

INDIA MOTOR PARTS & ACCESSORIES LIMITED

**IMPAL**

---

2012 - 2013

59th ANNUAL REPORT

## 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

## SR. VICE PRESIDENT – FINANCE & ACCOUNTS

Sri S RAMASUBRAMANIAN

## COMPANY SECRETARY

Sri N KUMAR

## 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)

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## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### EXECUTIVES

Sri L KUMAR	<b>Sr. Vice President (Marketing)</b>
Sri L SRINIVASAN	<b>Vice President (Marketing)</b>
Sri V SRIDHAR	<b>Sr. General Manager (Systems &amp; Materials)</b>
Sri S JAGATH KUMAR	<b>General Manager (Marketing)</b>
Sri M PARAMESWARAN	<b>General Manager (Accounts &amp; Information Systems)</b>
Sri N SUNDARAM	<b>General Manager (Accounts)</b>
Sri R RAMAN	<b>Sr. Deputy General Manager (Accounts)</b>

### FINANCIAL HIGHLIGHTS

*Rs. in Lakhs*

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Share Capital	831.96	415.98	415.98	415.98	415.98	415.98	415.98
Reserves & Surplus	16772.92	15340.59	13033.71	11004.09	9278.59	8125.02	7387.56
Net Worth	17604.88	15756.57	13449.69	11420.07	9694.57	8541.00	7803.54
Capital Employed	20369.91	17461.91	13639.62	11522.02	11129.46	9478.30	8644.51
Sales	49437.84	50030.56	42799.06	35808.80	30055.60	24377.59	22702.44
Profit Before Tax	4150.59	4570.79	4154.09	3647.65	2531.22	1748.12	1639.36
Profit After Tax	2720.15	3225.46	2851.51	2479.60	1737.59	1199.80	1093.36
Dividend Amount	748.76	790.36	707.17	644.77	499.18	395.18	374.39
Dividend per share on a facevalue of Rs.10/- each (Rs.)	9.00	19.00	17.00	15.50	12.00	9.50	9.00
Dividend %	90	190	170	155	120	95	90
Earnings per Share (Rs.)	32.70	77.54	68.55	59.61	41.77	28.84	26.28
Book Value per Share (Rs)	211.61	378.78	323.32	274.53	233.05	205.32	187.59

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Fifty-Ninth Annual General Meeting** of the Shareholders of the Company will be held at **11.00 a.m.** on **Thursday, the 8<sup>th</sup> day of August 2013**, 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, 2013 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 Narayanan 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 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 Resolutions as Special Resolutions:

**“RESOLVED THAT** the Authorised Share Capital of the Company be and is hereby increased from Rs.10,00,00,000 (Rupees ten crores only) to Rs.20,00,00,000 (Rupees twenty Crores only) by creation of additional 1,00,00,000 (one crore) equity shares of Rs.10/- each

**RESOLVED FURTHER THAT** Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company be altered as under:

- (a) The existing Clause V of the Memorandum of Association of the Company shall be deleted and the following be substituted therefor :

“The Share Capital of the Company is Rs.20,00,00,000 (Rupees twenty crores only) divided into 2,00,00,000 (two crores) equity shares of Rs.10/- each”.

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

(b) The existing Article 4 of the Articles of Association of the Company shall be deleted and the following be substituted therefor:

“The Share Capital of the Company is Rs.20,00,00,000 (Rupees twenty crores only) divided into 2,00,00,000 (two crores) equity shares of Rs.10/- each”.

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 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) up to 1% of the net profits of the Company for a period of five years commencing from 1.4.2014.”

“**RESOLVED FURTHER THAT** the Board of Directors may, at their 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.”

By Order of the Board

Place : Chennai

**N.Kumar**

Date : 28<sup>th</sup> May 2013

Secretary

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

### Item No.6

At present, the Authorised Share Capital of the Company stands at Rs.10 Crores divided into 1,00,00,000 (one crore) equity Shares of Rs.10/- each. It is considered desirable to increase the Authorised Share Capital of the Company from Rs.10 Crores to Rs.20 Crores by the creation of additional 1,00,00,000 (one crore) equity Shares of Rs.10/- each.

The proposed increase of the Authorised Share Capital requires the approval of the members in general meeting. Consequent on the proposal to increase the Authorised Share Capital, the Memorandum and Articles of Association of the Company will require alterations so as to reflect the increase in the Authorised Share Capital.

The special resolutions are placed for the purpose and the Board recommends that the resolutions be passed.

### **Interest of Directors**

None of the Directors of the Company is concerned or interested in the resolutions.

## Item No.7

After obtaining the consent of members in the Fifty fourth Annual General Meeting held on 28<sup>th</sup> August 2008, the Non-Whole time 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 1.4.2009.

The Non-Whole time Directors of the Company devote considerable time in guiding the affairs of the Company. The company benefits substantially from their advice and expertise. Having regard to their contribution and increased responsibilities, it is proposed to continue the payment of commission from the financial year commencing 1.4.2014 for a further period of 5 years. Accordingly, a special resolution is placed for approval of the members.

## **Interest of Directors**

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

Place : Chennai

Date : 28<sup>th</sup> May 2013

By Order of the Board

**N.Kumar**

Secretary

**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 : 88 years

Sri S Narayanan has been on the Board of your Company for 48 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 3216 shares individually and 39488 shares jointly with others in the company.

Details of other Directorships held

**Chairman**

TVS Srichakra Limited

**Director**

- (a) Lucas Indian Service Limited
- (b) Sundharams Private Limited

***Details of Chairmanship / Membership of Committee of other Companies in which he is a Director:***

TVS Srichakra Limited – Chairman, Shareholders / Investor Committee

Relationship with other Directors – Sri S.Narayanan is the father of Sri N.Krishnan, Managing Director.

**2. Item No 4 of the Notice:**

Name of the Director : Sri Ananth Ramanujam  
Age : 48 years  
Qualification : Graduate in Economics & Masters in Development Economics, University of Bath, U.K.

Sri Ananth Ramanujam has been on the Board of your Company for 7 years since 2005. He has more than 21 years experience in export and manufacturing of auto components. Sri Ananth Ramanujam holds 1312 equity shares individually and 57248 shares jointly with others in the Company.

