

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Fifty-Eighth Annual General Meeting** of the Shareholders of the Company will be held at **11. 00 a.m. on Thursday, the 30th day of August 2012**, 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, 2012 and to consider the reports of the Directors and Auditors thereon.
2. To record the interim dividend paid.
3. To elect a Director in the place of Sri S Ram, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Ms. Shobhana Ramachandhran, who retires by rotation and being eligible, offers herself 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 upto the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 4,25,000 (Rupees four lakhs twenty five thousand per annum) exclusive 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 in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for the reappointment of Sri N Krishnan as the Managing Director of the Company for a period of 5 years with effect from 05th July 2012 up to 4th July 2017 as per the terms set out hereunder: -

- a) Salary - Rs.2,50,000 (Rupees two lakh fifty thousand only) per month effective 1st April 2012 in the scale of Rs.2,50,000 to Rs.3,50,000. Annual increase will be effective 1st April every year with the quantum decided by the Board of Directors.
- b) Commission - Subject to a ceiling of 1.5% on the net profits of the Company for the financial year, the quantum whereof to be determined by the Board of Directors.
- c) Perquisites - As detailed in the Explanatory Statement

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

“RESOLVED THAT

- (a) Pursuant to the applicable provisions of the Companies Act, 1956, Article 30 of the Articles of Association of the Company and subject to the guidelines issued by Securities Exchange Board of India, Reserve Bank of India under the Foreign Exchange Management Act, 1999 such other consents, approvals and modifications as may be required and considered necessary and agreed to by the Board of Directors of the Company, (hereinafter referred to as the “Board” which expression shall also include a Committee thereof), a sum of Rs.416 Lakhs out of the amount standing to the credit of General Reserve as at 31.3.2012 be and is hereby capitalised and transferred to Share Capital Account and that the aforesaid sum of Rs.416 Lakhs be applied for allotment of 41,60,000 fully paid Bonus Shares of Rs.10/- each to and amongst the holders of the equity shares on a date to be hereafter fixed by the Board of Directors (hereinafter referred to as the “Record Date”) in the proportion of 1(one) equity share for every 1(one) existing equity share held by them on the said Record Date on the basis that they become entitled thereto for all purposes as capital;
- (b) the said new equity shares of Rs.10/- each to be allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall from the date of allotment, rank pari passu in all respects with the existing equity shares and shall be entitled to participate in full in any dividend to be declared after the date of allotment of these equity shares as the Board may determine;
- (c) no letter of allotment shall be issued to the allottees of the Bonus Shares and the Share Certificates in respect of the new shares shall be issued to the allottees who are holding their existing equity shares in the Physical form and shall be delivered within such time as may be allowed by the appropriate authorities and the Bonus Shares will be credited to the demat accounts of the allottees who are holding their existing equity shares in the dematerialised form;
- (d) RESOLVED FURTHER THAT no fractions, if any, arising out of the issue and allotment of Bonus Shares shall be allotted by the Company and the Company shall not issue any certificate or coupon in respect thereof but all such fractional entitlements, if any, shall be consolidated and the Bonus Shares, in lieu thereof, shall be allotted by the Board to nominee(s) to be appointed by the Board, who shall hold the same as trustee(s) for the members entitled thereto, and sell the said shares so arising at the prevailing market rate and pay to the Company the net sale proceeds thereof, after adjusting there from the cost and expenses in respect of such sale, for distribution to Members in proportion to their fractional entitlements.”
- (e) the allotment and issue of Bonus Shares to the extent they relate to non resident members of the Company shall be subject to necessary compliance of the regulations of Reserve Bank of India under the Foreign Exchange Management Act, 1999;
- (f) for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things as they may in their absolute discretion deem necessary and to settle all questions or difficulties whatsoever that may arise with regard to issue, allotment and distribution of the Bonus Equity Shares.”

By Order of the Board

Place: Chennai
Date : 26th July 2012

S.Vijayanand
Secretary

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.6

At the Annual General Meeting held on 7th September 2007, Sri N Krishnan was appointed as Managing Director with effect from 05.07.2007 for a period of 5 years. The Board of Directors at their meeting held on 29.05.2012 have re-appointed Sri N Krishnan as the Managing Director of the Company for a period of 5 years commencing from 05.07.2012, on the terms set out in the resolution. The term of office / remuneration payable to the Managing Director by way of Salary, Commission and Perquisites (as given in annexure) are within the specified limits laid down in Schedule XIII of the Companies Act, 1956 and requires Members approval. Accordingly, the said resolution is submitted for your consideration.

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 is 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 Cars 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.

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.

Item No.7

Article 30 of the Articles of Association of the Company provides that the Company in a general meeting upon the recommendation of the Board may resolve to capitalise any part of the amount for the time being standing to credit of any of the company's reserve accounts.

The reserves & surplus of the Company as on 31st March 2012 is Rs.15340.59 lakhs out of which Rs.13900 lakhs stand to the credit of General Reserve. The present paid up capital of the Company is Rs.415.98 lakhs. The Directors have pleasure in recommending the issue of Bonus equity shares in the ratio of 1 (one) new fully paid Bonus equity share for every 1 (one) existing equity share. For this purpose it is proposed to capitalise out of General Reserve, a sum of Rs.416 lakhs to be applied for issue of 41,60,000 new equity shares of Rs.10/- each as Bonus Shares to the holders of the existing equity shares on a date to be decided and fixed later by the Board of Directors.

