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**Walker Chandiook & Co LLP**

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## Independent Auditor's Report

To the Members of Imperial Auto Industries Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Imperial Auto Industries Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2025, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 10 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.



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## Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the consolidated financial statements for the year ended 31 March 2025 (cont'd)

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

3. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

4. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
5. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a



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## Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the consolidated financial statements for the year ended 31 March 2025 (cont'd)

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

8. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its associates, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Other Matters

10. We did not audit the financial statements of two subsidiaries (Imperial Auto Germany GmbH and Imperial Auto Fluid Transmission Products) , whose financial statements reflect total assets of ₹ 26,437 lakhs as at 31 March 2025, total revenues of ₹ 28,968 lakhs and net cash inflows amounting to ₹ 5,317 lakhs for the year ended on that date, as considered in the consolidated financial statements.

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## Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the consolidated financial statements for the year ended 31 March 2025 (cont'd)

consolidated financial statements also include the Group's share of net profit of ₹ 3,682 lakhs for the year ended 31 March 2025 in respect of 2 associates (Sumiriko Imperial Rubber India Private Limited and Nichirin Imperial Auto Parts India Private Limited), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates are based solely on the reports of the other auditors.

Further, of these subsidiaries and associates, two subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries and associates located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

11. The consolidated financial statements also include the Group's share of net loss of ₹ 97 lakhs for the year ended 31 March 2025 in respect of one associate (Sumiriko Imperial Hydraulics India Private Limited), whose financial statements have not been audited by us. This financial statement is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, this financial statement is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statement certified by the management.

### Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 10, on separate financial statements of the associates, we report that the Holding Company and three subsidiaries incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to two associates incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.
13. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 10 above, of companies included in the consolidated financial statements for the year ended 31 March 2025 and covered under the Act we report that:

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## Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the consolidated financial statements for the year ended 31 March 2025 (cont'd)

- A) Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2025 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary / Associate	Clause number of the CARO report which is qualified or adverse
1.	Sumiriko Imperial Rubber India Private Limited	U25191DL2005PTC142682	Associate	(vii) (a)

14. As required by section 143(3) of the Act based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- On the basis of the written representations received from the directors of the Holding Company, and its subsidiaries and taken on record by the Board of Directors of the Holding Company, and its subsidiaries, and the reports of the statutory auditors of its subsidiaries and associates covered under the Act, none of the directors of the Group Companies and its associates are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.
- The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 14(b) above, on reporting under section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries and associates covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information



# Walker Chandio & Co LLP

## Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the consolidated financial statements for the year ended 31 March 2025 (cont'd)

of the subsidiaries and associates incorporated in India whose financial statements have been audited under the Act.

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates as detailed in Note 4.31 to the consolidated financial statements.
- ii. The Holding Company, its subsidiaries and associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its associates covered under the Act, during the year ended 31 March 2025;
- iv.
  - a. The respective managements of the Holding Company and its subsidiaries, associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates respectively that, to the best of their knowledge and belief as disclosed in note 4.48(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, its associates to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, its associates ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The respective managements of the Holding Company and its subsidiaries and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 4.48(v) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries or its associates from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, its associates shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and associates, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the associate during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 4.50 to the accompanying consolidated financial statements, the Board of Directors of one of the associates have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.



# Walker ChandioK & Co LLP

## Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the consolidated financial statements for the year ended 31 March 2025 (cont'd)

The Holding Company, its subsidiaries and two associates have not declared or paid any dividend during the year ended 31 March 2025

- vi. As stated in note 4.46 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, and associates, of the Holding Company which are companies incorporated in India and audited under the Act, the Holding Company and its subsidiaries and associates, in respect of financial year commencing on 1 April 2024, have used an accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries and associates did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exceptions given below. Furthermore, the audit trail has been preserved by the Holding Company, its subsidiaries and associates as per the statutory requirements for record retention:

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company, its three subsidiaries and one associate.
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	In respect of one associate (Sumiriko Imperial Rubber India Private Limited), the audit trail feature in the accounting software used for maintenance of accounting records was not enabled by the associate up to 30 June 2024 and the same did not operate throughout the year for all relevant transactions recorded in the software.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature at database level	In respect of one associate (Sumiriko Imperial Rubber India Private Limited), the accounting software used for maintenance of payroll records by the associate is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we and respective auditors of the above referred associate are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

For **Walker ChandioK & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

  
Rahul Kool

Partner

Membership No.: 425393

UDIN: 25425393BMJKEQ2713



Place: Gurgaon

Date: 20 August 2025

Chartered Accountants

# Walker ChandioK & Co LLP

Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the consolidated financial statements for the year ended 31 March 2025 (cont'd)

## Annexure I - List of entities included in the Consolidated Financial Statements

### S.No. Name of the holding Company

1 Imperial Auto Industries Limited

### Name of subsidiaries

- 2 IAI Industries Limited
- 3 Imperial Auto USA Corporation
- 4 Imperial Martor Engine Tubes Private Limited
- 5 S.J. Rubber Industries Limited
- 6 Imperial Auto Germany GmbH, Pleidelsheim (formerly known as Sb Rohform Und Schlauchtechnik GmbH)
- 7 Imperial Auto Fluid Transmission Products ,Mexico, S. DE R.L. DE.C.V.

### Name of step down subsidiaries

- 1 Biebighäuser Slovakia s.r.o., Šurany, Slovakia
- 2 Biebighäuser Kunststofftechnik GmbH, Leverkusen, Germany

### Name of associate companies

- 1 Sumiriko Imperial Rubber India Private Limited
- 2 Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)
- 3 Nichirin Imperial Auto Parts India Private Limited



# Walker Chandiook & Co LLP

## Annexure A

### **Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Imperial Auto Industries Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company, its subsidiary companies and its associate companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies as aforesaid.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the

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## Annexure A to the Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the consolidated financial statements for the year ended 31 March 2025

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the associate companies, the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Holding Company, respective subsidiary and associate companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matter

9. The consolidated financial statements also include the Group's share of net profit including other comprehensive income of ₹3,682 lakhs for the year ended 31 March 2025, in respect of two associate companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The Internal financial controls with reference to financial statements in so far as it relates to such associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and its associate companies, as aforesaid, under Section 143(3)(1) of the Act in so far as it relates to such associate companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.



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# Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the consolidated financial statements for the year ended 31 March 2025

10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one associate company, which is company covered under the Act, in respect of which, the Group's share of net loss (including other comprehensive income) of ₹ 97 lakhs for the year ended 31 March 2025 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of this associate company, which is company covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid associate company, which is company covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statement certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, this financial statement is not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statement certified by the management.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



**Rahul Kool**

Partner

Membership No.: 425393



**UDIN:** 25425393BMJKEQ2713

**Place:** Gurgaon

**Date:** 20 August 2025

iAi Imperial Auto Industries Limited  
Consolidated Balance Sheet as at 31 March 2025  
(All amounts in INR lakhs, unless stated otherwise)

	Note	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4.1	81,340	61,029
Right-of-use assets	4.1 (a)	25,850	22,394
Capital work-in-progress	4.1 (b)	162	3,025
Goodwill		140	140
Other intangible assets	4.2 (a)	335	227
Intangible assets under development	4.2 (b)	1,084	385
Investment accounted for using the equity method	4.3 (a)	10,546	7,978
Financial assets			
(i) Investments	4.3 (b)	1	1
(ii) Trade receivables	4.8(a)	16	16
(iii) Loans	4.4	239	-
(iv) Others financial assets	4.5(a)	2,921	1,988
Deferred tax assets (net)	4.15	886	456
Other non-current assets	4.6	4,285	4,888
<b>Total non-current assets</b>		<b>1,27,805</b>	<b>1,02,527</b>
<b>Current assets</b>			
Inventories	4.7	80,974	68,546
Financial assets			
(i) Trade receivables	4.8(b)	53,780	57,801
(ii) Cash and cash equivalents	4.9(a)	12,188	6,734
(iii) Bank balances other than cash and cash equivalents	4.9(b)	5,576	2,712
(iv) Others financial assets	4.5(b)	2,032	1,418
Other current assets	4.6	9,683	8,202
<b>Total current assets</b>		<b>1,64,233</b>	<b>1,45,413</b>
<b>Assets classified as held for sale</b>		<b>34</b>	<b>34</b>
<b>Total assets</b>		<b>2,92,072</b>	<b>2,47,974</b>

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**iAi Imperial Auto Industries Limited**  
**Consolidated Balance Sheet as at 31 March 2025**  
(All amounts in INR lakhs, unless stated otherwise)

	Note	As at 31 March 2025	As at 31 March 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	4.10	14,335	14,335
Other equity	4.11	1,61,082	1,33,777
<b>Total equity</b>		<b>1,75,417</b>	<b>1,48,112</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	4.12	18,953	9,965
(ii) Lease liabilities	4.34	20,987	17,428
(iii) Other financial liabilities	4.13	23	22
Provisions	4.14	1,617	1,072
Deferred tax liabilities (net)	4.15	876	563
<b>Total non-current liabilities</b>		<b>42,456</b>	<b>29,050</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	4.12	21,822	23,464
(ii) Lease liabilities	4.34	3,185	2,748
(iii) Trade payables			
Total outstanding dues of micro and small enterprises	4.16	7,928	7,518
Total outstanding dues of creditors other than micro and small enterprises	4.16	35,009	32,511
(iv) Other financial liabilities	4.13	3,702	2,820
Other current liabilities	4.17	2,395	1,478
Provisions	4.14	158	273
<b>Total current liabilities</b>		<b>74,199</b>	<b>70,812</b>
<b>Total equity and liabilities</b>		<b>2,92,072</b>	<b>2,47,974</b>

Material accounting policy information

3

The accompanying notes are an integral part of the Consolidated financial statements.

This is the consolidated balance sheet referred to in our report of even date.

**For Walker ChandioK and Co LLP**

Chartered Accountants

Firm's registration number: 001076N/N500013

*Rahul Kool*

**Rahul Kool**  
Partner



Membership No.: 425393  
**Place:** Gurugram  
**Date:** 20 August 2025

For and on behalf of the Board of Directors of  
**Imperial Auto Industries Limited**

*Tarun Lamba*

**Tarun Lamba**  
Managing Director

DIN:01895353  
**Place:** Faridabad  
**Date:** 20 August 2025

*Vikram Arvind Wagh*

**Vikram Arvind Wagh**  
Whole Time Director &  
CEO

DIN:00010979  
**Place:** Faridabad  
**Date:** 20 August 2025

*Dilip Tuli*

**Dilip Tuli**  
Chief Financial Officer  
PAN: ADIPT4267D  
**Place:** Faridabad  
**Date:** 20 August 2025

*Vikram Mehra*

**Vikram Mehra**  
Company Secretary  
ACS-12336  
**Place:** Faridabad  
**Date:** 20 August 2025

IAI Imperial Auto Industries Limited  
 Consolidated Statement of Profit and Loss for the year ended on 31 March 2025  
 (All amounts in INR lakhs, unless stated otherwise)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Income</b>			
Revenue from operations			
Sale of manufactured products		3,78,026	3,35,780
Sale of traded products		36	1,758
Sale of services	4.18	1,675	1,955
<b>Total</b>		<b>3,79,737</b>	<b>3,39,493</b>
Other operating revenues	4.19	5,469	5,748
<b>Total revenue from operations</b>		<b>3,85,206</b>	<b>3,45,241</b>
Other income	4.20	2,466	2,518
<b>Total income</b>		<b>3,87,672</b>	<b>3,47,759</b>
<b>Expenses</b>			
Cost of material consumed	4.21	2,31,436	2,10,289
Purchases of stock-in-trade	4.22	28	1,141
Changes in inventories of finished goods, work-in-progress and stock-in-trade	4.23	(9,888)	(3,173)
Employee benefits expense	4.24	31,969	18,360
Finance costs	4.25	5,857	3,778
Depreciation and amortization expenses	4.1 and 4.2	15,081	10,111
Other expenses	4.26	86,321	74,787
<b>Total expenses</b>		<b>3,60,814</b>	<b>3,15,293</b>
<b>Profit before share of profit/(loss) of associates, exceptional items and tax</b>		<b>26,858</b>	<b>32,466</b>
Share of profit of associates		3,509	2,457
<b>Profit before exceptional items and tax</b>		<b>30,367</b>	<b>34,923</b>
Exceptional items	4.27	(898)	(457)
<b>Profit before tax</b>		<b>29,469</b>	<b>34,466</b>
Tax expense:			
(1) Current tax	4.15	9,037	9,161
(2) Deferred tax income	4.15	(930)	(854)
<b>Profit for the year (I)</b>		<b>21,362</b>	<b>26,159</b>
<b>Other comprehensive Income</b>			
Items that will not be reclassified subsequently to profit or loss			
-Revaluation of land		2,465	925
-Tax effect on increase in revaluation reserve (refer note)		(225)	1,365
-Remeasurement of defined benefit (liability)/asset		(112)	10
-Tax effect on remeasurement of defined benefit		28	(2)
-Share of other comprehensive income in associate*		(7)	0
Items that will be reclassified to profit or loss			
-Exchange differences in translating the financial statements of foreign operations		(88)	29
<b>Other comprehensive income for the year, net of taxes (II)</b>		<b>2,061</b>	<b>2,327</b>
<b>Total comprehensive income for the year III = (I+II)</b>		<b>23,423</b>	<b>28,486</b>
<b>Profit attributable to:-</b>			
Owners of Imperial Auto Industries Limited		21,362	26,159
Non-controlling interest		-	-
		<b>21,362</b>	<b>26,159</b>
<b>Other comprehensive income</b>			
Owners of Imperial Auto Industries Limited		2,061	2,327
Non-controlling interest		-	-
		<b>2,061</b>	<b>2,327</b>
<b>Total comprehensive Income</b>			
Owners of Imperial Auto Industries Limited		23,423	28,486
Non-controlling interest		-	-
		<b>23,423</b>	<b>28,486</b>
<b>Earnings per equity share [nominal value of shares INR 10 (previous year INR 10 fully paid up)]</b>			
(1) Basic	4.32	14.90	18.24
(2) Diluted	4.32	14.90	18.24
Material accounting policy information	3		

\*Rounded off to zero

The accompanying notes are an integral part of the Consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

For Walker Chandok and Co LLP

Chartered Accountants

Firm's registration number: 001076NIN500013

Rahul Kool  
Partner

Membership No.: 425393  
Place: Gurugram  
Date: 20 August 2025



For and on behalf of the Board of Directors of  
Imperial Auto Industries Limited