Details of other Directorships held

**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.

***Details of Chairmanship / Membership of Committee of other Companies in which he is a Director:***

ABI-Showatech (India) Ltd – Member, Audit Committee

ABI-Showatech (India) Ltd – Member, Remuneration Committee

Turbo Energy Ltd – Member, Audit Committee

Relationship with other Directors - Nil

**SHAREHOLDER INFORMATION:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF/HERSELF 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 01.08.2013 to 08.08.2013 for the purpose of Annual General Meeting and Final Dividend.
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.
  - Avail nomination facility and
  - Opt for “Green initiative” as suggested by Ministry of Corporate Affairs by registering their e-mail id for receiving notices / documents / reports through electronic mode.

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 & Transfer Agent – Tel No. 044-28460390, E Mail: investor@cameoindia.com
5. Members who have not encashed their dividends for the financial year ended 31<sup>st</sup> March 2006 or any subsequent financial years are requested to lodge their claim with the Company / Share Transfer Agent. 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

### DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present the **59<sup>th</sup> Annual Report** together with the Audited Accounts for the year ended 31<sup>st</sup> March 2013.

#### FINANCIAL RESULTS

(Rs in Lakhs)

Particulars	31.03.2013	31.03.2012
<b>Profit before tax</b>	<b>4150.59</b>	4570.79
<b>Less:</b>		
i) Provision for taxation (including deferred tax)	<b>1174.01</b>	1345.33
ii) Tax provision relating to earlier years (net)	<b>256.43</b>	---
<b>Profit after Tax</b>	<b>2720.15</b>	3225.46
<b>Add</b> : Balance in P&L Account brought forward from previous year	<b>1061.84</b>	954.96
Profit available for appropriation	<b>3781.99</b>	4180.42
<b>Appropriations</b>		
i) Transfer to General Reserve	<b>1815.98</b>	2200.00
ii) Dividend		
- Interim	<b>540.77</b>	790.36
- Final (Proposed)	<b>207.99</b>	---
Dividend Tax (including surcharge for interim and final dividend)	<b>123.08</b>	128.22
Surplus Balance in Profit & Loss Account	<b>1094.17</b>	1061.84

#### Dividend

The Board of Directors in February 2013 have declared and paid an Interim Dividend of Rs.6.50/- per equity share for the financial year 2012-13 on the enhanced paid up share capital of Rs.831.96 lakhs. Your Directors are now pleased to recommend a final dividend of Rs.2.50 per equity share (25%). Together, the total dividend aggregates to Rs.9.00 per equity share (90%) for the year ended 31<sup>st</sup> March 2013. The dividend, together with dividend tax of Rs.123.08 lakhs absorbs a sum of Rs.871.84 lakhs.

#### Management Discussion and Analysis Report

In deference to shareholders' requests, the Board of Directors were pleased to issue Bonus shares in the ratio of one equity share for every one existing equity share (1:1) to the shareholders as per the approval of members at the Annual General Meeting held on 30<sup>th</sup> August, 2012. With the issue of these Bonus shares, the paid up share capital of the company stands increased from Rs. 4.16 crores to Rs.8.32 crores.

The Indian Economy has registered a growth of about 5% for the fiscal year ended March 31, 2013. Industry grew only at 3.1%, Agriculture by 1.8% and the Service sector by 6.6%.

The year under review was a difficult one for the medium and Heavy Commercial Vehicle Industry which recorded a decline of nearly 25%. With restrictions on movement of heavier trucks in cities and towns, sales of light commercial vehicles witnessed a growth above 10%. Domestic sale of cars dropped while those of Multi utility vehicles grew impressively.

The Spare parts business generated for Independent after market distributors did not fare well in the year under review. Your Company's sales declined 1.2% to a sales Volume of Rs.494 crores (Previous year Rs.500 crores). While sales declined, an inflationary pressure on operating costs resulted in lower profits. The profit before tax for the year under review at Rs.41.50 crores was lower than that of the previous year's Rs.45.70 crores.

## **Business Outlook**

The Indian Economy is projected to grow at around 6%. Current trends do not indicate this.

Current trends in the Market at best indicate a stagnant first quarter for the current financial year. For the year as a whole (fiscal year 2013-14) we are hopeful of a moderate increase in turnover.

The continued restriction in mining made our new branch opened in Barbil in Orissa during 2011-12 unviable and was closed in the last quarter of the financial year 2012-13, while the company has opened a new branch in Erode in Tamilnadu.

We continue to face challenges on the man power front. While wage costs are increasing due to consumer price inflation, there is also higher attrition among field staff.

## **Internal Control Systems**

The Company has effective and adequate internal control systems covering all areas of operations.

The Internal Audit Team, manned by our experienced staff regularly visits all our branches as per audit schedule for ensuring compliance with systems and procedures. Audit findings and Internal Audit Reports are reviewed by Senior Management and Audit Committee regularly. The Audit Committee of the Board met 4 times during the year under review with the Senior Executives of the Internal Audit and the Finance & Accounts Department and the Statutory Auditors.

## **Human Resources Development**

The Directors wish to thank all the employees of the Company for their sincere efforts and hard work during a tough financial year.

## **INDIA MOTOR PARTS & ACCESSORIES LIMITED**

### **Corporate Social Responsibility**

Your company donates to hospitals and initiatives for community healthcare.

### **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.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.

### **Fixed Deposits**

Your Company has not accepted any public deposits during the year 2012-13.

### **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 2012-2013, 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.

### **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, 2013, and the profit of the Company for that year.

- 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 and co-operation during the year under review. They also wish to thank State Bank of India for its support and assistance.

Your Directors wish to place on record their appreciation for the commitment, initiative and excellent contribution of all the staff and executives of the Company, which enabled your company to register a good performance during the year under review.

Chennai

Date: 28<sup>th</sup> May 2013

On behalf of the Board of Directors

**S Narayanan**

*Chairman*

**AUDITOR'S REPORT TO THE MEMBERS OF  
INDIA MOTOR PARTS AND ACCESSORIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of INDIA MOTOR PARTS AND ACCESSORIES LIMITED which comprises the Balance Sheet as at 31st March, 2013, the Profit and Loss Statement and also the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in sub section(3C) of section 211 of Companies Act,1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by The Institute Of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting policies generally accepted in India:

- a) In the case of Balance Sheet of the state of affairs of the company as at March 31, 2013;
- b) In the case of the Profit and Loss statement of the profit for the year ended on that date;and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

## AUDITORS' REPORT ( Contd.)

### Report On Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub section(4a) of section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss statement and Cash Flow statement dealt with by this report are in agreement with the Books of Accounts;
  - d) In our opinion, the Balance Sheet, Profit and Loss statement and Cash Flow statement comply with the Accounting Standards referred to be in sub section (3c) of section 211 of the Companies Act 1956;
  - e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March 2013, from being appointed as a director in terms of clause(g) of sub section(1) of section 274 of the Companies Act 1956.

