

INDIA MOTOR PARTS & ACCESSORIES LIMITED

IMPAL

2022 - 2023

69th ANNUAL REPORT

BOARD OF DIRECTORS

| | |
|-----------------------|---------------------------------|
| Sri S RAM | Chairman |
| Sri ANANTH RAMANUJAM | |
| Sri SRIVATS RAM | |
| Sri S PRASAD | |
| Sri RASESH R DOSHI | |
| Sri S VENKATESAN | |
| Sri T N P DURAI | |
| Ms SRIYA CHARI | |
| Sri N KRISHNAN | Managing Director |
| Sri MUKUND S RAGHAVAN | Deputy Managing Director |

COMMITTEES OF THE BOARD

Audit Committee

| | |
|-----------------------|-------------------------------------|
| Sri S VENKATESAN | Chairman (w.e.f. 19-05-2023) |
| Sri S PRASAD | Chairman (upto 19.05.2023) |
| Sri RASESH R DOSHI | |
| Sri MUKUND S RAGHAVAN | |

Stakeholders Relationship Committee

| | |
|-----------------------|-----------------|
| Sri S VENKATESAN | Chairman |
| Sri ANANTH RAMANUJAM | |
| Sri MUKUND S RAGHAVAN | |

Nomination & Remuneration Committee

| | |
|------------------|-----------------|
| Sri S VENKATESAN | Chairman |
| Sri S RAM | |
| Sri S PRASAD | |

Corporate Social Responsibility Committee

| | |
|-----------------|-----------------|
| Sri T N P DURAI | Chairman |
| Ms SRIYA CHARI | |
| Sri S PRASAD | |
| Sri N KRISHNAN | |

Risk Management Committee

| | |
|-----------------------|-----------------|
| Sri N KRISHNAN | Chairman |
| Sri MUKUND S RAGHAVAN | |
| Sri RASESH R DOSHI | |
| Sri S RAMASUBRAMANIAN | |

CHIEF FINANCIAL OFFICER

Sri S RAMASUBRAMANIAN

COMPANY SECRETARY

Sri ADITYA SHARMA

EXECUTIVES

Sri L SRINIVASAN, Sr. Vice President (Marketing)
 Sri P VENUGOPALAN, Vice President (Marketing)
 Sri V KANNAN, Vice President (Marketing)

AUDITORS

M/S BRAHMAYYA & CO.
Chartered Accountants
 # 48, Masilamani Road, Balaji Nagar,
 Royapettah, Chennai – 600 014

SECRETARIAL AUDITORS

M/S DAMODARAN & ASSOCIATES
 No.6, Appavoo Gramani 1st Street
 Mandaveli, Chennai – 600 028

BANKERS

ICICI BANK LIMITED

REGISTERED & CORPORATE OFFICE

“Sundaram Towers” III Floor
 #46, Whites Road, Chennai – 600 014
 CIN: L65991TN1954PLC000958
 Website: www.impal.net

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INDIA MOTOR PARTS & ACCESSORIES LIMITED

FINANCIAL HIGHLIGHTS

| Particulars | Ind AS | | | | | | | IGAAP | | |
|---|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
| Share Capital (₹ In Crores) | 12.48 | 12.48 | 12.48 | 12.48 | 8.32 | 8.32 | 8.32 | 8.32 | 8.32 | 8.32 |
| Reserves & Surplus (₹ In Crores) (Refer Note No. 1 below) | 1351.46 | 1210.04 | 1420.14 | 922.73 | 1001.55 | 870.24 | 739.02 | 223.21 | 205.52 | 188.52 |
| Net Worth (₹ In Crores) | 1363.94 | 1222.52 | 1432.62 | 935.21 | 1009.87 | 878.56 | 747.34 | 231.53 | 213.84 | 196.54 |
| Sales (₹ In Crores) (Refer Note No. 2 below) | 705.05 | 626.27 | 516.73 | 517.06 | 510.17 | 474.62 | 518.02 | 500.60 | 510.96 | 510.50 |
| Profit Before Tax (₹ In Crores) | 91.78 | 71.31 | 65.49 | 60.02 | 57.08 | 43.65 | 45.87 | 37.86 | 43.51 | 42.56 |
| Profit After Tax (₹ In Crores) | 73.67 | 56.81 | 50.28 | 48.90 | 40.40 | 31.06 | 32.14 | 26.70 | 31.00 | 29.55 |
| Dividend % | 240 | 130 | 100 | 100 | 180 | 110 | 110 | 90 | 140 | 90 |
| Dividend per share on a Face value of ₹10/- each (₹) | 24.00 | 13.00 | 10.00 | 10.00 | 18.00 | 11.00 | 11.00 | 9.00 | 14.00 | 9.00 |
| Dividend Amount (₹ In Crores) | 29.95 | 16.22 | 12.48 | 12.48 | 14.97 | 9.15 | 9.15 | 7.48 | 11.65 | 7.49 |
| Earnings per Share (₹) | 59.03 | 45.52 | 40.28 | 39.18 | 48.57 | 37.34 | 38.64 | 32.10 | 37.27 | 35.51 |
| Book Value per Share (₹) | 1092.90 | 979.58 | 1147.93 | 749.37 | 1213.79 | 1055.96 | 898.25 | 278.30 | 257.03 | 236.59 |

Note:

- Reserves include impact of fair value of our investments.
- Sales Figure upto 30.6.2017 include incoming taxes of ED and CST estimated at 15%. In GST era Sales figures are without incoming taxes.

BOARD'S REPORT

Your Directors are pleased to present the **69th Annual Report** together with Audited Accounts for the year ended 31st March 2023. The summarized financial results of the Company are presented hereunder:

FINANCIAL HIGHLIGHTS: STANDALONE

(₹ in Crores)

| Particulars | 31.03.2023 | 31.03.2022 |
|--|---------------|------------|
| Profit before tax | 91.78 | 71.31 |
| Less: Provision for taxation (including deferred tax) | 18.11 | 14.50 |
| Profit after Tax | 73.67 | 56.81 |
| Add : Balance in P&L Account brought forward from previous year | 107.74 | 63.41 |
| Profit available for appropriation | 181.41 | 120.22 |
| Appropriations: | | |
| - Dividend Paid | 27.46 | 12.48 |
| Surplus Balance in Profit & Loss Account | 153.95 | 107.74 |

Management Discussion and Analysis Report

Your Company has witnessed a 12.58% growth in sales turnover during the financial year 2022-23 with Sales of Rs. 705.05 Crore versus the Rs. 626.27 Crore of the previous year. Some of the growth came from increased prices of spare parts due to commodity price inflation. During the year under review, your Company has opened three new branches to improve its reach to its customers in the rural areas. We have also taken two additional product lines to augment sales volumes.

In the year 2021-22 (previous fiscal year), there was sporadic lock downs in the first quarter of that year. Consequent to that (low base effect), we recorded a significant growth of 59.14% in the corresponding quarter of the year under review. Our growth in the second half of the year under review was significantly affected by tightening of liquidity conditions in the market and softening of material prices.

During the year under review, other income of your company has grown to Rs. 30.38 Crores against Rs.15.27 Crores during the financial year 2021-22.

Outlook:

Cars and utility vehicle market is expected to maintain their higher level of sales during the year. The effect of this on replacement parts for older cars is to be watched.

Small Commercial Vehicle sales increased with demand from intra city delivery of consumer goods.

The bus segment, both institutional and intercity routes has been affected by prolonged covid spell.

Goods carrying medium and heavy commercial vehicles may stabilize at slightly higher levels with replacement of fleets.

We see more active participation of OEMs in the aftermarket spares. With higher interest costs and anticipated stability in commodity prices, parts dealers are likely to hold lower levels of parts inventory in the coming months of this year.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Investments:

Our Consolidated Financial Statements will reflect 100% of CAPL operations from this year onwards versus 90% captured in the prior years since we have acquired additional 10% stake from the erstwhile promoters.

Dividend:

Your Directors in January 2023 declared an interim dividend of Rs.9.00 per equity share (90%). Your Directors are pleased to recommend a final dividend of Rs.15.00 per equity share (150%), which, together with the interim dividend, aggregates to a total dividend of Rs. 24.00 per equity share (240%) on the paid-up share capital of Rs.12.48 crores. This will absorb a sum of Rs 29.95 Crores. The Dividend Distribution Policy is hosted on website of the company at <https://impal.net/pdf/Dividend%20Distribution%20Policy.pdf>

Subsidiary Company:

CAPL Motor Parts Private Limited has sales of Rs.18.64 Crore and profit after tax of Rs.1.44 Crore for the financial year 2022-23.

During the year under review the Board has approved the amalgamation of CAPL, a wholly owned subsidiary Company with IMPAL, subject to regulatory approvals.

Internal Control Systems:

The Company has adequate Internal Control Systems with appropriate policies and procedures covering all areas of operations commensurate with the size of its business. Company's Internal Audit Department monitors and evaluates the adequacy of internal control systems of the Company. Senior Management and Audit Committee periodically review the internal audit findings as well as the effectiveness of the internal control measures.

IT systems

Our company has an enterprise software system tailor-made for us by an US headquartered company. This organization has been providing this support in software and periodical migration to a new operating system as and when required for the past 20 years.

We have an inhouse IT department with dedicated personnel to keep this system in order at all times. This has been helping the Company to carry out its regular business without interruption.

Consolidated Financial Statements

Transenergy Private Limited

During the year under review, your company sold a part of its holding in Transenergy Private Limited. Consequent to this, with effect from 24th March, 2023 Transenergy Private Limited ceased to be an Associate of your Company.

A statement containing salient features of the Financial Statements of CAPL Motor Parts Private Limited, Wholly Owned Subsidiary in Form AOC-1 is provided in **Annexure "A"** forming part of this Report.

The Financial Statements of the Subsidiary CAPL Motor Parts Private Limited is hosted in our website – www.impal.net

Board & Audit Committee

The details regarding number of Board meetings held during the financial year and composition of the Board and Audit Committee are furnished in Corporate Governance Report.

Risk Management

As statutorily required your Company constituted a Risk Management Committee, and framed a Risk Management Policy. During the year under review, 2 meetings were held. The role of the Risk Management Committee includes formulation of a detailed risk management policy and monitoring its implementation with periodic review of this policy etc.

Directors

During the year under review, the members of your Company vide resolution passed by Postal Ballot on 30th June, 2022, re-appointed Sri N Krishnan as Managing Director for a further period of 3 years with effect from 5th July, 2022 and appointed Sri Mukund S Raghavan as Deputy Managing Director for a period of 5 years with effect from 18th May, 2022.

Sri S Ram, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.

The Company has received necessary declarations from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 that the Independent Directors of the Company meet the criteria of Independence as laid down in Section 149 (6) of the Companies Act, 2013.

Annual Board Evaluation

The Board has made a formal evaluation of its own performance and that of its Committees and individual Directors as required under Section 134(3)(p) of the Companies Act, 2013.

A Separate Meeting of Independent Directors was held during the year, in which the Independent Directors evaluated the performance of the non-Independent Directors, the Board as a whole and the Chairman. The criteria for evaluation and the Remuneration Policy of the Company are attached vide **Annexures “B” & “C”**.

Related Party Transactions

All Related Party Transactions that were entered into during the financial year were in the ordinary course of business and at arm's length. The Material Related Party Transaction(s) entered during the year in terms of Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, was approved by the shareholders at the 68th Annual General Meeting held on 01st September, 2022. Since, these transactions are in the ordinary course of business and at arm's length, disclosure in form AOC-2 is not required.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Policy on Related Party Transactions as approved by the Board is available on the Company's Website at www.impal.net

Corporate Social Responsibility

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has contributed to various projects in the areas of Health, Education, Social Welfare and Art & Culture. Annual Report on CSR activities, containing necessary details is provided in **Annexure "D"**.

Business Responsibility Report

Business Responsibility Report is attached vide **Annexure "E"**.

Secretarial Audit

The Report of the Secretarial Auditor is attached vide **Annexure "F"**.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has set up an Internal Complaints Committee (ICC) to redress complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were received during the year 2022-23.

Corporate Governance

A detailed report on corporate governance, is attached forming part of this report.

Comments on Auditors' report

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and the Secretarial Auditor in their Reports respectively.

Annual Return

Annual Return in Form MGT-7 is posted on the website of the Company at https://impal.net/pdf/DRAFT%20MGT-7%20ANNUAL%20RETURN_2022-23.pdf

Particulars of Employees

There is no employee, particulars of whom are to be furnished under Section 197 read with Rule 5 (2) (i) and (ii) :

(i) & (ii) The ratio of average remuneration of Non-Whole Time Directors with that of the median remuneration of the employees for the financial year is 0.51 times and that of the Deputy Managing Director (inclusive of commission) is 69 times and Managing Director (inclusive of Commission) is 101 times.

- (iii) The number of permanent employees on the rolls of the Company as on 31st March 2023 is 854.
- (iv) Percentage increase in median remuneration of staff for the financial year, 8.5% for staff and 15% for Key Managerial Personnel.
- (v) The Company affirms that remuneration is as per the existing Remuneration Policy.

Statutory Statements

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company and the date of the Report.

There are no significant material orders passed by the Regulators / Courts which impacts the going concern status of the Company and its future operations.

Your Company has no activity relating to conservation of energy or technology absorption. The Company did not have any foreign exchange earnings or outgo.

Your Company has not accepted any public deposits since 2002.

The Company has not given any loans or guarantees.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

Directors' responsibility statement

As required under Section 134(5) of the Companies Act, 2013, your Directors state that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ended 31st March, 2023, and the profit of the Company for that year;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis and;
- v) the Directors have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Acknowledgement

Your Directors thank all our suppliers and customers for their continued support and co-operation during the year under review.

Your Directors also wish to thank ICICI Bank for its continued support and assistance.

Your Directors place on record their appreciation for the commitment, initiative and excellent contribution of all the staff and executives of the Company.

On behalf of the Board of Directors

S Ram

Chairman

DIN : 00018309

Place : Chennai

Date : 19th May, 2023

FORM NO. AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014).

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

| | |
|--|--------------------------------------|
| 1. Sl. No. | 1 |
| 2. Name of the Subsidiary | M/s.CAPL Motor Parts Private Limited |
| 3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA |
| 4. Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | NA |
| | ₹ in lakhs |
| 5. Share Capital | 500.00 |
| 6. Reserves & Surplus | 480.23 |
| 7. Total Assets | 1143.07 |
| 8. Total Liabilities | 162.84 |
| 9. Investments | 298.71 |
| 10. Turnover | 1864.04 |
| 11. Profit Before Taxation | 191.64 |
| 12. Provision for Taxation | 46.86 |
| 13. Profit After Taxation | 144.78 |
| 14. Proposed Dividend | NIL |
| 15. % of Shareholding | 100% |
| Notes: The following information shall be furnished at the end of the statement | |
| 1. Names of subsidiaries which are yet to commence operations | Not Applicable |
| 2. Names of subsidiaries which have been liquidated or sold during the year | Not Applicable |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

**Part “B”: Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures**

| | |
|--|----|
| Name of Associates/Joint Ventures | NA |
| 1. Latest Audited Balance Sheet Date | |
| 2. Shares of Associate/Joint Ventures held by the company on the year end: | |
| No of shares held | |
| Amount of Investment in Associates/Joint Venture – Nominal Value ₹ 100/- per share | |
| Extent of Holding % | |
| 3. Description of how there is significant influence | |
| 4. Reason why the associate/joint venture is not consolidated | |
| 5. Net worth attributable to Shareholding as per latest Audited Balance Sheet | |
| 6. Profit / Loss for the year: | |
| i. Considered in Consolidation | |
| ii. Not Considered in Consolidation | |

- Names of associates or joint ventures which are yet to commence operations – Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year -
During the year under review, your company sold a part of its holding in Transenergy Private Limited. Consequent to this, with effect from 24th March, 2023. Transenergy ceased to be an Associate of your Company.

N KRISHNAN
Managing Director
DIN: 00041381

S PRASAD
Director
DIN: 00063667

As per our Report of even date attached
for **Brahmayya & Co**
Chartered Accountants
Firm Registration No:000511S

MUKUND S RAGHAVAN
Deputy Managing Director
DIN: 03411396

S RAMASUBRAMANIAN
Chief Financial Officer

ADITYA SHARMA
Secretary

L RAVI SANKAR
Partner
Membership No:25929

Chennai
19th May, 2023

CRITERIA FOR EVALUATION

Criteria for evaluation of the Board and non-Independent Directors at a separate meeting of Independent Directors:

1. Composition of the Board and availability of multi-disciplinary skills Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make IMPAL a versatile institution
2. Commitment to good Corporate Governance Practices
 - a) Whether the company practices high ethical and moral standards.
 - b) Whether the company is fair and transparent in all its dealing with the stake holders.
3. Adherence to Regulatory Compliance
Whether the Company adheres to the various Government regulations, both State and Central in time.
4. Track record of financial performance
Whether the Company has been consistently recording satisfactory and profitable financial performance year over year adding to shareholder value.
Whether the Company is transparent in all its disclosures on financial data.
5. Grievance redressal mechanism
Whether a proper system is in place to attend to the complaints/grievances from the shareholders, depositors, customers, employees and others quickly and fairly.
6. Existence of integrated Risk Management System
Whether the Company has an integrated risk management system to cover the business risks.
7. Use of Modern Technology
Whether the Company has an Integrated IT strategy and whether there is any system for periodical technology up gradation covering both hardware and software.
8. Commitment to CSR
Whether the Company is committed to social causes and CSR and whether there is system to identify, finance and monitor such social activities.

Criteria for evaluation of Chairman at separate meeting of Independent Directors:

1. Leadership qualities
2. Standard of Integrity
3. Understanding of Macroeconomic, Microeconomic Industry trends and in - depth knowledge of Automobile Industry
4. Public Relations
5. Future Vision and Innovation

Criteria for evaluation of Independent Directors by the entire Board:

1. Qualifications & Experience
2. Standard of Integrity
3. Attendance in Board Meetings/AGM
4. Understanding of Company's business
5. Value addition in Board Meetings

Criteria for evaluation of the Audit Committee by the Board:

1. Qualification & Experience of members
2. Depth of review of financial performance
3. Oversight of Audit & inspection
4. Review of regulatory compliance
5. Fraud monitoring

REMUNERATION POLICY

India Motor Parts & Accessories Limited (hereinafter referred to as ‘the Company’) has, since inception, formulated performance-based remuneration structures for its employees at all levels, so as to provide ample opportunity for inclusive growth, supported with adequate learning. Accordingly, the remuneration structure is based on the qualification and skill levels at the time of joining the organisation and reviewed on a yearly basis by way of an assessment of their actual performance, through a “Performance Appraisal System”.