Tarun Lamba  
Managing Director

DIN: 01895353  
Place: Faridabad  
Date: 20 August 2025

Vikram Arvind Wagh  
Whole Time Director &  
CEO

DIN: 00010979  
Place: Faridabad  
Date: 20 August 2025

Dilip Joli

Chief Financial Officer  
PAN: ADIPT4267D  
Place: Faridabad  
Date: 20 August 2025

Vikram Mehra

Company Secretary  
ACS-12336  
Place: Faridabad  
Date: 20 August 2025

**iAi Imperial Auto Industries Limited**  
**Consolidated cash flow statement for the year ended 31 March 2025**  
**(All amounts in INR lakhs, unless stated otherwise)**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>A. Cash flow from operating activities</b>		
Net profit before tax	29,469	34,466
<b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expense	15,081	10,111
Gain on sale of property, plant and equipment	(37)	(19)
Provision for obsolete inventory	358	557
Share of profits in associates	(3,509)	(2,457)
Unrealised foreign exchange gain	(517)	(109)
Gain on lease modifications	(513)	(194)
Finance costs	3,934	2,638
Interest on lease liability created as per Ind AS 116	1,933	1,139
Interest income	(279)	(298)
Allowance for expected credit loss	-	135
<b>Operating profit before working capital changes</b>	<b>45,920</b>	<b>45,969</b>
<b>Movements in working capital :</b>		
<i>(Increase) / Decrease in operating assets :</i>		
Trade receivables	4,436	6,332
Inventories	(8,037)	(8,576)
Loans	(181)	-
Other financial assets	(756)	503
Other assets	(465)	(280)
<i>Increase / (Decrease) in operating liabilities :</i>		
Trade payables	2,898	3,322
Provisions	333	209
Other liabilities	(156)	217
Other financial liabilities	65	2,226
<b>Cash generated from operations</b>	<b>44,057</b>	<b>49,922</b>
Income tax paid	(9,050)	(9,242)
<b>Net cash generated from operating activities (a)</b>	<b>35,007</b>	<b>40,680</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment including intangible assets and capital advances	(20,670)	(22,410)
Proceeds from disposal of property, plant and equipment	124	876
Acquisition of business (net of cash and cash equivalents acquired)	(4,500)	-
Interest received	173	292
Investment in fixed deposits	(3,549)	(393)
<b>Net cash used in investing activities (b)</b>	<b>(28,422)</b>	<b>(21,635)</b>
<b>C. Cash flow from financing activities</b>		
Dividend received from associate	1,026	-
Net repayment from short-term borrowings	(3,992)	(12,593)
Proceeds from non-current borrowings	15,099	9,563
Repayment of non-current borrowings	(4,876)	(4,705)
Payment of lease liabilities	(4,535)	(3,312)
Interest and finance charges paid	(3,665)	(2,627)
<b>Net cash used in financing activities (c)</b>	<b>(943)</b>	<b>(13,674)</b>
<b>D. Effect of foreign currency fluctuation arising out of consolidation (d)</b>	<b>(88)</b>	<b>29</b>



**iAi Imperial Auto Industries Limited**  
**Consolidated cash flow statement for the year ended 31 March 2025**  
**(All amounts in INR lakhs, unless stated otherwise)**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Net increase in cash and cash equivalents (a)+(b)+(c)+(d)</b>	5,554	5,400
Cash and cash equivalent at the beginning of the year	6,734	1,333
Loss on reinstatement of foreign currency cash and cash equivalents	(100)	1
<b>Cash and cash equivalent at the end of the year</b>	<b>12,188</b>	<b>6,734</b>

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Cash and cash equivalent (refer note 4.9)</b>		
On current accounts	12,018	5,448
Cash on hand	83	63
Other deposits	87	1,223
<b>Cash and cash equivalent at the end of the year</b>	<b>12,188</b>	<b>6,734</b>

The accompanying notes are an integral part of the consolidated financial statements.

This is the consolidated cash flow statement referred to in our report of even date.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's registration number: 001076N/N500013

For and on behalf of the Board of Directors of  
**Imperial Auto Industries Limited**




**Rahul Kool**  
Partner

Membership No.: 425393  
Place: Gurugram  
Date: 20 August 2025



**Tarun Lamba**  
Managing Director

DIN:01895353  
Place: Faridabad  
Date: 20 August 2025



**Vikram Arvind Wagh**  
Whole Time Director &  
CEO

DIN:00010979  
Place: Faridabad  
Date: 20 August 2025



**Dilip Tuli**  
Chief Financial Officer  
PAN: ADIPT4267D  
Place: Faridabad  
Date: 20 August 2025



**Vikram Mehra**  
Company Secretary  
ACS-12336  
Place: Faridabad  
Date: 20 August 2025

iAI Imperial Auto Industries Limited  
Consolidated Statement of changes in equity for the year ended 31 March 2025  
(All amounts in INR lakhs, unless stated otherwise)

A. Equity share capital

Particulars	Notes	Amount
As at 01 April 2023		14,335
Changes in equity share capital	4.10	-
As at 31 March 2024		14,335
Changes in equity share capital	4.10	-
As at 31 March 2025		14,335

B. Other Equity

Particulars	Reserves and Surplus					Other comprehensive income			Total
	Capital reserve	General reserve	Retained earnings	Amalgamation adjustment account	Securities premium	Foreign currency translation reserve	Revaluation reserve		
Balance as at 01 April 2023	489	2,223	82,128	(1,179)	6,936	290	14,080		1,05,285
Profit for the year	-	-	26,159	-	-	-	-	-	26,159
Gain on bargain purchase	6	-	-	-	-	-	-	6	6
Other comprehensive income pertaining to associates*	-	-	0	-	-	-	-	-	0
Foreign currency translation reserve	-	-	-	-	-	29	-	-	29
Transfer to revaluation reserve (net of tax)	-	-	-	-	-	-	2,290	-	2,290
Remeasurement of defined benefit obligations (net of tax)	-	-	8	-	-	-	-	-	8
Total comprehensive income	495	2,223	1,08,296	(1,179)	6,936	319	16,370		1,33,777
Balance as at 31 March 2024	495	2,223	1,08,296	(1,179)	6,936	319	16,370		1,33,777
Profit for the year	-	-	21,362	-	-	-	-	-	21,362
Gain on bargain purchase	3,882	-	-	-	-	-	-	-	3,882
Other comprehensive income pertaining to associates	-	-	(7)	-	-	-	-	-	(7)
Foreign currency translation reserve	-	-	-	-	-	(68)	-	-	(68)
Transfer to revaluation reserve (net of tax)	-	-	-	-	-	-	2,240	-	2,240
Remeasurement of defined benefit obligations (net of tax)	-	-	(84)	-	-	-	-	-	(84)
Total comprehensive income	4,377	2,223	1,29,567	(1,179)	6,936	231	18,610		1,61,082
Net balance as at 31 March 2025	4,377	2,223	1,29,567	(1,179)	6,936	231	18,610		1,61,082

\*Rounded off to zero

The accompanying notes are an integral part of the consolidated financial statements.

This is the consolidated statement of changes in equity referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's registration number: 001076/N/NS000013

*Rahul Kool*

Rahul Kool

Partner

Membership No.: 425393

Place: Gurugram

Date: 20 August 2025



For and on behalf of the Board of Directors of  
Imperial Auto Industries Limited

*Tarun Lamba*  
Tarun Lamba  
Managing Director

DIN:01895353  
Place: Faridabad  
Date: 20 August 2025

*Vikram Arvind Wagh*  
Vikram Arvind Wagh  
Whole Time Director & CEO

DIN:00010979  
Place: Faridabad  
Date: 20 August 2025

*Dilip Tuli*  
Dilip Tuli  
Chief Financial Officer

PAN: ADIPT4267D  
Place: Faridabad  
Date: 20 August 2025

*Vikram Mehra*  
Vikram Mehra  
Company Secretary

ACS-12336  
Place: Faridabad  
Date: 20 August 2025

**A NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**1 Group Corporate information**

The Imperial Auto Industries Group consists of Imperial Auto Industries Limited (the 'Holding Company'), its subsidiaries (together referred to as the 'Group') and its associates.

Established in 1975, the Group its associates is engaged in manufacturing of fluid and gas transmission products for the automobile and off highway sector like defence, railways, agriculture, and earth moving machineries. Its product range includes pipes and hoses of various type for different applications including:

1. Rubber hoses and assemblies includes radiator and heater hoses, fuel & vacuum hoses, silicon hoses, co-extruded hoses, and branch hoses.
2. Metal tube assemblies includes fuel injection tubes, common rail direct fuel injection (CRDI) tubes, hydraulic tubes, and exhaust gas recirculation (EGR)
3. Flexible hose assemblies include high pressure hydraulic hose, power steering hose, polytetrafluoroethylene (PTFE) hose, break hose and nylon tube.
4. Leak offline and feed pipe.

**2 Recent accounting pronouncements which are not yet effective**

**Introduction of Ind AS 117**

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the Company's consolidated financial statements.

**Indian Accounting Standards (Ind AS) and interpretations effective during the year**

**Amendments to Ind AS 116 - Lease liability in a sale and leaseback**

The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on right of use asset it retains.

The above-mentioned amendments do not have a material impact on the financial statements.

**3 BASIS OF CONSOLIDATION AND MATERIAL ACCOUNTING POLICY INFORMATION**

**3.1 Statement of Compliance**

The consolidated financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The consolidated financial statements are presented in Indian Rupee ('INR'), which is also the functional currency of the Group and its associates.

The consolidated financial statements for the year ended 31 March 2025 were authorised and approved for issue by the Board of Directors on 20 August 2025

**3.2 Basis of preparation and presentation of consolidated financial statements**

The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and its associates takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on above basis except measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

The principal accounting policies are set out below:

**3.3 Basis of consolidation**

**Subsidiary**

Subsidiary is the entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary company are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

**Equity accounted investees**

Investment in associates (entity over which the Group exercises significant influence, which is neither a subsidiary nor associate) are accounted for using the equity method as per Ind AS 28 (Investment in Associates and associates) in Consolidated Financial Statements. The Consolidated Financial Statement include the share of loss of associate companies, which are accounted under the 'Equity method' as per which the share of loss of the associate company has been adjusted to the carrying amount of investment. Further, for the purpose of consolidation, the proportionate share of loss of associates companies to the extent of investment in equity share has been considered.

**Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as Holding Company's financial statements.



**3.4 Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard. Purchase consideration in excess of the Holding Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Holding Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the Capital Reserve.

Common control: A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised through shareholders' equity.

**3.5 Investments in associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit and loss of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses.

Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Groups investment in a associate

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 Impairment of Assets to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 Financial Instruments. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to consolidated statement of profit and loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to consolidated statement of profit and loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in a associate but the Group continues to use the equity method, the Group reclassifies to consolidated statement of profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to consolidated statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with a associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

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**IAI IMPERIAL AUTO INDUSTRIES LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**3.6 Inventories**

Inventories are valued at the lower of cost and estimated net realizable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

In case of raw materials, stores and spares and traded goods, cost (net of tax credits wherever applicable) is determined on a First In First Out basis, and, in case of work in progress and finished goods, cost is determined on weighted average basis.

**3.7 Taxation**

Income tax expense recognised in Consolidated Statement of Profit and Loss comprised the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

**Current Tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the with the applicable income tax laws of the country in which the respective entities in the group are incorporated. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and Deferred tax for the year**

Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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**3.8 Property, plant and equipment ('PPE')**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of tax credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalized. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Assets held under leases are depreciated over their expected lease term on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful life considered for the assets are as under.

Category of assets	Number of years
Building	3 - 60
Plant and equipment	5 - 15
Dies & tools	8
Furniture and fixtures	10
Vehicles	8 - 10
Computers and softwares	3
Office equipment	5

Leasehold land thereon are amortized over the primary period of lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

**3.9 Intangible assets**

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The intangible assets are amortized over their respective individual estimated useful lives on a written down value basis, commencing from the date the asset is available to the group for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

**Derecognition of intangible assets**

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

The useful life considered for the intangible assets are as under:

Category of Assets	No. of Years
Computer Software	3-6

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**3.10 Revenue recognition**

In accordance with Ind AS 115, the Group recognises the amount as revenue from contracts with customers, which is received for the transfer of promised goods to customers in exchange for those goods. The relevant point in time or period of time is the transfer of control of the goods (control approach). The Group recognises revenue at point in time. Revenue is reduced for customer returns, taxes on sales, estimated rebates and other similar allowances. To determine when to recognise revenue and at what amount, the five-step model is applied. By applying the five-step model distinct performance obligations are identified. The transaction price is determined and allocated to the performance obligations according to the requirements of Ind AS 115. Performance obligations are deemed to have been met when the control of goods is transferred to the customer, i.e., generally when the goods have been delivered to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts. Revenue is disclosed exclusive of goods and services tax. Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

A receivable is recognised where the Company's right to consideration is unconditional. When either party to a contract has performed, an entity shall present the contract in the balance sheet as contract asset or contract liability, depending on the relationship between the entity's performance and the customer's payment.

**3.11 Other income**

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**3.12 Employee benefits**

Employee benefits include wages and salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

**Defined Contribution Plans**

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**Defined Benefit Plans**

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Consolidated Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. re-measurement

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Holding Company and its Indian subsidiaries' defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**Other current and non-current employee benefits**

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

**3.13 Export incentives**

Export incentives earned in the year of exports are netted off from cost of raw material imported.

**3.14 Foreign currency transactions and translations**

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in which they arise.

According to Appendix B of Ind AS 21 "Foreign currency transactions and advance consideration", purchase or sale transactions must be translated at the exchange rate prevailing on the date the asset or liability is initially recognized. In practice, this is usually the date on which the advance payment is paid or received. In the case of multiple advances, the exchange rate must be determined for each payment and collection transaction.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation) are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation, if any, are recognised in other comprehensive income and accumulated in equity.



**3.15 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.  
All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred. Other finance costs includes interest on other contractual obligations.

**3.16 Leases**

**The Group as a lessee**

The Group's lease asset classes primarily consist of leases for Building and Land. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset, (2) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a Right of use (ROU) asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. For short-term leases and low value leases, the Group recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight -line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Holding Company & subsidiary entities uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Group changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Consolidated Balance sheet and the payment of principal portion of lease liabilities has been classified as financing cash flows.

