

Walker Chandiook & Co LLP

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 Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Imperial Auto Industries Limited** ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. 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 Standalone Financial Statements section of our report. We are independent of the Company 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 standalone 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 is sufficient and appropriate to provide a basis for our opinion.

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

4. The 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 financial statements and our auditor's report thereon.

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

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Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Goa, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC 2085 and has its registered office at E-15, Connaught Circus, Outer Circle, New Delhi, 110001, India



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Standalone Financial Statements

5. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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.
6. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone 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 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 standalone financial statements.
9. 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 standalone 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

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

responsible for expressing our opinion on whether the 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 Company's ability 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 standalone 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 Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) 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 accompanying standalone financial statements;
 - b) Except for the matters stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act;

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

- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 13(b), above on reporting under section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
- h) 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:
 - i. The Company, as detailed in note 4.31 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025.
 - ii. The Company 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 Company during the year ended 31 March 2025;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 4.46(v) to the standalone 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 Company to or in any persons or entities, 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 Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 4.46(vi) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company 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 as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year ended 31 March 2025.



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

- vi. As stated in As stated in Note 4.47 to the standalone financial statements and based on our examination which included test checks, except for instances, the Company, in respect of financial year commencing on or after 1 April 2024, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below. Furthermore, the audit trail has been preserved by the Company 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 Company.

For **Walker ChandioK & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Rahul Kool
Partner
Membership No.: 425393
UDIN: 25425393BMJKER6148

Place: Gurgaon
Date: 20 August 2025

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Annexure A referred to in paragraph 12 of the Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the standalone financial statements for the year ended 31 March 2025

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 4.1 to the standalone financial statements, are held in the name of the Company. For title deeds of immovable properties in the nature of 2 lands situated at Faridabad with gross carrying values of Rs 2,240 lakhs and Rs 3,760 lakhs as at 31 March 2025, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) During the year, the Company has revalued Land, classified under property, plant and equipment and right-of-use assets. Such revaluation is based on the valuation by a registered valuer. The class of property, plant and equipment and right-of-use assets where the change is 10% or more in the aggregate of the respective net carrying value, is as below:

Class of Property, Plant or Equipment or Intangible Assets	Carrying value as on 31 March 2024 (pre- revaluation) (Rs. In Lakhs)	Amount of Change (Rs. In Lakhs)	Carrying value as on 31 March 2025 (post- revaluation) (Rs. In Lakhs)	Percentage change
Land	22,396	2,320	24,716	10.36%

The Company has not revalued any other class of its property, plant and equipment, right-of-use assets and intangible asset during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt or dispatch inventory records.



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(b) As disclosed in Note 4.41 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were/were not subject to audit/review, except for the following:

Name of the Bank	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return (Amount in Rs. lakhs)	Information as per books of accounts (Amount in Rs. lakhs)	Difference (Amount in Rs. lakhs)
HDFC	4,000	Inventories Trade receivables Trade payables	Jun-24	65,061	65,066	(5)
Bank of Baroda	2,500					
ICICI Bank	6,000					
Citi Bank	4,700					
HSBC	5,000			36,688	44,311	(7,624)
HDFC	4,000	Inventories Trade receivables Trade payables	Sep-24	69,445	69,450	(5)
Bank of Baroda	2,500					
ICICI Bank	6,000					
Citi Bank	4,700					
HSBC	5,000			49,484	51,758	(2,274)
HDFC	4,000	Inventories Trade receivables Trade payables	Dec-24	72,840	72,845	(5)
Bank of Baroda	2,500					
ICICI Bank	6,000					
Citi Bank	4,700					
HSBC	5,000			49,348	50,721	(1,373)
HDFC	4,000	Inventories Trade receivables Trade payables	Mar-25	70,207	70,212	(5)
Bank of Baroda	2,500					
ICICI Bank	6,000					
Citi Bank	4,700					
HSBC	5,000			38,121	42,518	(4,396)

(iii) The Company has not provided any security to companies, firms, limited liability partnerships during the year. The Company has also not made investments in, provided any guarantee or granted any loans or advances in the nature of loans to firms and limited liability partnerships. Further, the Company has made investments in, provided guarantee and granted unsecured loans or advances in the nature of loans to companies, or any other parties during the year, in respect of which:

(a) The Company has provided loans or guarantee to Subsidiaries and Others during the year as per details given below:

Particulars	Guarantees (Rs. In Lakhs)	Loans (Rs. In Lakhs)
Aggregate amount provided/granted during the year (Rs.):		
- Subsidiaries	7,500	6,194
- Others	-	160
Balance outstanding as at balance sheet date in respect of above cases (Rs.):		
- Subsidiaries	7,500	6,252
- Others	-	260

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the standalone financial statements for the year ended 31 March 2025

- (b) The Company has not given any security or granted any advances in the nature of loans during the year. However, the Company has made investment in one entity amounting to Rs. 2,436 Lakhs (year-end balance Rs. 3,431 Lakhs), granted loans amounting to Rs. 6,354 Lakhs (year-end balance Rs. 6,512 Lakhs) and provided guarantee to one entity, aggregating to Rs. 7500 Lakhs during the year (year-end balance Rs. 7,500 Lakhs). In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company to the subsidiary, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular. Further in respect of loans and advances in the nature of loans granted by the Company to the Employees, the schedule of repayment of principal has been stipulated and the repayments/receipts of principal are regular. Further, no interest is receivable on such loans and advances in the nature of loans.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company has granted loans which had fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.
- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of excise, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the standalone financial statements for the year ended 31 March 2025

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (in Rs. lakhs)	Amount paid under Protest (in Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	755	687	AY 2016-17, AY 2017-18, AY 2018-19, AY 2020-21	CIT (Appeal)/ITAT	NA
CGST Act, 2017	GST Credit	147	-	2019-20	GST Appellate Tribunal	NA

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix)a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the standalone financial statements for the year ended 31 March 2025

- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the {financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Imperial Auto Industries Limited on the standalone financial statements for the year ended 31 March 2025

- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker ChandioK & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Rahul Kool
Partner
Membership No.: 425393
UDIN: 25425393BMJKER6148

Place: Gurgaon
Date: 20 August 2025

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Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone 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 standalone financial statements of Imperial Auto Industries Limited ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company 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 Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('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 on Audit of Internal Financial Controls Over Financial Reporting ('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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone 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 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

Chartered Accountants



Walker Chandiook & Co LLP

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

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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone 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, the Company has, 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 Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Rahul Kool
Partner
Membership No.: 425393
UDIN: 25425393BMJKER6148

Gurgaon
20 August 2025

IAI IMPERIAL AUTO INDUSTRIES LIMITED
Standalone Balance Sheet as at 31 March 2025
(All amounts in INR lakhs unless stated otherwise)

	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property plant and equipment	4.1 (a)	63,101	51,668
Right-of-use assets	4.1 (c)	19,140	20,243
Capital work-in-progress	4.1 (d)	102	978
Intangible assets	4.2 (a)	95	219
Intangible assets under development	4.2 (b)	1,084	385
Financial assets			
(i) Investments	4.3	20,852	18,416
(ii) Loans	4.9	6,491	-
(iii) Other financial assets	4.4	1,971	1,538
Other non-current assets	4.5	3,777	4,181
Deferred tax assets (net)	4.15	775	366
Total non-current assets		1,17,388	97,994
Current assets			
Inventories	4.6	69,984	62,252
Financial assets			
(i) Trade receivables	4.7	44,332	51,968
(ii) Cash and cash equivalents	4.8(a)	4,686	4,052
(iii) Bank balances other than cash and cash equivalents	4.8(b)	23	36
(iv) Loans	4.9	-	147
(v) Others financial assets	4.4	1,843	1,342
Other current assets	4.5	7,374	7,495
Total current assets		1,28,242	1,27,292
Assets classified as held for sale		34	34
Total assets		2,45,664	2,25,320
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4.10	14,335	14,335
Other equity	4.11	1,35,741	1,17,103
Total equity		1,50,076	1,31,438
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	4.12	10,236	7,711
(ii) Lease liabilities	4.13	15,091	15,596
Provisions	4.14	1,223	967
		26,550	24,274
Current liabilities			
Financial liabilities			
(i) Borrowings	4.12	19,276	23,309
(ii) Lease liabilities	4.13	1,989	2,554
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	4.16	6,818	14,927
Total outstanding dues of creditors other than micro enterprises and small enterprises	4.16	35,700	25,214
(iv) Other financial liabilities	4.17	3,432	2,304
Other current liabilities	4.18	1,709	1,205
Provisions	4.14	114	95
Total current liabilities		69,038	69,608
Total equity and liabilities		2,45,664	2,25,320

Material accounting policies 3
The accompanying notes are an integral part of the standalone financial statements.
This is the standalone balance sheet referred to in our report of even date.