The components forming part of the compensation structure for each grade are designed to reward performance as well as cost of living adjustments and location-based allowances.

Section 178(2), (3) and (4) of the Companies Act, 2013 read with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provide that the Nomination, and Remuneration Committee (NRC) shall identify persons who are qualified to become Directors and shall also recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel, Senior Management and other employees.

Accordingly, on the basis of the recommendation of the NRC the Company has adopted the following Remuneration Policy which ensures that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors having the quality required to run the company successfully and is comparable to the compensation structure prevailing in other similar business enterprises.
- b) relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to working directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the company and its goals.

The following policy shall be hereinafter referred to as “**Remuneration Policy of India Motor Parts & Accessories Limited**”.

I Definitions

- a) “**Remuneration**” means any monetary benefit or its equivalent extended to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.
- b) “**Key Managerial Personnel**” means,
 - i) Managing Director;
 - ii) Whole-time Director;
 - iii) Chief Financial Officer;
 - iv) Company Secretary;
- c) “**Senior Management**”, defined by the Board of Directors and as may be modified from time to time, means All executives in the grade of Vice President and above;
- d) “**Employee**” will mean an employee who has been appointed on the rolls of India Motor Parts & Accessories Limited (hereinafter referred to as ‘the Company’) and has been issued an appointment order by the Company.

II Board Diversity

It will be the endeavour of the Company to attract people to the Board of our Company as Directors with varied experience that are appropriate to the business of the Company.

III Remuneration Pattern

The NRC lays down the following remuneration pattern for Non-executive Directors and Independent Directors, Executive Directors, Key Managerial Personnel, Senior Management and other employees under the Remuneration Policy:

1. The remuneration payable to Non-Executive Directors and Independent Directors may consist of:
 - (a) Sitting fees for attending the meetings of the Board and sub-committees of the Board, within the limit prescribed under the Companies Act, 2013;
 - (b) Commission for each financial year, within the limits specified under the Companies Act, 2013, as may be decided by the Board of Directors;
 - (c) Reimbursement of expenses for attending meetings of the Board and sub-committees of the Board.
2. The remuneration payable to Whole-time Directors, who are appointed based on Shareholders' approval, may consist of:
 - (a) Salary, allowances, commission and perquisites;
 - (b) Commission for each financial year, as may be decided by the Board of Directors, based on the recommendations of the NRC;
 - (c) Minimum Remuneration in any financial year, when the Company has no profits or its profits are inadequate, by way of salary, allowances, commission and perquisites not exceeding the limits specified in Part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

The overall remuneration payable to Directors, including Executive Directors, shall be within the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V.

3. The remuneration payable to Key Managerial Personnel, Senior Management and other employees of the company may consist of:
 - (a) Salary, allowances, perquisites and variable components reflecting the short-term and long-term performance objectives appropriate to the working of the Company.

IV Implementation of the Remuneration Policy

The remuneration payable to Non-executive Directors and Independent Directors shall be determined by the Board of Directors.

The Remuneration payable to Executive Directors shall be determined by the NRC after taking into account their experience, qualification, and responsibilities.

The Remuneration Policy of the Company, to the extent applicable to Key Managerial Personnel other than Executive Directors, Senior Management and other employees shall be monitored by the Managing Director, who shall take appropriate steps to ensure that the remuneration is commensurate with their experience, qualification, responsibilities, contributions, performance and industry standards.

The NRC shall take suitable steps to issue guidelines, procedures and such other steps as may be considered appropriate from time to time, for effective implementation of the Remuneration Policy.

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23**1. Brief outline on CSR Policy of the Company.**

CSR Policy of the Company is available in our website under the following link:
<https://www.impal.net/pdf/CSR%20Policy1.pdf>.

2. Composition of CSR Committee

| Sl No | Name of Director | Designation/ Nature of Directorship | Number of meeting of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|-------|------------------|--|---|--|
| 1 | Sri T N P Durai | Chairman -Non Executive Independent Director | 3 | 3 |
| 2 | Sri S Prasad | Member- Non-Executive Independent Director | | |
| 3 | Ms Sriya Chari | Member- Non-Executive Independent Director | | |
| 4 | Sri N Krishnan | Member- Managing Director | | |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The required information is available in our website under the following link:
<http://www.impal.net/investor.htm>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5. (a) Average net profit of the company as per Section 135(5) :

₹ 5988.98 lakhs

(b) Two percent of average net profit of the company as per Section 135(5) :

₹ 119.78 lakhs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

(d) Amount required to be set off for the financial year, if any :

₹ 27.89 lakhs

(e) Total CSR obligation for the financial year (b+c-d) :

₹ 91.89 lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) :

Details of CSR amount spent against ongoing projects for the financial year: Nil

Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in lakhs)

| (1) Sl. No | (2) Name of the Project | (3) Item from the list of activities in Schedule VII to the Act. | (4) Local area (Yes/No). | (5) Location of the project. | | (6) Amount spent for the project | (7) Mode of Implementation - Direct (Yes/No). | (8) Mode of Implementation - Through Implementing Agency | |
|---------------|---|---|-----------------------------|---------------------------------|----------|-------------------------------------|--|---|-------------------------|
| | | | | State | District | | | Name | CSR Registration Number |
| 1 | Promoting Education by providing financial assistance to deserving and meritorious students and also educational institutions which work for this cause | Education | Yes | Tamil Nadu | Chennai | 5.00 | No | Anandam Learning Centre | CSR00000963 |
| 2 | | Education | Yes | Tamil Nadu | Chennai | 20.00 | No | Laxmi Charities | CSR00005940 |
| 3 | | Education | Yes | Tamil Nadu | Chennai | 8.00 | No | Swami Vivekananda Rural Development Society | CSR00001905 |
| 4 | | Education | Yes | Tamil Nadu | Chennai | 8.00 | No | Ramakrishna Mission Students Home | CSR00006101 |
| 5 | | Education | Yes | Tamil Nadu | Chennai | 4.00 | No | Bhuvana Foundation | CSR00004245 |
| 6 | | Education | Yes | Tamil Nadu | Chennai | 5.00 | No | Tamil Nādu Arya Samaj Educational Society | CSR00005803 |
| 7 | | Education | Yes | Tamil Nadu | Chennai | 2.00 | No | Shraddha Mannu Foundation | CSR00014728 |
| 8 | | Education | Yes | Tamil Nadu | Chennai | 2.50 | No | P.S Ramachandra Educational & Charitable Trust | CSR00012032 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|--------|---|--|----------------------|--------------------------|------------|------------------------------|---|--|-------------------------|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 9 | Promoting preventive and general health care and sanitation | Health | Yes | Tamil Nadu | Ranipet | 2.00 | No | Swami Vivekananda Rural Development Society | CSR00001905 |
| 10 | | Health | Yes | Tamil Nadu | Chennai | 2.00 | No | Petralthan Pillaya Trust | CSR00004539 |
| 11 | | Health | Yes | Maharashtra | Mumbai | 3.00 | No | Cuddles Foundation | CSR00001473 |
| 12 | | Health | Yes | Tamil Nadu | Chennai | 5.00 | No | Madras Dyslexia Association | CSR00000202 |
| 13 | | Health | Yes | Tamil Nadu | Chennai | 4.00 | No | Resource Group for Education and Advocacy for Community Health (REACH) | CSR00023388 |
| 14 | | Health | Yes | Assam | Silchar | 10.00 | No | Cachar Cancer Hospital & Research Centre, Silchar, Assam | CSR00003079 |
| 15 | | Health | Yes | Tamil Nadu | Coimbatore | 5.00 | No | Idhayangal Charitable Trust | CSR00003135 |
| 16 | | Health | Yes | Tamil Nadu | Chennai | 2.00 | No | Kalaiselvi Karunalaya Social Welfare Trust | CSR00006639 |

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|--------|---|--|----------------------|--------------------------|----------|------------------------------|---|--|-------------------------|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 17 | Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups | Social Welfare | Yes | Tamil Nadu | Chennai | 5.00 | No | Vishranthi Charitable Trust | CSR00037625 |
| 18 | Protection of National Heritage, Art and Culture | Art & Culture | Yes | Tamil Nadu | Chennai | 3.00 | No | Sundaram Charities | CSR00006397 |
| | TOTAL | | | | | 95.50 | | | |

(b) Amount spent in Administrative Overheads

Nil

(c) Amount spent on Impact Assessment, if applicable

Nil

(d) Total amount spent for the Financial Year (a+b+c)

₹ 95.50 Lakhs

(e) CSR amount spent or unspent for the financial year:

(₹ in lakhs)

| Total Amount Spent for the Financial Year. | Amount Unspent | | | | |
|--|--|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 95.50 | Nil | | Nil | | |

INDIA MOTOR PARTS & ACCESSORIES LIMITED**(f) Excess amount for set off, if any** **(₹ in lakhs)**

| Sl. No. | Particular | Amount |
|----------------|---|---------------|
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 91.89* |
| (ii) | Total amount spent for the Financial Year | 95.50 |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 3.61 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | - |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 3.61 |

* Amount arrived after setting off Rs. 27.89 lakhs pursuant to third proviso of Section 135(5) of the Companies Act, 2013.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).

Not Applicable

N Krishnan
DIN: 00041381
Managing Director

T N P Durai
DIN: 00655615
Chairman - CSR Committee

Place : Chennai
Date : 19th May, 2023

Business Responsibility Report for the Financial Year 2022-23**Section A: General Information about the Company**

1. Corporate Identity Number (CIN) : L65991TN1954PLC000958
2. Name of the Company : India Motor Parts & Accessories Limited
3. Registered address : 46, Whites Road, Royapettah, Chennai 600 014
4. Website : www.impal.net
5. E-mail id : secy@impal.net
6. Financial Year reported : 2022-23
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
As per National Industrial Classification - 2008:
Section G /Division 45 / Group 453 - Sale and Distribution of Motor Vehicle Parts and Accessories
8. List three key products that the Company- provides (as in balance sheet)
Whole sale and retail distribution of Automotive Spare Parts includes
 - A. Brake Parts & Brake Fluid
 - B. Steering Parts and Linkages
 - C. Hex & Socket
9. Total number of locations where business activity is undertaken by the Company
 - i. Number of International Locations (Provide details of major 5) - NIL
 - ii. Number of National Locations - 81 locations
10. Markets served by the Company - National

Section B: Financial Details of the Company (as on 31.03.2023)

1. Paid up Capital (INR) : ₹ 12.48 cr.
2. Total Turnover (INR) : ₹ 705.05 cr.
3. Total profit after taxes (INR) : ₹ 73.67 cr.
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :
The Company's total spending on CSR is 2.06% of the average profit after taxes of the previous three financial years.
5. List of activities in which expenditure in 4 above has been incurred:-
 - A. Education
 - B. Health
 - C. Art & Culture
 - D. Social Welfare

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?
Yes. – CAPL Motor Parts Private Limited
2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Business Responsibility initiatives of the Parent Company are generally followed by the subsidiary company to the extent possible.
3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30%-60%, More than 60%]

No.

Section D: BR Information

1. Details of Director / Directors responsible for BR
 - a) Details of the Director / Directors responsible for implementation of the BR policy / policies

| | |
|-------------|-------------------|
| Name | Sri N Krishnan |
| DIN | 00041381 |
| Designation | Managing Director |

- b) Details of the BR head

| Sl No | Particulars | Details |
|-------|--------------|--------------------------|
| 1 | Name | Sri Mukund S Raghavan |
| 2 | DIN | 03411396 |
| 3 | Designation | Deputy Managing Director |
| 4 | Telephone No | 044 - 28523326 |
| 5 | E Mail Id | mukund@impal.net |

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

a) Details of Compliance (Reply in Y/N)

| Sl. No. | Questions | Business Ethics | Product Responsibility | Wellbeing of Employees | Stakeholder Engagement | Human Rights | Environment | Public Policy | CSR | Customer Relations |
|---------|--|-----------------|------------------------|------------------------|------------------------|--------------|-------------|---------------|-----|--------------------|
| | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| 1 | Do you have a policy / policy for.... | Y | NA | Y | Y | Y | N | N | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | - | Y | Y | Y | - | - | Y | Y |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) | N | - | N | N | Y | - | - | Y* | Y |
| 4 | Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director? | Y | - | Y | Y | Y | - | - | Y | Y |
| 5 | Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? | Y | - | Y | Y | Y | NA | NA | Y | Y |
| 6 | Indicate the link for the policy to be viewed online? | www.impal.net | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders | Y | - | Y | Y | - | - | - | Y | Y |
| 8 | Does the company have in-house structure to implement the policy / policies | Y | - | Y | Y | - | - | - | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | Y | - | Y | Y | - | - | - | NA | Y |
| 10 | Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency? | Y | - | Y | N | - | - | - | Y | Y |

* As per Provisions of the Companies Act, 2013

(b) If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|---|
| | The company has not understood the principles | - | - | - | - | - | - | - | - | - |
| | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | - | - | - | - | - | - | - | - |
| | The company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| | It is planned to be done within next 6 months | - | - | - | - | - | - | - | - | - |
| | It is planned to be done within the next 1 year | - | - | - | - | - | # | # | - | - |
| | Any other reason (please specify) | - | - | - | - | - | - | - | - | - |

Considering the nature of company's business, these Principles have limited applicability. The Company complies with Regulations governing its operations and has taken initiatives to promote inclusive growth and environmental sustainability.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
Annually
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The requirement of publishing Business Responsibility Report is applicable for the year 2022-23 and is published in the Annual Report

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes. The Policy covers the company, and its subsidiary CAPL Motor Parts Private Limited

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

| | |
|--------------|---|
| From | Received and resolved during the year 2022-23 |
| Shareholders | 2 |
| Customers | Nil |
| Employees | Nil |

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

| | | |
|----|---|----------------|
| 1. | List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. | Not Applicable |
| 2. | For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): | |
| | i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? | |
| | ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year? | |
| 3. | Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. | |

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, we procure consumables from the local & small producers, including communities surrounding the place of work.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

Considering the nature of business of the Company, it has a limited applicability, however, at IMPAL, we endeavor to recycle the product wherever possible for example, products delivered in Master / Shipper cartons by Manufacturers are recycled and used for aggregating dispatches to customers, minimizing printing the physical documents etc.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees: 854
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis: 19
3. Please indicate the Number of permanent women employees: 8
4. Please indicate the Number of permanent employees with disabilities.

The Company does not have any employees with disability.

5. Do you have an employee association that is recognized by management.

Yes

6. What percentage of your permanent employees are members of this recognized employee association?

13.46%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| Sl No | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|-------|---|--|--|
| 1 | Child labour / forced labour / involuntary labour | NIL | |
| 2 | Sexual harassment | | |
| 3 | Discriminatory employment | | |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- A. Permanent Employees - 294 (34.42%) out of 854
 - B. Permanent Women Employees - Nil
 - C. Casual / Temporary / Contractual Employees - Nil
 - D. Employees with Disabilities - No

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No
Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
Yes, the Company's CSR policy drives initiatives towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders. As part of its CSR the Company spends on educating students, on health care and on social welfare belonging to disadvantaged, vulnerable and marginalized people living below the poverty line.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
This is covered under our Policies on Business Responsibility Report
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

| Sl No | Particulars | No of complaints |
|-------|-------------|------------------|
| 1 | Received | 2 |
| 2 | Resolved | 2 (100%) |

Principle 6: Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.
Not Applicable
2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
Not Applicable
3. Does the company identify and assess potential environmental risks? Y / N - Not Applicable

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
No
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc. - No
6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?- Not Applicable.
7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year - Not Applicable.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

South India Chamber of Commerce & Industry and at the Regional level, and where our Branches are located, we are members of the local affiliated Motor Parts and Dealers Association. For example, Chennai Branch is affiliated to Madras Motor Parts Dealers Association and Kolkata Branch is affiliated to Kolkata Motor Parts Dealers Association. They in turn are affiliated to the Mother Organisation - Federation of All India Automobile Spare Parts Dealer Association
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
No.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.
We support on a continuous basis several projects on Health care, Education, Social welfare and Preservation of Heritage.
 - I. On Health care for many years we have been contributing
 - A. To a Community Hospital, which caters to the needs of preventive health care of the general public which includes people living in marginalized section of the society.
 - B. To Foundations which provides health care in TB and Cancer.
 - II. On Education for many years we have been contributing
 - A. To a Charitable Organization, which gives scholarship to meritorious students from the marginalized section of the society, to enable them to pursue their higher studies.
 - B. To a Society which provides free education to the downtrodden students living in villages. Under this, the Company has adopted Single Teacher Schools located in remote village schools in Tamil Nadu.
 - III. On Social Welfare we contributed to Vishranti Charitable Trust, Chennai, an old age home taking care old and destitute women.
 - IV. On preservation of heritage, we contributed to Sundaram Charities, Chennai, spreading awareness to preservation of our culture and heritage.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

External NGOs

3. Have you done any impact assessment of your initiative?

CSR Implementing partners submit the assessment / utilization report to the Company. In addition to this, personal visits are carried out by the Company Secretary on a yearly basis.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company during the year under review has spent an amount of Rs. 95,50,000 (Rupees Ninety-Five Lakhs Fifty Thousand Only) towards the community development projects as part of its CSR initiatives.

Information(s) of projects undertaken has been provided in the Annual Report on CSR, forms part of the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. We are carrying out regular visits and also get regular reports from NGOs about their activities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

Nil.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey / consumer satisfaction trends

While there is no formal process to evaluate this, we deduce this from the pending warranty complaints that is yet to be disposed off by the Manufacturers or by our branches at the periodical level. Dealers do return defective products occasionally / when required to us, these are entered into our register. The Warranty register is subjected to Internal Audit teams when they visit the branches for the Internal Audit twice a year. The register is perused in detail and we deduce any delay in resolving the warranty complain as a measure of customer satisfaction.

Form No. MR-3**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
INDIA MOTOR PARTS & ACCESSORIES LIMITED
CIN: L65991TN1954PLC000958
No.46 Whites Road, Chennai – 600 014.

I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. INDIA MOTOR PARTS & ACCESSORIES LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31.03.2023** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31.03.2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (to the extent applicable)
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

INDIA MOTOR PARTS & ACCESSORIES LIMITED

- (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, and dealing with client;
- (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
- (vi) Other laws as may be applicable specifically to the company - NIL

I have also examined compliance with the applicable Clause of the following:

- (i) Listing Agreement entered into by the Company with National Stock Exchange of India Limited
- (ii) (ii) Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meeting issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Circulars, Guidelines, Standards, etc. mentioned above subject to the following observations: **NIL**

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and there were no changes in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to Structured Digital Database.