**For Sundaram & Srinivasan**  
*Chartered Accountants*  
Regn. No.004207S

**M.Padhmanabhan**  
Partner  
Membership Number : F13291

Place: Chennai.  
Date: 28<sup>th</sup> May 2013

**ANNEXURE REFERRED TO IN PARA 1 OF THE AUDITORS' REPORT OF EVEN DATE  
TO THE MEMBERS OF INDIA MOTOR PARTS AND ACCESSORIES LIMITED**

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its 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 and services. 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.
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

## ANNEXURE TO THE AUDITORS' REPORT ( Contd.)

Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Service Tax and other material statutory dues applicable to it.

- (b) As at 31<sup>st</sup> March, 2013 according to the records of the Company, there are no pending disputes.
10. The Company has neither accumulated losses as at 31<sup>st</sup> March, 2013 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 the Company had not availed any loans from banks and hence default in the repayment of the dues does not arise.
  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 paragraph 4(xiv) of the Order 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.

**For Sundaram & Srinivasan**  
*Chartered Accountants*  
Regn. No.004207S

**M.Padhmanabhan**  
Partner

Membership Number : F13291

Place: Chennai.  
Date: 28<sup>th</sup> May 2013



## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes	As at 31st March, 2013 (Rs. in Lakhs)	As at 31st March, 2012 (Rs. in Lakhs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	831.96	415.98
(b) Reserves and Surplus	3	16772.92	15340.59
<b>(2) Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)	4	71.31	82.14
(b) Long term provisions	5	22.51	21.68
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	2693.72	1623.20
(b) Trade payables	7	2235.64	2389.01
(c) Other current liabilities	8	727.66	717.99
(d) Short-term provisions	9	243.34	918.58
<b>Total</b>		<u>23599.06</u>	<u>21509.17</u>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	931.50	964.04
(ii) Intangible assets		-	-
(b) Non-current investments	11	4845.25	4529.97
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	55.79	55.24
<b>(2) Current assets</b>			
(a) Current investments	13	1250.00	800.00
(b) Inventories	14	4434.18	4517.19
(c) Trade receivables	15	5387.90	5265.56
(d) Cash and cash equivalents	16	6339.67	4819.37
(e) Short-term loans and advances	17	348.94	553.99
(f) Other current assets	18	5.83	3.81
<b>Total</b>		<u>23599.06</u>	<u>21509.17</u>
Notes on accounts	1		
Refer accompanying financial statements			

**S NARAYANAN**  
Chairman

**N KRISHNAN**  
Managing Director

As per our attached Report of even date

For **SUNDARAM & SRINIVASAN**  
Chartered Accountants

Firm Registration Number : 004207S

**S RAMASUBRAMANIAN**  
Vice President  
(Finance & Accounts)

**N KUMAR**  
Secretary

**M PADHMANABHAN**  
Partner  
Membership No: 13291

Chennai  
28<sup>th</sup> May, 2013

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Notes	Year ending 31st March, 2013 (Rs. in Lakhs)	year ending 31st March, 2012 (Rs. in Lakhs)
<b>REVENUE:</b>			
Revenue from Operations	19	49541.77	50141.75
Other Income	20	587.56	456.86
<b>Total Revenue</b>		<b>50129.33</b>	<b>50598.61</b>
<b>EXPENSES:</b>			
Purchase of Stock-in-Trade	21	43259.63	44146.75
Changes in inventories - Stock-in-Trade	22	112.35	(453.38)
Employee benefits expenses	23	1246.72	1096.20
Finance costs	25	-	-
Depreciation and amortization expenses	10	69.92	75.23
Other expenses	24	1290.12	1163.02
<b>Total Expenses</b>		<b>45978.74</b>	<b>46027.82</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>4150.59</b>	<b>4570.79</b>
Exceptional Items		-	-
Profit before extraordinary items and tax		4150.59	4570.79
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>4150.59</b>	<b>4570.79</b>
<b>Tax expense:</b>			
(1) Current tax		1184.85	1360.43
(2) Deferred tax		(10.84)	(15.10)
(3) Tax Provision relating to earlier years (net)		256.43	-
Profit(Loss) for the period from continuing operations		2720.15	3225.46
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after Tax)		-	-
<b>Profit/(Loss) for the year</b>		<b>2720.15</b>	<b>3225.46</b>
<b>EARNINGS PER EQUITY SHARE: (Rs.)</b>			
(1) Basic		32.70	38.77
(2) Diluted		32.70	38.77
<b>Notes on accounts</b>	1		
Refer accompanying financial statements			

**S NARAYANAN**  
Chairman

**N KRISHNAN**  
Managing Director

As per our attached Report of even date

For **SUNDARAM & SRINIVASAN**  
Chartered Accountants

Firm Registration Number : 004207S

**S RAMASUBRAMANIAN**  
Vice President  
(Finance & Accounts)

**N KUMAR**  
Secretary

**M PADHMANABHAN**  
Partner  
Membership No: 13291

Chennai  
28<sup>th</sup> May, 2013

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

Note:1

### 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 values are 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 ).
- (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 actuarial valuation. The expenses and actuarial gain / loss on account of the above benefit plans are recognised in the profit and loss statement.
    - 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 Statement.
  - (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 crystalise.

## NOTES

### NOTES ON ACCOUNTS ( Contd.)

#### 2. Profit and Loss Statement

i) Employee Benefits:

Defined Contribution Plans:

During the year, the Company has recognized the following amounts in the Profit and Loss Statement, which are included in Employees benefits expenses in Note : 23

	<b>2012-2013</b> Rs.in Lakhs	2011-2012 Rs.in Lakhs
Contribution to Superannuation Fund	<b>10.39</b>	8.94
Contribution to Pension Fund	<b>27.04</b>	24.95
Contribution to Employees' State Insurance - ESI	<b>20.67</b>	19.43
Contribution to Provident Fund	<b>21.13</b>	18.28

Defined Benefit Plans:

	<b>As at</b> <b>31st March 2013</b> <b>Funded Gratuity</b> Rs. in Lakhs	As at 31st March 2012 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 beginning of the year	<b>186.10</b>	169.00
Current service cost	<b>15.34</b>	13.15
Interest cost	<b>14.89</b>	13.52
Benefits paid	<b>(5.07)</b>	(5.48)
Actuarial (gain) / loss on obligations	<b>(7.28)</b>	(4.09)
Present value of obligation as at the end of the year	<b>203.98</b>	186.10
B) Reconciliation of opening and closing balance of the fair value of plan assets		
Fair value of plan assets as at the beginning of the year	<b>189.43</b>	172.13
Expected return on plan assets	<b>17.24</b>	15.64
Contributions made	<b>0.00</b>	7.14
Benefits paid	<b>(5.07)</b>	(5.48)
Actuarial gain on plan assets	<b>0.00</b>	0.00
Fair value of plan assets as at the end of the year	<b>201.60</b>	189.43
C) Reconciliation of present value of defined benefit obligation and fair value of plan assets		
Present value of obligation as at the end of the year	<b>203.98</b>	186.10
Fair value of plan assets as at the end of the year	<b>201.60</b>	189.43
Unrecognised past service cost	---	---
Net Asset / (Liability) not recognised in Balance Sheet	<b>(2.38)</b>	3.33
D) Expenses		
Current service cost	<b>15.34</b>	13.15
Interest cost	<b>14.89</b>	13.52
Expected return on plan assets	<b>(17.24)</b>	(15.64)
Net actuarial (gain) / loss recognised	<b>(7.28)</b>	(4.09)
Expenses	<b>5.71</b>	6.93

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### NOTES

#### NOTES ON ACCOUNTS ( Contd.)

	<b>2012-2013</b>	2011-2012
	<b>Rs.in Lakhs</b>	Rs.in Lakhs
E) Actual return on plan assets		
Expected return on plan assets	<b>17.24</b>	15.64
Actuarial gain on plan assets	<b>0.00</b>	0.00
Actual return on plan assets	<b>17.24</b>	15.64
F) Actuarial assumptions		
Discount rate	<b>LIC - 8%</b>	LIC - 8%
Rate of increase in compensation levels	<b>5.95%</b>	8%

The present value of obligation towards compensated absences and entitlement of leave, as per actuarial certificate, as on 31-03-2013 is Rs.22.51 lakhs (previous year Rs.21.68 Lakhs) and is provided for in the books of accounts.

### 3) 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. Relative of Key Management Personnel:

Sri. S. Narayanan, Chairman. (Father of Sri. N. Krishnan, Managing Director)

c. Key Management Personnel:

Sri. N. Krishnan, Managing Director.

2. The disclosure of related party transactions during the year and balances as on 31/03/2013 are as follows:

*Rs. in Lakhs*

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel	
	<b>2012-2013</b>	2011-2012	<b>2012-2013</b>	2011-2012	<b>2012-2013</b>	2011-2012
Sale of Goods	<b>48.97</b>	50.60	<b>0.00</b>	0.00	<b>0.00</b>	0.00
Purchase of Goods	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00
Receiving Services	<b>6.10</b>	2.03	<b>0.00</b>	0.00	<b>0.00</b>	0.00
Payable Balance	<b>0.00</b>	0.00	<b>63.03</b>	69.97	<b>0.50</b>	0.50
Receivable Balance	<b>0.00</b>	0.00	<b>0.00</b>	0.00	<b>0.00</b>	0.00
Remuneration	<b>0.00</b>	0.00	<b>126.92</b>	124.65	<b>0.68</b>	0.74

## NOTES

### NOTES ON ACCOUNTS ( Contd.)

- 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 :

		2012-2013	2011-2012
Profit after Tax	Rs. In Lakhs	<b>2720.15</b>	3225.46
Total Equity Shares outstanding at the end of the year	Nos.	<b>8319575</b>	4159800
Earnings per share (Basic and Diluted)	Rs.	<b>32.70</b>	38.77 *
Face value per share	Rs.	<b>10</b>	10

\* Adjusted for Bonus Issue in 2012-13

	Rs. In Lakhs	
v) Expenditure in foreign currency -Travelling & Subscription	<b>0.66</b>	0.22
vi) Contingent Liability not provided for		
- Tax Liability under dispute at various forums of appeal - paid in earlier years	<b>Nil</b>	274.82
- Based on the Order of the ITAT, liability has been created for necessary tax provision.		
- The matter is further contested at the High Court		
vii) Previous year's figures have been re-grouped wherever necessary, to make them comparable.		

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### NOTES

	As at 31st March, 2013 (Rs. in Lakhs)	As at 31st March, 2012 (Rs. in Lakhs)		
<b>Note : 2</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised:</b>				
1,00,00,000 Equity Shares of Rs. 10/- each	<u>1000.00</u>	<u>1000.00</u>		
<b>Issued ,Subscribed &amp; Paid up Capital :</b>				
83,19,575 Equity Shares of Rs.10/- each fully paid up (Includes 41,59,775 Equity Shares of Rs.10/- each allotted as fully paid up by way of Bonus Shares by Capitalisation of General Reserve)	<u>831.96</u>	<u>415.98</u>		
<b>a. Terms / Rights attached to equity shares</b>				
The Company has only one class of shares - equity having par value of Rs.10/- per share. The Company declares and pays dividend in Indian Rupees.				
<b>b. Details of share holders holding more than 5% shares in the Company</b>				
	<b>No of Shares</b>	<b>%</b>	<b>No of Shares</b>	<b>%</b>
M/s. T V Sundram Iyengar & Sons Limited	1819432	21.87	909716	21.87
M/s. Sundaram Finance Limited	1470784	17.68	735392	17.68
<b>Note : 3</b>				
<b>Reserves &amp; Surplus</b>				
<b>Capital Reserves</b>			<b>378.75</b>	<b>378.75</b>
Amount received from Royal & Sun Alliance Insurance Plc for restrictive covenants				
<b>Revenue Reserves</b>				
<b>General Reserve</b>				
Balance at the beginning of the year	<b>13900.00</b>		11700.00	
Less: Capitalised by issue of Bonus (Equity) Shares	<u>415.98</u>		<u>—</u>	
	<b>13484.02</b>		11700.00	
Add: Transfer from Profit & Loss Statement	<u>1815.98</u>		<u>2200.00</u>	
Balance at the end of the year		<b>15300.00</b>		13900.00
Surplus as per Profit & Loss Statement				
Balance at the beginning of the year	<b>1061.84</b>		954.96	
Add: Profit for the year	<u>2720.15</u>		<u>3225.46</u>	
	<b>3781.99</b>		4180.42	
Less: Interim Dividend	<b>540.77</b>		790.36	
Less: Dividend Distribution Tax (including Surcharge)	<b>87.73</b>		128.22	
Less: Final Dividend (Proposed)	<b>207.99</b>		—	
Less: Dividend Distribution Tax (including Surcharge)	<b>35.35</b>		—	
Less: Transfer to General Reserve	<u>1815.98</u>		<u>2200.00</u>	
Balance at the end of the year		<b>1094.17</b>		1061.84
<b>Total Reserves and Surplus</b>		<u><b>16772.92</b></u>		<u>15340.59</u>