**3.17 Earnings per share**

**Basic earnings per share** is computed by dividing the consolidated profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

**Diluted earnings per share** is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**3.18 Impairment of property, plant and equipment and intangible assets**

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



### 3.19 Provisions and contingencies

A provision is recognized when the Group has a present obligation (legal / constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Group and its associates or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the expected cost of sales related obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

### 3.20 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Consolidated Statement of Profit and Loss.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3.21 Financial assets

#### Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value.

#### Subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for equity instruments which are not held for trading.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset



**3.22 Financial liabilities**

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are measured at amortised cost using the effective interest method.

**De-recognition of financial liabilities**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

**3.23 Impairment of financial assets**

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets. In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost. ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables**

The Group applies approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised upon initial recognition of receivables. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The Group uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables. Life time expected credit losses are assessed and accounted based on company's historical collection experience for customers and forecast of macroeconomic factors.

**Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

**3.24 Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above, net of outstanding cash credits as they are considered an integral part of the Group's cash management. The cash flow statement is prepared using indirect method.

**3.25 Rounding off amounts**

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III of the Act unless otherwise stated.

**3.26 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of consolidated financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may affect the application of accounting policies, reported amounts and related disclosures.

These judgments and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the consolidated financial statements, and income and expense items for the period under review. Actual results may differ from these judgements and estimates.

All assumptions, expectations and forecasts that are used as a basis for judgments and estimates in the consolidated financial statements represent as accurately an outlook as possible for the Group. These judgements and estimates only represent the interpretation of the Group as of the dates on which they were prepared.

Important judgments and estimates relate largely to provisions, measurement of defined benefit obligations, property, plant and equipment and intangible assets (lives, residual values, value in use and impairment), carrying values of inventories, deferred tax assets and liabilities and cash flow projections and liquidity assessment



**3.26.1 Estimation of defined benefit obligation**

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

**3.26.2 Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**3.26.3 Useful lives of depreciable/amortisable assets**

Management reviews the estimated useful lives and residual value of property, plant and equipment and intangibles at the end of each reporting period. Factors such as changes in the expected level of usage could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

**3.26.4 Impairment of financial and non-financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

**3.26.5 Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractual and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events

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IAI Imperial Auto Industries Limited  
Notes to the consolidated financial statements for the year ended 31 March 2025  
(All amounts in INR lakhs, unless stated otherwise)

4.1 - Property, plant and equipment

Particulars	Land	Buildings	Plant and equipment	Dies & tools	Furniture & fixtures	Vehicles	Office equipment	Computers	Total
	Owned	Owned	Owned	Owned	Owned	Owned	Owned	Owned	
<b>Gross block</b>									
As at 31 March 2023	22,622	12,927	41,817	10,275	1,606	1,357	535	1,853	92,992
Additions	-	2,185	11,755	2,417	270	265	138	402	17,432
Revaluation increase	378	-	-	-	-	-	-	-	378
Deletions	-	-	(847)	(15)	-	(64)	-	(5)	(931)
Currency transition difference	10	22	3	-	-	-	-	-	35
As at 31 March 2024	23,010	15,134	52,728	12,677	1,876	1,558	673	2,250	1,09,906
Additions	-	5,661	14,541	3,924	668	304	107	641	25,946
Revaluation increase	1,972	-	-	-	-	-	-	-	1,972
Additions on account of business acquisition	-	-	3,500	-	-	-	-	-	3,500
Deletions	-	-	(331)	(39)	-	(116)	-	(2)	(488)
Currency transition difference	19	41	62	-	5	-	-	-	127
As at 31 March 2025	25,001	20,836	70,600	16,562	2,549	1,746	780	2,889	1,40,963
<b>Accumulated depreciation</b>									
As at 31 March 2023	-	4,515	25,979	8,174	918	696	394	1,482	42,158
For the year	-	700	3,668	1,505	228	236	124	331	6,792
Currency transition difference	-	-	3	-	-	-	-	-	3
Deletions	-	-	(16)	-	-	(58)	-	(2)	(76)
As at 31 March 2024	-	5,215	29,634	9,679	1,146	874	518	1,811	48,877
For the year	-	1,241	6,182	2,490	265	220	93	366	10,867
Currency transition difference	-	3	10	-	1	-	-	-	14
Deletions*	-	-	(43)	(13)	-	(79)	-	(0)	(135)
As at 31 March 2025	-	6,459	35,783	12,156	1,402	1,015	611	2,197	59,623
Net block as at 31 March 2024	23,010	9,919	23,094	2,998	730	684	155	439	61,029
Net block as at 31 March 2025	25,001	14,377	34,817	4,406	1,147	731	169	692	81,340

\* Rounded off to zero

**Note :**

- Carrying amount of property, plant and equipment are pledged as security for liabilities (refer note 4.12(a) and 4.12(b) ).
- Refer Note 4.31(B) for details of Capital Commitments
- Fair value of the land was determined by using the market comparable method. This means that valuation performed by the valuer is based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific land. As at the date of revaluation of 31 March 2025, the land is measured at fair value which has been determined basis report from a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017

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iA) Imperial Auto Industries Limited  
Notes to the consolidated financial statements for the year ended 31 March 2025  
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If land was measured using the cost model. The carrying amounts would be as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Cost	6,764	6,764
Accumulated depreciation	(137)	(128)
<b>Net carrying amount</b>	<b>6,627</b>	<b>6,636</b>

4.1 (a) - Right of Use Assets

Particulars	Land	Building	Total
<b>Gross block</b>			
As at 31 March 2023	3,295	12,816	16,111
Additions	156	15,875	16,031
Revaluation increase	147	-	147
Deletions	-	-	-
As at 31 March 2024	3,598	28,691	32,289
Additions	-	7,436	7,436
Currency transition difference	-	37	37
Revaluation increase	398	-	398
Deletions	-	(2,226)	(2,226)
As at 31 March 2025	3,996	33,938	37,934
<b>Accumulated depreciation</b>			
As at 1 April 2023	103	6,755	6,858
For the year	41	2,996	3,037
Deletions	-	-	-
As at 31 March 2024	144	9,751	9,895
For the year	54	4,039	4,093
Currency transition difference	-	8	8
Deletions	-	(1,912)	(1,912)
As at 31 March 2025	198	11,886	12,084
<b>Net block as at 31 March 2024</b>	<b>3,454</b>	<b>18,940</b>	<b>22,394</b>
<b>Net block as at 31 March 2025</b>	<b>3,798</b>	<b>22,052</b>	<b>25,850</b>

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IAI Imperial Auto Industries Limited  
Notes to the consolidated financial statements for the year ended 31 March 2025  
(All amounts in INR lakhs, unless stated otherwise)

4.1 (b) - Capital work-in-progress

Particulars	As at 31 March 2025	As at 31 March 2024
Capital work-in-progress (refer note)	162	3,025

Note :

(i) The capital work-in-progress includes:-

- Plant & Machinery	140	1,130
- Building Under Construction	22	1,895
	162	3,025

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	3,025	1,214
Additions during the year	48	3,342
Capitalised during the year	(2,911)	(1,531)
Deletions during the year	-	-
Balance as at the end of the year	162	3,025

(ii) Capital work-in-progress ageing schedule as at 31 March 2025 and 31 March 2024:

Particulars	Amount in capital work-in-progress for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
As at 31 March 2025	162	-	-	162
As at 31 March 2024	2,581	444	-	3,025

(iii) There are no such projects under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2025 and 31 March 2024.

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IAI Imperial Auto Industries Limited  
Notes to the consolidated financial statements for the year ended 31 March 2025  
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4.2 - Intangible assets

Particulars	Computer software	Know how	Total
<b>Gross block</b>			
As at 1 April 2023	880	-	880
Additions	75	-	75
Deletions	-	-	-
As at 31 March 2024	955	-	955
Additions	16	213	229
Deletions	-	-	-
As at 31 March 2025	971	213	1,184
<b>Accumulated depreciation</b>			
As at 1 April 2023	447	-	447
For the year	281	-	281
Deletions	-	-	-
As at 31 March 2024	728	-	728
For the year	91	30	121
Deletions	-	-	-
As at 31 March 2025	819	30	849
<b>Net block as at 31 March 2024</b>	<b>227</b>	<b>-</b>	<b>227</b>
<b>Net block as at 31 March 2025</b>	<b>152</b>	<b>183</b>	<b>335</b>

4.2 (b) - Intangible assets under development

Particulars	Computer software	Total
<b>Gross block</b>		
As at 1 April 2023	-	-
Additions	385	385
Capitalised during the year	-	-
As at 31 March 2024	385	385
Additions	699	-
Capitalised during the year	-	-
As at 31 March 2025	1,084	385
<b>As at 31 March 2024</b>	<b>385</b>	<b>385</b>
<b>As at 31 March 2025</b>	<b>1,084</b>	<b>1,084</b>

Intangibles under development ageing schedule as at 31 March 2025 and 31 March 2024:

Particulars	Amount in intangibles assets under development for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
As at 31 March 2025	699	385	-	1,084
As at 31 March 2024	385	-	-	385

Note:

(a) There are no such projects under intangibles under development, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2025 and 31 March 2024



**iAi Imperial Auto Industries Limited****Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**4.3 (a) - Investments**

Non-current investment

Particulars	As at 31 March 2025	As at 31 March 2024
Investment accounted for using the equity method In Associates (unquoted)**:		
i. Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited) 121,324 (31 March 2024: 121,324) equity shares with face value of Rs.1000 each - fully paid up	6,090	4,221
ii. Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited) 270,000 (31 March 2024: 270,000) equity shares with face value of Rs.10 each - fully paid up	2,746	2,895
iii. Nichirin Imperial Auto Parts India Pvt Ltd. 10,330,000 (31 March 2024: 10,330,000) equity shares with face value of Rs.10 each - fully paid up	1,710	862
	<b>10,546</b>	<b>7,978</b>

\*\* Refer note 4.44 and 4.45

**4.3 (b) - Investment - Others**

Non-current investment

Particulars	As at 31 March 2025	As at 31 March 2024
i. Investment in Equity shares of M/S Caparo Power Ltd. Caparo Power Ltd.* 3,000 (31 March 2024: 3,000) equity shares of Rs. 10 each (face value) - fully paid up	0	0
ii. Investment in Equity shares of Cooperatives	1	1
	<b>1</b>	<b>1</b>

\* Rounded off to zero

**4.4 - Loans**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>(Unsecured, considered good unless otherwise stated)</b>		
Loan to employees	239	-
	<b>239</b>	<b>-</b>

**4.5 (a) - Other financial asset**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>I. Non- current</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Bank deposits (with remaining maturity more than 12 months)*	849	163
Security deposit	2,160	1,813
Interest accrued on fixed deposits	12	12
	<b>3,021</b>	<b>1,988</b>
Less : Provision against deposits	(100)	-
	<b>2,921</b>	<b>1,988</b>

\* Margin money against bank guarantee

**4.5 (b) - Other financial asset**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>II. Current</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Security deposit	384	249
Unbilled revenue	1,206	773
Interest accrued on deposits	157	51
Advances to employees	285	345
	<b>2,032</b>	<b>1,418</b>



IAI Imperial Auto Industries Limited  
Notes to the consolidated financial statements for the year ended 31 March 2025  
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4.6 - Other assets

Particulars	As at 31 March 2025	As at 31 March 2024
<b>I. Other non-current assets (Unsecured, considered good unless otherwise stated)</b>		
Capital advance	2,072	3,338
Balance with statutory authorities	996	494
Amount paid under protest	700	704
Prepaid expenses	456	352
Others	61	-
	<b>4,285</b>	<b>4,888</b>
<b>II. Other current assets (Unsecured, considered good unless otherwise stated)</b>		
Advances to suppliers	1,861	1,262
Balance with statutory authorities	5,886	5,792
Prepaid expenses	1,818	1,041
Others	118	107
	<b>9,683</b>	<b>8,202</b>

4.7 - Inventories

(Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2025	As at 31 March 2024
Raw material#	42,446	39,955
Work in progress	10,162	5,032
Finished goods#	28,297	23,539
Tools and spares	69	20
	<b>80,974</b>	<b>68,546</b>

\* Includes packing material, consumables dies, instruments and jigs

# net of provision for obsolete inventory

The Group has recorded inventory write down (net) of INR `5,812 lakhs (March 31, 2024: INR `6,526 lakhs) on account of inventory obsolescence, ageing, provision etc. This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-progress, raw material and stock-in-trade in profit or loss, as the case may be.