For Walker Chandiook and Co LLP
Chartered Accountants
Firm's registration number: 001076/N/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

IAI IMPERIAL AUTO INDUSTRIES LIMITED
Standalone Statement of Profit and Loss for the year ended on 31 March 2025
(All amounts in INR lakhs, unless stated otherwise)

	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
Revenue from operations			
Sale of manufactured products		3,24,194	3,15,118
Sale of traded products		36	1,758
Sale of services	4.19	197	237
Total		3,24,427	3,17,113
Other operating revenues	4.20	4,741	5,424
Total revenue from operations		3,29,168	3,22,537
Other income	4.21	3,091	2,016
Total income		3,32,259	3,24,553
Expenses			
Cost of material consumed	4.22	2,07,254	2,03,779
Purchases of stock-in-trade	4.23	28	1,141
Changes in inventories of finished goods, work-in-progress and stock-in-trade	4.24	(6,725)	(2,323)
Employee benefits expense	4.25	19,353	16,354
Finance costs	4.26	4,970	3,635
Depreciation and amortization expenses	4.1 and 4.2	11,913	9,390
Other expenses	4.27	72,049	67,792
Total expenses		3,08,842	2,99,768
Profit before exceptional items and tax		23,417	24,785
Exceptional items	4.28	(898)	(457)
Profit before tax		22,519	24,328
Tax expense:			
(1) Current tax		6,504	7,016
(2) Deferred tax		(714)	(792)
Profit for the year (I)		16,729	18,104
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
-Revaluation of land	4.1 (b)	2,320	526
-Tax effect on revaluation of land (refer note 4.15)		(332)	1,392
-Remeasurement of defined benefit (liability)/asset		(106)	8
-Tax effect on remeasurement of defined benefit asset/(liability)		27	(2)
Other comprehensive income for the year, net of taxes (II)		1,909	1,924
Total comprehensive income for the year III = (I+II)		18,638	20,028
Earnings per equity share [nominal value of shares INR 10 (previous year INR 10 fully paid up)]			
(1) Basic	4.32	11.67	12.63
(2) Diluted	4.32	11.67	12.63
Material accounting policies	3		

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

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

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

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

IAi IMPERIAL AUTO INDUSTRIES LIMITED
Standalone 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
A. Cash flow from operating activities		
Net profit before tax	22,519	24,328
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	11,913	9,390
Allowance for expected credit loss	-	135
Gain on sale of property, plant and equipment	(38)	(21)
Provision for obsolete inventory	358	557
Dividend received*	(1,027)	(0)
Unrealised foreign exchange gain	(415)	(97)
Finance costs	3,610	2,522
Interest on lease liability created as per Ind AS 116	1,360	1,113
Gain on lease modifications	(505)	(194)
Interest income	(316)	(69)
Operating profit before working capital changes	37,459	37,664
Movements in working capital :		
<i>(Increase) / Decrease in operating assets :</i>		
Trade receivables	8,002	7,132
Inventories	(8,091)	(7,155)
Loans	-	(9)
Other financial assets	(926)	775
Other assets	375	13
<i>Increase / (Decrease) in operating liabilities :</i>		
Trade payables	2,367	3,843
Provisions	170	238
Other liabilities	504	488
Other financial liabilities	452	1,837
Cash generated from operations	40,312	44,826
Income tax paid	(7,160)	(6,965)
Net cash generated from operating activities (a)	33,152	37,861
B. Cash flow from investing activities		
Purchase of property, plant and equipment including intangibles assets and capital advances	(17,117)	(18,251)
Proceeds from disposal of property, plant and equipment	387	856
Purchase of investment in wholly owned subsidiaries companies	(2,436)	(2,639)
Loans given to subsidiaries	(6,285)	-
Investments (made)/redeemed in deposits	(24)	25
Interest received	316	63
Dividend received*	1,027	0
Net cash used in investing activities (b)	(24,132)	(19,946)
C. Cash flow from financing activities		
Net repayment from short-term borrowings	(4,018)	(12,687)
Proceeds from non-current borrowings	7,500	7,500
Repayment of non-current borrowings	(4,990)	(3,233)
Payment of lease liabilities	(3,303)	(3,037)
Interest and finance charges paid	(3,575)	(2,513)
Net cash used in from financing activities (c)	(8,386)	(13,970)
Net increase in cash and cash equivalents (a)+(b)+(c)	634	3,945
Cash and cash equivalent at the beginning of the year	4,052	107
Cash and cash equivalent at the end of the year	4,686	4,052

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IAI IMPERIAL AUTO INDUSTRIES LIMITED
Standalone Cash Flow Statement for the year ended 31 March 2025
(All amounts in INR lakhs, unless stated otherwise)

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalent (refer note 4.8 (a))		
On current accounts	4,572	2,777
Cash in hand	64	52
On deposit accounts (due for maturity within 3 months)	50	1,223
	4,686	4,052

* Rounded off to zero

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

This is the standalone statement of cash flows referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants




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

IAI IMPERIAL AUTO INDUSTRIES LIMITED
Standalone Statement of changes in equity for the year ended 31 March 2025
(All amounts in INR lakhs, unless stated otherwise)

A. Equity share capital	Notes	Amount
Particulars		
As at 31 March 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

Particulars	Reserves and Surplus				Other comprehensive income		Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earning	Revaluation reserve	
Balance as at 31 March 2023	40	317	6,786	2,131	75,367	12,434	97,075
Profit for the year	-	-	-	-	18,104	-	18,104
Remeasurement of defined benefit asset/(liability)	-	-	-	-	6	-	6
Transfer to revaluation reserve (net of tax)	-	-	-	-	-	1,918	1,918
Total comprehensive income	40	317	6,786	2,131	93,477	14,352	1,17,103
Balance as at 31 March 2024	40	317	6,786	2,131	93,477	14,352	1,17,103
Profit for the year	-	-	-	-	16,729	-	16,729
Remeasurement of defined benefit (liability)/asset	-	-	-	-	(79)	-	(79)
Transfer to revaluation reserve (net of tax)	-	-	-	-	-	1,988	1,988
Total comprehensive income	40	317	6,786	2,131	1,10,127	16,340	1,35,741
Balance as at 31 March 2025	40	317	6,786	2,131	1,10,127	16,340	1,35,741

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

This is the standalone 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/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

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

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

A NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Corporate Information

Imperial Auto Industries Limited was incorporated on 22 April 1975 under the Companies Act, 1956.

The Company 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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. During the year ended 31 March 2025, MCA has notified following new standards or amendments to the existing standards applicable to the Company:

Lack of exchangeability - Amendments to Ind AS 21: The amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information. The amendments will not have a material impact on the Company's standalone financial statements

2.1 Amended accounting standards (IND AS) and interpretations effective during the year

The Ministry of Corporate Affairs notified new standards or amendment to existing standards under Companies (Indian Accounting Standards) Rules as Issued from time to time. The Company applied following amendments for the first-time during the current year which are effective from 1 April 2024:

1. Lease liability in a sale and leaseback (amendments to Ind AS 116): 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 assets it retains.
2. 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 impact on these standalone financial statements.

**3 SUMMARY OF MATERIAL ACCOUNTING POLICIES
BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

3.1 Statement of Compliance

The 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, presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and other relevant provisions of the Act.

The financial statements are presented in Indian Rupee ("INR"), which is also the functional currency of the Company.

The 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

The 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 Company 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 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.

3.3 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 finished goods, cost is determined on weighted average basis.

3.4 Taxation

Income tax expense recognised in 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 applicable income tax laws of India. Taxable profit differs from 'profit before tax' as reported in the 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 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.

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 Company 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 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.



3.5 Property, plant and equipment ('PPE')

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Land is valued at fair value. Surplus from revaluation is transferred to revaluation reserve.

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	4
Furniture and fixtures	10
Vehicles	8 - 10
Computers and software	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 Statement of Profit and Loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.6 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

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 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

(This space has been left blank intentionally)



3.7 Revenue recognition

In accordance with Ind AS 115, the Company 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 Company 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.

3.8 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 Company 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 Company 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.

3.9 Employee benefits

Employee benefits include wages and salaries, provident 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 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 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 balance sheet represents the actual deficit or surplus in the Company's 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 Company in respect of services provided by employees up to the reporting date.

3.10 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 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.