## NOTES

	As at 31st March, 2013 (Rs. in Lakhs)	As at 31st March, 2012 (Rs. in Lakhs)
<p>The Board of Directors have recommended a final dividend of Rs.2.50 ( 25 % ) per equity share for the year ended 31st March, 2013, absorbing a sum of Rs. 243.34 Lakhs which includes the Dividend Distribution Tax of Rs.35.35 Lakhs. This, together with the interim dividend of Rs.6.50 ( 65 % ) per equity share declared and paid in Feb 2013, aggregates to a total dividend of Rs.9/- (90%) per equity share, absorbing a sum of Rs.871.84 lakhs which includes the Dividend Distribution Tax of Rs.123.08 Lakhs. In addition, Bonus shares (in the ratio of 1:1) aggregating to Rs. 415.98 lakhs were issued by the Company on 12.09.2012.</p>		
<b>Note : 4</b>		
<b>Deferred Tax Liability (Net)</b>		
On Depreciation (Difference as per Books & as Per Income Tax Act)	114.28	115.22
Less: Deferred Tax Assets - Other Provisions and carry forward capital losses	(42.97)	(33.08)
	<u>71.31</u>	<u>82.14</u>
<b>Note : 5</b>		
<b>Long Term Provisions</b>		
Provision for Employee Benefits	<u>22.51</u>	<u>21.68</u>
<b>Note : 6</b>		
<b>Short Term Borrowings</b>		
<b>Secured Loans</b>		
<b>Short Term Loans - From Banks</b>		
Cash Credit (Secured by hypothecation of book debts and stock)	<u>2693.72</u>	<u>1623.20</u>
<b>Note : 7</b>		
<b>Trade Payable</b>		
Sundry Creditors	<u>2235.64</u>	<u>2389.01</u>
<b>Note : 8</b>		
<b>Other Current Liabilities</b>		
For expenses	432.66	458.56
VAT and CST	20.83	13.40
Other payable	193.90	192.83
Unclaimed dividends	80.27	53.20
	<u>727.66</u>	<u>717.99</u>
<b>Note : 9</b>		
<b>Short-Term Provisions</b>		
Interim Dividend ( Includes Dividend Distribution tax and Surcharge Rs. Nil Lakhs - Previous year Rs.128.22 Lakhs)	—	918.58
Final Dividend ( Includes Dividend Distribution tax and Surcharge Rs. 35.35 Lakhs -- Previous year Rs.Nil Lakhs)	243.34	—
	<u>243.34</u>	<u>918.58</u>



## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### NOTES

#### Note : 10

#### FIXED ASSETS

#### TANGIBLE ASSETS

(Rs. In Lakhs)

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01/04/2012	Additions during the year	Deductions during the year	Balance as on 31/03/2013	Upto 31/03/2012	For the Year	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012
Land	210.35	—	—	210.35	—	—	—	<b>210.35</b>	210.35
Leasehold land & Building	76.92	—	—	76.92	30.40	1.24	31.64	<b>45.28</b>	46.52
Buildings	853.05	—	—	853.05	315.98	20.29	336.27	<b>516.78</b>	537.07
Plant & Equipments	86.05	1.41	9.28	78.18	49.66	6.00	42.87	<b>35.31</b>	36.39
Others - Electrical Fittings	23.44	0.23	0.10	23.57	20.67	0.61	21.17	<b>2.40</b>	2.77
Office Equipments	255.73	24.12	6.81	273.04	206.88	20.26	220.04	<b>53.00</b>	48.85
Furniture & Fixtures	184.83	1.13	0.30	185.66	163.13	5.06	167.90	<b>17.76</b>	21.70
Vehicles	118.32	7.32	5.00	120.64	57.93	16.46	70.02	<b>50.62</b>	60.39
<b>TOTAL</b>	<b>1808.69</b>	<b>34.21</b>	<b>21.49</b>	<b>1821.41</b>	<b>844.65</b>	<b>69.92</b>	<b>889.91</b>	<b>931.50</b>	<b>964.04</b>

Assets have not been added by way of acquiring business.  
End of the year depreciation is after adjusting assets sold.

<b>As at 31st March, 2013 (Rs. in Lakhs)</b>	<b>As at 31st March, 2012 (Rs. in Lakhs)</b>
--	--

#### Note : 11

#### Non-Current Investments

##### Investments in Equity Instruments

##### Quoted Investments - Others Non Trade

Sundaram Finance Limited 27,80,000 equity shares of Rs.10/- each (13,90,000 equity shares of Rs.10/- each were allotted as Bonus Shares during the year)	<b>719.60</b>	719.60
---	---------------	--------

##### Unquoted Investments - Others Non Trade

Royal Sundaram Alliance Insurance Company Ltd 3,14,49,231 equity shares of Rs.10/- each (12,50,000 equity shares of Rs.10/- each were sold and 32,40,000 equity shares of Rs.10/- each were purchased during the year on Rights Issue basis at a premium of Rs.6/- per share)	<b>3961.90</b>	3646.62
Transenergy Limited 1,00,000 equity shares of Rs.100/- each	<b>163.75</b>	163.75
	<b>4845.25</b>	<b>4529.97</b>