The proposed Bonus Issue is in conformity with the guidelines issued by the Securities Exchange Board of India in connection with issue of bonus shares. The said Bonus Shares shall rank pari passu in all respects with the existing equity shares of the company from the date of allotment. These shares shall be entitled to participate in full in any dividend to be declared after the allotment of these equity shares.

The resolution is placed before the shareholders for approval.

Interest of Directors

The directors of the Company may be deemed to be concerned or interested in this resolution to the extent of their entitlement to the Bonus Shares.

By Order of the Board

Place: Chennai
Date: 26th July 2012

S. Vijayanand
Secretary.

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

Item No.3, 4 & 6 of the Notice

Name of the Director	Sri S Ram	Ms. Shobhana Ramachandhran	Sri N Krishnan
Age	72 years	52 years	59 years
Qualifications	B.E. (Mech), MS (Prod. Engg)	Post Graduate in English Literature with Intermediate qualification in Company Secretaryship	B.E.(Mechanical Engineering), with an MBA and MS from the University of Southern California at Los Angeles.
Expertise in specific functional area	Sri S Ram was appointed as Director of the Company on 24 th January 2006. He has over 4 decades of experience in Vehicle and Component Industry.	Ms. Shobhana Ramachandhran was appointed as Director of the Company with effect from on 08 th July 2008. She has a rich experience in the tyre and rubber industry and holds Directorship in various Companies. She also serves as Member & Office bearer of many charitable trusts & institutions focusing on education, welfare, health, etc.	Having served as General Manager (Sales) in Axles India Limited, he joined IMPAL in December 1993 as General Manager. Sri N Krishnan was inducted into the Board as Deputy Managing Director from 24.07.1997. His initial appointment as Managing Director was from 1st July 1999 and was later re-appointed on 05.07.2002 & 05.07.2007 for a period of 5 years respectively.
List of other companies in which directorship held as on 31 st March 2012	<ol style="list-style-type: none"> 1. M/s Wheels India Ltd – Chairman 2. M/s Axles India Ltd – Chairman 3. M/s T V Sundaram Iyengar & Sons Ltd 4. M/s Sundaram Industries Ltd 5. M/s Southern Roadways Ltd 6. M/s Sundaram Finance Ltd 7. M/s Irizar TVS Ltd 8. M/s TVS Logistics Services Ltd 	<ol style="list-style-type: none"> 1. M/s TVS Srichakra Ltd – Managing Director 2. M/s Sundaram Industries Ltd 3. M/s TVS Novotema Elastomeric Engineered Products Pvt. Ltd 4. M/s Firestone TVS Pvt. Limited 5. M/s TVS Srichakra Investments Ltd 6. M/s TVS Interconnect Systems Ltd. 7. M/s TVS Europe Distribution Ltd 	NIL

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Chairmanship / Membership of the Committee of the Board of other Companies in which he is a Director as on 31 st March 2012	1. M/s Axles India Ltd – Chairman, Audit Committee 2. M/s T V Sundaram Iyengar & Sons Ltd – Member, Audit Committee 3. M/s T V S Logistics Services Ltd - Member, Audit Committee 4. M/s Wheels India Ltd – Member, Share Transfer & Investor Relations Committee	1. M/s TVS Srichakra Ltd – Member, Shareholders/ Investors Committee	NIL
Shareholding as on 31 st March 2012	Sri S Ram holds 9950 equity shares individually and 57584 shares jointly with others	Ms. Shobhana Ramachandran holds 31472 shares of the Company	Sri N Krishnan holds 8814 shares in the Company
Relationship with other Director	NIL	NIL	Son of Sri S Narayanan – Chairman of the Company

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 on 07.08.2012 & 08.08.2012 for the purpose of Annual General Meeting.
4. Members are requested to
 - Furnish a copy of the PAN Card to the Company / RTA for registration of transfer / transmission of shares.
 - Opt for National Electronic Clearance Service (NECS) facility for receiving dividend direct to their bank account
 - Provide latest bank account details, wherever NECS facility is not available, for prompt credit and for avoiding fraudulent encashment/loss in postal transit of dividend warrant and
 - Avail nomination facility

For this purpose,

 - i) Shareholders holding shares in electronic mode may approach their respective depository participants (DP) and
 - ii) Shareholders holding shares in physical mode can approach M/s Cameo Corporate Services Limited, our Registrar & Transferor Agent – Tel No. 044-28460390, E Mail: investor@cameoindia.com
5. Members who have not encashed their dividends for the financial year ended 31st March 2005 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.
6. Members who are holding shares in physical form are requested to avail dematerialization facility.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

IMPAL

2011 – 2012

58th ANNUAL REPORT

**REMEMBERING OUR REVERED FOUNDER DIRECTOR & CHAIRMAN
EMERITUS ON HIS BIRTH CENTENARY YEAR**



Sri. T.S. SANTHANAM
(1912 - 2005)

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

EXECUTIVE VICE PRESIDENT – MARKETING & BUSINESS DEVELOPMENT

Sri MUKUND S RAGHAVAN

VICE PRESIDENT – FINANCE & ACCOUNTS

Sri S RAMASUBRAMANIAN

GENERAL MANAGER – FINANCE & ACCOUNTS

Sri U RAVINDRANATH

COMPANY SECRETARY

Sri S VIJAYANAND

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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