I further report that during the audit period, the Company has

- a. passed a Special Resolution through postal ballot on 30th June, 2022 under sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013, for re-appointment of Sri N Krishnan (DIN: 00041381), as Managing Director for a period of 3 (three) years with effect from July 5, 2022.
- b. passed an Ordinary Resolution through postal ballot on 30th June, 2022 under sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013, for elevation and appointment of Sri Mukund S Raghavan, (DIN: 03411396), Executive Director as Deputy Managing Director for a period of 5 (five) years with effect from May 18, 2022.

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 1374/2021

ICSI UDIN: F005837E000321350

Place : Chennai
Date : 17.05.2023

(This report is to be read with my letter of even date which is annexed as Annexure 1 and forms an integral part of this report)

Disclaimer Certificate

To,
The Members,
INDIA MOTOR PARTS & ACCESSORIES LIMITED
CIN: L65991TN1954PLC000958
No.46, Whites Road, Chennai – 600014.

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN: F005837E000321350

Place : Chennai
Date : 17.05.2023

**Secretarial Compliance Report of
India Motor Parts & Accessories Limited for the year ended 31.03.2023**

(Pursuant to Regulation 24A of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015 read with
SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019)

I M. Damodaran, Managing Partner of M Damodaran & Associates LLP Practicing Company Secretaries, Chennai have examined:

- a) all the documents and records made available to me and explanation provided by India Motor Parts & Accessories Limited ("the Company"),
- b) the filings/ submissions made by the Company to the stock exchanges,
- c) website of the Company,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:
 - i. Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
 - ii. Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations prescribed under the SEBI Act whose provisions and the circulars/guidelines issued thereunder, (wherever applicable), have been examined, include :-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR')
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. – Not Applicable during the review period.
- h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. – Not Applicable during the review period.
- i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not Applicable during the review period.
- j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not Applicable during the review period.
and circulars / guidelines issued there under;

and based on the above examination, I hereby report that, during the Review Period:

- The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, during the review period.
- The Company was not required to take any actions as there were no observations made by the Secretarial Auditor in previous reports.
- The Company has suitably included the conditions as mentioned in Para 6(A) and Para 6 (B) of the SEBI Circular CIR/CFD/CMD1/114/2019, dated October 18, 2019 in terms of re-appointment of statutory auditor of the Company .

I hereby further report that, during the Review Period the compliance status of the Company is appended as below:

| Sr.No | Particulars | Compliance Status (Yes/No/NA) | Observations/ Remarks by PCS |
|-------|--|----------------------------------|---------------------------------|
| 1. | <p>Secretarial Standards :</p> <p>The compliances of the Company are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p> | Yes | - |
| 2. | <p>Adoption and timely updation of the Policies :</p> <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the Company All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/ guidelines issued by SEBI. | Yes | - |
| 3. | <p>Maintenance and disclosures on Website :</p> <ul style="list-style-type: none"> The Company is maintaining a functional website. Timely dissemination of the documents/ information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website. | Yes | - |
| 4. | <p>Disqualification of Director :</p> <p>None of the Director(s) of the Company is disqualified under Section 164 of Companies Act, 2013 as confirmed by the Company.</p> | Yes | - |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

| Sr.No | Particulars | Compliance Status (Yes/No/NA) | Observations/ Remarks by PCS |
|-------|--|----------------------------------|---|
| 5. | <p>Details related to Subsidiaries of the Company have been examined w.r.t. :</p> <p>(a) Identification of material subsidiary companies.</p> <p>(b) Disclosure requirement of material as well as other subsidiaries.</p> | Yes | Company does not have any material subsidiary |
| 6. | <p>Preservation of Documents :</p> <p>The Company is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p> | Yes | - |
| 7. | <p>Performance Evaluation :</p> <p>The Company has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p> | Yes | - |
| 8. | <p>Related Party Transactions :</p> <p>(a) The Company has obtained prior approval of Audit Committee for all related party transactions.</p> <p>(b) The Company has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.</p> | Yes Not Applicable | - - |
| 9. | <p>Disclosure of events or information :</p> <p>The Company has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p> | Yes | - |
| 10. | <p>Prohibition of Insider Trading :</p> <p>The Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.</p> | Yes | - |

| Sr.No | Particulars | Compliance Status (Yes/No/NA) | Observations/ Remarks by PCS |
|-------|---|----------------------------------|---------------------------------|
| 11. | Actions taken by SEBI or Stock Exchange(s), if any : No action(s) has been taken against the Company / its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder. | Yes | - |
| 12. | Additional Non-compliances, if any : No additional non-compliance observed for any SEBI regulation/circular/guidance note etc. | Yes | - |

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN
Managing Partner

Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000

PR 1374/2021
ICSI UDIN: F005837E000321416

Place : Chennai
Date : 17.05.2023

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

Report on the Audit of the Standalone Ind AS Financial Statements

1. Opinion

We have audited the standalone Ind AS financial statements of India Motor Parts & Accessories Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2023, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in Equity and statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and Profit and Other Comprehensive Profit, changes in Equity and its Cash Flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

INDEPENDENT AUDITORS' REPORT (Contd.)

4. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 SAs 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 Ind AS financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the standalone Ind AS 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.
- b) 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's 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 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.
- e) 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii) As required by Section 143(3) of the Act, we report 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 purposes of our audit.
 - b) 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 Balance Sheet, the Statement of Profit and Loss including the statement of Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V to the Act.
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“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 (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“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;
- (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.
- (v) (a) The final dividend declared and paid by the company during the year in respect of the previous financial year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.
- (b) The interim dividend declared and paid by the company during the current year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.
- (c) The Board of Directors of the company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act, to the extent it applies to declaration of dividend.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Brahmaya & Co.,
Chartered Accountants
Firm Regn No. 000511S

L. Ravi Sankar
Partner

Membership No. 025929
UDIN: 23025929BGYJXO7674

Place: Chennai.
Date: May 19,2023

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 7 of Our Report of Even Date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property plant and equipment.

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

- b) The Property Plant and Equipment were physically verified by the management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the Property Plant and Equipment. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) The Title deeds of all the immovable properties owned by the company are held in the name of the Company.
- d) The Company has not revalued any of its Property, Plant and Equipment and Intangible Assets during the year.
- e) No proceedings have been initiated during the year or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records which were not material, have been properly dealt with in the books of account.
- b) The Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks or financial institutions during the year on the basis of security of current assets of the company. The quarterly returns/statements filed by the company are in agreement with the books of account of the company.
- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. In our opinion and according to the information and explanation given to us, the investments made during the year are not prejudicial to the company's interest. Accordingly, reporting under clause 3(iii)(a) to 3(iii)(f) of the Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185 of the Companies Act, 2013 and the Company has not given any loan or made any investment covered under section 186 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iv) of the Order does not arise.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the

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Companies Act and the relevant rules made thereunder. Accordingly, reporting under clause 3 (v) of the Order does not arise.

- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013. Accordingly, reporting under clause 3(vi) of the order does not arise.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of these statutory dues outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.
 - b) There were no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes.
- (viii) According to the information and explanation given to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, reporting under clause 3(viii) of the order does not arise.
- (ix) a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, reporting under clause 3(ix) (a) of the order does not arise.
 - b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. Accordingly, reporting under clause 3(ix)(b) of the order does not arise.
 - c) In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year. Accordingly, reporting under clause 3(ix)(c) of the order does not arise.
 - d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the company, the Company did not raise any funds during the year. Accordingly, reporting under clause 3(ix)(d) of the order does not arise.
 - e) According to the information and explanations given to us and on an overall examination of the standalone 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 associate companies. Accordingly, reporting under clause 3(ix)(e) of the order does not arise.
 - f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(f) of the order does not arise.
- (x) a) In our opinion and according to the information and explanations given to us, the Company has neither raised during the year any money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the order does not arise.

- b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares/ fully or partly or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order does not arise.
- (xi) a) To the best of our knowledge and belief 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 course of our audit.
 - b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) Based on the information and explanations given to us and based on the representations to us, there are no whistle blower complaints received during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as per provisions of the Companies Act, 2013. Accordingly, reporting under clause 3(xii)(a),(b),(c) of the Order does not arise.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b) We have considered the internal audit reports of the company for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting under clause 3(xv) of the order does not arise.
- (xvi) a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly reporting under clause 3(xvi) (a), (b), (c) of the order does not arise.
 - b) Based on the information and explanations given to us and the audit procedure performed by us, we report that the group has one exempted Core Investment Company.
- (xvii) The Company has not incurred cash losses during the current year covered by our audit and the immediately preceding financial year.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the order does not arise.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans 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 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.
- (xx) a) In respect of other than ongoing projects. there are no unspent amounts for the year that are required to be transferred to a fund specified in schedule VII of the Companies Act, 2013.
- b) There are no unspent amounts for the year in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

For Brahmayya & Co.,
Chartered Accountants
Firm Regn No. 000511S

L. Ravi Sankar
Partner
Membership No. 025929
UDIN: 23025929BGYJXO7674

Place : Chennai.
Date : May 19, 2023

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT:

Referred to in Paragraph 7 of Our Report of Even Date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of India Motor Parts & Accessories Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 its business, including adherence to 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 Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

Place: Chennai.
Date: May 19, 2023

For Brahmayya & Co.,
Chartered Accountants
Firm Regn No. 000511S
L. Ravi Sankar
Partner
Membership No. 025929
UDIN No: 23025929BGYJXO7674

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

Amount in ₹ Crores

| Particulars | Notes | March 31, 2023 | March 31, 2022 |
|---|-------|----------------|----------------|
| I. ASSETS | | | |
| (1) Non - Current Assets | | | |
| (a) Property, Plant and Equipment | 2 (a) | 16.68 | 13.97 |
| (b) Other Intangible assets | 2 (b) | - | - |
| (c) Financial Assets | | - | - |
| (i) Investment - Equity Instruments | 3 (a) | 1090.55 | 998.75 |
| (ii) Investment - Fixed Maturity Plan Mutual Funds | 3 (b) | 119.91 | 40.44 |
| Total Non - Current Assets | | 1227.14 | 1053.16 |
| (2) Current Assets | | | |
| (a) Inventories | 7 | 80.23 | 68.03 |
| (b) Financial Assets | | | |
| (i) Current Investments | 3 (c) | 77.31 | 122.41 |
| (ii) Trade Receivables (Refer Note 35) | 4 | 88.23 | 88.60 |
| (iii) Cash and Cash Equivalents | 5A | 14.57 | 12.24 |
| (iv) Bank Balances other than cash and cash equivalents | 5B | 1.67 | 1.65 |
| (v) Other current financial assets | 6 | 2.31 | 2.33 |
| (c) Current Tax Assets (net) | 8 | 2.42 | 2.50 |
| (d) Other Current assets | 9 | 2.20 | 3.05 |
| Total Current Assets | | 268.94 | 300.81 |
| TOTAL ASSETS | | 1496.08 | 1353.97 |
| II. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share Capital | 10 | 12.48 | 12.48 |
| (b) Other Equity | 11 | 1351.46 | 1210.04 |
| Total Equity | | 1363.94 | 1222.52 |
| LIABILITIES | | | |
| (2) Non - Current Liabilities | | | |
| (a) Provisions | 13 | 9.53 | 8.51 |
| (b) Deferred tax liabilities (Net) | 12 | 54.27 | 45.20 |
| Total Non - Current Liabilities | | 63.80 | 53.71 |
| (3) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 14 | - | 5.33 |
| (ii) Trade Payables | | | |
| (A) Total outstanding dues of micro enterprise and small enterprises | | - | - |
| (B) Total outstanding dues of creditors other than micro enterprise and small enterprises | 15 | 57.07 | 59.58 |
| (iii) Other Financial Liabilities | 16 | 3.82 | 3.36 |
| (b) Other Current Liabilities | 17 | 7.30 | 9.36 |
| (c) Provisions | 18 | 0.15 | 0.11 |
| Total Current Liabilities | | 68.34 | 77.74 |
| Total Liabilities | | 132.14 | 131.45 |
| TOTAL EQUITY AND LIABILITIES | | 1496.08 | 1353.97 |

Significant Accounting Policies **A**

The accompanying notes are an integral part of the financial statements

N KRISHNAN
Managing Director
DIN: 00041381

S PRASAD
Director
DIN: 00063667

As per our Report of even date attached
for **Brahmayya & Co**
Chartered Accountants
Firm Registration No:000511S

MUKUND S RAGHAVAN
Deputy Managing Director
DIN: 03411396

S RAMASUBRAMANIAN
Chief Financial Officer
Chennai
19 May, 2023

ADITYA SHARMA
Secretary

L RAVI SANKAR
Partner
Membership No:25929

INDIA MOTOR PARTS & ACCESSORIES LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

Amount in ₹ Crores

| Particulars | Notes | March 31, 2023 | March 31, 2022 |
|---|-------|----------------|-----------------|
| REVENUE | | | |
| Revenue from operations | 19 | 707.59 | 627.80 |
| Other income | 20 | 30.38 | 15.27 |
| Total Income | | 737.97 | 643.07 |
| EXPENSES | | | |
| Purchase of Stock-in-Trade | 21 | 601.00 | 539.53 |
| Changes in inventories - Stock-in-Trade | 22 | (11.91) | (17.48) |
| Employee benefits expense | 23 | 32.15 | 29.27 |
| Finance cost | | 0.01 | 0.08 |
| Depreciation and amortization expenses | 24 | 0.91 | 0.78 |
| Other expenses | 25 | 24.03 | 19.58 |
| Total expenses | | 646.19 | 571.76 |
| Profit before tax | | 91.78 | 71.31 |
| Current tax | | (18.84) | (16.89) |
| Deferred tax - Reversal | | 0.73 | 1.85 |
| Reversal of Tax Provision relating to earlier years (net) | | 0.00 | 0.54 |
| Total Income tax expense | | (18.11) | (14.50) |
| Profit after tax for the year | | 73.67 | 56.81 |
| Other comprehensive income | | | |
| (i) Item that will not be reclassified to Profit or Loss | | | |
| a) Equity Instruments through other comprehensive income | | 106.47 | (306.06) |
| b) Re-measurement (loss) / gains on defined benefit plans | | (1.45) | 0.70 |
| c) Income tax effect on items that will not be reclassified to profit or loss | | (9.81) | 50.93 |
| Other Comprehensive income/(loss) for the year, net of tax | | 95.21 | (254.43) |
| Total comprehensive income for the year | | 168.88 | (197.62) |
| Earnings per Equity Share | | | |
| Basic earnings per share (In rupees) | | 59.03 | 45.52 |
| Diluted earnings per share (In rupees) | | 59.03 | 45.52 |

Significant Accounting Policies

A

The accompanying notes are an integral part of the financial statements

N KRISHNAN
Managing Director
DIN: 00041381

S PRASAD
Director
DIN: 00063667

As per our Report of even date attached
for **Brahmayya & Co**
Chartered Accountants
Firm Registration No:000511S

MUKUND S RAGHAVAN
Deputy Managing Director
DIN: 03411396

L RAVI SANKAR
Partner

S RAMASUBRAMANIAN
Chief Financial Officer
Chennai
19 May, 2023

ADITYA SHARMA
Secretary

Membership No:25929

STANDALONE STATEMENT OF CHANGES IN EQUITY

| PARTICULARS | Amount ₹ Crores |
|--|--------------------|
| (a) Equity share capital | |
| Balance as at April 01, 2021 | 12.48 |
| Changes in equity share capital during the previous year | 0.00 |
| Balance as at March 31, 2022 | 12.48 |
| Changes in equity share capital during the current year | 0.00 |
| Balance as at March 31, 2023 | 12.48 |

(b) Other equity

Amount in ₹ Crores

| Particulars | Reserves and Surplus | | | Items of Other Comprehensive Income | | | Total |
|--|----------------------|------------------|-------------------|--|--|-----------------|-------|
| | Capital Reserves | General Reserves | Retained Earnings | Gains / (losses) from equity investments through OCI | Remeasurement of Defined Benefit Obligations | | |
| Balance at 31st March 2021 | 3.79 | 305.00 | 63.41 | 1048.06 | (0.12) | 1420.14 | |
| Profit for the year ended 31st March 2022 | 0.00 | 0.00 | 56.81 | 0.00 | 0.00 | 56.81 | |
| Other Comprehensive Income for the year | 0.00 | 0.00 | 0.00 | (254.95) | 0.52 | (254.43) | |
| Total Comprehensive Income for the year | 0.00 | 0.00 | 56.81 | (254.95) | 0.52 | (197.62) | |
| Dividend Paid | 0.00 | 0.00 | (12.48) | 0.00 | 0.00 | (12.48) | |
| Sub-Total | - | - | 44.33 | (254.95) | 0.52 | (210.10) | |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

| | | | | | | |
|--|-------------|---------------|---------------|---------------|---------------|----------------|
| Balance at 31st March 2022 | 3.79 | 305.00 | 107.74 | 793.11 | 0.40 | 1210.04 |
| Profit for the year ended 31st March 2023 | 0.00 | 0.00 | 73.67 | 0.00 | 0.00 | 73.67 |
| Other Comprehensive Income for the year | 0.00 | 0.00 | 0.00 | 96.29 | (1.08) | 95.21 |
| Total Comprehensive Income for the year | 0.00 | 0.00 | 73.67 | 96.29 | (1.08) | 168.88 |
| Dividends paid | - | - | (27.46) | - | - | (27.46) |
| Sub-Total | - | - | 46.21 | 96.29 | (1.08) | 141.42 |
| Balance at 31st March 2023 | 3.79 | 305.00 | 153.95 | 889.40 | (0.68) | 1351.46 |

The accompanying notes are an integral part of the financial statements

N KRISHNAN
Managing Director
DIN: 00041381

MUKUND S RAGHAVAN
Deputy Managing Director
DIN: 03411396

S RAMASUBRAMANIAN
Chief Financial Officer

Chennai
19 May, 2023

S PRASAD
Director
DIN: 00063667

ADITYA SHARMA
Secretary

As per our Report of even date attached
for **Brahmayya & Co**
Chartered Accountants
Firm Registration No:000511S
L RAVI SANKAR
Partner
Membership No:25929

STANDALONE CASH FLOW STATEMENT

₹ in Crores

| Particulars | 2022-23 | 2021-22 |
|--|----------------|--------------|
| (A) Cash flow from Operating Activities | | |
| (a) Net Profit Before tax | 91.78 | 71.31 |
| Adjustments for: | | |
| Depreciation | 0.91 | 0.78 |
| Dividend Income | (13.99) | (5.97) |
| Interest Income from Bank Deposits and others | (3.91) | (3.51) |
| Profit on sale of Property, Plant and Equipment | (2.63) | 0.00 |
| Profit on Sale of Equity Shares of Associate Company | (2.27) | 0.00 |
| Loss on Sale/Write off of Property,Plant and Equipment | 0.12 | 0.01 |
| (Profit) / Loss on Sale of Investments / Changes in Fair Value | (7.55) | (5.71) |
| (b) Operating Profit before Working Capital Changes | 62.46 | 56.91 |
| Adjustment for: | | |
| Decrease/ (Increase) in Trade Receivables | 0.37 | (13.67) |
| Decrease / (Increase) in Loans & Advances | 0.86 | 0.89 |
| Decrease / (Increase) in Inventories | (12.20) | (18.16) |
| (Decrease) / Increase in Trade Payable and other liabilities | (1.43) | (11.31) |
| (c) Cash Generated from Operations | 50.06 | 14.66 |
| Less: Direct Taxes Paid (Net) | (18.77) | (17.99) |
| Net Cash flow from Operating Activities | 31.29 | (3.33) |
| (B) Cash flow from Investing Activities | | |
| Sale of Property, Plant and Equipment | 0.11 | 0.03 |
| Proceeds from Sale/ Redemption of Mutual Fund Investments | 738.82 | 708.12 |
| Dividend received | 13.99 | 5.97 |
| Proceeds from maturity of deposits with bank and others | 0.00 | 34.54 |
| Sale Proceeds from Equity Shares of Associate Company | 2.72 | 0.00 |
| Interest Income from Bank Deposits and others | 4.19 | 3.74 |
| Purchase of Property, Plant and Equipment | (4.16) | (0.88) |
| Purchase of Equity Shares | (1.14) | (78.54) |
| Advance received for sale of Property | 0.00 | 3.01 |
| Proceeds from sale of Non Convertible Debenture | 15.00 | 0.00 |
| Purchase of Mutual Fund Investments | (765.70) | (682.37) |
| Net Cash used in Investing Activities | 3.83 | (6.38) |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

STANDALONE CASH FLOW STATEMENT (Contd.)