3.11 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 Statement of Profit and Loss in the period in which they are incurred. Other finance costs includes interest on other contractual obligations.



3.12 Leases

The Company as lessee

The Company's lease asset classes primarily consist of leases for Building and Plant machinery. The Company 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 Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company 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 Company 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 Company 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 Company 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 Balance sheet and the payment of principal portion of lease liabilities has been classified as financing cash flows.

3.13 Earnings per share

Basic earnings per share is computed by dividing the 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.

3.14 Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Company 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 Company 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 Company 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 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 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.

3.15 Provisions and contingencies

A provision is recognized when the Company 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 Company 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 Company's obligation.



3.16 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 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.

3.17 Financial assets

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company 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 Company 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 Company 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 Company 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 Company has transferred its rights to receive cash flows from the asset

3.18 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 Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

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3.19 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 Company 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 Company in accordance with the contract and all the cash flows that the Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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.

3.20 Investment in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

3.21 Rounding off amounts

All amounts disclosed in the 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.
0 represents amounts rounded off to zero

3.22 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may effect 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 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 financial statements represent as accurately an outlook as possible for the Company. These judgements and estimates only represent the interpretation of the Company as of the dates on which they were prepared.

3.22.1 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.

3.22.2 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.

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3.22.3 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.

3.22.4 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").

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

3.22.5 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 standalone financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless stated otherwise)

4.1 (a) - 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			
Gross block																		
As at 31 March 2023	19,113		10,524		36,377		10,287		1,115		1,264		500		1,721		80,901	
Additions	-	378	1,919		10,273		2,414		154		258		114		327		15,459	
Revaluation increase	-	-	-		-		-		-		-		-		-		378	
Deletions	-	-	-		(810)		(15)		-		(64)		-		(5)		(894)	
As at 31 March 2024	19,491		12,443		45,840		12,686		1,269		1,458		614		2,043		95,844	
Additions	-		3,360		10,244		3,910		247		296		50		620		18,727	
Revaluation increase	-		1,922		-		-		-		-		-		-		1,922	
Deletions	-		-		(323)		(37)		-		(116)		-		(2)		(478)	
As at 31 March 2025	21,413		15,803		55,761		16,559		1,516		1,638		664		2,661		1,16,015	
Accumulated depreciation																		
As at 31 March 2023	-		3,879		22,820		8,136		604		648		365		1,378		37,930	
For the year	-		685		3,300		1,496		196		227		117		304		6,305	
Deletions	-		-		-		-		-		(57)		-		(2)		(59)	
As at 31 March 2024	-		4,564		26,220		9,632		800		818		482		1,680		44,176	
For the year	-		1,074		4,542		2,483		166		205		67		331		8,868	
Deletions*	-		-		(38)		(13)		-		(79)		-		(0)		(130)	
As at 31 March 2025	-		5,619		30,724		12,102		966		944		549		2,011		52,914	
Net block as at 31 March 2024	19,491		7,899		19,620		3,054		469		640		132		363		51,668	
Net block as at 31 March 2025	21,413		10,185		25,037		4,457		550		694		115		650		63,101	

* Rounded off to zero

Note :

- (i) Carrying amount of tangible assets are pledged as security for liabilities (refer note 4.12(a) and 4.12(b)).
(ii) Refer Note 4.31(B) for details of capital commitments
(iii) 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

4.1 (b) - If land were measured using the cost model, The carrying amounts would be as follows:

Particulars	As at		As at	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Cost	5,730	5,730	5,730	5,730
Accumulated depreciation	(137)	(128)	(137)	(128)
Net carrying amount	5,593	5,602	5,593	5,602



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4.1 (c) - Right-of-use assets

Particulars	Land	Building	Total
Gross carrying value			
As on 31 March 2024	3,442	26,213	29,655
Additions	-	1,674	1,674
Revaluation increase	398	-	398
Deletions	-	(2,178)	(2,178)
As on 31 March 2025	3,840	25,709	29,549
Accumulated depreciation			
As on 31 March 2024	128	9,284	9,412
For the year	22	2,885	2,907
Deletions	-	(1,910)	(1,910)
As on 31 March 2025	150	10,259	10,409
Net carrying value			
As on 31 March 2025	3,690	15,450	19,140

Particulars	Land	Building	Total
Gross carrying value			
As on 31 March 2023	3,295	12,308	15,603
Additions	-	13,905	13,905
Revaluation increase	147	-	147
As on 31 March 2024	3,442	26,213	29,655
Accumulated depreciation			
As on 31 March 2023	103	6,498	6,601
For the year	25	2,786	2,811
As on 31 March 2024	128	9,284	9,412
Net carrying value			
As on 31 March 2024	3,314	16,929	20,243

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 (All amounts in INR lakhs, unless stated otherwise)

4.1 (d) - Capital work-in-progress

Particulars	As at 31 March 2025	As at 31 March 2024
Capital work-in-progress (refer note i)	102	978

Note :

- (i) The capital work-in-progress includes:-
 - Plant and equipments 77 323
 - Building under construction 25 655
 102 978

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	978	795
Additions during the year	2,035	699
Capitalised during the year	(2,911)	(516)
Balance as at the end of the year	102	978

(iii) 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 More than 3 years	
As at 31 March 2025	102	-	-	102
As at 31 March 2024	953	25	-	978

(iv) 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
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 (All amounts in INR lakhs, unless stated otherwise)

4.2 (a) - Intangible assets

Particulars	Computer software	Total
Gross block		
As at 31 March 2023	857	857
Additions	68	68
As at 31 March 2024	925	925
Additions	14	14
As at 31 March 2025	939	939
Accumulated depreciation		
As at 31 March 2023	432	432
For the year	274	274
As at 31 March 2024	706	706
For the year	138	138
As at 31 March 2025	844	844
Net block as at 31 March 2024		
	219	219
Net block as at 31 March 2025		
	95	95

4.2 (b) - Intangible assets under development

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

Intangible assets under development ageing schedule 31 March 2025

Description	Amount in intangible assets under development for a period of			Total
	Less than 1 year	2-3 years	More than 3 years	
Projects in progress	699	-	-	1,084

Intangible assets under development ageing schedule 31 March 2024

Description	Amount in intangible assets under development for a period of			Total
	Less than 1 year	2-3 years	More than 3 years	
Projects in progress	385	-	-	385

There are no such projects under intangible assets 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

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IAI IMPERIAL AUTO INDUSTRIES LIMITED
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(All amounts in INR lakhs, unless stated otherwise)

4.3 - Investments
Non-current investment

Particulars	As at 31 March 2025	As at 31 March 2024
Unquoted investments (at cost)*		
(a) Investment in equity instruments:		
Subsidiary companies:		
i. IAI Industries Limited 4,500,000 (31 March 2024: 4,500,000) equity shares with face value of Rs.10 each - fully paid up	838	838
ii. Imperial Auto USA Corporation 945 (31 March 2024: 945) equity shares with face value of USD 1500 each - fully paid up	856	856
iii. Imperial Motor Engine Tubes Private Limited 23,650,000 (31 March 2024: 23,650,000) equity shares with face value of Rs.10 each - fully paid up	2,239	2,239
iv. Imperial Auto Germany GmbH Pleidelsheim (formerly known as Sb Rohrform Und Schlauchtechnik GmbH) 2 (31 March 2024: 2) equity shares with face value of EURO 12,500 each - fully paid up	257	257
v. S J Rubber Industries Limited 362,750 (31 March 2024: 362,750) equity shares with face value of Rs.10 each - fully paid up	7,500	7,500
vi. Imperial Auto Fluid Transmission Products, Mexico, S. DE R.L., DE.C.V.** (76,621,000 Mxn peso parts 31 March 2024: 20,009,900)	3,431	995
Total (A)	15,121	12,685
Associate companies:		
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	1,564	1,564
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 Less: Impairment of investment in Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)	2,700 (57)	2,700 (57)
iii. Nichirin Imperial Auto Parts India Private Limited 10,330,000 (31 March 2024: 10,330,000) equity shares with face value of Rs.10 each - fully paid up Less: Impairment of investment in Nichirin Imperial Auto Parts India Private Limited	1,761 (237)	1,761 (237)
Total (B)	5,731	5,731
(b) Other:		
i. Caparo Power Ltd.** 3,000 (31 March 2024: 3,000) equity shares of Rs. 10 each (face value) - fully paid up	0	0
Total (C)	0	0
	20,852	18,416

*Aggregate amount of unquoted investments at cost

** Rounded off to zero

***During the previous year, the Company had acquired 100% equity stake in Imperial Auto Fluid Transmission Products, Mexico, S. DE R.L., DE.C.V. from Mr. Thomas Charles Snyder for a value of USD 782 through agreement dated 30 November 2023 and subsequently the Company infused USD 11,98,000 on 15 March 2024. Company made these acquisitions for expanding their market share in Mexican automotive segment. During the financial year 2024-25 the Company has further infused USD 28,63,116 in Imperial Mexico.