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IAI Imperial Auto Industries Limited  
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4.8(b) - Trade receivables-current

Particulars	As at 31 March 2025	As at 31 March 2024
Secured, considered good	-	-
Unsecured, considered good	53,780	57,815
Receivable which have significant increase in credit risk	212	244
Receivable credit impaired	-	-
<b>Less: Allowance for expected credit loss</b>	-	-
Secured, considered good	-	(14)
Unsecured, considered good	-	(244)
Receivable which have significant increase in credit risk	(212)	(244)
	<b>53,780</b>	<b>57,801</b>

Particulars	As at 31 March 2025					Total
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>						
considered good	52,940	485	176	104	75	53,780
which have significant increase in credit risk	-	-	185	26	1	212
credit impaired	-	-	-	-	-	-
<b>Disputed trade receivables</b>						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Total trade receivables</b>	<b>52,940</b>	<b>485</b>	<b>361</b>	<b>130</b>	<b>76</b>	<b>53,992</b>
Less: Loss allowance	-	-	(185)	(26)	(1)	(212)
<b>Total</b>	<b>52,940</b>	<b>485</b>	<b>176</b>	<b>104</b>	<b>75</b>	<b>53,780</b>

Particulars	As at 31 March 2024					Total
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>						
considered good	56,729	1,008	23	45	10	57,815
which have significant increase in credit risk	-	-	193	49	2	244
credit impaired	-	-	-	-	-	-
<b>Disputed trade receivables</b>						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
<b>Total trade receivables</b>	<b>56,729</b>	<b>1,008</b>	<b>216</b>	<b>94</b>	<b>12</b>	<b>58,059</b>
Less: Loss allowance	-	(14)	(193)	(49)	(2)	(258)
<b>Total</b>	<b>56,729</b>	<b>994</b>	<b>23</b>	<b>45</b>	<b>10</b>	<b>57,801</b>



IAI Imperial Auto Industries Limited  
Notes to the consolidated financial statements for the year ended 31 March 2025  
(All amounts in INR lakhs, unless stated otherwise)

4.9(a) - Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Cash and cash equivalents</b>		
Balances with banks:		
-Current accounts	12,018	5,448
-Deposits with original maturity less than 3 months	87	1,223
Cash on hand	83	63
	<b>12,188</b>	<b>6,734</b>

4.9(b) - Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Deposits with remaining maturity less than 12 months	5,576	2,712
	<b>5,576</b>	<b>2,712</b>

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**iAi Imperial Auto Industries Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2025**  
(All amounts in INR lakhs, unless stated otherwise)

**4.10 - Equity share capital**

Particulars	As at	As at
	31 March 2025	31 March 2024
<u>Authorised</u>		
150,000,000 Nos. (31 March 2024 150,000,000 Nos.) equity shares of Rs.10 each	15,000	15,000
	<b>15,000</b>	<b>15,000</b>
<u>Issued, subscribed, and fully paid up</u>		
143,352,325 Nos. (31 March 2024 143,352,325 Nos.) equity shares of Rs. 10 each	14,335	14,335
	<b>14,335</b>	<b>14,335</b>

(I) Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year is as under:

Particulars	For the year ended		For the year ended	
	31 March 2025		31 March 2024	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
Opening balance	1,434	14,335	1,434	14,335
Issued during the year	-	-	-	-
<b>Closing balance</b>	<b>1,434</b>	<b>14,335</b>	<b>1,434</b>	<b>14,335</b>

The Holding Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of the equity shares will be entitled to receive the remaining assets of the Holding Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(II) Detail of shareholders holding more than 5% shares of a class of shares\*:

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	No. of shares	% holding	No. of shares	% holding
	<b>Equity shares of INR 10 each fully paid up held by</b>			
Mr.Tarun Lamba	409	29%	409	29%
Stone Plant Investments BV	1,003	70%	1,003	70%
	<b>1,412</b>	<b>99%</b>	<b>1,412</b>	<b>99%</b>

\*As per the records of the Holding Company including its register of member

\*\*Rounded off to zero

(III) Details of shares held by promoters in the Holding Company

Name of the shareholder	As at 31 March 2025		As at 31 March 2024		% change in shareholding
	No. of shares	% of holding	No. of shares	% of holding	
	Mr. Tarun Lamba	409	29%	409	
Stone Plant Investments BV	1,003	70%	1,003	70%	0%

(IV) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding 31 March 2025:

Particulars	For the year ended				
	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
	Equity shares allotted as fully paid up	-	-	-	714

(V) The Holding Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years

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**iAi Imperial Auto Industries Limited**  
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**4.11 - Other equity**

Particulars	As at 31 March 2025	As at 31 March 2024
<u>Capital reserve</u>		
Opening balance	495	489
Gain on bargain purchase	3,882	6
Closing Balance	4,377	495
<u>Capital redemption reserve</u>		
Opening balance / closing balance	317	317
<u>Share premium</u>		
Opening balance / closing balance	6,936	6,936
<u>Foreign currency translation reserve</u>		
Opening balance	319	290
Movement during the year	(88)	29
Closing balance	231	319
<u>General reserve</u>		
Opening balance / closing balance	2,223	2,223
<u>Amalgamation adjustment account</u>		
Opening balance / closing balance	(1,179)	(1,179)
<u>Retained earnings</u>		
Opening balance	1,08,296	82,129
Profit for the year	21,362	26,159
Other comprehensive income pertaining to associates*	(7)	0
Remeasurement of defined benefit liability/(asset) (net of tax)	(84)	8
Closing balance	1,29,567	1,08,296
<u>Revaluation reserve</u>		
Opening balance	16,370	14,080
Transfer to revaluation reserve	2,465	925
Tax impact	(225)	1,365
Closing balance	18,610	16,370
	<b>1,61,082</b>	<b>1,33,777</b>

\*Rounded off to zero

**Description of nature and purpose of each reserve**

**i General reserve**

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.

**ii Retained earnings**

Retained earnings are created from the profit of the Group, as adjusted for distribution to owners, transfer to other reserve, remeasurement of defined benefit plan, etc. This also includes transfer of revaluation reserve on sale of lands.

**iii Capital redemption reserve**

This reserve was created on forfeiture of shares by the Group. The reserve is not available for the distribution to the shareholders.

**iv Capital reserve**

This reserve was created on forfeiture of advance received on transaction of sale of land and on acquisition of subsidiary company through step acquisition. Further during the year, upon the acquisition of assets of Metallwerk Beibghauser GmbH the difference between the consideration paid and book value of net assets acquired has been recorded as capital reserve. The reserve is not available for the distribution to the shareholders.

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**iAi Imperial Auto Industries Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2025**  
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**v Revaluation reserve**

This reserve was created on revaluation of land to its fair value. The reserve is not available for the distribution to the shareholders.

**vi Foreign currency translation reserve**

Assets and liabilities of foreign subsidiary is translated into INR at the rate of exchange prevailing as at date of the balance sheet. Revenue and expenses are translated into INR at the average exchange rate prevailing during the period. The exchange difference arising at the year-end due to translation is debited or credited to currency translation reserve account.

**vii Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

**viii Amalgamation adjustment account**

Upon acquisition of S J Rubber Industries Limited the difference between the consideration paid and book value of net assets acquired has been recorded as amalgamation adjustment deficit account as debit balance in the reserves.

**4.12 - Borrowings**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Borrowings Non-current</b>		
<b>Secured</b>		
- Term loans*	18,200	9,965
- Other loans**	753	-
	<b>18,953</b>	<b>9,965</b>

\*For details regarding repayment terms, interest rate and nature of security on non current borrowings (Note 4.12 (a))

\*\* Others loan includes for loan taken for assets acquired on EMI by Imperial Auto Germany GmbH interest rate 4.60% to 6.06% (previous year Nil)

The money raised by way of term loans were applied for the purposes for which these were obtained.

Particulars	As at 31 March 2025	As at 31 March 2024
<b>II. Borrowings current</b>		
<b>From banks:</b>		
<b>Secured</b>		
- Working capital cash credits*	-	18
- Working capital demand loans*	8,429	3,300
- Packing credits*	-	7,700
<b>Unsecured</b>		
- Packing credits**	-	4,500
- Working capital demand loans***	6,000	-
- Bill discounting from banks #	-	2,902
- Other loans^	392	1
	14,821	18,421
Add: Current maturities of long-term borrowings	7,001	5,043
	<b>21,822</b>	<b>23,464</b>

\* For details regarding interest rate and nature of security on current borrowings (Note 4.12 (b))

\*\* Interest rate for packing credit is Nil. (31 March 2024 5.77-6.45% p.a.).

\*\*\* Interest rate for unsecured working demand loan is 7.77%-8.34% p.a. (31 March 2024 Nil).

# Interest rate for bill discounting from banks is Nil. (31 March 2024 7.09%-8.20% p.a.).

^ Other loan includes for loan taken from BMW interest rate Nil

Refer note 4.41 for summary of quarterly statements submitted to banks and its reconciliation with amounts as per books of accounts.

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IAI IMPERIAL AUTO INDUSTRIES LIMITED  
Notes to the consolidated financial statements for the year ended 31 March 2025  
(All amounts in INR lakhs, unless stated otherwise)

4.12 (a) Borrowings

Particulars	Amount outstanding as on 31st March 2025		Amount outstanding as on 31st March 2024		Rate of interest per annum		Terms of repayment	Details of security offered
	Non current borrowings	Current maturities of non current borrowings	Non current borrowings	Current maturities of non current borrowings	31-Mar-25	31-Mar-24		
<b>Term loan</b>								
Citi Bank - D03LCRR230860001	417	833	1,250	833	8.54%	8.71%	36 equal monthly instalments started from 27 Oct 2023	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X
Citi Bank - D03LNMX212580001	-	-	-	567	6.00%	6.00%	36 equal monthly instalments started from 15 Apr 2022	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X
Citi Bank - D03LNMX213070001	-	100	100	600	6.05%	6.05%	36 equal monthly instalments started from 02 June 2022	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X
Citi Bank - D03LCRR242130001	3,588	513	-	-	8.21%	-	16 equal quarterly instalments started from 31 Oct 2025	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X
Citi Bank - D03LCRR242470001	1,391	199	-	-	8.14%	-	16 equal quarterly instalments started from 03 Dec 2025	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X
Citi Bank - D03LCRR243020001	1,597	213	-	-	8.20%	-	17 equal quarterly instalments started from 31 Oct 2025	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X
Hongkong and Shanghai Banking Corporation - 051-233244-491	-	617	617	1,233	8.43%	9.29%	12 equally quarterly repayment started from 31 December 2022	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X and hypothecation on building of Plot No-39, Sec-68, IMT, Faridabad
Hongkong and Shanghai Banking Corporation - 093-233244-492	667	533	1,200	400	8.40%	8.73%	12 equally quarterly repayment started from 31 August 2024	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X and hypothecation on building of Plot No-8 & 8A, Sec-20B, Faridabad
Hongkong and Shanghai Banking Corporation - 093-233244-493	1,525	1,220	2,745	915	8.41%	8.71%	12 equally quarterly repayment started from 31 August 2024	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X and hypothecation on building of Plot No-8 & 8A, Sec-20B, Faridabad
Hongkong and Shanghai Banking Corporation - 093-233244-494	339	271	610	203	8.39%	8.59%	12 equally quarterly repayment started from 30 September 2024	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X and hypothecation on building of Plot No-8 & 8A, Sec-20B, Faridabad
Hongkong and Shanghai Banking Corporation - 093-233244-495	712	475	1,189	238	8.41%	8.61%	12 equally quarterly repayment started from 30 November 2024	Exclusive Charge has been created over plant and machinery financed out of the term loan with fixed asset coverage ratio-1.25X and hypothecation on building of Plot No-8 & 8A, Sec-20B, Faridabad
Centrier Bank	-	1,283	1,249	54	4.35%	4.35%	60 monthly instalments started from 12 December 2019 & residual amount of loan will pay as bullet payment in Dec25	The loan is collateralized by all corporate assets of the Subsidiary Company and is guaranteed and cross-collateralized by the assets of WA.
Centrier Bank	1,652	43	1,006	-	7.50%	7.50%	Bullet payment in Aug29	The loan is collateralized by all corporate land & building of the Subsidiary Company and is guaranteed by WA.
HSEC	6,312	701	-	-	EURIBOR + 2.10% pa	-	20 quarterly instalments started from 13Oct 2025	Exclusive charge over plant and machinery funded through term loan & corporate guarantee from Imperial Auto Industries Limited
<b>Total</b>	<b>18,200</b>	<b>7,001</b>	<b>9,966</b>	<b>5,043</b>				



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(All amounts in INR lakhs, unless stated otherwise)

**4.12 (b) Borrowings**

Particulars	Amount outstanding as on 31 March 2025	Amount outstanding as on 31 March 2024	Rate of interest per annum	Details of security offered
<b>Working Capital Demand Loans</b>				
HDFC Bank Limited	-	2,400	(31 March 2024 7.74-8.22%)	First pari pasu charge on present and future stock and book debts First pari-passu charge on fixed assets other than exclusively charged from term loans
Citi Bank	2,300	800	7.77%-8.34% (31 March 2024 7.95-8.83%)	First pari pasu charge on present and future stock and book debts First pari-passu charge on fixed assets other than exclusively charged from term loans. First pari-passu charge by way of EQM of land and building as mentioned below. i. Plot No- 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad.
HSBC	4,002	-	7.90-8.47% (previous year nil)	First pari pasu charge on present and future stock and book debts First pari-passu charge on fixed assets other than exclusively charged from term loans. First pari-passu charge by way of EQM of land and building as mentioned below. i. Plot No- 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad.
BOB	2,000	-	8.6% (previous year nil)	First pari pasu charge on present and future stock and book debts First pari-passu charge on fixed assets other than exclusively charged from term loans. First pari-passu charge by way of EQM of land and building as mentioned below. i. Plot No- 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad.
<b>Total</b>	<b>8,302</b>	<b>3,200</b>		

Particulars	Amount outstanding as on 31 March 2025	Amount outstanding as on 31 March 2024	Rate of interest per annum	Details of security offered
<b>Working Capital Cash Credit</b>				
Bank of Baroda	-	18	(31 March 2024 8.40%-9.15%)	First pari pasu charge on present and future stock and book debts First pari-passu charge on fixed assets other than exclusively charged from term loans. First pari-passu charge by way of EQM of land and building as mentioned below. i. Plot No- 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad.
Citi Bank -Mortor	127	100	11.50% (previous year 11.50%)	First pari pasu charge on present and future stock and book debts First pari-passu charge present and future on fixed assets
<b>Total</b>	<b>127</b>	<b>118</b>		

Particulars	Amount outstanding as on 31 March 2025	Amount outstanding as on 31 March 2024	Rate of interest per annum	Details of security offered
<b>Packing credits</b>				
Citi Bank	-	3,000	(31 March 2024 5.77-6.14%)	First pari pasu charge on present and future stock and book debts First pari-passu charge on fixed assets other than exclusively charged from term loans. First pari-passu charge by way of EQM of land and building as mentioned below. i. Plot No- 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad.
Hongkong and Shanghai Banking Corporation	-	4,700	(31 March 2024 5.29-6.39%)	First pari pasu charge on present and future stock and book debts First pari-passu charge on fixed assets other than exclusively charged from term loans. First pari-passu charge by way of EQM of land and building as mentioned below. i. Plot No- 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad.
<b>Total</b>	<b>-</b>	<b>7,700</b>		



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(All amounts in INR lakhs, unless stated otherwise)

**4.13 - Other financial liabilities**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>I. Non-current</b>		
Security deposit	23	22
	<b>23</b>	<b>22</b>
<b>II. Current</b>		
Interest accrued but not due on borrowings	382	113
Interest payable to micro, small and medium Enterprises (refer note 4.16)	1	1
Capital creditors	1,038	481
Others*	2,281	2,225
	<b>3,702</b>	<b>2,820</b>

\* Payable to bank on account of advance receipt from customer against customer financing

**4.14 - Provisions**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>I. Provisions- Non Current</b>		
Provision for Employee Benefit		
Compensated absence (refer note 4.40)	545	393
Gratuity (refer note 4.40)	507	324
Others		
Provision for sales related obligations (refer note 4.39)	565	355
	<b>1,617</b>	<b>1,072</b>