₹ in Crores

| Particulars | 2022-23 | 2021-22 | |
|---|-------------|----------------|-------|
| (C) Cash flow from Financing Activities | | | |
| Cash Credit - Borrowings | (5.33) | 5.33 | |
| Dividend Paid | (27.46) | (12.48) | |
| Net Cash flow from Financing Activities | (32.79) | (7.15) | |
| (D) Net Increase / (Decrease) in Cash & Cash Equivalents | 2.33 | (16.86) | |
| Cash & Cash Equivalent at beginning of the year | 12.24 | 29.10 | |
| Cash & Cash Equivalent at the end of the year | 14.57 | 12.24 | |
| Items forming part of cash and cash equivalents | | | |
| Balances with Banks | 3.49 | 1.07 | |
| Cheques and Drafts on hand | 7.35 | 7.65 | |
| Cash on hand | 0.16 | 0.34 | |
| Remittances in Transit | 3.57 | 3.18 | |
| Short Term Deposits with Banks | 0.00 | 0.00 | 12.24 |

N KRISHNAN
Managing Director
DIN: 00041381

MUKUND S RAGHAVAN
Deputy Managing Director
DIN: 03411396

S RAMASUBRAMANIAN
Chief Financial Officer

Chennai
19 May, 2023

S PRASAD
Director
DIN: 00063667

ADITYA SHARMA
Secretary

As per our Report of even date attached
for **Brahmayya & Co**
Chartered Accountants
Firm Registration No:000511S

L RAVI SANKAR
Partner
Membership No:25929

Note A

NOTES ON ACCOUNTS

Significant Accounting Policies

Overall considerations

The financial statements have been prepared applying the significant accounting policies and measurement bases summarized below.

General Information

India Motor Parts and Accessories Limited ("IMPAL" or "the Company") is a public limited company and its shares are listed in National Stock Exchange. The registered office of the Company is situated at Sundaram Towers, 3rd Floor, No. 46, Whites Road, Royapettah, Chennai 600014.

The Company is engaged in sale and distribution of automobile spare parts.

1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, provisions of the Companies Act, 2013, to the extent notified and pronouncements of the Institute of Chartered Accountants of India.

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

The financial statements have been prepared under accrual basis of accounting as a going concern and on the historical cost convention except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

1.1 Revenue Recognition

Revenue is measured in accordance with Ind AS 115 as applicable, at the transaction price net of returns, trade allowances, rebates, discounts and amounts collected on behalf of third parties. It excludes Goods and Service tax.

i. Sale of Products:

Revenue from sale of products is recognized when the company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains control of the asset.

Revenue is measured based on transaction price, which is the value of the consideration received or receivable, stated net of discounts returns and Goods and Service Tax.

ii. Revenue from Services:

Revenue from Services is recognised in the accounting period in which the services are rendered and when invoices are raised.

NOTES ON ACCOUNTS (Contd.)

iii. Interest and Dividend Income:

Interest income are recognized using the time proportion method based on the rates implicit in the transaction. Interest income is included in other income in the statement of profit and loss.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established and it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

1.2 Property, plant and equipment

Free hold land is stated at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition/construction less accumulated depreciation/amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost. However, cost excludes Goods and Service Tax, to the extent credit of the GST is availed of.

Depreciation and amortization:

1. Depreciation is recognized on straight-line basis, over the useful life of the buildings and other tangible assets as prescribed under Schedule II of the Companies Act, 2013.
2. On tangible fixed assets added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

1.3 Intangible assets

Intangible assets acquired are recorded at their acquisition cost and are amortized on straight line basis over its useful life as prescribed under Schedule II of the Companies Act, 2013.

1.4 Leases

Effective April 01, 2019, the company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach method without restating comparatives.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company assesses the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

The company has elected to use the exemptions provided by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

For short-term/cancellable/low value leases, the company recognizes the lease payments as an expense in the Statement of Profit and Loss

1.5 Impairment

The Company shall assess at the end of the reporting period whether there exist any indications that an asset may be impaired. If such indication exists, the entity shall estimate the recoverable amount of the asset and treatment shall be given in accordance with Ind AS 36.

NOTES ON ACCOUNTS (Contd.)

1.6 Inventories

Inventories are valued at cost or net realizable value whichever is less in accordance with Ind AS 2. Net realizable value is the estimated selling price in the ordinary course of business. Cost is ascertained on FIFO basis. Obsolescence, slow and non-moving stocks are duly provided for.

1.7 Employee Benefits

A) Short Term Employee Benefits:

Short Term Employees Benefits for services rendered by them are recognized during the period when the services are rendered.

B) Post-employment benefits:

Defined Contribution Plan

a) Provident Fund

The Company contributes to the government administrated provident / pension fund and Employee State Insurance scheme on behalf of its employees as per statute.

b) Superannuation

The Company makes fixed contributions as a percentage on salary to the superannuation fund, which is administered by trustees and managed by the Life Insurance Corporation of India (LIC).

Defined Benefit Plan

a) Gratuity

The Company makes contribution to gratuity fund, (as per actuarial valuation), which is administered by trustees and managed by the Life Insurance Corporation of India (LIC).

b) Leave Encashment

Liability on account of encashment of leave to employees is provided on the basis of actuarial valuation.

1.8 Income Taxes

Tax expense comprises of current and deferred taxes.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts in financial statements.

Deferred taxes pertaining to items recognized in other comprehensive income (OCI) are disclosed under OCI.

1.9 Investments and Other financial assets

Investments are accounted in accordance with Ind AS 109

a. Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

NOTES ON ACCOUNTS (Contd.)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

b. Measurement

At Initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not a fair value through profit or loss) transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments:

Subsequent measurement of debt instruments depend on the company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments.

Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair Value through profit or loss:

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at Fair Value Through Profit or Loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all investments in equity (except of the subsidiaries/associate) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. These changes are accumulated within the equity till the same is derecognized / disposed off.

Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Investment in subsidiaries / associates:

Investment in subsidiaries / associates are measured at cost less provision for impairment, if any.

c. Impairment of financial assets

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

For trade receivables, the Company applies the approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

NOTES ON ACCOUNTS (Contd.)

d. De recognition of financial assets

A financial asset is de recognized when the Company has transferred the rights to receive cash flows from the financial asset.

Financial Liabilities

a. Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost. The Company's financial liabilities include borrowings, trade and other payables.

b. Subsequent measurement

Financial liabilities are measured subsequently at amortized cost.

c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired.

1.10 Provisions and Contingent Liabilities

Provisions are recognized when the company has a present obligation as a result of past events, it is probable, but the outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made out of the amount of obligation.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

1.11 Cash and cash equivalents and cash flow statement:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and short term deposits.

1.12 Earnings Per Share:

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

| Amount in ₹ Crores | | | | | | | | | | |
|--|---------------------|-------------|--------------------------------|---------------------|---------------------|-----------------|--------------------------------|---------------------|---------------------|---------------------|
| Description | Gross Block | | | Depreciation | | | Net Block | | | |
| | As at 01.04.2022 | Additions | Deductions / Adjustments | As at 31.03.2023 | As at 01.04.2022 | For the Year | Deductions / Adjustments | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2023 |
| Note 2(a) - Property, Plant & Equipment | | | | | | | | | | |
| Freehold Land (Refer note) | 6.34 | 0.98 | 0.00 | 7.32 | 0.00 | 0.00 | 0.00 | 0.00 | 6.34 | 7.32 |
| Leasehold land & Building | 0.44 | 0.00 | 0.39 | 0.05 | 0.06 | 0.01 | 0.04 | 0.03 | 0.38 | 0.02 |
| Building | 4.75 | 0.78 | 0.09 | 5.44 | 0.90 | 0.17 | 0.01 | 1.06 | 3.86 | 4.37 |
| Plant & Equipments | 0.69 | 0.17 | 0.01 | 0.85 | 0.15 | 0.05 | 0.00 | 0.20 | 0.54 | 0.65 |
| Others - Electrical Fittings | 0.05 | 0.01 | 0.00 | 0.06 | 0.01 | 0.01 | 0.00 | 0.02 | 0.04 | 0.04 |
| Office Equipments | 0.99 | 0.52 | 0.01 | 1.49 | 0.59 | 0.22 | 0.00 | 0.80 | 0.40 | 0.69 |
| Furniture & Fixtures | 1.97 | 0.86 | 0.03 | 2.80 | 0.67 | 0.21 | 0.00 | 0.88 | 1.29 | 1.93 |
| Vehicles | 1.72 | 0.84 | 0.19 | 2.38 | 0.60 | 0.24 | 0.13 | 0.72 | 1.12 | 1.66 |
| SUB TOTAL (A) | 16.95 | 4.16 | 0.72 | 20.39 | 2.98 | 0.91 | 0.18 | 3.71 | 13.97 | 16.68 |
| Note 2(b) - Intangible Assets | | | | | | | | | | |
| Computer Software | 1.24 | 0.00 | 0.00 | 1.24 | 1.24 | 0.00 | 0.00 | 1.24 | 0.00 | 0.00 |
| SUB TOTAL (B) | 1.24 | 0.00 | 0.00 | 1.24 | 1.24 | 0.00 | 0.00 | 1.24 | 0.00 | 0.00 |
| Total [A + B] | 18.19 | 4.16 | 0.72 | 21.63 | 4.22 | 0.91 | 0.18 | 4.95 | 13.97 | 16.68 |

Note: (i) Value of Freehold land includes undivided share of land (UDS) of value of ₹ 3.42 Crores. (Previous year - ₹ 3.42 Crores)

Notes to Balance Sheet

Amount in ₹ Crores

| Note | Particulars | March 31, 2023 | March 31, 2022 |
|-------------|--|----------------|----------------|
| 3(a) | Investments | | |
| | Investments in Equity Instruments | | |
| | Investments at Cost | | |
| | Unquoted Investment - Wholly Owned Subsidiary - Non Trade | | |
| | CAPL Motor Parts Private Limited | 5.64 | 4.50 |
| | 50,00,000 equity shares of Face Value ₹ 10/- each (During the year, 50,000 equity shares have been acquired) | | |
| | Quoted Investments - Others - Non Trade | | |
| | Investments designated at Fair Value Through Other Comprehensive Income | | |
| | Sundaram Finance Limited | 666.53 | 562.39 |
| | (28,98,600 equity shares of Face Value Rs.10/- each) | | |
| | Wheels India Limited | 49.29 | 56.27 |
| | (10,98,655 equity shares of Face Value Rs.10/- each) | | |
| | Sundaram Finance Holding Limited | 35.96 | 31.60 |
| | 45,60,219 equity shares of Face Value Rs.5/- each (17,06,619 equity shares of Face value of Rs. 5/- each acquired by way of right issue during the year 2021-22) | | |
| | Unquoted Investments - Others - Non Trade | | |
| | Investments designated at Fair Value Through Other Comprehensive Income | | |
| | Royal Sundaram General Insurance Co. Ltd | 233.19 | 270.17 |
| | (3,27,75,522 equity shares of Face Value ₹ 10/- each) | | |
| | Brakes India Private Limited | 94.11 | 56.82 |
| | (36,874 equity shares of Face Value Rs.100/ each purchased during the year 2021-22) | | |
| | Transenergy Private Limited | 5.83 | 1.64 |
| | 68188 equity shares of Face Value Rs 100/- each (31,812 equity shares have been sold during the year) (Refer Note 35) | | |
| | Investments in Debentures | | |
| | Investments designated at Fair Value through Profit and Loss | | |
| | 8.15% Non Convertible Debentures of Sundaram Home Finance Ltd. | 0.00 | 15.36 |
| | TOTAL | 1090.55 | 998.75 |
| | Aggregate amount of quoted investments and market value | 751.78 | 650.26 |
| | Aggregate amount of unquoted investments | 338.77 | 348.48 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Notes to Balance Sheet

| Note | Particulars | Amount in ₹ Crores | |
|-------------|--|--------------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| 3(b) | Investments in Fixed Maturity Plan Mutual Funds | | |
| | SBI FMP SERIES 61 DIRECT - GROWTH (1,49,99,250.037 units at Face Value of Rs.10) | 15.64 | 15.14 |
| | KOTAK NIFTY SDL APR 2027 TOP 12 EQUAL WEIGHT INDEX FUND - REGULAR (1,20,38,488.792 units at Face Value of Rs.9.7446) | 12.46 | - |
| | SBI FMP SERIES 58 - DIRECT GROWTH (99,99,500.25 units at Face Value of Rs.10) | 10.49 | 10.15 |
| | Bandhan GILT 2027 INDEX FUND (Previously IDFC) (96,07,421.166 units at Face Value of Rs. 10.4081) | 10.49 | - |
| | SBI FMP SERIES 56 - DIRECT GROWTH (99,99,500.25 units at Face Value of Rs.10) | 10.42 | 10.07 |
| | ADITYA BIRLA SUN LIFE Nifty SDL APRIL 2027 INDEX FUND DIRECT GROWTH (98,84,701.80 units at Face Value of Rs.10.1165) | 10.35 | - |
| | HDFC NIFTY GSEC DEC 2026 INDEX FUND (99,99,500.025 units at Face Value of Rs.10) | 10.30 | - |
| | IDFC CRISIL SDL PLUS GILT SEP 2027 INDEX DIRECT GROWTH (99,99,500.025 units at Face Value of Rs.10) | 10.27 | - |
| | NIPPON INDIA ETF NIFTY SDL - MUTUAL FUND (5,00,000 units at Face Value of Rs.105.22) | 5.59 | - |
| | SBI FMP SERIES 53 - DIRECT GROWTH (49,99,750.012 units at Face Value of Rs.10) | 5.26 | 5.08 |
| | NIPPON INDIA FIXED HORIZON FUND XLIV SERIES 1 -DIRECT GROWTH PLAN (49,99,750.012 units at Face Value of Rs.10) | 5.22 | - |
| | SBI FMP SERIES 68 1302D - GROWTH (49,99,750.012 units at Face Value of Rs.10) | 5.18 | - |
| | HDFC NIFTY SDL OCT 2026 INDEX FUND (49,99,750.012 units at Face Value of Rs.10) | 5.07 | - |
| | Bandhan GILT 2027 INDEX FUND (Previously IDFC) (29,18,880.27 units at Face Value of Rs. 10.2774) | 3.17 | - |
| | Total Investment in FMP classified as Non Current | 119.91 | 40.44 |

Notes to Balance Sheet

Amount in ₹ Crores

| Particulars | Face Value Per Unit ₹ | No of Units | AS ON | AS ON |
|---|-----------------------------|-------------|-----------------------------|-----------------------------|
| | | | 31.03.2023 | 31.03.2022 |
| | | | Fair Value (₹ in Crores) | Fair Value (₹ in Crores) |
| 3 (C) Current Investments | | | | |
| Investments in Mutual Funds | | | | |
| SUNDARAM FIXED TERM PLAN IS - DIRECT - GROWTH | 10.00 | 1,60,00,000 | 0.00 | 20.10 |
| HDFC FMP - SERIES 42 - DIRECT - GROWTH | 10.00 | 1,00,00,000 | 0.00 | 13.41 |
| HDFC FMP - SERIES 44 - DIRECT - GROWTH | 10.00 | 50,00,000 | 0.00 | 6.29 |
| AXIS FIXED TERM PLAN - SERIES 104 - DIRECT- GROWTH | 10.00 | 1,00,00,000 | 0.00 | 12.44 |
| SBI DEBT FUND SERIES C 48 - DIRECT - GROWTH | 10.00 | 1,00,00,000 | 13.32 | 12.61 |
| SBI DEBT FUND SERIES C 49 - DIRECT - GROWTH | 10.00 | 79,22,926 | 10.51 | 31.32 |
| SBI DEBT FUND SERIES C 50 - DIRECT - GROWTH | 10.00 | 50,00,000 | 6.60 | 6.24 |
| SUNDARAM CORPORATE BOND FUND -DIRECT-GROWTH | 26.54 | 15,07,125 | 5.27 | 5.04 |
| Sundaram Alternate OPP Series High Yield Secured Debt Fund Series I | | | 0.00 | 1.35 |
| Sundaram Alternate OPP Series High Yield Secured Debt Fund Series II | | | 9.94 | 9.94 |
| Sundaram Alternate OPP Series High Yield Secured Debt Fund Series III | | | 13.41 | 3.67 |
| Sundaram OVERNIGHT Fund - DIRECT 918 | | 55,058 | 6.56 | 0.00 |
| NIPPON INDIA LIQUID FUND - Direct Growth | | 9,630 | 5.30 | 0.00 |
| Sundaram LIQUID Fund - DIRECT 918 | | 17,624 | 3.50 | 0.00 |
| BANDHAN OVERNIGHT Fund - DIRECT 918 (Previously IDFC) | | 24,292 | 2.90 | 0.00 |
| TOTAL | | | 77.31 | 122.41 |
| Aggregate amount of unquoted investments | | | 77.31 | 122.41 |
| Total of 3 (b) + 3 (C) | | | 197.23 | 162.85 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Notes to Balance Sheet

| | | Amount in ₹ Crores | |
|-----------|--|--------------------|----------------|
| Note | Particulars | March 31, 2023 | March 31, 2022 |
| 4 | Trade Receivables | | |
| | - Unsecured - considered good (Refer Note 36) | 88.23 | 88.60 |
| | TOTAL | 88.23 | 88.60 |
| 5A | Cash & Cash Equivalents | | |
| | Cash on hand | 0.16 | 0.34 |
| | Balances with Banks | 3.49 | 1.07 |
| | Cheques and Drafts on hand | 7.35 | 7.65 |
| | Remittances in Transit | 3.57 | 3.18 |
| | TOTAL | 14.57 | 12.24 |
| 5B | Bank balances other than cash & cash equivalents | | |
| | Balances with Banks for Unclaimed / Unpaid Dividends | 1.48 | 1.48 |
| | Others - Guarantee Deposit | 0.19 | 0.17 |
| | TOTAL | 1.67 | 1.65 |
| 6 | Other Current Financial Assets | | |
| | Security Deposit | 1.14 | 1.15 |
| | Advances to Employees and Others | 0.31 | 0.24 |
| | Deposit with Governments and others | 0.25 | 0.03 |
| | Interest Income accrued on Investments in Non Convertible Debenture and Alternate Investment Funds | 0.61 | 0.91 |
| | TOTAL | 2.31 | 2.33 |
| 7 | Inventories | | |
| | Stock in Trade | 79.25 | 67.34 |
| | Goods in Transit / Stock in Transit | 0.98 | 0.69 |
| | TOTAL | 80.23 | 68.03 |