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)

Particulars of subsidiaries and associate as at 31 March 2025 and 31 March 2024

Name	Relationship	Ownership interests		Principal place of business
		31 March 2025	31 March 2024	
IAI Industries Limited	Subsidiary	100%	100%	India
Imperial Auto USA Corporation	Subsidiary	100%	100%	USA
Imperial Marlor Engine Tubes Private Limited	Subsidiary	100%	100%	India
Imperial Auto Germany GmbH, Pleidelsheim (formerly known as Sb Rohrform Und Schlauchtechnik GmbH)	Subsidiary	100%	100%	Germany
S J Rubber Industries Limited	Subsidiary	100%	100%	India
Imperial Auto Fluid Transmission Products, Mexico, S. DE R.L. DE C.V.	Subsidiary	100%	100%	Mexico
Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)	Associate	40%	40%	India
Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)	Associate	17%	17%	India
Nichirin Imperial Auto Parts India Private Limited	Associate	40%	40%	India

4.4 - Other financial assets

Particulars	As at		As at	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
I. Non-current				
(Unsecured, considered good unless otherwise stated)				
Bank deposits (with remaining maturity more than 12 months)*	136	100	136	100
Security deposit	1,923	1,426	1,923	1,426
Advances to employees	-	-	-	-
Interest accrued on fixed deposits	12	12	12	12
	2,071	1,538	2,071	1,538
Less : Provision against deposits	(100)	-	(100)	-
	1,971	1,538	1,971	1,538
II. Current				
(Unsecured, considered good unless otherwise stated)				
Security deposit	244	249	244	249
Unbilled revenue	1,206	773	1,206	773
Advances to employees	262	320	262	320
Interest accrued on loan receivable	131	-	131	-
	1,843	1,342	1,843	1,342

* Margin money against bank guarantee

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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)

4.5 - Other assets

Particulars	As at 31 March 2025	As at 31 March 2024
I. Other non-current assets (Unsecured, considered good unless otherwise stated)		
Capital advance	1,965	2,772
Balance with statutory authorities	671	400
Amount paid under protest	687	687
Prepaid expenses	454	322
	3,777	4,181
II. Other current assets (Unsecured, considered good unless otherwise stated)		
Advances to suppliers	1,389	1,123
Balance with statutory authorities	4,532	5,301
Prepaid expenses	1,407	981
Others	46	90
	7,374	7,495

4.6 - Inventories

(Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2025	As at 31 March 2024
Raw material*#	36,831	35,824
Work in progress	7,403	4,001
Finished goods^#	25,745	22,422
Tools and spares	5	5
	69,984	62,252

* Includes packing material, consumables dies, instruments and jigs

^ Includes traded goods

net of provision for obsolete inventory

The Company recorded inventory write down (net) of INR `5,566 lakhs (March 31, 2024: INR `6,381 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
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts in INR lakhs, unless stated otherwise)

4.7 - Trade receivables

Particulars	As at	As at
	31 March 2025	31 March 2024
Secured, considered good	-	-
Unsecured, considered good	44,332	51,968
Receivable which have significant increase in credit risk	212	230
Receivable credit impaired	-	-
Less: Allowance for expected credit loss		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivable which have significant increase in credit risk	(212)	(230)
Receivable credit impaired	-	-
	44,332	51,968

Trade receivable includes Rs. 1432 lakhs (31 March 2024 Rs. 961 lakhs) receivable from related parties. Refer note- 4.39

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

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables						
considered good	43,835	285	132	63	17	44,332
which have significant increase in credit risk	-	-	185	26	1	212
credit impaired	-	-	-	-	-	-
Disputed trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Total trade receivables	43,835	285	317	89	18	44,544
Less: Loss allowance	-	-	(185)	(26)	(1)	(212)
Total	43,835	285	132	63	17	44,332

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables						
considered good	51,240	686	22	10	10	51,968
which have significant increase in credit risk	-	-	193	35	2	230
credit impaired	-	-	-	-	-	-
Disputed trade receivables						
considered good	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-
Total trade receivables	51,240	686	215	45	12	52,198
Less: Loss allowance	-	-	(193)	(35)	(2)	(230)
Total	51,240	686	22	10	10	51,968

4.8(a) - Cash and cash equivalents

Particulars	As at	As at
	31 March 2025	31 March 2024
Cash and cash equivalents		
Balances with banks:		
-Current accounts	4,572	2,777
Deposits with original maturity less than 3 months	50	1,223
Cash on hand	64	52
	4,686	4,052

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

Particulars	As at	As at
	31 March 2025	31 March 2024
Deposits with remaining maturity less than 12 months	23	36
	23	36

4.9 - Loans - Non-Current

Particulars	As at	As at
	31 March 2025	31 March 2024
(Unsecured, considered good unless otherwise stated)		
Loan to employees	239	-
Inter corporate loan (refer note 4.44)	6,252	-
	6,491	-

4.9 - Loans - Current

Particulars	As at	As at
	31 March 2025	31 March 2024
(Unsecured, considered good unless otherwise stated)		
Inter corporate loan (refer note 4.44)	-	147
	-	147



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Notes to the standalone 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
Authorised 150,000,000 Nos. (31 March 2024 150,000,000 Nos.) equity shares of Rs.10 each	15,000	15,000
	15,000	15,000
Issued, subscribed, and fully paid up 143,352,325 Nos. (31 March 2024 143,352,325 Nos.) equity shares of Rs. 10 each	14,335	14,335
	14,335	14,335

(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
Equity shares				
Opening balance	1,434	14,335	1,434	14,335
Issued during the year	-	-	-	-
Closing balance	1,434	14,335	1,434	14,335

The 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 Company, the holders of the equity shares will be entitled to receive the remaining assets of the 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
	Equity shares of INR 10 each fully paid up held by Mr. Tarun Lamba Stone Plant Investments BV	409 1,003	29% 70%	409 1,003
	1,412	99%	1,412	99%

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

(III) Details of shares held by promoters in the 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	29%	0%
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 2021
Equity shares allotted as fully paid up	-	-	-	714

(V) The 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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Notes to the standalone financial statements for the year ended 31 March 2025

(All amounts in INR lakhs, unless stated otherwise)

4.11 - Other equity

Particulars	As at 31 March 2025	As at 31 March 2024
<u>Capital reserve</u>		
Opening balance / closing balance	40	40
<u>Capital redemption reserve</u>		
Opening balance / closing balance	317	317
<u>Share premium</u>		
Opening balance / closing balance	6,786	6,786
<u>General reserve</u>		
Opening balance / closing balance	2,131	2,131
<u>Retained earnings</u>		
Opening balance	93,477	75,367
Add: profit during the year	16,729	18,104
Add: remeasurement of defined benefit (liability)/asset (net of tax)	(79)	6
Closing balance	1,10,127	93,477
<u>Revaluation reserve</u>		
Opening balance	14,352	12,434
Transfer to revaluation reserve	2,320	526
Add: tax impact	(332)	1,392
Less: reversal on sale of assets	-	-
Reclassification adjustment	-	-
Closing balance	16,340	14,352
	1,35,741	1,17,103

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 Company, 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 Company. 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. The reserve is not available for the distribution to the shareholders.

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.