Particulars	As at 31 March 2025	As at 31 March 2024
<b>II. Provisions - Current</b>		
Provision for Employee Benefit		
Compensated absence (refer note 4.40)	103	135
Gratuity (refer note 4.40)	33	23
Others		
Provision for sales related obligations (refer note 4.39)	22	22
Provision for income tax (net of advance tax)	-	93
	<b>158</b>	<b>273</b>

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4.15 - Deferred tax liabilities (net)

i. Reconciliation between average effective tax rate and applicable tax rate

Particulars	2024-25		2023-24	
	Rs.	Rate (%)	Rs.	Rate (%)
Profit before tax	29,469	25.17%	34,486	25.17%
Income tax using the Group's domestic tax rate	7,416	25.17%	8,674	25.17%
Tax effect of:				
Tax not created on subsidiaries loss	912	12.90%	-	0.00%
Tax effect of non deductible expenses	121	0.41%	106	0.31%
Tax effect of business acquisition	365	1.31%	-	0.00%
Tax relating to earlier years	32	0.11%	12	0.03%
Tax on share of profit of equity accounted Investors	(863)	0.00%	(616)	-1.79%
Other adjustments	424	0.00%	131	0.36%
Income tax expenses recognised in the statement of profit and loss	8,107	0.00%	8,307	24.10%

ii. Components of deferred tax liability (net)

Particulars	As on 31 March 2025			As on 31 March 2024				
	Opening Balance	Recognised in other comprehensive income	Transferred to deferred tax assets	Closing Balance	Recognised in statement of Profit and Loss	Recognised in other comprehensive income	Transferred to deferred tax assets	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>	462	(107)	-	355	4,211	(1,865)	(2,384)	462
Revaluation reserve (refer note (a) below)	-	-	-	-	-	-	-	-
Recognised on fair value of assets acquired in business combination	-	616	-	616	-	(1,865)	(2,384)	462
<b>Gross deferred tax liabilities (a)</b>	462	(107)	-	355	4,211	(1,865)	(2,384)	462
<b>Tax effect of items constituting deferred tax assets</b>	47	1	(6)	46	134	(2)	(17)	47
Employee benefits	-	-	-	-	-	-	-	-
Provision for after sales related obligations	15	-	(34)	28	57	-	(64)	15
Ind AS 118 impact	8	47	-	408	124	-	(957)	8
Provision for Doubtful Debts	(274)	-	41	(97)	32	-	(58)	(274)
Property, plant and equipment	63	-	-	33	223	-	(1,495)	63
Provision for inventory	21	-	-	65	21	-	(840)	21
Others	19	-	(19)	-	-	-	19	19
Mat credit	(101)	215	(20)	95	1,865	(2)	(2,792)	(101)
<b>Gross deferred tax assets (b)</b>	563	(108)	20	876	2,346	(1,363)	(408)	563
<b>Net deferred tax liability (a - b)</b>	-	-	-	-	-	-	-	-

iii. Components of deferred tax asset (net)

Particulars	As on 31 March 2025			As on 31 March 2024				
	Opening Balance	Recognised in other comprehensive income	Transferred from deferred tax liability	Closing Balance	Recognised in statement of Profit and Loss	Recognised in other comprehensive income	Transferred from deferred tax liability	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>	2,384	332	-	2,716	-	-	2,384	2,384
Revaluation reserve	2,384	332	-	2,716	-	-	2,384	2,384
<b>Gross deferred tax liabilities (a)</b>	2,384	332	-	2,716	-	-	2,384	2,384
<b>Tax effect of items constituting deferred tax assets</b>	1,298	-	(41)	1,700	(123)	(14)	1,435	1,288
Provision for doubtful debts / advances	91	-	-	112	33	-	58	91
Employee benefits	123	27	8	164	9	(3)	117	123
Ind AS 118 impact	279	-	34	421	279	-	267	279
Net operating loss	62	-	-	62	34	-	-	62
Provision for inventory	840	-	-	979	-	-	840	840
Provision for after sales related Others	94	-	-	91	1	-	94	94
Others	1	-	-	1	-	-	-	1
MAT Credit	6	-	19	27	76	-	(19)	8
Stock reserve	44	-	45	32	12	-	-	44
<b>Gross deferred tax assets (b)</b>	2,840	27	20	3,602	71	26	2,792	2,840
<b>Net deferred tax asset</b>	456	(305)	20	866	71	26	(49)	456

Note (a)  
During the previous year the tax impact on revaluation reserves recognised in other comprehensive income includes -  
a) impact on account of change in long term capital gain tax rate (1,496)  
b) tax impact on revaluation reserves for current year 131  
Total (1,365)



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**4.16 - Trade payables**

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises (refer note below)	7,928	7,518
Total outstanding dues of other than micro enterprises and small enterprises#	35,009	32,511
	<b>42,937</b>	<b>40,029</b>

# Includes due to related parties (refer note no 4.42)

**Note - The Micro, Small and Medium Enterprises**

Particulars	As at 31 March 2025	As at 31 March 2024
(a) The amounts remaining unpaid to micro and small suppliers as at the end of the year : Principal Interest due thereon*	7,928 1	7,518 1
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), along with amounts of the payment made to supplier beyond the appointed date during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year*	1	1
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

\* Rounded off to zero



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Trade payables ageing schedule as at 31 March 2025 and 31 March 2024:

Particulars	As at 31 March 2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>					
outstanding due to micro enterprises and small enterprises*	7,928	0	-	-	7,928
others	34,862	20	64	63	35,009
<b>Disputed trade payables</b>					
outstanding due to micro enterprises and small enterprises	-	-	-	-	-
others	-	-	-	-	-
<b>Total</b>	<b>42,790</b>	<b>20</b>	<b>64</b>	<b>63</b>	<b>42,937</b>

  

Particulars	As at 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables</b>					
outstanding due to micro enterprises and small enterprises*	7,518	0	0	-	7,518
others	32,189	133	109	80	32,511
<b>Disputed trade payables</b>					
outstanding due to micro enterprises and small enterprises	-	-	-	-	-
others	-	-	-	-	-
<b>Total</b>	<b>39,707</b>	<b>133</b>	<b>109</b>	<b>80</b>	<b>40,029</b>

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

**4.17-Other liabilities**

Particulars	As at 31 March 2025	As at 31 March 2024
Other current liabilities		
Statutory liabilities	1,894	1,057
Advances from customers	37	47
Deferred revenue	380	290
Other liabilities	84	84
	<b>2,395</b>	<b>1,478</b>

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**iAi Imperial Auto Industries Limited****Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**4.18- Sales of services**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Job work #	1,675	1,955
	<b>1,675</b>	<b>1,955</b>

# Includes sales to related parties (refer note 4.42)

**4.19- Other operating revenue**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Export incentives	1,946	2,068
Scrap sales	1,026	1,067
Tooling and development charges	1,955	2,266
Others	542	347
	<b>5,469</b>	<b>5,748</b>

**4.20- Other income**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income	279	298
Dividend income ^	0	0
Profit on foreign currency transactions and translations (net)	880	1,656
Gain on lease modifications	513	194
Profit on sale of property, plant and equipment	37	21
Miscellaneous	757	349
	<b>2,466</b>	<b>2,518</b>

^Rounded off to zero

**4.21- Cost of material consumed**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Raw material consumed*</b>		
Opening stock	39,955	35,128
Add: Purchases	2,28,105	2,15,116
Add: Inventory acquired in business combination	5,822	-
Less: Closing stock	(42,446)	(39,955)
	<b>2,31,436</b>	<b>2,10,289</b>

\* Includes packing material, consumables dies, instruments and zigs

**4.22- Purchase of stock in trade**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Purchases of traded products	28	1,141
	<b>28</b>	<b>1,141</b>

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**4.23 - Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Opening stock</b>		
Finished goods*	23,539	19,477
Work-in-progress	5,032	5,921
<b>Total - (A)</b>	<b>28,571</b>	<b>25,398</b>
<b>Less: closing stock</b>		
Finished goods*	28,297	23,539
Work-in-progress	10,162	5,032
<b>Total - (B)</b>	<b>38,459</b>	<b>28,571</b>
<b>Net - (A-B)</b>	<b>(9,888)</b>	<b>(3,173)</b>

\* Includes traded goods

**4.24- Employee benefits expense**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages	26,978	15,699
Contribution to provident and other funds	2,340	530
Staff welfare	2,651	2,131
	<b>31,969</b>	<b>18,360</b>

**4.25- Finance costs**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on borrowings	3,600	2,360
Interest on lease liabilities (refer note 4.34)	1,933	1,139
Other borrowing costs	334	279
	<b>5,867</b>	<b>3,778</b>

**4.26- Other expenses**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Contractual manpower and labour charges	43,462	40,062
Power and fuel	7,957	7,945
Repair & maintenance		
-Plant & machineries	4,266	3,493
-Buildings	1,089	859
-Others	2,401	1,503
Rent (refer note 4.34)	1,302	368
Travelling and conveyance expenses	1,901	1,388
Postage, telephone and stationery	612	675
Freight and forwarding expenses	10,108	8,708
Legal and professional charges	2,661	1,703
Testing and inspection charges	1,896	1,229
Sales commission	3,181	3,199
Business promotion and advertisement expenses	392	342
Auditor's remuneration	89	82
Insurance charges	658	422
Rates & taxes	1,753	1,443
Corporate social responsibility expenses	481	409
Loss on sale of property, plant & equipment	-	2
Allowance for expected credit loss	-	135
Directors sitting fees	31	26
Segregation and demurrage charges	629	-
Miscellaneous	1,452	794
	<b>86,321</b>	<b>74,787</b>



**iAi Imperial Auto Industries Limited**  
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(All amounts in INR lakhs, unless stated otherwise)

**4.27- Exceptional Items**

<b>Particulars</b>	<b>For the year ended 31 March 2025</b>	<b>For the year ended 31 March 2024</b>
Software implementation services ^	(898)	(457)
	<b>(898)</b>	<b>(457)</b>

^ Belongs to amount incurred on the services taken for implementation of ERP software (SAP) during the year, as of 31 March 2025, the implementation is under progress. Subsequent to the year end the holding Company has implemented the SAP ERP software.

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**iAi Imperial Auto Industries Limited****Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**4.28 - Fair value measurements****A) Financial assets and liabilities**

The accounting classification of each category of financial instruments and their carrying amounts are set out below:-

Particulars	Amortized Cost	
	As at 31 March 2025	As at 31 March 2024
<b>Financial assets</b>		
(i) Investments	1	1
(ii) Trade receivables	53,796	57,817
(iii) Cash and cash equivalents	12,188	6,734
(iv) Bank balances other than cash and cash equivalents	5,576	2,712
(v) Loans	239	-
(vi) Other financial assets	4,953	3,405
<b>Total</b>	<b>76,753</b>	<b>70,669</b>
<b>Financial liabilities</b>		
(i) Borrowings	40,775	33,429
(ii) Lease liabilities	24,172	20,176
(iii) Trade payables	42,937	40,029
(iv) Other financial liabilities	3,725	2,842
<b>Total</b>	<b>1,11,609</b>	<b>96,476</b>

**B) Fair value hierarchy**

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**Fair value of financial assets and liabilities measured at amortized cost**

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

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**iAi Imperial Auto Industries Limited****Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**4.29 - Financial risk management (Cont'd)****Risk management****(A) Credit risk**

Credit risk refers to the risk of default on its obligation by the customer/counter party resulting in a financial loss. The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised below:

**Cash and cash equivalents and bank balances**

Credit risk relating to cash and cash equivalents is considered negligible as counterparties are banks. The management considers the credit quality of deposits with such banks to be good and reviews the banking relationships on an on-going basis.

**Trade receivables**

Trade receivables are unsecured in nature and are derived from revenue earned from customers. To mitigate the credit risk related to trade receivables, the Company closely monitors the credit worthiness of the trade receivables through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due. Top five customers for the year ended 31 March 2025 constitutes 61% of net trade receivables (31 March 2024: 46%).

**Loans and other financial assets measured at amortised cost**

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously

**Expected credit loss for trade receivables under simplified approach**

The Company recognises lifetime expected credit losses on trade receivables using a simplified approach. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance of trade receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, historical experience for customers etc. However, the allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2025, and for the year ended 31 March 2024 is insignificant.

**Reconciliation of loss allowance**

Particulars	As at 31 March 2025	As at 31 March 2024
At the beginning of year	258	123
Movement during the year	(46)	135
Total expected credit loss allowance	212	258

The Ageing analysis of trade receivables (net) before adjustment of expected credit loss provision of Rs 212 lakhs (31 March 2024 258 lakhs) as of reporting date are as follows:-

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables (gross)	52,940	485	361	130	76	53,992
Less: Allowance for expected credit loss	-	-	185	26	1	212
Trade receivables (net)	52,940	485	176	104	75	53,780
Expected credit loss	-	-	51%	20%	2%	0%
<b>31 March 2024</b>						
Trade receivables (gross)	56,729	1,008	216	94	12	58,059
Less: Allowance for expected credit loss	-	14	193	49	2	258
Trade receivables (net)	56,729	994	23	45	10	57,801
Expected credit loss	-	-	89%	52%	14%	0%



**iAi Imperial Auto Industries Limited****Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**4.29 - Financial risk management (Cont'd)****(B) Liquidity risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Group.

The Group has established an appropriate liquidity risk management framework for its short term, medium term and long term funding requirement.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date.

Particulars as on 31 March 2025	Contractual cash flows			
	Carrying amount	Within 1 year	1-5 years	More than 5 years
Operating lease obligations	24,172	3,185	9,845	11,142
Capital creditors	1,038	1,038	-	-
Borrowings	40,775	21,822	18,953	-
Trade payable	42,937	42,937	-	-
Other payables	2,281	2,281	-	-
Interest accrued but not due on borrowings	382	382	-	-
Security deposit	23	-	-	23

Particulars as on 31 March 2024	Contractual cash flows			
	Carrying amount	Within 1 year	1-5 years	More than 5 years
Operating lease obligations	20,176	2,748	9,041	8,387
Capital creditors	481	481	-	-
Borrowings	33,428	23,464	9,964	-
Trade payable	40,029	40,029	-	-
Other payables	2,225	2,225	-	-
Interest accrued but not due on borrowings	113	113	-	-
Security deposit	22	-	-	22

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**iAI IMPERIAL AUTO INDUSTRIES LIMITED**

**Notes to the standalone financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**4.29 - Financial risk management (Cont'd)**

**(C) Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(I) Currency risk**

The Company is exposed to currency risk on account of payables and receivables in foreign currency. The functional currency of the Company is Indian Rupee.

The exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

**(a) Foreign currency denominated financial assets and liabilities, translated at the closing rate, are as follows:**

Particulars	31 March 2025			
	USD	EUR	GBP	JPY
Receivable	10,246	6,285	1,321	-
Payable	2,288	1,446	6	7
<b>Net assets/(liabilities)</b>	<b>7,958</b>	<b>4,839</b>	<b>1,315</b>	<b>(7)</b>

Particulars	31 March 2024			
	USD	EUR	GBP	JPY
Receivable	8,834	3,613	594	-
Payable	2,760	445	4	125
<b>Net assets/(liabilities)</b>	<b>6,074</b>	<b>3,168</b>	<b>590</b>	<b>(125)</b>

**Sensitivity analysis**

A reasonably possible change in foreign exchange rates by 10% would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular rates remain constant.

Particulars	Impact on Profit before tax	
	31 March 2025	31 March 2024
<b>USD Sensitivity</b>		
INR/USD - Increase by 10%	796	607
INR/USD - Decrease by 10%	(796)	(607)
<b>EURO Sensitivity</b>		
INR/EURO - Increase by 10%	484	317
INR/EURO - Decrease by 10%	(484)	(317)
<b>GBP Sensitivity</b>		
INR/GBP - Increase by 10%	132	59
INR/GBP - Decrease by 10%	(132)	(59)
<b>JPY Sensitivity</b>		
INR/CNY - Increase by 10%	(1)	(12)
INR/CNY - Decrease by 10%	1	12

**(II) Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

**Exposure to interest rate risk**

The Company's interest rate risk arises majorly from borrowings carrying floating rate of interest. These borrowings exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Variable rate instruments	As at	As at
	31 March 2025	31 March 2024
<b>Current borrowings</b>		
From banks	14,429	15,418
<b>Total</b>	<b>14,429</b>	<b>15,418</b>

**Interest rate sensitivity analysis**

A reasonably possible change of 1% in interest rates at the reporting date would have affected the profit or loss by the amounts shown below:

Particulars	As at	As at
	31 March 2025	31 March 2024
Interest rates - increase by 100 basis point (31 March 2024: 100 basis point)	144	154
Interest rates - decrease by 100 basis point (31 March 2024: 100 basis point)	(144)	(154)

The analysis is prepared assuming the amount of the borrowings outstanding at the end of the year was outstanding for the whole year.



**iAi Imperial Auto Industries Limited****Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**4.30 - Capital management**

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern by maintaining stable capital structure with the focus on total equity and future development of business, thereby increasing the confidence of stakeholders.

The Group monitors capital on the basis of carrying amount of equity and amount of short term and long term borrowings adjusted for cash and cash equivalents and other liquid funds.

The Group manages its capital structure and make adjustments to it in the light of changes in the economic conditions and risk characteristics of the underlying assets for maintaining strong capital base so as to ensure independence, security as well as high financial flexibility for potential future borrowings, if required.

Particulars	As at 31 March 2025	As at 31 March 2024
Long-term borrowings	18,953	9,965
Short-term borrowings	21,822	23,464
Less: Cash and cash equivalents	12,188	6,734
<b>Total debt</b>	<b>28,587</b>	<b>26,695</b>
<b>Total equity</b>	<b>1,75,417</b>	<b>1,48,112</b>
<b>Net debt to equity ratio</b>	<b>16%</b>	<b>18%</b>

**4.31- Contingent liabilities, contingent assets and commitments****(A) Contingent liabilities and contingent assets**

Contingent liabilities	As at 31 March 2025	As at 31 March 2024
Claims against the Group not acknowledged as debt		
- Direct tax (1)	755	687
- Indirect tax (2)		
Maharashtra Value Added Tax / Central Sales Tax	18	88
GST credit	214	74
- Environment laws (3)	5	5
- Labour laws (4)	37	35
- LC /Bank guarantees	2	2
- Customer claims (5)	2,801	-
<b>Total</b>	<b>3,832</b>	<b>891</b>

(1) Income tax related contingent liabilities are primarily comprised of disallowances of some expenses in past returns filed, in respect of which refund is on hold.

(2) Indirect tax relates to excess availment of credit.

(3) Environment law related contingent liability is primarily related to water pollution case against the company.

(4) Labour law case relates to employee related matter.

(5) Customer claims relates to the claim raised by Aston Martin (customer) on account of product failure.

**(B) Commitments**

Capital commitments	As at 31 March 2025	As at 31 March 2024
I. Estimated Value of contracts remaining to be executed on capital account and not provided for	2,820	1,950
<b>TOTAL</b>	<b>2,820</b>	<b>1,950</b>

**4.32 - Earnings per share (EPS) – the numerator and denominator used to calculate basic and diluted earnings per share**

Particulars	As at 31 March 2025	As at 31 March 2024
Profits attributable to equity shareholders	21,362	26,159
Nominal value per share (INR)	10	10
Weighted average number of equity shares outstanding during the year (Number in lakhs)	1,434	1,434
<b>Earnings per equity share</b>		
<b>Basic &amp; diluted (INR)</b>	<b>14.90</b>	<b>18.24</b>

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**iAi Imperial Auto Industries Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2025**  
**(All amounts in INR lakhs, unless stated otherwise)**

**4.33 - Disclosures of Ind AS 115**

Effective April 01, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect option. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue other than those disclosed in the consolidated financial statements of the Group.

**Disaggregation of revenue**

The Group's revenue disaggregated by geographical markets is as follows:

Revenue from contract with customer	Year ended 31 March 2025	Year ended 31 March 2024
India	2,64,749	2,55,791
Rest of the world	1,14,988	83,702
	<b>3,79,737</b>	<b>3,39,493</b>
<b>Timing of revenue recognition</b>		
Services/products transferred at a point in time	3,79,737	3,39,493
	<b>3,79,737</b>	<b>3,39,493</b>

**Assets and liabilities related to contracts with customers**

Description	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
<b>Contract liabilities</b>				
Advance from customers	-	37	-	47

**Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price**

Description	Year ended 31 March 2025	Year ended 31 March 2024
Revenue as per contracted price (as invoiced)	3,83,637	3,43,848
Reduction towards variable consideration components	(3,900)	(4,355)
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>3,79,737</b>	<b>3,39,493</b>

**Changes in contract assets and liabilities**

Contract liabilities - Advance from customers	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Opening balance of contract liabilities</b>	47	31
Less: Amount of revenue recognised against opening contract liabilities	(47)	(31)
Add: Addition in balance of contract liabilities for current year	37	47
<b>Closing balance of contract liabilities</b>	<b>37</b>	<b>47</b>

Contract assets- unbilled revenue	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Opening balance of contract assets</b>	773	2,239
Less: Amount of revenue adjusted against opening contract liabilities	(773)	(2,239)
Add: Addition in balance of contract assets for current year	1,206	773
<b>Closing balance of contract assets</b>	<b>1,206</b>	<b>773</b>

The Group has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Group does not have any open contract for which the expected duration is more than one year as at the end of the reporting period.

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**iAi Imperial Auto Industries Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2025**  
**(All amounts in INR lakhs, unless stated otherwise)**

**4.34- Leases**

**(A) Leasing activities:**

The leases which are recorded on the Balance Sheet following implementation of Ind AS-116 'Leases' are principally in respect of buildings and land. Lease terms are negotiated on an individual basis and contain a wide range of different terms & conditions.

The entity's carrying amount of lease liability along with its contractual maturities is presented below as at 31 March 2025:

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>Balance as at the beginning of reporting year</b>	<b>20,176</b>	<b>6,919</b>
Additions	7,023	15,486
Accretion of interest	1,933	1,139
Deletion during the year	(425)	-
Lease rent concession	-	(56)
Payments	(4,535)	(3,312)
<b>Balance as at the end of reporting year</b>	<b>24,172</b>	<b>20,176</b>
Current lease liability	3,185	2,748
Non-current lease liability	20,987	17,428
<b>Total</b>	<b>24,172</b>	<b>20,176</b>
<b>Contractual maturities of lease liability-</b>		
- Within 1 year	3,185	2,748
- 1-5 years	9,845	9,041
- More than 5 years	11,142	8,387
<b>Total</b>	<b>24,172</b>	<b>20,176</b>

**Lease payments not recognised as a liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

<b>Particulars</b>	<b>For the year ended 31 March 2025</b>	<b>For the year ended 31 March 2024</b>
Short term leases	1,270	361
Leases of low value assets	32	7
<b>Total</b>	<b>1,302</b>	<b>368</b>

**(B)The following are the amounts recognised in statement of profit and loss**

<b>Particulars</b>	<b>For the year ended 31 March 2025</b>	<b>For the year ended 31 March 2024</b>
Depreciation expense of right-of-use assets	4,093	3,037
Interest expense on lease liabilities	1,933	1,139
Gain on remeasurement of lease-116	(513)	(194)
Interest income on fair value of security deposit	(37)	(45)
Expense relating to short-term leases and leases of low value assets(included in other expenses)	1,302	368
<b>Total</b>	<b>6,778</b>	<b>4,305</b>

**(C) Cash outflow during the year**

<b>Particulars</b>	<b>For the year ended 31 March 2025</b>	<b>For the year ended 31 March 2024</b>
Principal repayments	2,602	2,173
Interest expense	1,933	1,139
<b>Total</b>	<b>4,535</b>	<b>3,312</b>



**iAi Imperial Auto Industries Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2025**  
(All amounts in INR lakhs, unless stated otherwise)

**4.35 Inventories**

The cost of inventories recognised as an expense during the year was Rs. 2,21,576 (31 March 2024: Rs. 2,08,257). The amount of write-down of inventories to fair value less costs to sell recognized as an expense was Rs. 1,470 (31 March 2024: Rs. 1,476).

**4.36** As per the transfer pricing norms applicable in India, the Holding Company is required to use certain specified methods in computing arm's length price of transactions between the associated enterprises and maintain prescribed information and documents related to such transactions. The appropriate method to be adopted will depend on the nature of the transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Holding Company is in the process of updating the transfer pricing study for the current financial period. However, in the opinion of the management the same would not have a material impact on these consolidated financial statements.

**4.37 Events after the balance sheet date**

Subsequent to the year end, the Holding Company has initiated the process of converting the loan receivable from its wholly-owned subsidiary, Imperial Auto Germany GmbH, into additional equity investment. Further the Holding Company has provided a loan amounting to Rs.1,400 lakhs at an interest rate of 8.50% to its wholly owned subsidiary Imperial Martor Engine Tubes Private Limited. Also, the Holding Company has infused equity amounting to USD 5,70,00 in its wholly subsidiary Imperial Auto Fluid Transmission Products ,Mexico, S. DE R.L. DE.C.V. Other than this there are no reportable subsequent events after the balance sheet date.

**4.38 Reconciliation of liabilities from financing activities**

Effective April 01, 2017, the Group adopted the amendment to Ind AS-7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirements. The required disclosure are presented below:

Particulars	As on 01 April 2024	Cash flows				As on 31 March 2025
			Interest expense	Others	New leases	
Non-current borrowings (including current maturities)	15,009	10,223	-	722	-	25,954
Current borrowings	18,421	(3,992)	-	392	-	14,821
Lease liabilities	20,176	(4,535)	1,933	(425)	7,023	24,172

Particulars	As on 01 April 2023	Cash flows				As on 31 March 2024
			Interest expense	Others	New leases	
Non-current borrowings (including current maturities)	10,151	4,858	-	-	-	15,009
Current borrowings	31,014	(12,593)	-	-	-	18,421
Lease liabilities	6,919	(3,312)	1,139	(56)	15,486	20,176

**4.39 Provisions - non current / current**

Particulars	Provision for after sales related obligation *
<b>As on 31 March 2023</b>	<b>229</b>
Addition during the year	355
Utilisation/ reversal during the year	(207)
<b>As on 31 March 2024</b>	<b>377</b>
Addition during the year	565
Utilisation/ reversal during the year	(355)
<b>As on 31 March 2025</b>	<b>587</b>
<b>Current</b>	<b>22</b>
<b>Non-current</b>	<b>565</b>

\* Represents estimates for payments to be made in future for sales related obligations .

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#### 4.40 Employee benefit obligations

##### A. Defined contribution plans

- a. Provident fund: Provident Fund benefit is a defined contribution plans under which the Group pays fixed contributions into funds established under Employee Provident Fund and Miscellaneous 'Provision Act, 1952 and Employee State Insurance Act, 1948 respectively
- b. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short-term nature
- c. The amount of contributions made by the Company to employees' provident fund is Rs 540 lakhs (31 March 2024: Rs.472 lakhs)

##### B. Defined benefit plans

###### Gratuity

The Group operates a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Group as per the Payments of Gratuity Act, 1972. The scheme is funded with LIC and India First Gratuity.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the respective plan:

###### (a) Reconciliation of present value of defined benefit obligation and the fair value of plan assets

Particulars	As at 31 March 2025	As at 31 March 2024
Present value obligation as at the end of the year	2,288	1,878
Fair value of plan assets as at the end of the year	1,748	1,531
<b>Net liability recognized in the balance sheet *</b>	<b>540</b>	<b>347</b>
Current	33	23
Non-current	507	324
	<b>540</b>	<b>347</b>

###### (b) Changes in defined benefit obligations

Particulars	As at 31 March 2025	As at 31 March 2024
Present value of obligations as at the start of the year	1,878	1,657
Current service cost <sup>^</sup>	235	185
Interest cost <sup>*</sup>	133	121
Benefits paid	(74)	(77)
Actuarial loss/(gain) on obligations	116	(8)
<b>Present value of obligations as at the end of the year</b>	<b>2,288</b>	<b>1,878</b>

<sup>^</sup> Included in employee benefit expense

<sup>\*</sup> Included in finance cost

###### (c) Table showing changes in the fair value of plan assets

Particulars	As at 31 March 2025	As at 31 March 2024
Fair value of plan assets at the beginning of the year	1,531	1,331
Expected return on plan assets	109	98
Contributions	178	177
Benefits paid	(74)	(77)
Actuarial gain on plan assets	4	2
<b>Fair value of plan assets at the end of the year</b>	<b>1,748</b>	<b>1,531</b>

###### (d) Amount recognized in the statement of profit and loss

Particulars	As at 31 March 2025	As at 31 March 2024
Current service cost	235	185
Net interest cost	24	23
<b>Amount recognized in the statement of profit and loss</b>	<b>259</b>	<b>208</b>