Notes to Balance Sheet

| Note | Particulars | Amount in ₹ Crores | |
|-----------|---|-----------------------|-----------------------|
| | | March 31, 2023 | March 31, 2022 |
| 8 | Current Tax Assets (net) | | |
| | Advance Tax and T.D.S. (Net of Provision for tax) (includes refunds due) | 2.42 | 2.50 |
| | TOTAL | 2.42 | 2.50 |
| 9 | Other Current Assets | | |
| | Advances recoverable in Kind | 2.00 | 2.47 |
| | Prepaid Expenses | 0.20 | 0.17 |
| | Sundry Advances | 0.00 | 0.01 |
| | Others | 0.00 | 0.40 |
| | TOTAL | 2.20 | 3.05 |
| | EQUITY | | |
| 10 | Equity Share Capital | | |
| | a. Authorised Share Capital | | |
| | Equity Shares | | |
| | 2,00,00,000/- Equity Shares of ₹ 10/- each | 20.00 | 20.00 |
| | b. Issued, Subscribed & Paid-up Capital | | |
| | 1,24,80,000/- Equity shares of ₹ 10/- each | 12.48 | 12.48 |
| | c. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period: | March 31, 2023 | March 31, 2022 |
| | Equity Shares of ₹ 10/- each | | |
| | Outstanding at the beginning of the year (No. of Shares) | 12480000 | 12480000 |
| | Outstanding at the beginning of the year ₹ Crores | 12.48 | 12.48 |
| | Changes in equity share capital during the year (No. of Shares) | - | - |
| | Change in equity Share Capital during the year ₹ Crores | 0.00 | 0.00 |
| | Outstanding at the end of the year (No. of Shares) | 12480000 | 12480000 |
| | Outstanding at the end of the year ₹ Crores | 12.48 | 12.48 |

d. Rights, Preferences and restrictions

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each member is entitled to one vote by e-voting (remote e-voting / e-voting at the meeting), every shareholder is entitled to vote in proportion to their holdings.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Notes to Balance Sheet

| Note | Particulars | March 31, 2023 | March 31, 2022 |
|------|-------------|----------------|----------------|
|------|-------------|----------------|----------------|

e. Details of shareholder holding more than 5% shares in the company

| | | |
|---|----------------|---------|
| M/s Trichur Sundaram Santhanam & Family Private Limited | 2729148 | 2729148 |
| | 21.87% | 21.87% |
| M/s Sundaram Finance Holdings Limited | 2496033 | 2395314 |
| | 20.00% | 19.19% |
| M/s. Pari Washington India Master Fund Limited | 888667 | 888667 |
| | 7.12% | 7.12% |

f. During the year 2019-20, the company had allotted 41,60,000 Equity Shares of ₹ 10/- each as fully paid up by way of Bonus shares

g. Disclosure of Shareholding of Promoters:

| Promoters | No of Shares 2022-23 | % of holding | No of Shares 2021-22 | % of holding | % Change during the year |
|---|-------------------------|-----------------|-------------------------|-----------------|-----------------------------|
| Bodies Corporate | | | | | |
| Trichur Sundaram Santhanam & Family Private Limited | 2729148 | 21.87% | 2729148 | 21.87% | 0.00% |
| Individual | | | | | |
| Sri S. Ram | 29850 | 0.24% | 29850 | 0.24% | 0.00% |
| Sri. S. Viji | 70986 | 0.57% | 70986 | 0.57% | 0.00% |
| Ms. Vijaya Rangarajan | 141007 | 1.13% | 141007 | 1.13% | 0.00% |
| Sri R. Ramanujam | 3516 | 0.03% | 3516 | 0.03% | 0.00% |

Notes to Balance Sheet

| | | Amount in ₹ Crores | |
|-----------|--|--------------------|----------------|
| Note | Particulars | March 31, 2023 | March 31, 2022 |
| 11 | Other Equity | | |
| | Capital Reserves Opening and Closing Balance (A) | 3.79 | 3.79 |
| | General Reserves | | |
| | Opening Balance | 305.00 | 305.00 |
| | Closing Balance (B) | 305.00 | 305.00 |
| | Retained Earnings | | |
| | Opening Balance | 107.74 | 63.41 |
| | Add: Profit for the year | 73.67 | 56.81 |
| | Less: Dividend | (27.46) | (12.48) |
| | Closing Balance (C) | 153.95 | 107.74 |
| | Total Reserves and Surplus (A+B+C) | 462.74 | 416.53 |
| | Other Comprehensive Income | | |
| | Gains / (losses) from equity investments through OCI | | |
| | Opening Balance | 793.11 | 1048.06 |
| | Change during the year (net) | 96.29 | (254.95) |
| | Closing Balance | 889.40 | 793.11 |
| | Remeasurement of Defined Benefit Obligations | | |
| | Opening Balance | 0.40 | (0.12) |
| | Change during the year (net) | (1.08) | 0.52 |
| | Closing Balance | (0.68) | 0.40 |
| | Re-measurements of defined benefit liability comprises actuarial gains and losses. | | |
| | Total Other Equity | 1351.46 | 1210.04 |
| | LIABILITIES | | |
| 12 | Deferred Tax Liability (net) | | |
| | Deferred Tax Liability | 56.65 | 47.18 |
| | Deferred Tax Assets | (2.38) | (1.98) |
| | TOTAL | 54.27 | 45.20 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Notes to Balance Sheet

Amount in ₹ Crores

| Note | Particulars | March 31, 2023 | March 31, 2022 |
|-----------|---|----------------|----------------|
| 13 | Long Term Provisions | | |
| | For Employee Benefits | | |
| | - Leave Encashment | 0.56 | 0.46 |
| | - Gratuity liability under OCI | 0.92 | 0.00 |
| | For Financial Covenants | 8.05 | 8.05 |
| | TOTAL | 9.53 | 8.51 |
| 14 | Borrowings | | |
| | Loans repayable on Demand - Secured | | |
| | Cash Credit from Bank (Secured by charge on inventory and receivables of the Company.) | 0.00 | 5.33 |
| | TOTAL | 0.00 | 5.33 |
| 15 | Trade Payable - Current | | |
| | (i) Total outstanding dues of micro enterprises and small enterprises | - | - |
| | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 37) | 57.07 | 59.58 |
| | TOTAL | 57.07 | 59.58 |
| 16 | Other Financial Liabilities - Current | | |
| | Commission payable to Directors | 2.34 | 1.88 |
| | Unclaimed dividends | 1.48 | 1.48 |
| | TOTAL | 3.82 | 3.36 |
| 17 | Other Current Liabilities | | |
| | For Expenses | 3.75 | 2.69 |
| | GST payable | 0.28 | 1.27 |
| | Other payables | 3.27 | 2.39 |
| | Advance Received for sale of Property | 0.00 | 3.01 |
| | TOTAL | 7.30 | 9.36 |
| 18 | Short Term Provisions | | |
| | For Employee Benefits - Leave Encashment payable with in 1 year | 0.15 | 0.11 |
| | TOTAL | 0.15 | 0.11 |

Notes to Balance Sheet

Notes to Statement of Profit and Loss

Amount in ₹ Crores

| Note | Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------|--|---------------------------------|---------------------------------|
| 19 | Revenue from operations | | |
| | Sales - Less Returns (Net) | | |
| | Sale of Products / Services | 705.05 | 626.27 |
| | Other Operating Revenue | 2.54 | 1.53 |
| | TOTAL | 707.59 | 627.80 |
| 20 | Other income | | |
| | Dividend Income from Equity Investments | 13.99 | 5.97 |
| | Profit on Sale of Mutual Funds Liquid Funds (Net) | 1.82 | 0.00 |
| | Fair Value Gain on Mutual Funds and NCD (unrealised) | 5.73 | 5.71 |
| | Interest Income from Bank Deposits and Others | 3.91 | 3.51 |
| | Other non operating income | 0.03 | 0.08 |
| | Profit on sale of Property, Plant and Equipment | 2.63 | 0.00 |
| | Profit on Sale of Equity Shares of Associate Company | 2.27 | 0.00 |
| | TOTAL | 30.38 | 15.27 |
| 21 | Purchase of Stock-in-Trade | | |
| | Purchase Less Returns (Net) | 601.00 | 539.53 |
| | TOTAL | 601.00 | 539.53 |
| 22 | Changes In Inventories - Stock-in-Trade | | |
| | Opening Stock | 67.34 | 49.86 |
| | Closing Stock | 79.25 | 67.34 |
| | (Increase)/Decrease in inventories | (11.91) | (17.48) |
| 23 | Employee benefits expense | | |
| | Salaries, Bonus and other allowances | 28.06 | 25.45 |
| | Company's contribution to Provident fund, gratuity and other funds | 2.88 | 2.72 |
| | Staff Welfare Expenses | 1.21 | 1.10 |
| | TOTAL | 32.15 | 29.27 |
| 24 | Depreciation and amortization expense | | |
| | Depreciation of property, plant and equipment | 0.91 | 0.78 |
| | TOTAL | 0.91 | 0.78 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Notes to Statement of Profit and Loss

| | | Amount in ₹ Crores | |
|-----------|--|---------------------------------|---------------------------------|
| Note | Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
| 25 | Other expenses | | |
| | Audit Fees: | | |
| | as Auditors | 0.11 | 0.11 |
| | for Tax Audit | 0.04 | 0.04 |
| | for Other Certifications | 0.03 | 0.03 |
| | Power and fuel | 0.41 | 0.32 |
| | Rent | 3.70 | 3.24 |
| | Repairs to Buildings | 1.17 | 0.68 |
| | Repairs to Plant & Equipments | 0.04 | 0.03 |
| | Corporate Social Responsibility Expenses / Donations | 0.99 | 0.89 |
| | Insurance - Fire, Burglary, etc | 0.07 | 0.15 |
| | Rates, Taxes and Licences | 0.16 | 0.12 |
| | Loss on Sale/Write off of Property,Plant and Equipment | 0.12 | 0.01 |
| | Finance Charges | 0.00 | 0.08 |
| | Travelling Expenses | 2.91 | 1.49 |
| | Printing & Stationery | 0.74 | 0.57 |
| | Directors Sitting Fees | 0.06 | 0.04 |
| | Legal and Professional Charges | 1.05 | 1.25 |
| | Administrative and Other expenses | 12.43 | 10.53 |
| | TOTAL | 24.03 | 19.58 |

Notes to Standalone Financial Statement

26. General

The Company operates only in one business segment. Viz “Sale and Distribution of Automotive Spares”

27.1. Related Party disclosures in accordance with INDAS 24:

- a. Wholly Owned Subsidiary:
 - CAPL Motor Parts Private Limited
- b. By virtue of shareholding in India Motor Parts and Accessories Limited:
 - Trichur Sundaram Santhanam & Family Private Limited
 - Wheels India Limited
 - Brakes India Private Limited
- c. Key Management Personnel:
 - Sri. N. Krishnan, Managing Director.
 - Sri Mukund S Raghavan, Deputy Managing Director.
- d. Post-Employment Benefit Plan:
 - India Motor Parts and Accessories Limited Gratuity Fund
 - India Motor Parts and Accessories Limited Superannuation Fund

27.2. The disclosure of related party transactions during the year and balances as on 31/03/2023 are as follows.

₹ in Crores

| Nature of Transaction | Subsidiary | | By Virtue of Shareholding- Trichur Sundaram Santhanam & Family Private and its group Limited | | Key Management Personnel | |
|-----------------------|------------|---------|---|---------|-----------------------------|---------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Sales of Goods | 0.07 | 0.13 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchase of Goods | 0.25 | 0.09 | 301.63 | 46.94 | 0.00 | 0.00 |
| Receiving Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rendering of Services | 0.32 | 0.30 | 0.00 | 0.00 | 0.00 | 0.00 |
| Payable Balance | 0.00 | 0.00 | 33.32 | 34.23 | 2.23 | 1.78 |
| Receivable Balance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Remuneration | 0.00 | 0.00 | 0.00 | 0.00 | 4.34 | 3.69 |
| Dividend Received | 0.00 | 0.54 | 0.00 | 0.00 | 0.00 | 0.00 |

Contribution to Company's Gratuity Fund – ₹ 0.61 Crore

(Previous Year – ₹ 0.49 Crore)

Outstanding / (Receivable) Company's Gratuity Fund – ₹ 0.92 Crore

(Previous Year – ₹ (0.40) Crore)

Dividend received from CAPL Motor Parts Private Limited – Nil

(Previous year – ₹ 0.54 Crore)

Notes to Standalone Financial Statement

27.3. Disclosures required under the “Micro, Small and Medium Enterprises Development Act, 2006”

| Particulars | 2022-23 | 2021-22 |
|--|---------|---------|
| a) Principal amount and the interest due to Suppliers under the Act | Nil | Nil |
| b) Interest paid to Suppliers in terms of Section 16 of the Act, along with payment made beyond the appointed day | Nil | Nil |
| c) 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 Act | Nil | Nil |
| d) Interest accrued and remaining unpaid at the end of the year | Nil | Nil |
| e) Further interest remaining due and payable even in the succeeding years, until such date, when interest dues above are actually paid in the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Act | Nil | Nil |

This information has been given in respect of such vendors to the extent they could be identified as “Micro, Small and Medium Enterprises” on the basis of information available with the Company on which the Auditors have relied upon.

27.4. Basic and diluted Earnings Per Share (EPS) of Face Value of ₹ 10 each is calculated as under:

| Particulars | | 2022-23 | 2021-22 |
|--|-------------|----------|----------|
| Profit after Tax | ₹ In Crores | 73.67 | 56.81 |
| Total Equity Shares outstanding at the end of the year | Nos. | 12480000 | 12480000 |
| Earnings per share (Basic and Diluted) | ₹ | 59.03 | 45.52 |
| Face value per share | ₹ | 10 | 10 |

27.5. Other Particulars

₹ In Crores

27.5a. Contingent Liability not provided for as on 31st March 2023 is Rs. Nil (previous year Rs. Nil)

27.5b. The amount of Capital commitment pending as on 31st March 2023 is Rs. NIL (previous year Rs. NIL)

27.6. Employee benefits

Defined Contribution Plans:

During the year, the Company has recognized the following amounts in the Profit and Loss Statement, which are included in Employees benefits expenses in Note 26.

| | ₹ in Crores | |
|--|-------------|-----------|
| | 2022-2023 | 2021-2022 |
| Contribution to Superannuation Fund | 0.27 | 0.21 |
| Contribution to Pension Fund | 0.99 | 1.06 |
| Contribution to Employees’ State Insurance – ESI | 0.32 | 0.32 |
| Contribution to Provident Fund | 0.66 | 0.61 |

Notes to Standalone Financial Statement

Defined Benefit Plans:

| | As at 31st March, 2023 Funded Gratuity ₹ In Crores | As at 31st March, 2022 Funded Gratuity ₹ In Crores |
|---|---|--|
| 1 Change in the Present Value of Defined Benefit Obligation (DBO) | | |
| 1. Present Value of Defined Benefit Obligation at the beginning of the Period | 4.99 | 4.51 |
| 2. Service Cost | | |
| a. Current Service Cost | 0.53 | 0.51 |
| b. Past Service Cost | - | - |
| c. (Gain) / Loss on Curtailments | - | - |
| d. (Gain) / Loss on Settlements | - | - |
| 3. Interest Expense | 0.31 | 0.27 |
| 4. Remeasurements | | |
| a. Effect of Changes in Demographic Assumptions | - | - |
| b. Effect of Changes in Financial Assumptions | (0.17) | (0.08) |
| c. Effect of Experience Adjustments | 1.61 | - |
| 5. Cashflows | | |
| a. Benefit Payments | | |
| (i) From the Plan | (0.51) | (0.22) |
| (ii) Directly from the Employer | - | - |
| b. Settlement Payments from the Plan | - | - |
| c. Participant Contributions | - | - |
| 6. Effect of Business Combinations / Disposals | - | - |
| 7. Effect of Changes in Foreign Exchange Rates | - | - |
| 8. Present Value of Defined Benefit Obligation at the end of the Period | 6.77 | 4.99 |
| 2 Change in the Fair Value of Plan Assets | | |
| 1. Fair Value of Plan Assets at the beginning of the Period | 5.39 | 4.23 |
| 2. Interest Income on Plan Assets | 0.36 | 0.27 |
| 3. Cashflows | | |
| a. Benefit Payments | | |
| (i) From the Plan | (0.51) | (0.22) |
| (ii) Directly from the Employer | - | - |
| b. Settlement Payments from the Plan | - | - |
| c. Participant Contributions | - | - |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Notes to Standalone Financial Statement

| | As at 31st March, 2023 | As at 31st March, 2022 |
|--|-----------------------------------|---------------------------|
| | Funded Gratuity | Funded Gratuity |
| | ₹ In Crores | ₹ In Crores |
| d Total Employer Contributions | | |
| (i) Employer Contributions | 0.61 | 0.49 |
| (ii) Employer Direct Benefit Payments | - | - |
| 4. Remeasurements | | |
| a. Actual Return on Plan Assets | - | 0.62 |
| 5. Effect of Business Combinations / Disposals | - | - |
| 6. Effect of Changes in Foreign Exchange Rates | - | - |
| 7. Fair Value of Plan Assets at the end of the Period | 5.85 | 5.39 |
| 3 Components of Defined Benefit Cost | | |
| 1. Service Cost | | |
| a Current Service Cost | 0.53 | 0.51 |
| b Past Service Cost | - | - |
| c (Gain) / Loss on Curtailments | - | - |
| d (Gain) / Loss on Settlements | - | - |
| e Total Service Cost | 0.53 | 0.51 |
| 2. Net Interest Expense | | |
| a Interest Expense on DBO | 0.31 | 0.27 |
| b Interest Income on Plan Assets | (0.36) | (0.27) |
| c Interest Income on Reimbursement Rights | - | - |
| d Interest Income on Asset Ceiling | - | - |
| e Total Net Interest Cost | (0.05) | - |
| 3. Remeasurements | | |
| a Effect of Changes in Demographic Assumptions | - | - |
| b Effect of Changes in Financial Assumptions | (0.17) | (0.08) |
| c Effect of Experience Adjustments | 1.61 | 0.00 |
| d Actual Return on Plan Assets | - | (0.62) |
| e Actual Return on Reimbursement Rights | - | - |
| f Actual Change in Asset Ceiling | - | - |
| g Total Remeasurements | 1.45 | (0.70) |
| 4. Defined Benefit Cost included in Profit & Loss Account | 0.48 | 0.51 |
| 5. Defined Benefit Cost included in Other Comprehensive Income | 1.45 | (0.70) |