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

(All amounts in INR lakhs, unless stated otherwise)

4.12 - Borrowings

Non-current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at amortised cost		
I. Borrowing - non current		
From banks:		
Secured		
- Term loans*	10,236	7,711
	10,236	7,711

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

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

Current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
II. Borrowings		
From banks:		
Secured		
- Working capital cash credits*	-	17
- Working capital demand loans*	8,302	3,200
- Packing credits*	-	7,700
Unsecured		
- Packing credits***	-	4,500
- Working capital demand loans^	6,000	-
- Bill discounting from banks #	-	2,902
- Working capital cash credits**	-	1
	14,302	18,320
Add: Current maturities of long-term borrowings	4,974	4,989
	19,276	23,309

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

** Interest rate for unsecured working capital cash credit is Nil (31 March 2024 9.15%-9.60% p.a.).

*** 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.).

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 standalone 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		
Term loan								
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-9 & 8A, Sec-20B, Faridabad
Hongkong and Shanghai Banking Corporation - 093-233244-495	712	475	1,199	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
Total	10,236	4,974	7,711	4,989				



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

(All amounts in INR lakhs, unless stated otherwise)

4.12 (b) Borrowings

Particulars	Amount outstanding as on 31st Mar 2025	Amount outstanding as on 31st March 2024	Rate of interest per annum	Details of security offered
Working Capital Demand Loans				
HDFC Bank Limited	-	2,400	Nil(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. including land & building-as mentioned below. i. Plot No-2 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad
HSBC	4,002	-	7.90-8.47% (31 March 2024 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. including land & building-as mentioned below. i. Plot No- 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad
BOB	2,000	-	8.6% (31 March 2024 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. including land & building-as mentioned below. i. Plot No- 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad
Total	8,302	3,200		

Particulars	Amount outstanding as on 31st Mar 2025	Amount outstanding as on 31 March 2024	Rate of interest per annum	Details of security offered
Working Capital Cash Credit				
Bank of Baroda	-	17	Nil (31 March 2024 9.15-9.60%)	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. including land & building-as mentioned below. i. Plot No- 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad
Total	-	17		

Particulars	Amount outstanding as on 31st Mar 2025	Amount outstanding as on 31 March 2024	Rate of interest per annum	Details of security offered
Packing credits				
Citi Bank	-	3,000	Nil (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. including land & 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	Nil (31 March 2024 5.89-6.45%)	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. including land & building-as mentioned below. i. Plot No- 93, sector-25, Faridabad ii. Plot No-13/6, Mathura Road, Faridabad
Total	-	7,700		



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)

4.13 - Lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Lease liability - non-current (refer note 4.37)	15,091	15,596
Lease liability - current (refer note 4.37)	1,989	2,554
	17,080	18,150

4.14 - Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
I. Provisions - non current		
Provision for employee benefits		
Compensated absence	502	393
Gratuity (refer note 4.40)	382	219
Provision for after sales related obligations (refer note 4.36)	339	355
	1,223	967

Particulars	As at 31 March 2025	As at 31 March 2024
II. Provisions - current		
Provision for employee benefits		
Compensated absence	92	73
Provision for after sales related obligations (refer note 4.36)	22	22
	114	95

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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)

4.15 - Deferred tax assets/ liabilities (net)

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

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Rs.	Rate (%)	Rs.	Rate (%)
Profit before tax	22,519		24,328	
Income tax using the Company's domestic tax rate	5,667	25.17%	6,123	25.17%
Tax effect of :				
Tax effect of non deductible expenses	99	0.44%	92	0.38%
Tax relating to earlier years	14	0.06%	12	0.05%
Impact on account of change in long term capital gain tax rate	-	0.00%	(1,467)	-6.03%
Impact of revaluation reserve	332	1.47%	75	0.31%
Others adjustments	(17)	-0.08%	(1)	0.00%
Income tax expenses recognised in the statement of profit and loss	6,095	27.07%	4,834	19.87%

ii. Components of deferred tax asset/ liability (net)

Particulars	As on 31 March 2025				As on 31 March 2024					
	Opening Balance	Recognised in statement of Profit and Loss	Recognised in other comprehensive income	Recognised in retained earnings	Closing Balance	Opening Balance	Recognised in statement of Profit and Loss	Recognised in other comprehensive income	Recognised in retained earnings	Closing Balance
Tax effect of items constituting deferred tax liabilities										
Revaluation reserve (refer note (i) below)	2,384	-	332	-	2,716	3,776	-	(1,392)	-	2,384
Gross deferred tax liabilities (a)	2,384	-	332	-	2,716	3,776	-	(1,392)	-	2,384
Tax effect of items constituting deferred tax assets										
Employee benefits	119	6	27	-	152	98	23	(2)	-	119
Provision for after sales related obligations	94	(3)	-	-	91	57	37	-	-	94
Ind AS 116 Impact	276	108	-	-	384	102	174	-	-	276
Provision for doubtful debts and other assets	58	21	-	-	79	24	34	-	-	58
Provision for Inventory	840	139	-	-	979	552	288	-	-	840
Property, plant and equipment	1,363	443	-	-	1,806	1,127	236	-	-	1,363
Gross deferred tax assets (b)	2,750	714	27	-	3,491	1,960	792	(2)	-	2,750
Net deferred tax asset/ liability (b - a)	366	714	(305)	-	775	(1,816)	792	1,390	-	366

* Rounded off to zero

Note i

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	(1,467)
b) tax impact on revaluation reserves for current year	75
Total	(1,392)



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)

4.16 -Trade payables

Particulars	As at	As at
	31 March 2025	31 March 2024
Total outstanding dues of micro enterprises and small enterprises (refer note below)*	6,818	14,927
Total outstanding dues of other than micro enterprises and small enterprises#	35,700	25,214
	42,518	40,141

Includes due to related parties Rs. 12,533 (31 March 2024 Rs. 8,695) (refer note no 4.39)

* Includes interest payable to micro enterprises and small enterprises

Note - The Micro, Small and Medium Enterprises

Particulars	As at	As at
	31 March 2025	31 March 2024
(a) The amounts remaining unpaid to micro and small suppliers as at the end of the year :		
Principal	6,818	14,927
Interest due thereon*	0	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*	0	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

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

Particulars	As at 31 March 2025				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables					
outstanding due to micro enterprises and small enterprises*	6,818	0	-	-	6,818
others	35,558	17	62	63	35,700
Disputed trade payables					
outstanding due to micro enterprises and small enterprises	-	-	-	-	-
others	-	-	-	-	-
Total	42,376	17	62	63	42,518

Particulars	As at 31 March 2024				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables					
outstanding due to micro enterprises and small enterprises*	14,927	0	-	-	14,927
others	24,904	126	105	79	25,214
Disputed trade payables					
outstanding due to micro enterprises and small enterprises	-	-	-	-	-
others	-	-	-	-	-
Total	39,831	126	105	79	40,141

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

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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)

4.17 - Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Interest accrued but not due on borrowings	141	105
Interest payable to micro, small and medium enterprises (refer note 4.16)**	0	1
Capital creditors	1,001	361
Others	2,290	1,837
	3,432	2,304

** Rounded off to zero

4.18-Other liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Other current liabilities		
Statutory liabilities	1,294	867
Other liabilities	415	338
	1,709	1,205

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

(All amounts in INR lakhs, unless stated otherwise)

4.19- Sale of services

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Job work #	197	237
	197	237

Includes sales to related parties (refer note 4.39)

4.20- 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	904	896
Tooling and development charges	1,573	2,181
Miscellaneous income	318	279
	4,741	5,424

4.21- Other income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income	316	69
Dividend income*	1,027	0
Profit on foreign currency transactions and translations (net)	820	1,606
Gain on lease modifications	505	194
Profit on sale of property, plant and equipment	38	21
Miscellaneous	385	126
	3,091	2,016

* Rounded off to zero

4.22- Cost of material consumed

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Raw material consumed*		
Opening stock	35,824	31,549
Add: Purchases	2,08,261	2,08,054
Less: Closing stock	(36,831)	(35,824)
	2,07,254	2,03,779

* Includes packing material, consumables dies , instruments and zigs

4.23- Purchases 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
	28	1,141

4.24 - 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
Opening stock		
Finished goods*	22,422	18,989
Work-in-progress	4,001	5,111
Total - (A)	26,423	24,100
Less: Closing stock		
Finished goods*	25,745	22,422
Work-in-progress	7,403	4,001
Total - (B)	33,148	26,423
Net - (A-B)	(6,725)	(2,323)

* Includes traded goods

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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)

4.25- Employees benefit expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages	16,306	13,857
Contribution to provident and other funds (refer note 4.40)	547	480
Staff welfare	2,500	2,017
	19,353	16,354

4.26- Finance costs

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on borrowings	3,306	2,283
Interest on lease liabilities (refer note no 4.37)	1,360	1,113
Other borrowing costs	304	239
	4,970	3,635

4.27- Other expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Contractual manpower and labour charges	36,075	35,506
Power and fuel	6,962	7,060
Repair & maintenance		
-Plant & machineries	3,525	3,100
-Buildings	972	808
-Others	2,012	1,421
Rent (refer note no 4.37)	607	197
Travelling and conveyance expenses	1,769	1,363
Postage, telephone and stationery	546	643
Freight and forwarding expenses	9,368	8,379
Legal and professional charges	1,939	1,769
Testing and inspection charges	1,772	1,190
Sales commission	3,181	3,199
Business promotion and advertisement expenses	372	256
Auditor's remuneration (refer note (i))	63	54
Insurance charges	464	375
Rates and taxes	1,617	1,350
Allowance for expected credit loss	-	135
Corporate social responsibility expenses (refer note (ii))	350	315
Directors sitting fees	17	16
Miscellaneous	438	656
	72,049	67,792

(i) Payments to the auditor (excluding applicable taxes)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
As Auditor		
Audit Fees (including limited reviews)	60	52
Reimbursement of expenses	3	2
Total	63	54

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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)

(ii) Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a) Gross amount required to be spent by the Company during the year	370	306
b) Amount spent during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above *	350	315
(iii) Excess utilisation of earlier years	25	-
(c) Shortfall at the end of the year^	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	Not applicable
(f) Details of related party transactions	Not applicable	Not applicable
(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not applicable	Not applicable

* The Company has spent on the causes like promoting environmental sustainability and promoting education which are also prescribed under schedule VII of Companies Act, 2013.