## NOTES

	As at 31st March, 2013 (Rs. in Lakhs)	As at 31st March, 2012 (Rs. in Lakhs)
Aggregate amount of quoted investments	719.60	719.60
Market value thereof	13174.42	9119.79
Aggregate amount of unquoted investments	4125.65	3810.37
Above investments are valued at cost and provision for decline in value, if any, other than temporary are made wherever necessary		
<b>Note : 12</b>		
<b>Long-Term Loans &amp; Advances</b>		
<b>A) Secured Advances</b>	—	—
<b>B) Unsecured Advances</b>	55.79	55.24
	55.79	55.24
<b>Note : 13</b>		
<b>Current Investments</b>		
<b>In Government Securities / Trust Securities:</b>		
	—	—
<b>Investments in Mutual Funds</b>		
SBI Debt Fund Series - 367 Days - 1 - Growth 3000000 Units Of Rs.10 /- each, Face Value Rs.300 Lakhs	—	300.00
HDFC FMP 370D June 2011 (1) - Growth -Series XVIII 3000000 Units Of Rs.10 /- each, Face Value Rs.300 Lakhs	—	300.00
HDFC FMP 370D July 2011 (1) - Growth -Series XVIII 2000000 Units Of Rs.10 /- each, Face Value Rs.200 Lakhs	—	200.00
SBI Debt Fund Series - 366 Days - 14 - Growth 1000000 Units Of Rs.10 /- each, Face Value Rs.100 Lakhs	100.00	—
HDFC FMP 370D May 2012 (3) - Growth -Series XXII 3000000 Units Of Rs.10 /- each, Face Value Rs.300 Lakhs	300.00	—
HDFC FMP 371D November 2012 (1) - Growth -Series XXII 2500000 Units Of Rs.10 /- each, Face Value Rs.250 Lakhs	250.00	—
Sundaram Fixed Term Plan CV 367 Days - Growth 6000000 Units of Rs.10/- each, Face value Rs.600 lakhs	600.00	—
	1250.00	800.00
Aggregate amount of unquoted investments	1250.00	800.00
Current investments are valued at lower of cost or market value		
<b>Note : 14</b>		
<b>Inventories</b>		
Stock in Trade	4162.19	4274.54
Goods in Transit	271.99	242.65
Stock in Trade is valued at lower of cost or market value in line with the AS (2). In respect of local purchases cost is net of VAT. Goods in Transit is valued at cost.	4434.18	4517.19

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

### NOTES

	As at 31st March, 2013 (Rs. in Lakhs)	As at 31st March, 2012 (Rs. in Lakhs)
<b>Note : 15</b>		
<b>Trade Receivables - Unsecured</b>		
More than six months and considered good	18.01	19.51
Others and considered good	5369.89	5246.05
	<u>5387.90</u>	<u>5265.56</u>
<b>Note : 16</b>		
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks	137.70	171.66
Cheques and Drafts on hand	544.16	459.99
Cash on hand	41.84	35.33
Balances with Banks for Unclaimed Dividends	80.27	53.20
Others - Guarantee Deposit	2.65	2.65
- Remittances in Transit	773.05	696.54
Short Term Deposits with Banks	4760.00	3400.00
	<u>6339.67</u>	<u>4819.37</u>
<b>Note : 17</b>		
<b>Short-term Loans &amp; Advances</b>		
<b>Unsecured Advances</b>		
Unsecured & Considered Good - advances recoverable } in Cash or in kind or for value to be received }	199.20	140.30
Advance Tax and T.D.S. (Net)	20.79	41.90
VAT and CST	94.40	67.47
Prepaid Expenses - Insurance	8.67	6.10
Disputed Income Tax paid	—	274.43
Advances to Employees and Others	19.48	17.95
Deposit with Governments and others	6.40	5.84
	<u>348.94</u>	<u>553.99</u>
<b>Note : 18</b>		
<b>Other Current Assets</b>		
Interest accrued on Short Term Deposits / Current Investments	5.83	3.81
	<u>5.83</u>	<u>3.81</u>

## NOTES

	Year ending 31st March, 2013 (Rs. in Lakhs)	Year ending 31st March, 2012 (Rs. in Lakhs)
<b>Note : 19</b>		
<b>Revenue from Operations</b>		
Sales - Less Returns (Net)		
Sale of Products	49420.48	50021.14
Sale of Services	17.36	9.42
Other Operating Revenue	103.93	111.19
	<u>49541.77</u>	<u>50141.75</u>
<b>Note : 20</b>		
<b>Other Incomes</b>		
Dividend Income		
- Long Term Investments in Equity Shares	236.30	201.55
- Current Investments	241.65	206.99
Profit on Sale of Assets (Net)	4.00	2.89
Interest Income	19.49	6.36
Other non operating income	7.05	3.82
Profit / (Loss) on Sale of Long Term Investments (Net)	0.37	—
Profit / (Loss) on Sale of Mutual Funds (Net)	78.70	35.25
	<u>587.56</u>	<u>456.86</u>
<b>Note : 21</b>		
<b>Purchase of Stock in trade</b>		
Purchases	43259.63	44146.75
<b>Note : 22</b>		
<b>Changes in inventories - Stock-in-Trade</b>		
Opening Stock	4274.54	3821.16
Closing Stock	4162.19	4274.54
Increase/(Decrease) in inventories	<u>(112.35)</u>	<u>453.38</u>
<b>Note : 23</b>		
<b>Employees benefits expenses</b>		
Salaries, Allowances, Commission and Bonus	1086.89	956.28
Contribution to PF, Gratuity and Other Funds	95.70	81.50
Staff Welfare Expenses	64.13	58.42
	<u>1246.72</u>	<u>1096.20</u>
<b>Note : 24</b>		
<b>Other Expenses</b>		
Audit Fees:		
as Auditors	4.78	4.49
for Tax Audit	0.84	0.67
for Certification	0.84	0.67
out of pocket expenses	0.28	0.15
Power and fuel	40.93	38.58
Rent	139.41	124.62
Repairs to Buildings	48.20	37.94
Repairs to Plant & Equipments	5.27	5.31
Insurance	16.00	13.82
Rates, Taxes and Licences	11.66	9.80
Administrative and Other Expenses	1021.91	926.97
	<u>1290.12</u>	<u>1163.02</u>
<b>Note : 25</b>		
<b>Finance Costs</b>		
Interest Expense	—	—

**CASH FLOW STATEMENT**

	2012-2013 (Rs in lakhs)	2011-2012 (Rs in lakhs)
<b>A) Cash flow from Operating Activities</b>		
a) Net Profit Before tax	4150.59	4570.79
Adjustment for:		
Depreciation	69.92	75.23
Dividend Income	(477.95)	(408.54)
Loss on Sale of Assets	0.16	0.62
Loss on Sale of Investments	0.15	0.46
Profit on Sale of Assets	(4.16)	(3.51)
Profit on Sale of Investments	(79.22)	(35.71)
b) Operating Profit before Working Capital Changes	3659.49	4199.34
Adjustment for:		
Decrease/ (Increase) in Trade Receivables and others	(124.36)	(1015.49)
Decrease / (Increase) in Loans & Advances	(104.95)	50.08
( Increase ) / Decrease in Inventories	83.01	(344.43)
( Decrease ) / Increase in Trade Payable	(162.16)	715.50
	(308.46)	(594.34)
c) Cash Generated from Operations	3351.03	3605.00
Direct taxes Paid	(1140.05)	(1383.23)
	(1140.05)	(1383.23)
d) Cash flow before Extraordinary item	2210.98	2221.77
e) Extraordinary Item	—	—
<b>Net Cash flow from Operating Activities</b>	<b>2210.98</b>	<b>2221.77</b>
<b>B) Cash flow from Investing Activities</b>		
Sale of Fixed Assets	1.28	8.00
Sale of Investments	45472.22	40721.72
Dividend received	477.95	408.54
Purchase of Fixed Assets	(34.21)	(88.02)
Purchase of Investments	(46158.43)	(40397.75)
<b>Net Cash used in Investing Activities</b>	<b>(241.19)</b>	<b>652.49</b>