###### (e) Other comprehensive income

Particulars	As at 31 March 2025	As at 31 March 2024
Actuarial loss/(gain) arising from change in financial assumptions	120	22
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience adjustments	(4)	(30)
Actuarial gain/(losses) on plan assets	(4)	(2)
<b>Total other comprehensive income</b>	<b>112</b>	<b>(10)</b>



iAi Imperial Auto Industries Limited  
Notes to the consolidated financial statements for the year ended 31 March 2025  
(All amounts in INR lakhs, unless stated otherwise)

**(f) Actuarial assumptions**

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	6.60%	7.10%
Expected rate of salary increase*	7.50%	7.00%
Expected rate of return on plan assets	0.00%	0.00%
Retirement age :		
Category I	58 Years	58 Years
Category II	85 Years	85 Years

\*The estimate of expected rate of salary increase considered for the purpose of actuarial valuation take into account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**(g) Sensitivity analysis of the defined benefit obligation**

Impact of change in	Rs. lakhs	
	Discount Rate	Salary Escalation Rate
Present value of obligation as on 31 March 2025		
Impact of 1% Increase on defined benefit obligations	125	125
Impact of 1% Decrease on defined benefit obligations	143	124

Impact of change in	Rs. lakhs	
	Discount Rate	Salary Escalation Rate
Present value of obligation as on 31 March 2024		
Impact of 1% Increase on defined benefit obligations	104	105
Impact of 1% Decrease on defined benefit obligations	115	98

**(h) History of Defined benefit obligations and experience (gains) and losses**

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation	2,288	1,878	1,657	1,468	1,237
Plan assets	1,748	1,531	1,331	1,298	1,272
Deficit	(540)	(347)	(326)	(169)	35
Experience (gains) & losses on plan liabilities	116	(8)	(2)	1	(44)
Experience gains & (losses) on plan assets	(4)	(2)	0	(8)	(10)

**C. Other long term employee benefits**

**Long term compensated absences**

**Principal assumptions for long term compensated absences**

Particulars	As on 31 March 2025 Rate (%)	As on 31 March 2024 Rate (%)
a) Discount rate	6.60%	7.10%
b) Future salary increase*	7.50%	7.00%
c) Retirement age (years)	58 and 85	58 and 85
d) Mortality table	IALM 2012-14 ult.	ALM 2012-14 ult.
e) Weighted Average duration of the defined benefit obligation	9 years	9 years
f) Ages (withdrawal rate %)		
Up to 30 Years	10.00%	10.00%
From 31 to 44 Years	10.00%	10.00%
Above 44 Years	10.00%	10.00%

\* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

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**IAI IMPERIAL AUTO INDUSTRIES LIMITED**  
**Notes to the consolidated financial statements for the year ended 31 March 2025**  
(All amounts in INR lakhs, unless stated otherwise)

**4.41 Summary of quarterly statements to banks**

The Holding Company is regular in submission of monthly statements of current assets with banks for the borrowings sanctioned against security of such assets. Below table represents the summary of reconciliation of the quarterly statements filed by the Holding Company with banks:

Quarter	Name of Banks	Working capital limit	Nature of current assets offered as security	Amount as reported as per statements (A)	Amount as per books of accounts (B)	Differences (A) - (B) (refer note below)	Reasons
June 2024	HDFC	4,000	Inventories	65,061	65,066	(5)	Refer note a,c & d below
	Bank of Baroda	2,500	Trade receivables	51,573	52,691	(1,118)	Refer note a,b,d & e below
	ICICI Bank	6,000	Trade payables	36,688	44,311	(7,623)	Refer note b & e below
September 2024	Citi Bank	4,700					
	HSBC	5,000					
	HDFC	4,000	Inventories	69,445	69,450	(5)	Refer note a,c & d below
December 2024	Bank of Baroda	2,500	Trade receivables	49,484	51,758	(2,274)	Refer note a,b,d & e below
	ICICI Bank	6,000	Trade payables	34,463	42,278	(7,815)	Refer note b & e below
	Citi Bank	4,700					
March 2025	HSBC	7,500					
	HDFC	4,000	Inventories	72,840	72,845	(5)	Refer note a,c & d below
	Bank of Baroda	2,500	Trade receivables	49,348	50,721	(1,373)	Refer note a,b,d & e below
March 2025	ICICI Bank	6,000	Trade payables	34,392	38,408	(4,016)	Refer note b & e below
	Citi Bank	4,700					
	HSBC	7,500					
March 2025	HDFC	4,000	Inventories	70,207	69,984	223	Refer note a,c & d below
	Bank of Baroda	2,500	Trade receivables	42,635	44,332	(1,697)	Refer note a,b,d & e below
	ICICI Bank	6,000	Trade payables	38,121	42,518	(4,397)	Refer note b & e below
March 2025	Citi Bank	4,700					
	HSBC	7,500					

Note: Following are the nature of reconciling items between amounts reported as per quarterly statements and amounts as per books of accounts

- The variance is primarily attributable to the cut-off adjustment made in the year end revenue which resulted in reduction in trade receivable and increase in inventory.
- The difference is on account of accruals and certain reclassifications finalised at the time of book closure had not been considered in the statement submitted to the bank.
- The difference is on account of inventory provisions finalised at the time of book closure had not been considered in the statement submitted to the bank.
- The difference is on account of sales provisions finalised at the time of book closure had not been considered in the statement submitted to the bank.
- The difference is on account of related party balances and certain accruals of turnover discount not considered in the statements submitted to bank.

The particulars of securities provided and amounts reported in the quarterly statements are in accordance with terms of sanction for borrowings with respective banks. The above information has been determined to the extent information available with the Holding Company, which has been relied upon by the auditors.



**iAi IMPERIAL AUTO INDUSTRIES LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**4.42 Disclosure of related party transactions in accordance with Ind AS 24 - Related Party Disclosures****Name of the Related parties**

<b>Particulars</b>	
<b>Associates</b>	Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited) Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited) Nichirin Imperial Auto Parts India Private Limited
<b>Companies in which directors are interested</b>	Imperial Auto Industries Goodwell Industries Solar Glass Works Limited ADM logistics LLP S J Industries
<b>Key management personnel</b>	Mr. Tarun Lamba Mr. Karan Lamba Mr. Vikram Mehra Mr. Jagjit Singh Mr. Darshan Kumar Mehtani Mr. Swapnil Sinha Mr. Viraj Sawhney Ms. Smita Piyush Mankad Dr. Parthasarathy Vankipuram Srinivasa Mr. Sandeep Aggarwal Mr. Sanjay Pandurang Shirodhkar Ms. Mona (till 15 October 2024) Mr. Ishradev Singh Jaggi Mr. Anupam Gangwar Mr. Jagat Kumar Mr. Dilip Tuli Ms. Nanita Verma Mr. Nishant (w.e.f. 20 December 2024) Mr. Anand Dinkar Sontakke (till 14 January 2024) Mr. Vikram Wagh (w.e.f. 07 February 2025)



**iAi IMPERIAL AUTO INDUSTRIES LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**4.42 Related party transactions**

As per the Ind AS 24 on "Related party disclosures" issued by the Institute of Chartered Accountants of India, approved by board, transactions entered in to with related parties of the Group are as follows:

**Transactions with associates\***

S. No.	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
1	<b>Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)</b>		
	- Purchases	367	231
	- Sales	22	17
	- Rent received	1	1
	- Job work income	868	778
	- Consultancy charges received	78	42
	- Development Charges	17	6
2	<b>Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)</b>		
	- Purchases	1,081	853
	- Sales	116	203
	- Job Work Income	115	95
3	<b>Nichirin Imperial Autoparts India Private Limited</b>		
	- Purchases	1,895	3,035
	- Sales	33	512
	- Professional charges received	240	235
	- Freight & cartage inward received	1	-
	- Purchase of property, plant and equipment	10	-
	- Job work Income	5	9

**Summary of balances with associate companies\***

S.No.	Particulars	As at 31 March 2025	As at 31 March 2024
4	<b>Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)</b>		
	- Account receivable	135	107
	- Account payable	96	46
5	<b>Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)</b>		
	- Account receivable	48	52
	- Account payable	121	153
6	<b>Nichirin Imperial Autoparts India Private Limited</b>		
	- Account receivable	50	131
	- Account payable	434	540

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**iAi IMPERIAL AUTO INDUSTRIES LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**Transaction with entities in which Key Managerial Person are interested\***

S. No.	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
7	<b>Imperial Auto Industries</b> - Rent paid	6	4
8	<b>Goodwell Industries</b> - Purchases - Sales - Sale of raw material - Job work - Purchase of fixed assets - Job work income - Contractual manpower and labour charges (Seg. & dem. Chg received)	4,666 - 2,565 7 158 103 20	4,366 1,254 956 5 10 53 59
9	<b>Solar Glass Works Limited</b> - Rent paid - Others***	181 0	178 0
10	<b>ADM Logistics LLP</b> - Freight expenses	-	33
11	<b>S J Industries</b> - Rent paid	126	119

**Summary of balances of entities in which Key Managerial Person are interested**

S. No.	Particulars	As at 31 March 2025	As at 31 March 2024
12	<b>Goodwell Industries</b> Account receivable Account payable***	964 0	403 1
13	<b>Solar Glass Works Limited</b> Security deposit receivable	8	8
14	<b>Imperial Auto Industries</b> Account payable	-	2
15	<b>S J Industries</b> Account receivable Account payable	5 -	- 19

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**IAI IMPERIAL AUTO INDUSTRIES LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

**Transaction with Key Management Personnel and their Relatives\*\***

S. No.	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
	<b>Remuneration</b>		
1	Mr. Tarun Lamba - Managing Director & Chief Executive Officer#	360	360
2	Mr. Vikram Mehra - Company Secretary	51	43
4	Mr. Karan Lamba (Head of special projects)	90	78
5	Mr Jagjit Singh - Whole time Director	50	50
6	Mr. Dilip Tuli - Chief Financial Officer	171	154
7	Mr Anand Dinkar Sontakke - Chief Operating Officer^	-	127
8	Ms. Mona - Company Secretary****	4	6
9	Mr. Sandeep Aggarwal - Whole time Director	90	89
10	Mr. Parthasarathy Vanikpuram Srinivasa	9	9
11	Mr. Vikram Arvind Wagh (Chief Executive Officer & Wholetime Director)@	147	-
12	Mr. Deepak Malik (Operation Head)	92	-
13	Mr. Vishal Kampani (Vice President)	70	-
14	Mr. Ram Pal Singh (Vice President)	98	-
	<b>Bonus</b>		
15	Mr. Tarun Lamba - Managing Director & Chief Executive Officer#	-	270
	<b>Variables</b>		
16	Mr. Tarun Lamba - Managing Director & Chief Executive Officer	40	40
17	Mr. Dilip Tuli Chief Financial Officer	25	25
18	Mr. Karan Lamba (Head of special projects)	10	10
19	Mr. Vikram Mehra - Company Secretary	2	2
20	Mr. Vikram Arvind Wagh (Chief Executive Officer & Wholetime Director)@	25	-
21	Mr. Deepak Malik (Operation Head)	16	-
22	Mr. Vishal Kampani (Vice President)	12	-
23	Mr. Ram Pal Singh (Vice President)	14	-
	<b>Professional service fees</b>		
24	Ms. Smita Piyush Mankad	10	10
25	Dr. Parthasarathy Vankipuram Srinivasa	10	10
	<b>Sitting Fees</b>		
26	Ms. Smita Piyush Mankad	9	9
27	Dr. Parthasarathy Vankipuram Srinivasa	9	7
	<b>Loan provided to Directors &amp; Others during the financial year</b>		
28	Mr. Vikram Arvind Wagh (Chief Executive Officer & Wholetime Director)@	100	-
29	Mr. Dilip Tuli (Chief Financial Officer)	60	-
30	Mr. Vikram Mehra (Company Secretary)	9	-
	<b>Amount outstanding for loan provided to Directors &amp; Others</b>		
31	Mr. Vikram Arvind Wagh (Chief Executive Officer & Wholetime Director)@	100	-
32	Mr. Dilip Tuli (Chief Financial Officer)	60	-
33	Mr. Deepak Malik (Operation Head)	100	100

\* Exclusive of GST

\*\* KMPs also participate in post employment benefits plans provided by the Group. The amount in respect of these towards the KMPs can not be segregated as these are based on actuarial valuation for all employees of the Group.

\*\*\* Rounded off to zero

\*\*\*\* Till 15 October 2024

# Chief Executive Officer Till 06 February 2025

@ Chief Executive Officer and Whole Time Director w.e.f. 07 February 2025

^ Till 14 January 2024

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**iAi Imperial Auto Industries Limited****Notes to the consolidated financial statements for the year ended 31 March 2025****(All amounts in INR lakhs, unless stated otherwise)****4.43 Business Combinations**

On 25 June 2024 has approved the acquisition of the assets of Metallwerk Beibghauser GmbH and 100% stake in Biebighauser Slovakia s.r.o. through Imperial Auto Germany GmbH ("IAG"), its wholly owned subsidiary. The definitive agreement in connection with the acquisition transaction were executed on 25 June 2024.