^ The company has utilised the excess of previous years for the purpose of utilisation against the shortfall for current year.

4.28- Exceptional items

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Software implementation services ^	(898)	(457)
Total	(898)	(457)

^ 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 Company has implemented the SAP ERP software.



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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 - 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
Financial Assets		
(i) Investments* #	0	0
(ii) Trade receivables	44,332	51,968
(iii) Cash and cash equivalents	4,686	4,052
(iv) Bank balances other than cash and cash equivalents	23	36
(iv) Other financial assets	3,814	2,880
(v) Loans	6,492	147
Total	59,347	59,083
Financial liabilities		
(i) Borrowings	29,512	31,020
(ii) Lease Liabilities	17,080	18,150
(iii) Trade payables	42,518	40,140
(iv) Other financial liabilities	3,432	2,304
Total	92,542	91,614

* Excludes investments in subsidiaries and associates, valued at cost
Rounded off to zero

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

- 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.

4.30- Financial risk management

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 Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet

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 30.49% of net trade receivables (31 March 2024: 50.64%).

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

	As at 31 March 2025	As at 31 March 2024
At the beginning of year	230	95
Movement during the year	(18)	135
Total expected credit loss allowance	212	230

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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)**(B) Liquidity risk**

Liquidity risk refers to the risk that the Company 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 Company 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 Company.

The Company 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	17,080	1,989	5,659	9,432
Capital creditors	1,001	1,001	-	-
Borrowings	29,512	19,276	10,236	-
Trade payable	42,518	42,518	-	-
Interest accrued but not due on borrowings	141	141	-	-
Other financial liability	2,291	2,291	-	-

Particulars as on 31 March 2024	Contractual cash flows			
	Carrying amount	Within 1 year	1-5 years	More than 5 years
Operating lease obligations	18,150	2,554	7,209	8,387
Capital creditors	361	361	-	-
Borrowings	31,020	23,309	7,711	-
Trade payable	40,140	40,140	-	-
Interest accrued but not due on borrowings	105	105	-	-
Other financial liability	1,838	1,838	-	-

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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	10,210	3,429	1,321	-
Payable	2,132	122	6	7
Net assets/(liabilities)	8,078	3,307	1,315	(7)

Particulars	31 March 2024			
	USD	EUR	GBP	JPY
Receivable	8,915	3,594	594	-
Payable	2,444	434	4	125
Net assets/(liabilities)	6,471	3,160	590	(125)

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
USD Sensitivity		
INR/USD - Increase by 10%	808	647
INR/USD - Decrease by 10%	(808)	(647)
EURO Sensitivity		
INR/EURO - Increase by 10%	331	316
INR/EURO - Decrease by 10%	(331)	(316)
GBP Sensitivity		
INR/GBP - Increase by 10%	132	59
INR/GBP - Decrease by 10%	(132)	(59)
JPY Sensitivity		
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 31 March 2025	As at 31 March 2024
Current borrowings		
From banks	14,302	18,320
Total	14,302	18,320

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 31 March 2025	As at 31 March 2024
Interest rates - increase by 100 basis point (31 March 2024: 100 basis point)	143	183
Interest rates - decrease by 100 basis point (31 March 2024: 100 basis point)	(143)	(183)

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



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(All amounts in INR lakhs, unless stated otherwise)

4.30 - Capital Management

The Company's capital management objectives are to ensure the Company'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 Company 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 Company 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	10,236	7,711
Short-term borrowings	19,276	23,309
Less: Cash and cash equivalents	4,686	4,052
Total Debt	24,826	26,968
Total Equity	1,50,076	1,31,438
Debt to Equity ratio	17%	21%

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 Company not acknowledged as debt		
- Direct tax (1)	755	687
- Indirect tax		
GST credit (2)	147	49
- Labour laws (3)	34	32
- Environment law (4)	5	5
- Customer claims (5)	2,801	-
Total	3,742	773

(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) GST credit case relates to excess availment of cenvat credit.

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

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

(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	2,474	1,290
TOTAL	2,474	1,290

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 used as numerator (Rs. lakhs) - (A)	16,729	18,104
Weighted average number of equity shares outstanding during the year used as denominator - (B) (Number in lakhs)	1,434	1,434
Basic and diluted earnings per share (Rs.) – (A) / (B) (Face value of Rs. 10 each)	11.67	12.63

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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)

4.33 Inventories

The cost of inventories recognised as an expense during the year was Rs. 200,557 (31 March 2024: Rs. 202,597). The amount of write-down of inventories to fair value less costs to sell recognized as an expense was Rs.1,458 (31 March 2024: Rs.1,457).

4.34 As per the transfer pricing norms applicable in India, the 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 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 financial statements.

4.35 Reconciliation of liabilities from financing activities

Effective 01 April 2017, the Company 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	Non cash changes		Others	As on 31 March 2025
			Interest expense	New leases		
Non-current borrowings (including current maturities)	12,700	2,510	-	-	-	15,210
Current borrowings	18,320	(4,018)	-	-	-	14,302
Lease liabilities	18,150	(3,303)	1,360	1,219	(346)	17,080

Particulars	As on 01 April 2023	Cash flows	Non cash changes		Others	As on 31 March 2024
			Interest expense	New leases		
Non-current borrowings (including current maturities)	8,433	4,267	-	-	-	12,700
Current borrowings	31,007	(12,687)	-	-	-	18,320
Lease liabilities	6,693	(3,037)	1,113	13,436	(55)	18,150

4.36 Provisions - non current / current

Particulars	Provision for after sales related obligation *
As on 31 March 2023	229
Addition during the year	355
Utilisation/ reversal during the year	(207)
As on 31 March 2024	377
Addition during the year	339
Utilisation/ reversal during the year	(355)
As on 31 March 2025	361
Current	22
Non-current	339

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

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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)

4.37- 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:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at the beginning of reporting year	18,150	6,693
Additions	1,219	13,436
Accretion of interest	1,360	1,113
Deletion during the year	(345)	-
Lease rent concession	(1)	(55)
Payments	(3,303)	(3,037)
Balance as at the end of reporting year	17,080	18,150
Current lease liabilities	1,989	2,554
Non-current lease liabilities	15,091	15,596
Total	17,080	18,150
Contractual maturities of lease liability-		
- Within 1 year	1,989	2,554
- 1-5 years	5,659	7,209
- More than 5 years	9,432	8,387
Total	17,080	18,150

Lease payments not recognised as a liability

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

Particulars	As at 31 March 2025	As at 31 March 2024
Short term leases	575	190
Leases of low value assets	32	7
Total	607	197

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

Particulars	As at 31 March 2025	As at 31 March 2024
Depreciation expense of right-of-use assets	2,907	2,811
Interest expense on lease liabilities	1,360	1,113
Gain on remeasurement of lease-116	(505)	(194)
Interest income on fair value of security deposit	(45)	(38)
Expense relating to short-term leases and leases of low value assets (included in other expenses)	607	197
Total	4,324	3,889

(C) Cash Outflow during the year

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Principal repayments	1,943	1,924
Interest expense	1,360	1,113
Total	3,303	3,037

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Notes to the standalone financial statements for the year ended 31 March 2025 (continued)
(All amounts in INR lakhs, unless stated otherwise)

4.38 - Disclosures of Ind AS 115

Effective 01 April 2018, the Company 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 financial statements of the Company.