Notes to Standalone Financial Statement

| | As at 31st March, 2023 Funded Gratuity ₹ In Crores | As at 31st March, 2022 Funded Gratuity ₹ In Crores |
|--|--|--|
| 4 Reconciliation of Net Liability (Asset) | | |
| 1. Net Liability (Asset) at the beginning of the Period | 0.40 | (0.28) |
| 2. Defined Benefit Cost included in Profit & Loss Account | (0.48) | (0.51) |
| 3. Defined Benefit Cost included in Other Comprehensive Income | (1.45) | 0.70 |
| 4. Cash flows | | |
| a Total Employer Contributions | | |
| (i) Employer Contributions | 0.61 | 0.49 |
| (ii) Employer Direct Benefit Payments | - | - |
| b Employer Contributions towards Reimbursement Rights | - | - |
| c Reimbursements to Employer | - | - |
| 5. Effect of Business Combinations / Disposals | - | - |
| 6. Effect of Changes in Foreign Exchange Rates | - | - |
| 7. Net Liability (Asset) at the end of the Period | (0.92) | 0.40 |
| 5 Defined Benefit Obligation | | |
| 1 Defined Benefit Obligation by Participant Status | | |
| a Actives | 6.77 | 4.99 |
| b Vested Deferreds | - | - |
| c Retiree Beneficiaries | - | - |
| d Total | 6.77 | 4.99 |
| 6 Significant Actuarial Assumptions | | |
| 1. Financial Assumptions | | |
| a Discount Rate (Single Rate for ALL Years) | 7.15% | 6.55% |
| b Salary Escalation Rate (Duration Based) | | |
| From Year 1 To Year 1 | 8.00% | 8.00% |
| From Year 2 To Year 2 | 8.00% | 8.00% |
| From Year 3 To Year 3 | 8.00% | 8.00% |
| From Year 4 To Year 37 | 8.00% | 8.00% |
| Demographic Assumptions | | |
| a Pre Retirement Mortality Rate - IALM (2006-08) Ultimate | 100% | 100% |
| b Post Retirement Mortality Rate - LIC Annuitants (1996-98) | 100% | 100% |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Notes to Standalone Financial Statement

| | As at 31st March, 2023 Funded Gratuity ₹ In Crores | As at 31st March, 2022 Funded Gratuity ₹ In Crores |
|---|--|--|
| c Attrition Rate (Age Based) | | |
| From Year 18 To Year 20 | 15.00% | 15.00% |
| From Year 21 To Year 30 | 13.00% | 13.00% |
| From Year 31 To Year 40 | 13.00% | 13.00% |
| From Year 41 To Year 55 | 12.00% | 12.00% |
| 7 Sensitivity Analysis | | |
| 1. Discount Rate - 0.5% | 6.90 | 5.10 |
| 2. Discount Rate + 0.5% | 6.63 | 4.89 |
| 3. Escalation Rates - 0.5% | 6.64 | 4.89 |
| 4. Escalation Rates + 0.5% | 6.90 | 5.09 |
| 5. Mortality x 95% | 6.77 | 4.99 |
| 6. Mortality x 105% | 6.77 | 4.99 |
| 7. Attrition x 95% | 6.78 | 5.00 |
| 8. Attrition x 105% | 6.76 | 4.98 |
| 9. ₹ 1,000,000 Benefit Ceiling | 6.52 | 4.79 |
| 10. No Benefit Ceiling | 7.98 | 5.97 |
| 8 Maturity Profile of the DBO and Expected Cashflows in the following Period | | |
| 1. Estimated Term / Weighted Average Duration of the DBO | 0.06 | 0.06 |
| 2. Expected Total Benefit Payments | - | - |
| a. Year 1 | 1.35 | 0.85 |
| b. Year 2 | 1.58 | 1.04 |
| c. Year 3 | 0.77 | 0.97 |
| d. Year 4 | 0.88 | 0.46 |
| e. Year 5 | 0.96 | 0.76 |
| f. Next 5 years | 2.16 | 1.42 |
| 3. Expected Employer Contributions | - | - |
| 4. Expected Employer Contributions towards Reimbursement Rights | - | - |
| 9 Plan Assets | | |
| 1. Fair value of plan assets | | - |
| a. Assets held by Insurance Company | 100.00% | 100.00% |
| 2. Fair value of plan assets with a quoted market price | | |
| a. Assets held by Insurance Company | 100.00% | 100.00% |

Notes to Standalone Financial Statement

27.7. Income taxes

A. Amounts recognized in profit or loss

₹ In Crores

| | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|-------------------------------|-------------------------------|
| Current tax | | |
| Current period (a) | 18.84 | 16.89 |
| Changes in estimates related to prior years (b) | - | -0.54 |
| Deferred tax (c) | | |
| Attributable to - | | |
| Origination and reversal of temporary differences | (0.73) | (1.85) |
| Tax expense of continuing operations (a) + (b) + (c) | 18.11 | 14.50 |

B. Income tax recognized in other comprehensive income

₹ In Crores

| 31st March 2023 | | | |
|--|------------|-----------------------|------------|
| | Before tax | Tax (expense) benefit | Net of tax |
| Change in Fair Value of Equity instruments | 106.47 | (10.18) | 96.29 |
| Re-measurements of defined benefit liability / (asset) | (1.45) | 0.38 | (1.08) |
| 31st March 2022 | | | |
| | Before tax | Tax (expense) benefit | Net of tax |
| Change in Fair Value of Equity instruments | (306.06) | 51.11 | (254.95) |
| Re-measurements of defined benefit liability / (asset) | 0.70 | (0.18) | 0.52 |

C. Reconciliation of Tax expenses

₹ In Crores

| | 31st March 2023 | 31st March 2022 |
|---|-----------------|-----------------|
| Profit before tax | 91.78 | 71.31 |
| Tax using the Company's domestic tax rate : | 23.10 | 17.95 |
| Effect of: | | |
| Tax effect on Interest and Dividend Income | (3.52) | (1.17) |
| Tax Effect on Capital Gains | (1.11) | (1.34) |
| Tax Impact on CSR | 0.25 | 0.22 |
| Depreciation impact | 0.02 | (0.01) |
| Others | 0.10 | 0.16 |
| Tax pertaining to earlier years | 0.00 | 0.54 |
| Deferred Tax | (0.73) | (1.85) |
| Total | (4.99) | (3.45) |
| Tax expenses recognized | 18.11 | 14.50 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Notes to Standalone Financial Statement

D. Deferred Tax Liability / (Asset) in relation to:

₹ In Crore

| Particulars | Balance at April 01, 2022 | Recognised in Profit & Loss | Recognised in Other Comprehensive Income | Balance at March 31, 2023 |
|--|------------------------------|--------------------------------|---|------------------------------|
| Property Plant and Equipment | 0.58 | 0.51 | 0.00 | 1.09 |
| Investments measured at Fair Value through Profit and Loss | 2.76 | (1.21) | 0.00 | 1.55 |
| Employee Benefits | (0.14) | (0.03) | 0.00 | (0.17) |
| Investments measured at Fair Value through Other Comprehensive Income | 43.66 | 0.00 | 10.35 | 54.01 |
| Financial Covenants | (1.84) | 0.00 | 0.00 | (1.84) |
| Defined Benefit Obligation - Gratuity | 0.18 | 0.00 | (0.54) | (0.36) |
| Total | 45.20 | (0.73) | 9.81 | 54.27 |

| Particulars | Balance at April 01, 2021 | Recognised in Profit & Loss | Recognised in Other Comprehensive Income | Balance at March 31, 2022 |
|--|------------------------------|--------------------------------|---|------------------------------|
| Property Plant and Equipment | 0.57 | 0.01 | 0.00 | 0.58 |
| Investments measured at Fair Value through Profit and Loss | 4.64 | (1.88) | 0.00 | 2.76 |
| Employee Benefits | (0.16) | 0.02 | 0.00 | (0.14) |
| Investments measured at Fair Value through Other Comprehensive Income | 94.74 | 0.00 | (51.08) | 43.66 |
| Financial Covenants | (1.84) | 0.00 | 0.00 | (1.84) |
| Defined Benefit Obligation - Gratuity | 0.03 | 0.00 | 0.15 | 0.18 |
| Total | 97.98 | (1.85) | (50.93) | 45.20 |

Notes to Standalone Financial Statement

28. Disclosure on Accounting for revenue from customers in accordance with IND AS 115

Disaggregated revenue information

(₹ In Crores)

| A | Type of goods and service | 31st March 2023 | 31st March 2022 |
|---|--|--------------------|-----------------------|
| | a) Sale of products / services | 705.05 | 626.27 |
| | b) Other operating revenues | 2.54 | 1.53 |
| | Total operating revenue | 707.59 | 627.80 |
| B | Timing of revenue recognition | At a point of time | Over a period of time |
| | Sale of products and other operating income - at a point of time | 707.59 | 627.80 |
| | Sale of products and other operating income - over a period of time | - | - |
| C | Contract Balances | | |
| | Contract Assets | - | - |
| | Contract Liabilities | - | - |
| D | Revenue recognised in relation to contract liabilities | - | - |
| E | Reconciliation of revenue recognised in the statement of profit and loss with the contracted price | | |
| | Revenue at contracted prices | 705.05 | 626.27 |
| | Revenue from contract with customers | 705.05 | 626.27 |
| | Difference | - | - |
| F | Unsatisfied or partially satisfied performance obligation | - | - |

29. Disclosure on Accounting for adoption in accordance with IND AS 116

All Rent payments being in the nature of short term/cancellable leases, are charged off in the Statement of Profit and Loss

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Notes to Standalone Financial Statement

30. Financial instruments

A. The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

₹ In Crores

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|------------|----------------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets | | | | |
| Amortized Cost | | | | |
| Trade Receivables | 88.23 | | 88.60 | |
| Cash and Cash Equivalents | 14.57 | | 12.24 | |
| Bank Balances other than cash and cash equivalents | 1.67 | | 1.65 | |
| Other Current Financial Assets | 2.31 | | 2.33 | |
| Investment in Fixed Maturity Plan Mutual Funds | | 0.00 | | 40.44 |
| Fair Value through Other Comprehensive Income | | | | |
| Investment in Equity Shares | 5.64 | 1084.90 | 6.14 | 992.61 |
| Fair Value through Profit and Loss | | | | |
| Investment in Mutual Funds | 23.35 | 173.87 | 0.00 | 122.41 |
| Financial Liabilities | | | | |
| Amortized Cost | | | | |
| Borrowings | 0.00 | | 5.33 | |
| Trade Payables | 57.07 | | 59.58 | |
| Other Financial Liabilities | 3.82 | | 9.36 | |

Trade Receivables, Trade Payables, Cash and Cash equivalents, Cash Credits, Trade Payables, other financial assets and liabilities are stated at amortised cost which approximates their fair values.

B. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels::

Level 1 hierarchy - Includes Financial Instruments measured using quoted prices in the active market.

Level 2 hierarchy - The Fair value of Financial Instruments that are not traded in an active market, is determined using valuation techniques which maximise the use of observable market data.

Level 3 hierarchy - includes Financial Instruments for which one or more of the significant inputs are not based on observable market data. This is applicable for unlisted securities.

Notes to Standalone Financial Statement

₹ In Crores

| | Level 1 | Level 2 | Level 3 |
|--|---------|---------|---------|
| As at March 31, 2023 | | | |
| Financial Assets | | | |
| Investment in Equity Shares | 751.78 | 0.00 | 333.13 |
| Investment in Non-Convertible Debentures | 0.00 | 0.00 | 0.00 |
| Investments in Mutual Funds | 173.87 | 0.00 | 0.00 |
| As at March 31, 2022 | | | |
| Financial Assets : | | | |
| Investment in Equity Shares | 650.26 | 0.00 | 326.99 |
| Investment in Non-Convertible Debentures | 0.00 | 15.36 | 0.00 |
| Investments in Mutual Funds | 122.41 | 0.00 | 0.00 |

C. Financial risk management

The Company's business activities are exposed to liquidity risk and credit risk. The Risk management policies have been established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review and reflect the changes in the policy accordingly.

a) Management of Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities. In doing this, management considers both normal and stressed conditions.

The Company regularly monitors the rolling forecasts and the actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business and by having adequate banking facilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

₹ In Crores

| | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|----------------------|----------------------|
| Payable within one year | | |
| Trade payable | 57.07 | 59.58 |
| Borrowings - Cash Credit | 0.00 | 5.33 |

b) Management of Credit risk

Credit risk is the risk of financial loss to the Company if the other party to the financial assets fails to meet its contractual obligations.

Notes to Standalone Financial Statement

a) Trade receivables:

Concentration of credit risk with respect to trade receivables are limited as the customers are reviewed, assessed and monitored regularly on a monthly basis with pre determined credit limits assessed based on their payment capacity. Our historical experience of collecting receivables demonstrates that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

b) Expected Credit Loss:

We have in place, a rigorous process of followup for collecting long outstanding receivables and write off identified unrecoverable amounts. Over and above the bad debts written off, we have additionally provided an amount of Rs. 13.56 lakhs as Expected Credit Loss (ECL) in compliance with IND AS.

c) Other financial assets:

The Company has exposure in Cash and cash equivalents and term deposits with banks and others. The Company's maximum exposure to credit risk as at 31st March, 2023 is the carrying value of each class of financial assets as on that date.

31. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure of the company consists of the following:

| Particulars | ₹ In Crores | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Total equity attributable to the equity shareholders of the company | 1363.94 | 1222.52 |
| As percentage of total capital % | 100.00 | 99.57 |
| Current Borrowings | 0.00 | 5.33 |
| As a percentage of total capital | 0.00 | 0.43 |
| Total Capital (Borrowings and Equity) | 1363.94 | 1227.85 |

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has generally been a net cash surplus Company with cash and bank balances along with investment in liquid and short term mutual funds and equity shares.

Notes to Standalone Financial Statement

32. Dividend:

The Board of Directors have declared an interim dividend of Rs.9/- (90%) per equity share of Rs.10/- each for the Financial Year 2022-23. A final dividend of Rs.15/- (150%) per equity share was recommended by the board, which, together with the interim dividend, aggregates to a total dividend of Rs.24/- (240%) per equity share on the paid-up share capital of 12.48 crores. This will totally result in a sum of Rs. 29.95/- Crores as dividend paid. The Register of Members and Share Transfer Book of the Company shall remain closed from 22/07/2023 to 31/07/2023.

33. Corporate Social Responsibility:

₹ In Crores

| | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| a) Gross amount required to be spent by the company during the year | 1.20 | 1.10 |
| b) Amount considered from carry forward of 2021-22 | 0.28 | 0.24 |
| c) Amount approved by the Board to be spent during the year | 0.96 | 0.86 |
| d) Balance eligible to carry forward for next three financial years | 0.00 | 0.00 |
| e) Balance of 2022-23 eligible to carry forward for next three financial years | 0.04 | 0.28 |
| f) Amount spent during the year for the purpose other than construction / acquisition of asset | 0.96 | 0.86 |

Note: With reference to recently notified CSR rules, inter alia provide for carry forward of the excess contribution made by a Company to the succeeding three financial years.

34. Amalgamation:

The Board has approved the amalgamation of the wholly owned Subsidiary, CAPL Motor Parts Private Limited with India Motor Parts and Accessories Limited, subject to regulatory approvals. The companies are in the process of filing the application with NCLT.

35. Associate becoming Non-Associate:

During the year, the company sold a part of its holding in Transenergy Private Limited. Consequent to this, with effect from 24th March, 2023. Transenergy Private Limited ceased to be an Associate of the Company. The Investment has been valued as per applicable Accounting Standards.