The acquisition of assets of Metallwerk Beibghauser GmbH ("Metallwerk") and Shares of Biebighauser Slovakia s.r.o. ("BSK") has been completed on 15 July 2025. With this transaction the BSK and Biebighauser Kunststofftechnik GmbH ("BKT") (acquired in the assets of Metallwerk) became the step down subsidiary of the Holding Company. The acquisition transaction qualifies as a business combination as defined in the IND AS 103. The valuation model used in the fair valuation of assets and liabilities acquired in the business combination included discounting cash flow method, net assets value method etc. using assumptions such as future cash flows, contributory asset charges, discount rate applied etc. which are subject to high estimation

**a) Metallwerk Beibghauser GmbH**

<b>Particulars</b>	<b>Amount</b>
<b>Fair Value of the consideration transferred</b>	
Purchase consideration	4095
<b>Total (A)</b>	<b>4095</b>
<b>Assets aquired</b>	
Property, plant and equipment	3,317
Inventory	4,749
Other current assets	162
Intangibles identified	211
<b>Total assets aquired (B)</b>	<b>8,439</b>
<b>Liabilities assumed</b>	
Other liabilities	213
Deferred tax liability	616
<b>Total Liabilities assumed</b>	<b>829</b>
<b>Net assets aquired (D=B-C)</b>	<b>7,610</b>
<b>Capital reserves created (D-A)</b>	<b>3,515</b>

**b) Biebighauser Slovakia s.r.o**

<b>Particulars</b>	<b>Amount</b>
<b>Fair Value of the consideration transferred</b>	
Purchase consideration	455
<b>Total (A)</b>	<b>455</b>
<b>Assets aquired</b>	
Property, plant and equipment	183
Inventory	1,073
Other current assets	608
<b>Total assets aquired (B)</b>	<b>1,864</b>
<b>Liabilities assumed</b>	
Other liabilities	1,042
<b>Total Liabilities assumed</b>	<b>1,042</b>
<b>Net assets aquired (D=B-C)</b>	<b>822</b>
<b>Capital reserves created (D-A)</b>	<b>367</b>



IAI Imperial Auto Industries Limited  
Notes to the consolidated financial statements for the year ended 31 March 2025  
(All amounts in INR lakhs, unless stated otherwise)

4.44 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

Year ended 31 March 2025	Net assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % consolidated net assets	Amount	As % consolidated net profit	Amount	As % consolidated other comprehensive income	Amount	As % consolidated total comprehensive income	Amount
Parent	86%	1,50,075	78%	16,729	93%	1,909	80%	18,638
Indian subsidiaries								
1. IAI Industries Limited	8%	14,242	16%	3,332	6%	116	14%	3,448
2. S.J. Rubber Industries Limited	9%	14,964	12%	2,658	4%	70	12%	2,728
3. Imperial Marlor Engine Tubes Private Limited	0%	225	(9%)	(2,026)	0%	2	(9%)	(2,024)
Foreign subsidiaries								
4. Imperial Auto USA Corporation	1%	959	(1%)	(98)	0%	-	(0%)	(98)
5. Imperial Auto Germany GmbH, Ploidelshelm (formerly known as Sb Rohrform Und Schlauchtechnik GmbH)	2%	3,211	(5%)	(1,081)	0%	-	(5%)	(1,081)
6. Imperial Auto Fluid Transmission Products Mexico S. de R.L. de C.V.	1%	2,189	(3%)	(651)	0%	-	(3%)	(651)
Associates								
7. Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)	0%	-	8%	1,745	(0%)	(4)	7%	1,741
8. Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)	0%	-	(0%)	(87)	(0%)	(2)	(0%)	(99)
9. Nichirin Imperial Auto Parts India Private Limited	0%	-	4%	827	(0%)	(2)	4%	825
Add/(Less): Effect of intercompany adjustments/eliminations	(6%)	(10,449)	0%	24	(1%)	(28)	(0%)	(4)
<b>Total</b>	<b>100%</b>	<b>1,75,417</b>	<b>100%</b>	<b>21,362</b>	<b>100%</b>	<b>2,061</b>	<b>99%</b>	<b>23,423</b>

Year ended 31 March 2024	Net assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % consolidated net assets	Amount	As % consolidated net profit	Amount	As % consolidated other comprehensive income	Amount	As % consolidated total comprehensive income	Amount
Parent	89%	1,31,437	69%	18,104	83%	1,924	70%	20,028
Indian subsidiaries								
1. IAI Industries Limited	7%	10,794	12%	3,122	0%	1	11%	3,123
2. S.J. Rubber Industries Limited	8%	12,236	10%	2,738	0%	1	10%	2,739
3. Imperial Marlor Engine Tubes Private Limited	2%	2,249	(1%)	(240)	(0%)	(1)	(1%)	(241)
Foreign subsidiaries								
4. Imperial Auto USA Corporation	1%	1,030	(0%)	(90)	0%	-	(0%)	(90)
5. Imperial Auto Germany GmbH, Ploidelshelm (formerly known as Sb Rohrform Und Schlauchtechnik GmbH)	(0%)	(64)	0%	68	0%	-	0%	68
6. Imperial Auto Fluid Transmission Mexico S. de R.L. de C.V.	1%	952	(0%)	(19)	0%	-	(0%)	(19)
Associates								
7. Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)	0%	-	8%	2,061	0%	1	7%	2,062
8. Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)	0%	-	(0%)	(41)	(0%)	(1)	(0%)	(42)
9. Nichirin Imperial Auto Parts India Private Limited*	0%	-	2%	603	(0%)	(0)	2%	603
Add/(Less): Effect of intercompany adjustments/eliminations	(7%)	(10,562)	(1%)	(146)	17%	402	1%	254
<b>Total</b>	<b>100%</b>	<b>1,48,112</b>	<b>100%</b>	<b>26,159</b>	<b>100%</b>	<b>2,327</b>	<b>100%</b>	<b>28,486</b>

\*Rounded off to zero



IAI Imperial Auto Industries Limited  
Notes to the consolidated financial statements for the year ended 31 March 2025  
(All amounts in INR lakhs, unless stated otherwise)

4.45 Statement containing salient features of the financial statements of subsidiaries/associates

The Holding Company's subsidiaries and associates as at 31 March 2025 and 31 March 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Holding Company, and the proportion of ownership interests held equals the voting rights held by the Holding Company. The Country of Incorporation or registration is also their principal place of business.

A Wholly owned subsidiaries of the Holding Company:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Holding Company	
		As at 31 March 2025	As at 31 March 2024
IAI Industries Limited	India	100%	100%
Imperial Motor Engine Tubes Private Limited	India	100%	100%
S.J.Rubber Industries Limited	India	100%	100%
Imperial Auto Germany GmbH, Pfließstein	Germany	100%	100%
(formerly known as Sb Rohform Und Schlauchtechnik GmbH)			
Imperial Auto USA Corporation	USA	100%	100%
Imperial Auto Fluid Transmission Products México S. de R.L. de C.V.	Mexico	100%	100%

B Step down subsidiaries of the Holding Company:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Holding Company	
		As at 31 March 2025	As at 31 March 2024
Bleibhauser Slovacka SRO	Slovakia	100%	0%
Bleibhauser Kunststoffschnik GmbH	Germany	100%	0%

C Associates of the Holding Company:

Name of associate	Place of business/ country of incorporation	Ownership interest held by the Holding Company		Relationship	Accounting method	Carrying amount	
		As at 31 March 2025	As at 31 March 2024			As at 31 March 2025	As at 31 March 2024
Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)	India	40%	40%	Associate	Equity method	6,090	4,221
Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)	India	17%	17%	Associate	Equity method	2,746	2,885
Nichirin Imperial Auto Parts India Private Limited	India	40%	40%	Associate	Equity method	1,710	862

Summarised financial information for all associates

The Holding Company's interest in the associates disclosed below is accounted for using the equity method.

Summarised balance sheets

Particulars	Sumiriko Imperial Rubber India/Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)		Sumiriko Imperial Rubber India/Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)		Nichirin Imperial Auto Parts India Private Limited	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents	5,906	727	506	97	9,563	6,731
Other assets	16,011	14,551	3,907	3,902	6,709	7,215
Current assets (A)	22,007	15,278	4,413	3,999	16,272	13,946
Non-current assets (B)	9,096	9,062	12,809	13,793	5,344	5,011
Current financial liabilities (excluding trade payables and provisions)	3,726	1,569	129	165	4,329	854
Trade payables and provisions	6,121	4,824	826	894	2,865	3,160
Other liabilities	1,751	1,772	843	625	117	126
Current liabilities (C)	11,598	8,165	1,598	1,624	7,331	4,140
Non-current financial liabilities (excluding provisions)	5,269	5,572	2,412	2,429	8,827	10,648
Other liabilities	456	377	110	68	47	32
Non-current liabilities (D)	5,725	5,949	89	90	1	1
Net assets (A+B-C-D)	14,580	10,216	13,013	13,581	6,410	4,136



IAI Imperial Auto Industries Limited  
Notes to the consolidated financial statements for the year ended 31 March 2025  
(All amounts in INR lakhs, unless stated otherwise)

Summarised Statement of profit and loss

Particulars	Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)		Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)		Nichirin Imperial Auto Parts India Private Limited	
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue	47,692	44,957	7,355	6,735	21,187	17,833
Other income	422	230	295	319	582	385
<b>Total revenue (A)</b>	<b>48,114</b>	<b>45,187</b>	<b>7,650</b>	<b>7,054</b>	<b>21,769</b>	<b>18,218</b>
Cost of revenue	24,707	24,220	4,139	3,992	13,643	12,103
Employee benefits expense	3,524	3,320	845	711	1,561	1,173
Finance costs	758	880	229	167	743	437
Depreciation and amortization expenses	2,298	2,282	1,167	761	913	840
Other expenses	7,595	7,152	1,824	1,662	1,840	1,417
<b>Total expenses (B)</b>	<b>39,983</b>	<b>37,874</b>	<b>8,204</b>	<b>7,313</b>	<b>18,700</b>	<b>15,970</b>
Profit/(loss) before tax (C = A-B)	8,131	7,313	(554)	(259)	3,069	2,248
Tax expense (D)	2,191	2,160	4	(19)	788	740
<b>Profit/(loss) for the year (E = C-D)</b>	<b>5,940</b>	<b>5,153</b>	<b>(558)</b>	<b>(240)</b>	<b>2,281</b>	<b>1,508</b>
Other comprehensive income/(loss) (F)	(9)	3	(10)	(5)	(5)	(1)
<b>Total comprehensive income/(loss) (E+F)</b>	<b>5,931</b>	<b>5,156</b>	<b>(568)</b>	<b>(245)</b>	<b>2,276</b>	<b>1,507</b>

Dividend income and information related to fair value  
During the year ended 31 March 2025 the Holding Company had received a dividend amounting to INR 1,028 lakhs from its associate Sumiriko Imperial Rubber India Private Limited. All the associates are private companies and hence, no quoted market price available for its shares.

Other information

Description	As at 31 March	
	2025	2024
Contingent liabilities for associates		
Contingent liabilities – associates	524	341
Share of contingent liabilities incurred jointly with other associates	182	110

Reconciliation of carrying amounts

Particulars	Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)		Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)		Nichirin Imperial Auto Parts India Private Limited	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Opening net assets	10,216	5,061	13,561	13,826	4,136	2,829
Profit for the year	6,940	5,151	(558)	(240)	2,281	1,508
Other comprehensive income	(9)	3	(10)	(5)	(5)	(1)
Less: Dividend paid during the year	2,868	-	-	-	-	-
Closing net assets	14,579	10,215	13,013	13,581	6,412	4,136
Proportion of the Holding Company's ownership	40%	40%	17%	17%	40%	40%
Holding Company's share	5,832	4,086	2,225	2,322	2,564	1,654
Adjustments to the equity values	-	-	-	-	9	9
Goodwill	295	113	677	629	-	-
Revaluation of land	222	22	(456)	(456)	(663)	(601)
Other adjustments	-	-	-	-	-	-
<b>Carrying amount of the investment</b>	<b>6,090</b>	<b>4,221</b>	<b>2,746</b>	<b>2,895</b>	<b>1,710</b>	<b>662</b>



**iAI Imperial Auto Industries Limited**

**Notes to the consolidated financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

4.46. - The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such change were made and ensuring that the audit trail cannot be disabled.

The Holding Company and one of its associates, in respect of financial year commencing on 1 April 2024, have used an accounting software for maintaining their books of account. The feature of recording audit trail (edit log) at the database level was not enabled for the said accounting software to log any direct data changes.

The three subsidiary companies, in respect of financial year commencing on 1 April 2024, have used an accounting software SAP S/4 HANA for maintaining books of accounts. In respect of SAP, database level is operated by a third-party software service provider. In the absence of coverage of Audit trail (edit log) with respect to database level in the independent auditor's report in relation to controls at service organization for software being operated by third party service provider, the audit trail feature was not enabled at database level for accounting software to log any direct data changes.

In respect of one of the associates, accounting software used for maintaining its books of accounts relating to general ledger, such accounting software has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail was not enabled (i) at the database level to log any direct data changes; and (ii) at the application level for the period from 01 April 2024 to 30 June 2024. In respect of an accounting software related to payroll, which is operated by a third-party software service provider, for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except that in the absence of independent auditor's reports in relation to controls at service organizations, we are unable to comment whether audit trail feature of the said software was enabled at the database level to log any direct data changes and operated throughout the year for all relevant transactions recorded in the software.

**4.47 - Segment reporting**

The Group is engaged in the manufacturing and sale of auto components. Considering the nature of the Group's business and operations, and the information reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance, the Group has one reportable business segment as per the requirements of Ind AS 108 – 'Operating Segments'.

Information about geographical area is given below:

	India	US	Other countries	Total
<b>Year ended 31 March 2025</b>				
Revenue from external customers (gross)	2,64,749	70,248	44,740	3,79,737
Non-current assets*	98,723	4,026	10,306	1,13,055
<b>Year ended 31 March 2024</b>				
Revenue from external customers (gross)	2,55,791	32,021	51,681	3,39,493
Non-current assets*	88,576	3,355	155	92,086

\*Non-current assets consists of property, plant and equipment, other intangible assets, capital work-in-progress, goodwill and other non current assets

(This space has been left blank intentionally)



**iAi Imperial Auto Industries Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2025**  
(All amounts in INR lakhs, unless stated otherwise)

**4.48 - Other statutory information**

- (i) No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Group does not have transactions with companies struck-off from Register of Companies.
- (iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.  
The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (iv) (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Group has not received any funds from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (v) (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Group is not declared wilful defaulter by any bank or financial institution or government or any government authority.

4.49 Previous year's figures have been regrouped/reclassified, where necessary, to confirm to this year's classification.

4.50 After the reporting date the board of directors of Sumiriko Imperial Rubber India Private Limited (associate company) had proposed a dividend of Rs. 3,463.80 lakhs, the same has not been recognised as liabilities by associate for the year ended 31 March 2025

This is the summary of material accounting policies referred to in our report of even date.

**For Walker ChandioK and Co LLP**  
Chartered Accountants  
Firm's registration number: 001076NN/500013



**Rahul Kool**  
Partner

Membership No.: 425393  
Place: Gurugram  
Date: 20 August 2025



For and on behalf of the Board of Directors of  
**Imperial Auto Industries Limited**

  
**Tarun Lamba**  
Managing Director

DIN:01895353  
Place: Faridabad  
Date: 20 August 2025



**Vikram Arvind Wagh**  
Whole Time Director & CEO

DIN:00010979  
Place: Faridabad  
Date: 20 August 2025



**Dilip Tuli**  
Chief Financial Officer  
PAN: ADIPT4267D  
Place: Faridabad  
Date: 20 August 2025



**Vikram Mehra**  
Company Secretary  
ACS-12336  
Place: Faridabad  
Date: 20 August 2025