Disaggregation of revenue

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

Revenue from contract with customer	For the year ended 31 March 2025	For the year ended 31 March 2024
India	2,42,301	2,34,341
Rest of the world	82,126	82,772
	3,24,427	3,17,113
Timing of revenue recognition		
Services/products transferred at a point in time	3,24,427	3,17,113
	3,24,427	3,17,113

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
Contract liabilities				
Advance from customers	-	35	-	47

Reconciliation of revenue recognised in Statement of Profit and Loss with contract price

Description	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue as per contracted price (as invoiced)	3,28,252	3,21,542
Reduction towards variable consideration components	(3,825)	(4,429)
Revenue from operations as per Statement of Profit and Loss	3,24,427	3,17,113

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
Opening balance of Contract liabilities	47	30
Less: Amount of revenue recognised against opening contract liabilities	(47)	(30)
Add: Addition in balance of contract liabilities for current year	35	47
Closing balance of Contract liabilities	35	47

Contract assets- Unbilled revenue	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening balance of Contract assets	773	2,238
Less: Amount of revenue adjusted against opening contract liabilities	(773)	(2,238)
Add: Addition in balance of contract assets for current year	1,206	773
Closing balance of Contract assets	1,206	773

The Company has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Company 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 standalone financial statements for the year ended 31 March 2025**

(All amounts in INR lakhs, unless stated otherwise)

4.39 Disclosure of related party transactions in accordance with Ind AS 24 Related Party Disclosures**Name of the Related Parties**

Particulars	
Wholly owned subsidiaries	IAI Industries Limited Imperial Auto USA Corporation Imperial Martor Engine Tubes Private Limited Imperial Auto Germany GmbH, Pleidelsheim (formerly known as Sb Rohrform Und Schlauchtechnik GmbH) S J Rubber Industries Limited Imperial Auto Fluid Transmission Products ,Mexico, S. DE R.L. DE.C.V.
Step down subsidiaries	Biebighäuser Kunststofftechnik GmbH, Leverkusen, Germany Biebighäuser Slovakia s.r.o., Šurany, Slovakia
Associates	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 Autoparts India Private Limited
Entities in which directors (or his/her relative) are interested	Goodwell Industries Solar Glass Works Limited Imperial Auto Industries
Key management personnel	Mr. Tarun Lamba Mr. Karan Lamba Mr. Vikram Mehra Mr. Viraj Sawhney Ms. Smita Piyush Mankad Dr. Parthasarathy Vankipuram Srinivasa Mr. Jagjit Singh Mr. Dilip Tuli Mr. Swapnil Sinha Mr. Vikram Wagh (w.e.f. 07 February 2025) Mr. Deepak Malik Mr. Ram Pal Singh Mr. Vishal Kampani Mr. Anand Dinkar Sontakke (till 14 January 2024)

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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)

4.39 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 Company are as follows:

Transactions with Wholly Owned Subsidiary Companies

S.No.	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
1	IAI Industries Limited		
	Purchases	458	337
	Sales	1,361	1,496
	Sale of property, plant and equipment	-	5
	Purchase of property, plant and equipment	2	1
	Purchase of consumable dies & tools*	-	0
	Rental income received	1	1
	Professional Income Received	240	240
2	Imperial Auto USA Corporation		
	Expense incurred by related party on behalf of Company	-	14
	Export Sale	66	211
3	Imperial Martor Engine Tubes Private Limited		
	Purchases	284	2,565
	Sales	368	389
	Sale of raw Material	-	431
	Job work income	3	2
	Intercompany loan given	3,575	-
	Job work expenses	1	55
	Interest on loan	148	-
	Sale of property, plant and equipment	252	805
	Purchase of property, plant and equipment	-	19
4	Imperial Auto Fluid Transmission Products, Mexico, S. DE R.L. DE,C.V.		
	Equity investment	2,436	-
	Export sales	26	-
	Tooling and development income	7	-
	Sale of property, plant and equipment	58	-
5	Imperial Auto Germany GmbH, Pleidelsheim (formerly known as Sb Rohrform Und Schlauchtechnik GmbH)		
	Intercompany loan given	2,619	-
	Corporate guarantee provided	6,915	-
	Export sale	1	-
	Professional charges	163	198
	Interest and commission charged	131	9
6	S J Rubber Industries Limited		
	Purchases	28,779	29,485
	Rental income	1	1
	Sale of raw Material	-	4
	Segregation and demurrage charges received	1	-

Summary of Balances with Wholly Owned Subsidiary Companies

	Particulars	As At 31 March 2025	As At 31 March 2024
7	IAI Industries Limited		
	Account receivable	132	108
8	Imperial Auto Fluid Transmission Products ,Mexico, S. DE R.L. DE,C.V.		
	Account receivable	91	-
9	Imperial Auto USA Corporation		
	Account receivable	30	102
10	Imperial Martor Engine Tubes Private Limited		
	Loan Receivable	3,575	-
	Account Receivable	83	-
	Account Payable	9	382
11	Imperial Auto Germany GmbH, Pleidelsheim (formerly known as Sb Rohrform Und Schlauchtechnik GmbH)		
	Loan Receivable	2,677	-
	Interest and commission charges receivable	131	-
	Account receivable	1	147
12	S J Rubber industries Limited		
	Account payable	11,873	7,573



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)

Transactions with Step down Subsidiary Companies

	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
13	Biebighäuser Slovakia s.r.o., Šurany, Slovakia Export Sales	1	-

Summary of Balances with Step down Subsidiary Companies

	Particulars	As At 31 March 2025	As At 31 March 2024
14	Biebighäuser Slovakia s.r.o., Šurany, Slovakia Account receivable	1	-

Transactions with Associate Companies

	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
15	Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)		
	Purchases	367	224
	Sales *	0	0
	Rent received	1	1
	Consultancy charges received	78	42
16	Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)		
	Purchases	1,081	853
	Sales	116	203
17	Nichirin Imperial Autoparts India Private Limited		
	Purchases	1,895	3,035
	Sales	33	512
	Job work income	5	9
	Consultation charges received	240	235
	Freight & cartage inward received	1	-
	Purchase of property, plant and equipment	10	-

Summary of Balances with Associate Companies

	Particulars	As At 31 March 2025	As At 31 March 2024
18	Sumiriko Imperial Rubber India Private Limited (formerly known as Tokai Imperial Rubber India Private Limited)		
	Account receivable	43	28
	Account payable	96	46
19	Sumiriko Imperial Hydraulics India Private Limited (formerly known as Tokai Imperial Hydraulics India Private Limited)		
	Account receivable	37	40
	Account payable	121	153
20	Nichirin Imperial Autoparts India Private Limited		
	Account receivable	50	131
	Account payable	434	540



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)

Transaction with entities in which Key Managerial Person are interested			
	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
21	Imperial Auto Industries		
	Rent paid	6	4
22	Goodwell Industries		
	Purchases	4,655	4,358
	Sales	-	1,254
	Sale of Raw Material	2,565	956
	Job work	7	5
	Purchase of property, plant and equipment	158	10
	Sale of property, plant and equipment	3	-
	Job work income	103	53
	Others	20	59
23	Solar Glass Works Limited		
	Others*	0	0
	Rent paid	181	178

Summary of balances of entities in which Key Managerial Person are interested			
	Particulars	As At 31 March 2025	As At 31 March 2024
24	Goodwell Industries		
	Account receivable	964	403
25	Solar Glass Works Limited		
	Security deposit receivable	8	8
26	Imperial Auto Industries		
	Account payable	-	2

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
	Remuneration		
1	Mr. Tarun Lamba (Managing Director & Chief Executive Officer)**	360	360
2	Mr. Vikram Mehra (Company Secretary)	51	43
3	Mr. Karan Lamba (Head of special projects)	90	78
4	Mr. Dilip Tuli (Chief Financial Officer)	171	154
5	Mr. Jagjit Singh (Whole time Director)	50	50
6	Mr. Anand Dinkar Sontakke (Chief Operating Officer) [^]	-	127
7	Mr. Vikram Arvind Wagh (Chief Executive Officer & Wholetime Director)#	147	-
8	Mr. Deepak Malik (Operation Head)	92	-
9	Mr. Vishal Kampani (Vice President)	70	-
10	Mr. Ram Pal Singh (Vice President)	98	-
	Retainership Bonus		
11	Mr. Tarun Lamba (Managing Director & Chief Executive Officer)**	-	270
	Variable Pay		
12	Mr. Tarun Lamba (Managing Director & Chief Executive Officer)**	40	40
13	Mr. Dilip Tuli (Chief Financial Officer)	25	25
14	Mr. Karan Lamba (Head of special projects)	10	10
15	Mr. Vikram Mehra (Company Secretary)	2	2
16	Mr. Vikram Arvind Wagh (Chief Executive Officer & Wholetime Director)#	25	-
17	Mr. Deepak Malik (Operation Head)	16	-
18	Mr. Vishal Kampani (Vice President)	12	-
19	Mr. Ram Pal Singh (Vice President)	14	-
	Professional service fees		
20	Ms. Smita Piyush Mankad	10	10
21	Dr. Parthasarathy Vankipuram Srinivasa	10	10
	Sitting Fees		
22	Ms. Smita Piyush Mankad	9	9
23	Dr. Parthasarathy Vankipuram Srinivasa	9	7
	Loan provided to Directors & Others during the financial year		
24	Mr. Vikram Arvind Wagh (Chief Executive Officer & Wholetime Director)#	100	-
25	Mr. Dilip Tuli (Chief Financial Officer)	60	-
26	Mr. Vikram Mehra (Company Secretary)	9	-
	Amount outstanding for loan provided to Directors & Others		
27	Mr. Vikram Arvind Wagh (Chief Executive Officer & Wholetime Director)#	100	-
28	Mr. Dilip Tuli (Chief Financial Officer)	60	-
29	Mr. Deepak Malik (Operation Head)	100	100