## CASH FLOW STATEMENT (Contd.)

	2012-2013 (Rs in lakhs)	2011-2012 (Rs in lakhs)
<b>C) Cash flow from Financing Activities</b>		
Borrowing / (Repayment) of Cash Credit	1070.52	1530.51
Dividend Paid including Dividend Distribution Tax	(1520.01)	(813.11)
<b>Net Cashflow from Financing Activities</b>	<b>(449.49)</b>	717.40
<b>D) Net Increase / (Decrease) in Cash &amp; Cash Equivalent</b>	<b>1520.30</b>	3591.66
Cash & Cash Equivalent at beginning of the year	4819.37	1227.71
Cash & Cash Equivalent at the end of the year	6339.67	4819.37

**S NARAYANAN**  
*Chairman*

**N KRISHNAN**  
*Managing Director*

As per our attached Report of even date

For **SUNDARAM & SRINIVASAN**  
*Chartered Accountants*  
Firm Registration Number : 004207S

**S RAMASUBRAMANIAN**  
*Vice President*  
*(Finance & Accounts)*

**N KUMAR**  
*Secretary*

**M PADHMANABHAN**  
*Partner*  
Membership No: 13291

Chennai  
28<sup>th</sup> May, 2013

**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 approved and adopted by the Board of Directors.

**2.2 Attendance at Board meeting and last Annual General Meeting**

During the financial year 2012-13, 5 Board Meetings were held on 29<sup>th</sup> May 2012, 26<sup>th</sup> July 2012, 19<sup>th</sup> October 2012, 12<sup>th</sup> February 2013 and 26<sup>th</sup> March 2013.

All the Directors of the Company attended the 58<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> August 2012. 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 31.03.2013)		
		Other Directorship	Committee Membership	Committee Chairmanship
Sri S Narayanan	3	2	—	1
Sri N Krishnan	5	—	—	—
Sri S Ram	5	8	3	1
Sri Ananth Ramanujam	5	3	2	—
Sri S Ravindran	5	6	2	—
Sri S Prasad	5	5	2	4
Ms Shobhana Ramachandhran	4	5	1	—
Sri Rasesh R Doshi	4	1	—	—

Only Audit Committee, Shareholders/Investors Grievance 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 2012-13, 4 Audit Committee meetings were held on 28<sup>th</sup> May 2012, 26<sup>th</sup> July 2012, 19<sup>th</sup> October 2012, and 12<sup>th</sup> February 2013. The composition and attendance particulars are as follows:

Name	Position	No. of Meetings attended
Sri S Prasad	Chairman	4
Sri S Ravindran	Member	4
Sri N Krishnan	Member	4
Sri Rasesh R Doshi	Member	4

#### 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 31.03.2013)	Relationship with Other Directors
Sri S Narayanan	18000	50000	3216 <sup>1</sup>	Father of Sri N Krishnan
Sri S Ram	30000	50000	19900 <sup>2</sup>	—
Sri Ananth Ramanujam	30000	50000	1312 <sup>3</sup>	—
Sri S Ravindran	54000	100000	800	—
Sri S Prasad	54000	100000	960	—
Ms Shobhana Ramachandhran	24000	50000	62944	—
Sri Rasesh R Doshi	48000	100000	8656 <sup>4</sup>	—

Number of shares held jointly with others <sup>1</sup>39488 <sup>2</sup>115168 <sup>3</sup>57248 <sup>4</sup>1920

##### Managing Director

The Managing Director has been appointed on contractual terms for a period of five years from 05<sup>th</sup> July 2012. The remuneration approved by shareholders 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 within the ceiling approved by the General Body. 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: -



## INDIA MOTOR PARTS & ACCESSORIES LIMITED

Nature of Payment	Sri N Krishnan, Managing Director	Relationship with Other Directors
	Rs in Lakhs	
Salary	51.00	Son of Sri S Narayanan
Commission	63.03	
Sitting Fees	0.54	
Contribution to Provident Fund & other funds	8.10	
Perquisites	4.25	

### 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 N Kumar, Company Secretary of the company is the compliance officer. During the year under review, no investor complaints were received.

### 6. General Body Meetings:

a) Details of location and time of the last three Annual General Meetings

Year	Location	Date and time
56 <sup>th</sup> AGM (2009-10)	Music Academy 168, TTK Road, Chennai –14.	September 3, 2010 10.25 a.m.
57 <sup>th</sup> AGM (2010-11)	Music Academy 168, TTK Road, Chennai –14.	September 29, 2011 11.00 a.m.
58 <sup>th</sup> AGM (2011-12)	Music Academy 168, TTK Road, Chennai –14.	August 30, 2012 11.00 a.m.

b) There were no Special Resolutions passed in the previous three Annual General Meetings (AGM). 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 has proposed to adopt other non-mandatory requirements in due course.

## 8. Equity Shares in Suspense Account

As per Clause 5A of the Listing Agreement, the Company reports that -

Particulars	Number of Shareholders	Total Shares in Demat Suspense Account
Unclaimed Shares at the beginning of the year (01.04.2012)	150	13343
Less: Shares claimed before transferring to Demat suspense Account	2	150
Total	148	13193
Add: Bonus Shares issued during the year in the ratio of 1:1	—	13193
Total	148	26386
Less: Shares claimed from Demat suspense Account after issue of Bonus Shares.	1	160
Unclaimed Shares at the end of the year (31.03.2013)	147	26226

The Company further states that voting rights on these Unclaimed Shares shall remain frozen till the rightful owner claims the Shares.

## 9. 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](http://www.impal.net) in accordance with the listing agreement with the National Stock Exchange Ltd.