Notes to Standalone Financial Statement

35(a) Additional Regulatory Disclosures under Schedule III

- a. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- b. The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- c. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- d. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- e. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- f. The Company has not entered into any derivative contracts during the year.
- g. The Company has Workings Capital Limits from banks on the basis of security of current assets. The returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
- h. The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- i. The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- j. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- k. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) 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)
 - (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary.
- l. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) 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)
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to Standalone Financial Statement

36. Trade Receivables ageing schedule

2022-2023

₹ in Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-----------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables - considered good | 87.56 | 0.57 | 0.09 | 0.00 | 0.00 | 88.23 |

2021-22

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-----------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables - considered good | 88.26 | 0.24 | 0.10 | 0.00 | 0.00 | 88.60 |

37. Trade Payables ageing schedule

2022-2023

₹ in Crores

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (ii) Others | 57.07 | 0.00 | 0.00 | 0.00 | 57.07 |
| (iii) Disputed dues - MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed dues - Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

2021-22

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (ii) Others | 59.58 | 0.00 | 0.00 | 0.00 | 59.58 |
| (iii) Disputed dues - MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed dues - Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Notes to Standalone Financial Statement

38. Disclosure of Ratios

| Key Ratios | As at March 31, 2023 | As at March 31, 2022 | Variance % |
|--|-------------------------|-------------------------|------------|
| Current Ratio (Current assets / Current liabilities) | 3.94 | 3.87 | 1.65% |
| Return on Equity Ratio (Net Profit after taxes / Average Shareholder's Equity)* | 5.70 | 4.28 | 33.05% |
| Inventory Turnover (Sales / Average inventory) | 9.54 | 10.62 | -10.15% |
| Trade Receivable Turnover Ratio (Net credit sales / Average Accounts Receivable) | 7.84 | 7.50 | 4.52% |
| Trade Payable Turnover Ratio (Purchase / Average Trade Payable)* | 10.30 | 8.17 | 26.16% |
| Net Capital Turnover Ratio (Net Sales/Average Working Capital)* | 3.33 | 2.40 | 38.67% |
| Net Profit Ratio (Net Profit / Net Sales) | 10.45 | 9.07 | 15.19% |
| Return On Capital Employed (EBIT / Capital Employed) | 6.43 | 5.59 | 14.93% |

*The major reasons for variance are:

- (i) Increase in sales and profits
- (ii) Working capital changes
- (iii) Increase in fair value of long term equity investments

N KRISHNAN
Managing Director
DIN: 00041381

S PRASAD
Director
DIN: 00063667

As per our Report of even date attached
for **Brahmayya & Co**
Chartered Accountants
Firm Registration No:000511S

MUKUND S RAGHAVAN
Deputy Managing Director
DIN: 03411396

L RAVI SANKAR
Partner

S RAMASUBRAMANIAN
Chief Financial Officer

ADITYA SHARMA
Secretary

Membership No:25929

Chennai
19-05-2023

INDEPENDENT AUDITOR'S REPORT

To the Members of India Motor Parts & Accessories Limited

Report on the Audit of the Consolidated Ind AS financial statements

1. Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **India Motor Parts & Accessories Limited** ("the Parent Company") and its subsidiary (together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of changes in Equity and Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on the financial statements of the subsidiary, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs as at March 31, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

4. Information Other than the Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Parent Company's Annual Report but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Responsibilities of Management for the Consolidated Ind AS financial statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group .

6. Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 SAs 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 Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Consolidated Ind AS 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.
- b) 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Ind AS financial statements of which we are the independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 11.43 Crores as at March 31, 2023, total income of Rs. 18.83 crores and net cash inflow amounting to Rs. 0.03 crores for the year ended on that date, as considered in the Consolidated Ind AS financial statements. The financial statements of the subsidiary have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

8. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on the financial statements of subsidiaries, as noted in the 'Other Matters' paragraph, 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 purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2023 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V to the Act.

- 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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Ind AS Financial Statements has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements.
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Parent Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its Subsidiary during the year ended March 31, 2023.
 - (iv) (a) The respective Managements of the company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Companies Act, have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person or entity, including foreign entity (“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 or any of such subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective Managements of the company and its subsidiary which are incorporated in India, whose financial statements have been audited under the Companies Act, have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary 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;

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- (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Companies Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations as provided under (a) and (b) above, contain any material misstatement.
- (v) (a) The final dividend declared and paid by the Parent company during the year in respect of the previous financial year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.
- (b) The interim dividend declared and paid by the Parent company during the current year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.
- (c) The Board of Directors of the Parent company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act, to the extent it applies to declaration of dividend.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent Company and reports of subsidiary company issued by the respective auditors included in the consolidated financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO reports.

For **Brahmayya & Co.**
Chartered Accountants
Firm Regn No. 00511S

L.Ravi Sankar
Partner

Place : Chennai
Date : May 19, 2023

Membership No.025929
UDIN No: 23025929BGYJXP5532

“Annexure - A” to the Independent Auditors’ Report

Referred to in Paragraph 8 of Our Report of Even Date

Report on the Internal Financial Controls over Financial Reporting with reference to aforesaid Consolidated Ind AS Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of India Motor Parts & Accessories Limited (hereinafter referred to as “the Parent Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent company and its subsidiary company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 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 its business, including adherence to the respective 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company which is incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For **Brahmayya & Co.**
Chartered Accountants
Firm Regn No. 00511S

L.Ravi Sankar
Partner

Place : Chennai
Date : May 19,2023

Membership No.025929
UDIN No: 23025929BGYJXP5532

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

Amount in ₹ Crores

| Particulars | Notes | March 31, 2023 | March 31, 2022 |
|---|-------|----------------|----------------|
| I. ASSETS | | | |
| (1) Non - Current Assets | | | |
| (a) Property, Plant and Equipment | 2 (a) | 16.73 | 14.03 |
| (b) Other Intangible assets | 2 (b) | 2.67 | 2.67 |
| (c) Financial Assets | | | |
| (i) Investment - Equity Instruments | 3 (a) | 1084.91 | 1002.73 |
| (ii) Investment - Mutual Funds Long Term | 3 (b) | 121.22 | 41.70 |
| Total Non - Current Assets | | 1225.53 | 1061.13 |
| (2) Current Assets | | | |
| (a) Inventories | 4 | 81.69 | 69.41 |
| (b) Financial Assets | | | |
| (i) Current Investments | 3 (c) | 80.30 | 123.20 |
| (ii) Trade Receivables | 5 | 90.74 | 91.29 |
| (iii) Cash and Cash Equivalents | 6A | 14.94 | 12.58 |
| (iv) Bank Balances other than cash and cash equivalents | 6B | 1.67 | 3.05 |
| (v) Other current financial assets | 7 | 2.32 | 2.37 |
| (c) Current Tax Assets (net) | 8 | 2.41 | 2.47 |
| (d) Other Current assets | 9 | 2.27 | 3.08 |
| Total Current Assets | | 276.34 | 307.45 |
| TOTAL ASSETS | | 1501.87 | 1368.58 |
| II. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share Capital | 10 | 12.48 | 12.48 |
| (b) Other Equity | 11 | 1355.64 | 1221.55 |
| Total Equity | | 1368.12 | 1234.03 |
| Non-Controlling interest | | 0.00 | 0.83 |
| Total Equity | | 1368.12 | 1234.86 |
| LIABILITIES | | | |
| (2) Non - Current Liabilities | | | |
| (a) Provisions | 13 | 9.53 | 8.51 |
| (b) Deferred tax liabilities (Net) | 12 | 54.27 | 45.18 |
| Total Non - Current Liabilities | | 63.80 | 53.69 |
| (3) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 14 | - | 5.33 |
| (ii) Trade Payables | | | |
| (A) Total outstanding dues of micro enterprise and small enterprises | | - | - |
| (B) Total outstanding dues of creditors other than micro enterprise and small enterprises | 15 | 58.55 | 61.73 |
| (iii) Other Financial Liabilities | 16 | 3.82 | 3.36 |
| (b) Other Current Liabilities | 17 | 7.43 | 9.50 |
| (c) Provisions | 18 | 0.15 | 0.11 |
| Total Current Liabilities | | 69.95 | 80.03 |
| Total Liabilities | | 133.75 | 133.72 |
| TOTAL EQUITY AND LIABILITIES | | 1501.87 | 1368.58 |

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

N KRISHNAN
Managing Director
DIN: 00041381

MUKUND S RAGHAVAN
Deputy Managing Director
DIN: 03411396

S RAMASUBRAMANIAN
Chief Financial Officer
Chennai
19th May, 2023

S PRASAD
Director
DIN: 00063667

ADITYA SHARMA
Secretary

As per our Report of even date attached
for **Brahmayya & Co**
Chartered Accountants
Firm Registration No:000511S

L RAVI SANKAR
Partner
Membership No:25929

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Crores

| Particulars | Notes | March 31, 2023 | March 31, 2022 |
|---|-------|----------------|-----------------|
| REVENUE | | | |
| Revenue from operations | 19 | 725.92 | 646.09 |
| Other income | 20 | 30.57 | 14.88 |
| Total Income | | 756.49 | 660.97 |
| EXPENSES | | | |
| Purchase of Stock-in-Trade | 21 | 616.75 | 555.65 |
| Changes in inventories - Stock-in-Trade | 22 | (11.99) | (17.88) |
| Employee benefits expense | 23 | 32.59 | 29.79 |
| Finance Cost | | 0.01 | 0.08 |
| Depreciation and amortization expense | 24 | 0.92 | 0.81 |
| Other expenses | 25 | 24.49 | 20.10 |
| Total expenses | | 662.77 | 588.55 |
| Profit before tax | | 93.72 | 72.42 |
| Share of Profit / (Loss) from associate | | 0.00 | 3.38 |
| Current tax | | (19.31) | (17.31) |
| Deferred tax - Reversal | | 0.73 | 1.85 |
| Reversal of Tax Provision relating to earlier years (net) | | 0.00 | 0.53 |
| Total Income tax expense | | (18.58) | (14.93) |
| Profit after tax for the year | | 75.14 | 60.87 |
| Profit attributable to Owner's equity | | 75.14 | 60.75 |
| Profit attributable to Non-Controlling Interest | | 0.00 | 0.12 |
| Other comprehensive income | | | |
| (i) Item that will not be reclassified to Profit or Loss | | | |
| a) Equity Instruments through other comprehensive income | | 106.47 | (306.06) |
| b) Re-measurement (loss) / gain on defined benefit plans | | (1.45) | 0.70 |
| c) Income tax effect on items that will not be reclassified to profit or loss | | (9.81) | 50.93 |
| Share of Other Comprehensive Income (net of tax) - Associate | | 0.00 | 0.22 |
| Other Comprehensive income/(loss) for the year, net of tax | | 95.21 | (254.21) |
| Total comprehensive income for the year | | 170.35 | (193.34) |
| Earnings per Equity Share | | | |
| Basic earnings per share (In rupees) | | 60.21 | 48.68 |
| Diluted earnings per share (In rupees) | | 60.21 | 48.68 |

A

The accompanying notes are an integral part of the financial statements

N KRISHNAN
Managing Director
DIN: 00041381

S PRASAD
Director
DIN: 00063667

As per our Report of even date attached
for **Brahmayya & Co**
Chartered Accountants
Firm Registration No:000511S

MUKUND S RAGHAVAN
Deputy Managing Director
DIN: 03411396

S RAMASUBRAMANIAN
Chief Financial Officer
Chennai
19th May, 2023

ADITYA SHARMA
Secretary

L RAVI SANKAR
Partner
Membership No:25929

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amount in ₹ Crores

| Particulars | Amount |
|--|--------------|
| (a) Equity share capital | |
| Balance as at April 01, 2021 | 12.48 |
| Changes in equity share capital during the previous year | 0.00 |
| Balance as at March 31, 2022 | 12.48 |
| Changes in equity share capital during the current year | 0.00 |
| Balance as at March 31, 2023 | 12.48 |

(b) Other equity

| Particulars | Reserves and Surplus | | | Comprehensive Income | | | Owner's equity | Non-Controlling Interest | Total |
|--|----------------------|------------------|-------------------|--|--|---|-----------------|--------------------------|-----------------|
| | Capital Reserves | General Reserves | Retained Earnings | Gains / (losses) from equity investments through OCI | Remeasurement of Defined Benefit Obligations | | | | |
| Balance at 31st March 2021 | 7.27 | 305.25 | 68.04 | 1048.06 | (0.12) | | 1428.51 | 0.77 | 1429.27 |
| Profit for the year | - | - | 60.75 | - | - | - | 60.75 | 0.12 | 60.87 |
| Other Comprehensive Income for the year | - | - | - | (254.73) | 0.52 | - | (254.21) | - | (254.21) |
| Total Comprehensive Income for the year | 0.00 | 0.00 | 60.75 | (254.73) | 0.52 | | (193.46) | 0.12 | (193.34) |
| Reserves arising on account of amalgamation in Associate Company | (1.01) | - | - | - | - | - | (1.01) | - | (1.01) |
| Transfer to General Reserve | - | - | - | - | - | - | 0.00 | - | - |
| Dividends paid | - | - | (12.48) | - | - | - | (12.48) | (0.06) | (12.54) |
| Sub-Total | (1.01) | - | 48.27 | (254.73) | 0.52 | | (206.95) | 0.06 | (206.89) |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

| Balance at 31st March 2022 | 6.26 | 305.25 | 116.31 | 793.33 | 0.40 | 1221.55 | 0.83 | 1222.38 |
|---|-------------|---------------|---------------|---------------|---------------|----------------|-------------|-----------------|
| Profit for the year | - | - | 75.14 | - | - | 75.14 | - | 75.14 |
| Other Comprehensive Income for the year | - | - | - | 96.29 | (1.08) | 95.21 | - | 95.21 |
| Total Comprehensive Income for the year | - | - | 75.14 | 96.29 | (1.08) | 170.35 | - | 170.35 |
| Non Controlling Interest transferred to Capital Reserve on account of 90% subsidiary become wholly owned subsidiary | - | - | - | - | - | - | (0.83) | (0.83) |
| Transfer to Reserves on Associate becoming Non Associate | (2.48) | - | (6.01) | - | - | (8.48) | - | (8.49) |
| Premium paid on purchase of Equity Shares of Subsidiary Company-Net of non controlling interest transferred | (0.31) | - | - | - | - | (0.31) | - | (0.31) |
| Transfer to General Reserve | - | - | - | - | - | - | - | - |
| Dividends Paid | - | - | (27.46) | - | - | (27.46) | - | (27.46) |
| Sub-Total | (2.79) | - | 41.67 | 96.30 | (1.08) | 134.10 | (0.83) | 133.26 |
| Balance at 31st March 2023 | 3.47 | 305.25 | 157.98 | 889.62 | (0.68) | 1355.65 | - | 1,355.64 |

N KRISHNAN
Managing Director
DIN: 00041381

MUKUND S RAGHAVAN
Deputy Managing Director
DIN: 03411396

S RAMASUBRAMANIAN
Chief Financial Officer

Chennai
19th May, 2023

S PRASAD
Director
DIN: 00063667

ADITYA SHARMA
Secretary

As per our Report of even date attached for **Brahmayya & Co**
Chartered Accountants
Firm Registration No:000511S

L RAVI SANKAR
Partner
Membership No:25929

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Amount in ₹ Crores

| Particulars | 2022-2023 | 2021-2022 | |
|--|--------------|-----------|---------|
| (1) Cash flow from Operating Activities | | | |
| (a) Net Profit Before tax | 93.72 | 72.42 | |
| Adjustments for: | | | |
| Depreciation | 0.92 | 0.81 | |
| Dividend Income | (13.99) | (5.43) | |
| Interest Income from Bank Deposits and others | (4.00) | (3.59) | |
| Profit on sale of Property, Plant and Equipment | (2.63) | 0.00 | |
| Profit on sale of Equity shares of Associate Company | (2.27) | 0.00 | |
| Loss on Sale/Write off of Property, Plant and Equipment | 0.12 | 0.01 | |
| Profit on Sale of Investments / Changes in Fair Value | (7.65) | (5.78) | |
| (b) Operating Profit before Working Capital Changes | 64.22 | 58.45 | |
| Adjustment for: | | | |
| Decrease/ (Increase) in Trade Receivables | 0.55 | (14.22) | |
| Decrease / (Increase) in Loans & Advances | 0.85 | 0.90 | |
| Decrease / (Increase) in Inventories | (12.28) | (18.57) | |
| (Decrease) / Increase in Trade Payable and other liabilities | (2.14) | (10.59) | (42.48) |
| (c) Cash Generated from Operations | 51.20 | 15.96 | |
| Less: Direct Taxes Paid (Net) | (19.26) | (18.33) | |
| Net Cash flow from Operating Activities | 31.94 | (2.37) | |
| (B) Cash flow from Investing Activities | | | |
| Sale of Property, Plant and Equipment | 0.11 | 0.03 | |
| Proceeds from Sale/ Redemption of Mutual Fund Investments | 761.03 | 730.79 | |
| Dividend received | 13.99 | 5.97 | |
| Proceeds from maturity of deposits with bank and others | 0.00 | 36.54 | |
| Deposits with Bank and others | 1.40 | (1.40) | |
| Sale Proceeds from Equity Shares of Associate Company | 2.72 | 0.00 | |
| Interest Income from Bank Deposits and others | 4.30 | 3.86 | |
| Purchase of Property, Plant and Equipment | (4.16) | (0.89) | |
| Purchase of Equity Shares | (1.14) | (78.54) | |
| Advance received for sale of Property | 0.00 | 3.01 | |
| Proceeds from sale of Non Convertible Debenture | 15.00 | 0.00 | |
| Purchase of Mutual Fund Investments | (790.04) | (706.04) | |
| Net Cash used in Investing Activities | 3.21 | (6.67) | |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

Amount in ₹ Crores

| Particulars | 2022-2023 | 2021-2022 |
|---|----------------|-----------|
| (C) Cash flow from Financing Activities | | |
| Cash Credit -Borrowings | (5.33) | 5.33 |
| Dividend Paid | (27.46) | (13.08) |
| Net Cash flow from Financing Activities | (32.79) | (7.75) |
| (D) Net Increase / (Decrease) in Cash & Cash Equivalents | 2.36 | (16.79) |
| Cash & Cash Equivalent at beginning of the year | 12.58 | 29.37 |
| Cash & Cash Equivalent at the end of the year | 14.94 | 12.58 |
| Items forming part of cash and cash equivalents | | |
| Balances with Banks | 3.63 | 1.32 |
| Cheques and Drafts on hand | 7.58 | 7.74 |
| Cash on hand | 0.16 | 0.34 |
| Remittances in Transit | 3.57 | 3.18 |
| Short Term Deposits with Banks | 0.00 | 0.00 |
| | 14.94 | 12.58 |

N KRISHNAN
Managing Director
DIN: 00041381

S PRASAD
Director
DIN: 00063667

As per our Report of even date attached
for **Brahmayya & Co**
Chartered Accountants
Firm Registration No:000511S

MUKUND S RAGHAVAN
Deputy Managing Director
DIN: 03411396

L RAVI SANKAR
Partner

S RAMASUBRAMANIAN
Chief Financial Officer

ADITYA SHARMA
Secretary

Membership No:25929

Chennai
19th May, 2023

CONSOLIDATED NOTES ON ACCOUNTS

Note 1

SIGNIFICANT ACCOUNTING POLICIES

Overall considerations

The financial statements have been prepared applying the significant accounting policies and measurement bases summarized below.