[^] Till 14 January 2024

* Rounded off to zero

** Chief Executive Officer Till 06 February 2025

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

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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)

4.40 Employee benefit obligations

A. Defined contribution plans

- a. Provident fund: Provident Fund benefit is a defined contribution plans under which the Company pays fixed contributions into funds established under Employee Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively.
- b. The Company 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 employee's provident fund is Rs 481 lakhs (31 March 2024: Rs. 421 lakhs)

B. Defined benefit plans

Gratuity

The Company operates a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on leaving the Company 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	2,098	1,724
Fair value of plan assets as at the end of the year	1,716	1,505
Net liability/(asset) recognized in the balance sheet *	382	219

*The Company's gratuity funds are managed by IAIL's "Employees Group Gratuity Cum Life Insurance Fund" therefore the composition of the fund assets is not presently ascertainable.

(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	1,724	1,524
Current service cost ^A	212	167
Interest cost [*]	122	111
Benefits paid	(72)	(72)
Actuarial loss/(gain) on obligations	112	(6)
Present value of obligations as at the end of the year	2,098	1,724

^A Included in employee benefit expense

^{*} 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	1,505	1,313
Expected return on plan assets	107	96
Contributions	170	166
Benefits paid	(72)	(72)
Actuarial gain on plan assets	6	2
Fair value of plan assets at the end of the year	1,716	1,505

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

Particulars	As at 31 March 2025	As at 31 March 2024
Current service cost	212	167
Net interest cost	15	15
Amount recognized in the statement of profit and loss	227	182

(e) Other comprehensive income

Particulars	As at 31 March 2025	As at 31 March 2024
Actuarial loss arising from change in financial assumptions	114	20
Actuarial loss arising from change in demographic assumptions	-	-
Actuarial gain arising on account of experience adjustments	(2)	(26)
Actuarial gain on plan assets	(6)	(2)
Total other comprehensive expense/(income)	106	(8)

(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.



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)

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	118	119
Impact of 1% Decrease on defined benefit obligations	132	114

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	95	96
Impact of 1% Decrease on defined benefit obligations	106	89

(h) History of defined benefit obligations and experience (gains) and losses						
Particulars	As at 31					
	March 2025	March 2024	March 2023	March 2022	March 2021	March 2021
Defined benefit obligation	2,098	1,724	1,524	1,381	1,237	1,237
Plan assets	1,716	1,505	1,313	1,287	1,272	1,272
Deficit	(382)	(219)	(211)	(94)	(35)	(35)
Experience losses & (gains) on plan liabilities	112	(6)	-	10	(44)	(44)
Experience gains on plan assets	(6)	(2)	-	(6)	(10)	(10)

Estimated amount of contribution in the immediate next year is Rs.260 lakhs (Rs. 183 lakhs).

C. Other long term employee benefits

Long term compensated absences

Principal assumptions for long term compensated absences

Particulars	As on March 31,	As on March 31,
	2025	2024
	Rate (%)	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.	IALM 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.



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)

4.41 Summary of quarterly statements to banks

The 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 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	(7,624)	Refer note b & e below
	Citi Bank	4,700					
September 2024	HSBC	5,000					
	HDFC	4,000	Inventories	69,445	69,450	(5)	Refer note a, c & d below
	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
December 2024	Citi Bank	4,700					
	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					
	HDFC	4,000	Inventories	70,207	69,984	222	Refer note a, c & d below
March 2025	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	(4,396)	Refer note b & e below
	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 Company, which has been relied upon by the auditors.



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)

4.42 Analytical ratios

Ratio	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	Variance (%)
Current ratio	Current assets	Current liabilities	1.86	1.83	1.58%
Debt-equity ratio	Total debt	Shareholder's equity	0.20	0.24	-16.67%
Debt service coverage ratio	Earnings available for debt service	Debt service	3.73	5.29	-29.47% Refer a.
Return on equity ratio	Profit after taxes	Average shareholder's equity	11.88%	14.91%	-20.29%
Inventory turnover ratio	Cost of goods sold	Average inventory	3.03	3.42	-11.25%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	6.74	5.71	18.05%
Trade payables turnover ratio	Net purchases	Average trade payables	5.04	5.47	-7.90%
Net capital turnover ratio	Revenue from operations	Average working capital	5.55	5.80	-4.33%
Net profit ratio	Profit after taxes	Revenue from operations	5.16%	5.71%	-9.68%
Return on capital employed	Earnings before interest and taxes	Capital employed (Tangible net worth + Total debt)	16.21%	17.81%	-8.95%
Return on investment*	Change in fair value of quoted non-current investments	Opening value of quoted non-current investments	-	-	-

* All non-current investments of the Company are in unquoted securities, thus reported as Nil.

a. Decrease in ratio in the current year on account of higher interest cost and rent expense and increase in repayment of principal amount of long term loan.

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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)

4.43 - Segment reporting

The Company has opted to provide segment information in its consolidated Ind AS financial statements in accordance with para 4 of Ind AS 108 - Operating Segments.

4.44 - Disclosure required under Section 186(4) of the Companies Act, 2013

Included in loans, the particulars of which are disclosed in below as required by Sec. 186(4) of the Companies Act, 2013

Name of the borrower	Nature of relationship	Rate of interest	Secured/ Unsecured	Tenure	Purpose	As at 31 March 2025	As at 31 March 2024
Imperial Auto Germany GmbH, Pleidelsheim (formerly known as Sb Rohrform Und Schlauchtechnik GmbH)	Wholly owned subsidiary	5.30%	Unsecured	1 year	General business purpose	-	99
Imperial Auto Germany GmbH, Pleidelsheim (formerly known as Sb Rohrform Und Schlauchtechnik GmbH)	Wholly owned subsidiary	8.00%	Unsecured	1 year	General business purpose	-	48
Imperial Auto Germany GmbH, Pleidelsheim (formerly known as Sb Rohrform Und Schlauchtechnik GmbH)	Wholly owned subsidiary	5.38%	Unsecured	3 year	General business purpose	2,677	-
Imperial Martor Engine Tubes Private Limited	Wholly owned subsidiary	8.50%	Unsecured	3 year	General business purpose	3,575	-
Total						6,252	147

All transactions are in the ordinary course of business

There are no loan or advances in the nature of loans, granted to promoters, directors, KMPs and related parties, either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment.

During the year, company has given loan amounting to Rs. 2,619 lakhs to Imperial Auto Germany GmbH, Pleidelsheim (formerly known as Sb Rohrform Und Schlauchtechnik GmbH) for a period of 3 years and loan amounting to Rs. 3,575 lakhs to Imperial Martor Engine Tubes Private Limited for a period of 3 years.

In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

4.45 - Events after balance sheet date

Subsequent to year end, the Company is into the process of conversion of the loan receivable from its wholly owned subsidiary Imperial Auto Germany GmbH into additional investment in Imperial Auto Germany GmbH. Further the 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. Other than this there are no reportable subsequent events after the balance sheet date. Further the 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.

4.46 - Other statutory information

- (i) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Company does not have transactions with companies struck-off from Register of Companies.
- (iii) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company 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:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company 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 Company shall:
 - (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.
- (vii) The Company 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).
- (viii) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

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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)

4.47 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 changes were made and ensuring that the audit trail cannot be disabled.

The Company, in respect of financial year commencing on 1 April 2024, has used an accounting software for maintaining its books of account. The Company has not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes. However, the audit trail (edit logs) is enabled at the application level.

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

4.49 - The financial statements for the year ended 31 March 2025 were authorised and approved for issue by the board of directors on 20 August 2025

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

For Walker Chandiook 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