## 10. General Shareholder Information:

a.	59 <sup>th</sup> Annual General Meeting - Date and Time - Venue	8 <sup>th</sup> August 2013 – 11.00 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, 2013 Second quarter results ending September 30 2013 Third quarter results ending December 31, 2013 Audited results for the year ending March 31, 2014	08 <sup>th</sup> August 2013 August, 2013 November, 2013 February, 2014 May, 2014
c.	Period of Book Closure	From 01.08.2013 to 08.08.2013 (Both days inclusive)
d.	Dividend payment date	25 <sup>th</sup> February, 2013 (Interim Dividend) 19 <sup>th</sup> August, 2013 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

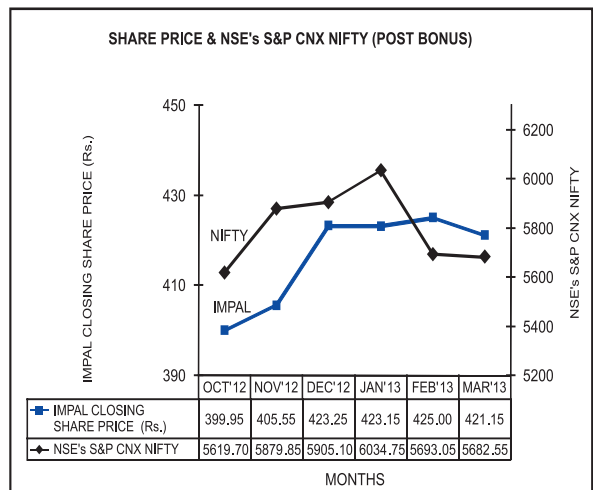
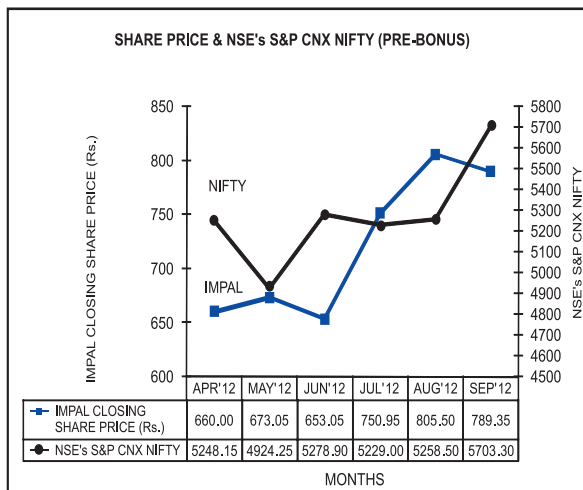
## INDIA MOTOR PARTS & ACCESSORIES LIMITED

g. The Company has paid the listing fee up to the year 2013-14 to National Stock Exchange of India Ltd and Annual Custodial Fees to National Securities Depository Ltd & Central Depository (Services) Ltd

h. Market Price Data (Rs.)

PRE-BONUS							POST - BONUS					
MONTH	APR-12	MAY-12	JUNE-12	JULY-12	AUG-12	SEP-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13
NSE	HIGH	705.00	685.00	715.00	904.00	875.00	819.00	411.95	456.95	457.00	445.00	454.65
	LOW	630.00	635.25	631.25	650.00	740.00	774.00	394.00	378.30	414.95	413.00	410.00

i. Share price performance in comparison to 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](mailto:investor@cameoindia.com)

Contact Person:  
 Sri R D Ramaswamy  
 Designation: Director  
  
 Sri D Narasimhan  
 Designation: Assistant Manager

k. (i) Distribution of Shareholding pattern as on March 31, 2013

No. of Shares	Shareholders		No. of Shares	
	Number	%	Number	%
Upto 500	4970	73.52	774037	9.30
501-1000	1053	15.58	745073	8.96
1001-2000	482	7.13	648594	7.80
2001-5000	145	2.14	430189	5.17
5001-10000	45	0.67	327955	3.94
10001 & above	65	0.96	5393727	64.83
<b>Total</b>	<b>6760</b>	<b>100.00</b>	<b>8319575</b>	<b>100.00</b>

(ii) Pattern of Shareholding as on March 31, 2013

S.No	Particulars	No. of shares held	% of total
1	Promoters	2540584	30.54
2	Non Residents (NRI)	23915	0.29
3	Corporate Bodies	1690294	20.32
4	FII	410220	4.93
5	Public	3654562	43.92
	<b>Total</b>	<b>8319575</b>	<b>100.00</b>

l. Dematerialisation of shares:

The trading in equity shares of the company is permitted only in dematerialised form. As of March 31, 2013 about 85.81% of total outstanding Shares have been dematerialised. Out of 57,78,991 equity shares held by the shareholders other than the promoters, 45,98,515 equity shares (forming 79.57% of the non promoters shareholding) have been dematerialised up to 31<sup>st</sup> March 2013.

m. The Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

n. Address for Investor Correspondence for any queries, grievances and complaints:

N.Kumar Company Secretary India Motor Parts & Accessories Limited 'Sundaram Towers' 3 <sup>rd</sup> Floor # 46, Whites Road, Royapettah, Chennai – 600 014.	Tel: +91 44 28591433 Tel: +91 44 28524097 Fax: +91 44 28523009 E-mail: nkumar@impal.net
Designated email i.d. for investor complaints	secy@impal.net

**N Krishnan**  
Managing Director

## INDIA MOTOR PARTS & ACCESSORIES LIMITED

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

To

The Members of India Motor Parts and Accessories Limited

We have examined the compliance of the conditions of Corporate Governance by India Motor Parts and Accessories Limited for the year ended 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 the opinion on the financial statements of the Company.

In our opinion and the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2013, no investor grievances are pending against the Company as on 28.05.2013 as per the records maintained by 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.

*For Sundaram & Srinivasan*  
Chartered Accountants  
*Firm Registration Number : 004207S*

Place : Chennai  
Date : 28<sup>th</sup> May 2013

**M.Padhmanabhan**  
Partner  
Membership Number : 13291

## Distribution Network



**Branches:**  AGRA  AHMEDABAD  ALLAHABAD  ASANSOL  BANGALORE  BARODA  BHILWARA  BHUBANESWAR  CALICUT  CHANDIGARH  CHENNAI  COCHIN  COIMBATORE  CUTTACK  DHANBAD  ERODE  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  SILCHAR  SURAT  TRICHY  TIRUNELVELI  UDAIPUR  VARANASI  VIJAYAWADA.