.18	395.18	374.39	291.19
Dividend %	<b>155</b>	120	95	90	70
Earnings per Share (Rs.)	<b>59.61</b>	41.77	28.84	26.28	21.80
Book Value Per Share (Rs.)	<b>274.53</b>	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 3<sup>rd</sup> 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 31<sup>st</sup> 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  
10<sup>th</sup> 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.

6. *Members who have not encashed their dividends for the financial year ended 31<sup>st</sup> 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](http://www.impal.net) which may be downloaded for use. Such form is required to be duly filled in and sent to the company for registration.
8. Please bring the admission slip with you, duly filled and hand it over at the entrance of the meeting hall.
9. Members who are holding shares in identical order of names in more than one account are requested to intimate to the Registrar & Transfer Agents, the ledger folio of such accounts together with the share certificates to enable the Company to consolidate all the holdings into one account. The Share certificates will be returned to the Members after making necessary endorsement in due course.
10. Members, who are individuals may avail the facility of nomination as provided in Section 109A of the Companies Act, 1956 wherein a Member may nominate in the prescribed manner, a person to whom his shares in the company shall vest in the event of his demise. Where more than one person holds the shares jointly, the joint holder may together nominate a person to whom all the rights in the shares of the company shall vest in the event of demise of all the joint holders.

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

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

Name of the Director	:	Sri S Prasad
Age	:	62 years
Qualification	:	Fellow Chartered Accountant

Sri S Prasad was appointed as a Director of the Company on 26<sup>th</sup> 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 5<sup>th</sup> 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 **56<sup>th</sup> Annual Report** together with the Audited Accounts for the year ended 31<sup>st</sup> March 2010.

### Financial Results

***Rs. in Lakhs***

Particulars	31.03.2010	31.03.2009
<b>Profit before tax</b>	<b>3647.65</b>	2531.22
<b>Less:</b> Provision for taxation (including deferred tax)	<b>1168.05</b>	793.63
<b>Profit after Tax</b>	<b>2479.60</b>	1737.59
<b>Add:</b> Balance in P&L Account brought forward from previous year	<b>799.84</b>	425.02
Profit available for appropriation	<b>3279.44</b>	2162.61
<b>Appropriations</b>		
Dividend - Interim	<b>582.37</b>	499.18
- Final (Proposed)	<b>62.40</b>	-
Dividend Tax (including surcharge)	<b>109.33</b>	84.84
General Reserve	<b>1700.00</b>	778.75
Surplus Balance in Profit & Loss Account	<b>825.34</b>	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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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  
10<sup>th</sup> July, 2010

On behalf of the Board of Directors  
**S Narayanan**  
*Chairman*