1.1 Principles of Consolidation

The Consolidated Financial Statements relate to India Motor Parts and Accessories Limited (Parent company) and CAPL Motor Parts Private Limited (Company's subsidiary) (jointly considered as "Group" hereinafter). The Consolidated financial Statements have been prepared on the following basis:

a) Subsidiary

Subsidiary entity viz., CAPL Motor Parts Private Limited is controlled by the Parent Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statement of the Subsidiary is included in the consolidated financial statements from the date on which control is acquired until the date on which control ceases to exist. The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Parent (IMPAL) and its Subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The financial statements of the Subsidiary used for consolidation are drawn up to the same reporting date as that of the Parent Company i.e. 31st March 2023.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

Following Entity has been considered in the preparation of the Consolidated Financial Statements:

| Name of the Entity | Relationship | Country of Incorporation | % of Holding and Voting power |
|----------------------------------|--------------|--------------------------|-------------------------------|
| CAPL Motor Parts Private Limited | Subsidiary | India | 100.00% |

The group is engaged in sale and distribution of automobile spare parts.

Non controlling Interest:

During this Financial year 2022-23, the Parent Company has acquired the balance 10% of shareholding of CAPL Motor Parts Private Limited from its erstwhile promoters, Thus, CAPL Motor Parts Private Limited has become a wholly owned subsidiary of India Motor Parts and Accessories Limited.

Basis of Preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, provisions of the Companies Act, 2013, to the extent notified and pronouncements of the Institute of Chartered Accountants of India.

CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

Disclosures under Ind AS are made only in respect of material items.

The financial statements have been prepared under accrual basis of accounting as a going concern and on the historical cost convention except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

1.1 Revenue Recognition

Revenue is measured in accordance with Ind AS 115 as applicable, at the transaction price net of returns, trade allowances, rebates, discounts and amounts collected on behalf of third parties. It excludes Goods and Service tax.

i. Sale of Products:

Revenue from sale of products is recognized, when the company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains control of the asset.

Revenue is measured based on transaction price, which is the value of the consideration received or receivable, stated net of discounts returns and Goods and Service Tax.

ii. Revenue from Services:

Revenue from Services is recognised in the accounting period in which the services are rendered and when invoices are raised.

iii. Interest and Dividend Income:

Interest income is recognized using the time proportion method based on the rates implicit in the transaction. Interest income is included in other income in the statement of profit and loss.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established and it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

1.2 Property, plant and equipment

Free hold land is stated at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition/construction less accumulated depreciation/amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost. However, cost excludes Goods and Service Tax, to the extent credit of the GST is availed.

Depreciation and amortization:

1. Depreciation is recognized on straight-line basis, over the useful life of the buildings and other tangible assets as prescribed under Schedule II of the Companies Act, 2013.
2. On tangible fixed assets added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

Ind AS Transition

As there is no change in the functional currency as at the date of transition, the Group has elected to adopt the carrying value of Plant, property and equipment under the erstwhile GAAP as the deemed cost for the purpose of transition to Ind AS.

CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

1.3 Intangible assets

Intangible assets acquired are recorded at their acquisition cost and are amortized on straight line basis over its useful life as prescribed under Schedule II of the Companies Act, 2013.

Goodwill on acquisition is included in intangible assets, which is not amortised but tested for impairment annually or more frequently, if circumstances indicate that the same might be impaired.

1.4 Impairment

The group shall assess at the end of the reporting period whether there exist any indications that an asset may be impaired. If such indication exists, the entity shall estimate the recoverable amount of the asset and treatment shall be given in accordance with Ind AS 36.

1.5 Inventories

Inventories are valued at cost or net realizable value whichever is less in accordance with Ind AS 2. Net realizable value is the estimated selling price in the ordinary course of business. Cost is ascertained on FIFO basis. Obsolescence, slow and non-moving stocks are duly provided for.

1.6 Employee Benefits

A) Short Term Employees Benefits:

Short Term Employees Benefits for services rendered by them are recognized during the period when the services are rendered.

B) Post-employment benefits:

Defined Contribution Plan

a) Provident Fund

The Group contributes to the government administrated provident / pension fund and Employee State Insurance scheme on behalf of its employees as per statute.

b) Superannuation

The Group makes fixed contributions as a percentage on salary to the superannuation fund, which is administered by trustees and managed by the Life Insurance Corporation of India (LIC).

Defined Benefit Plan

a) Gratuity

The group makes contribution to gratuity fund, (as per actuarial valuation), which is administered by trustees and managed by the Life Insurance Corporation of India (LIC).

b) Leave Encashment

Liability on account of encashment of leave to employees is provided on the basis of actuarial valuation.

1.7 Income Taxes

Tax expense comprises of current and deferred taxes.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts in financial statements.

Deferred taxes pertaining to items recognised in other comprehensive income (OCI) are disclosed under OCI.

CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

1.8 Investments and Other financial assets

Investments are accounted in accordance with Ind AS 109

a. Classification

The group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

b. Measurement

At Initial recognition, the group measures a financial asset at its fair value plus (in the case of a financial asset not a fair value through profit or loss) transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments:

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments.

Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair Value through profit or loss:

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at Fair Value Through Profit or Loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The group subsequently measures all investments in equity (except of the subsidiaries/associate) at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

c. Impairment of financial assets

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

For trade receivables, the Group applies the approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

d. Derecognition of financial assets

A financial asset is derecognized when the Group has transferred the rights to receive cash flows from the financial asset.

CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

Financial Liabilities

a. Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost. The Group's financial liabilities include borrowings, trade and other payables.

b. Subsequent measurement

Financial liabilities are measured subsequently at amortized cost

c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired.

1.9 Provisions and Contingent Liabilities:

Provisions are recognized when the group has a present obligation as a result of past events, it is probable, but the outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made out of the amount of obligation.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

1.10 Cash and cash equivalents and cash flow statement:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and short term deposits.

1.11 Earnings Per Share:

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

| Description | Amount ₹ in Crores | | | | | | | | | | | |
|--|---------------------|-------------|-------------|---------------------|---------------------|-----------------|-------------|---------------------|---------------------|---------------------|-----------|--|
| | Gross Block | | | | | Depreciation | | | | | Net Block | |
| | As at 01.04.2022 | Additions | Deductions | As at 31.03.2023 | As at 01.04.2022 | For the Year | Deductions | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2023 | | |
| Note 2(a) - Property, Plant & Equipment | | | | | | | | | | | | |
| Freehold Land (Refer note) | 6.34 | 0.98 | 0.00 | 7.33 | 0.00 | 0.00 | 0.00 | 0.00 | 6.34 | 7.33 | | |
| Leasehold land & Building | 0.44 | 0.00 | 0.39 | 0.05 | 0.06 | 0.01 | 0.04 | 0.03 | 0.38 | 0.02 | | |
| Building | 4.75 | 0.78 | 0.09 | 5.42 | 0.91 | 0.17 | 0.01 | 1.07 | 3.84 | 4.36 | | |
| Plant & Equipments | 0.71 | 0.17 | 0.01 | 0.88 | 0.15 | 0.05 | 0.00 | 0.20 | 0.56 | 0.69 | | |
| Others - Electrical Fittings | 0.05 | 0.01 | 0.00 | 0.06 | 0.01 | 0.01 | 0.00 | 0.02 | 0.04 | 0.04 | | |
| Office Equipments | 1.03 | 0.52 | 0.01 | 1.55 | 0.61 | 0.22 | 0.00 | 0.83 | 0.42 | 0.71 | | |
| Furniture & Fixtures | 2.04 | 0.86 | 0.03 | 2.87 | 0.71 | 0.22 | 0.00 | 0.93 | 1.33 | 1.93 | | |
| Vehicles | 1.84 | 0.84 | 0.31 | 2.37 | 0.72 | 0.24 | 0.24 | 0.72 | 1.12 | 1.65 | | |
| SUB TOTAL (A) | 17.20 | 4.16 | 0.84 | 20.53 | 3.17 | 0.92 | 0.29 | 3.80 | 14.03 | 16.73 | | |
| Note 2(b) - Intangible Assets | | | | | | | | | | | | |
| Computer Software | 1.24 | 0.00 | 0.00 | 1.24 | 1.24 | 0.00 | 0.00 | 1.24 | 0.00 | 0.00 | | |
| Goodwill | 2.67 | 0 | 0 | 2.67 | 0.00 | 0.00 | 0.00 | 0.00 | 2.67 | 2.67 | | |
| SUB TOTAL (B) | 3.91 | 0.00 | 0.00 | 3.91 | 1.24 | 0.00 | 0.00 | 1.24 | 2.67 | 2.67 | | |
| Total [A + B] | 21.12 | 4.16 | 0.84 | 24.44 | 4.41 | 0.92 | 0.29 | 5.04 | 16.70 | 19.40 | | |

Note: Value of Freehold land includes undivided share of land (UDS) of value of ₹ 3.42 Crores. (Previous year - ₹ 3.42 Crores)

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

Amount in ₹ Crores

| Note | Particulars | March 31, 2023 | March 31, 2022 |
|-------------|--|----------------|----------------|
| 3(a) | Investments | | |
| | Quoted Investments - Others - Non Trade | | |
| | Investments designated at Fair Value Through Other Comprehensive Income | | |
| | Sundaram Finance Limited (28,98,600 equity shares of Face Value Rs.10/- each) | 666.53 | 562.39 |
| | Wheels India Limited (10,98,655 equity shares of Face Value Rs.10/- each) | 49.29 | 56.27 |
| | Sundaram Finance Holding Limited 45,60,219 (PY - 28,53,600) equity shares of Face Value Rs.5/- each (17,06,619 equity shares of Face value of Rs. 5/- each acquired by way of right issue during the year) | 35.96 | 31.60 |
| | Unquoted Investments - Others - Non Trade | | |
| | Royal Sundaram General Insurance Co. Ltd 3,27,75,522 equity shares of Face Value ₹ 10/- each | 233.19 | 270.17 |
| | Brakes India Private Limited (36,874 equity shares of Face Value Rs.100/ each purchased during the year 2021-22) | 94.11 | 56.82 |
| | Transenergy Private Limited 68188 equity shares of Face Value Rs 100/- each (31,812 equity shares have been sold during the year) (Refer Note 35) | 5.83 | 10.12 |
| | Investments in Debentures | | |
| | Investments designated at Fair Value through Profit and Loss | | |
| | 8.15% Non Convertible Debentures of Sundaram Home Finance Ltd. | 0.00 | 15.36 |
| | TOTAL | 1084.91 | 1002.73 |
| | Aggregate amount of quoted investments and market value | 751.78 | 650.26 |
| | Aggregate amount of unquoted investments | 333.13 | 352.48 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

| Note | Particulars | March 31, 2023 | March 31, 2022 |
|-------------|--|----------------|----------------|
| 3(b) | Investments in Fixed Maturity Plan Mutual Funds | | |
| | SBI FMP SERIES 61 DIRECT - GROWTH (1,62,49,187.54 units at Face Value of Rs.10) | 16.95 | 16.40 |
| | KOTAK NIFTY SDL APR 2027 INDEX FUND - REGULAR (1,20,38,488.792 units at Face Value of Rs.9.7446) | 12.46 | - |
| | SBI FMP SERIES 58 - DIRECT GROWTH (99,99,500.25 units at Face Value of Rs.10) | 10.49 | 10.15 |
| | Bandhan GILT 2027 INDEX FUND (Previously IDFC) (96,07,421.166 units at Face Value of Rs. 10.4081) | 10.49 | - |
| | SBI FMP SERIES 56 - DIRECT GROWTH (99,99,500.25 units at Face Value of Rs.10) | 10.42 | 10.07 |
| | ADITYA BIRLA SUN LIFE Nifty SDL APRIL 2027 INDEX FUND DIRECT GROWTH (98,84,701.80 units at Face Value of Rs.10.1165) | 10.35 | - |
| | HDFC NIFTY GSEC DEC 2026 INDEX FUND (99,99,500.025 units at Face Value of Rs.10) | 10.30 | - |
| | IDFC CRISIL SDL PLUS GILT SEP 2027 INDEX DIRECT GROWTH (99,99,500.025 units at Face Value of Rs.10) | 10.27 | - |
| | NIPPON INDIA ETF NIFTY SDL - MUTUAL FUND (5,00,000 units at Face Value of Rs.105.22) | 5.59 | - |
| | SBI FMP SERIES 53 - DIRECT GROWTH (49,99,750.012 units at Face Value of Rs.10) | 5.26 | 5.08 |
| | NIPPON INDIA FIXED HORIZON FUND XLIV SERIES 1 -DIRECT GROWTH PLAN (49,99,750.012 units at Face Value of Rs.10) | 5.22 | - |
| | SBI FMP SERIES 68 1302D - GROWTH (49,99,750.012 units at Face Value of Rs.10) | 5.18 | - |
| | HDFC NIFTY SDL OCT 2026 INDEX FUND (49,99,750.012 units at Face Value of Rs.10) | 5.07 | - |
| | Bandhan GILT 2027 INDEX FUND (Previously IDFC) (29,18,880.27 units at Face Value of Rs. 10.2774) | 3.17 | - |
| | Total Investment in FMP and Alternate Fund classified as Non Current | 121.22 | 41.70 |

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

| Note | Particulars | Amount in ₹ Crores | |
|----------|-------------------------------------|--------------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| 4 | Inventories | | |
| | Stock in Trade | 80.71 | 68.72 |
| | Goods in Transit / Stock in Transit | 0.98 | 0.69 |
| | TOTAL | 81.69 | 69.41 |

| Particulars | Face Value Per Unit ₹ | No of Units | AS ON | AS ON |
|---|-----------------------|-------------|--------------------------|--------------------------|
| | | | 31.03.2023 | 31.03.2022 |
| | | | Fair Value (₹ in Crores) | Fair Value (₹ in Crores) |
| CURRENT ASSETS | | | | |
| 3(c) Current Investments | | | | |
| Investments in Mutual Funds | | | | |
| SUNDARAM FIXED TERM PLAN IS - DIRECT - GROWTH | 10.00 | 1,60,00,000 | 0.00 | 20.10 |
| HDFC FMP - SERIES 42 - DIRECT - GROWTH | 10.00 | 1,00,00,000 | 0.00 | 13.41 |
| HDFC FMP - SERIES 44 - DIRECT - GROWTH | 10.00 | 50,00,000 | 0.00 | 6.29 |
| AXIS FIXED TERM PLAN - SERIES 104 - DIRECT- GROWTH | 10.00 | 1,00,00,000 | 0.00 | 12.44 |
| SBI DEBT FUND SERIES C 48 - DIRECT - GROWTH | 10.00 | 1,00,00,000 | 13.32 | 12.61 |
| SBI DEBT FUND SERIES C 49 - DIRECT - GROWTH | 10.00 | 79,22,926 | 10.51 | 31.32 |
| SBI DEBT FUND SERIES C 50 - DIRECT - GROWTH | 10.00 | 50,00,000 | 6.60 | 6.24 |
| SUNDARAM CORPORATE BOND FUND -DIRECT-GROWTH | 26.54 | 15,07,125 | 5.27 | 5.04 |
| Sundaram Alternate OPP Series High Yield Secured Debt Fund Series I | | | 0.00 | 1.35 |
| Sundaram Alternate OPP Series High Yield Secured Debt Fund Series II | | | 9.94 | 9.94 |
| Sundaram Alternate OPP Series High Yield Secured Debt Fund Series III | | | 13.41 | 3.67 |
| Sundaram OVERNIGHT Fund - DIRECT 918 | | 55,058 | 6.56 | 0.00 |
| NIPPON INDIA LIQUID FUND - Direct Growth | | 9,630 | 5.30 | 0.00 |
| Sundaram LIQUID Fund - DIRECT 918 | | 17,624 | 3.50 | 0.00 |
| BANDHAN OVERNIGHT Fund - DIRECT 918 (Previously IDFC) | | 24,292 | 2.90 | 0.00 |
| Sundaram Liquid Fund Direct Growth | | | 2.74 | 0.79 |
| Sundaram Overnight Fund - Direct Growth | | | 0.25 | 0.00 |
| TOTAL | | | 80.30 | 123.20 |
| Aggregate amount of unquoted investments | | | 80.30 | 123.20 |
| Total of 3 (b) + 3 (c) | | | 201.52 | 164.90 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

Amount in ₹ Crores

| Note | Particulars | March 31, 2023 | March 31, 2022 |
|-----------|--|----------------|----------------|
| 5 | Trade Receivables | | |
| | - Unsecured - considered good (Refer Note 36) | 90.74 | 91.29 |
| | TOTAL | 90.74 | 91.29 |
| 6A | Cash & Cash Equivalents | | |
| | Cash on hand | 0.16 | 0.34 |
| | Balances with Banks | 3.63 | 1.32 |
| | Cheques and Drafts on hand | 7.58 | 7.74 |
| | Remittances in Transit | 3.57 | 3.18 |
| | TOTAL | 14.94 | 12.58 |
| 6B | Bank balances other than cash & cash equivalents | | |
| | Balances with Banks for Unclaimed / Unpaid Dividends | 1.48 | 1.48 |
| | Others - Guarantee Deposit | 0.19 | 0.17 |
| | Short Term Deposits with Banks & Others | 0.00 | 1.40 |
| | TOTAL | 1.67 | 3.05 |
| 7 | Other Current Financial Assets | | |
| | Security Deposit | 1.15 | 1.16 |
| | Advances to Employees and Others | 0.31 | 0.24 |
| | Deposit with Governments and others | 0.25 | 0.03 |
| | Interest Income accrued on Investments in Non Convertible Debenture and Alternate Investment Funds | 0.61 | 0.94 |
| | TOTAL | 2.32 | 2.37 |
| 8 | Current Tax Assets (net) | | |
| | Advance Tax and T.D.S. (Net of Provision for tax) (includes refunds due) | 2.41 | 2.47 |
| | TOTAL | 2.41 | 2.47 |
| 9 | Other Current Assets | | |
| | Advances recoverable in Kind | 2.07 | 2.50 |
| | Prepaid Expenses | 0.20 | 0.17 |
| | Sundry Advances | 0.00 | 0.01 |
| | Others - Gratuity Fund | 0.00 | 0.40 |
| | TOTAL | 2.27 | 3.08 |
| | EQUITY | | |

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

Amount in ₹ Crores

| Note | Particulars | March 31, 2023 | March 31, 2022 |
|-----------|---|-----------------------|-----------------------|
| 10 | Equity Share Capital | | |
| | a. Authorised Share Capital | | |
| | Equity Shares | | |
| | 2,00,00,000/- Equity Shares of ₹ 10/- each | 20.00 | 20.00 |
| | b. Issued, Subscribed & Paid-up Capital | | |
| | 1,24,80,000/- Equity shares of ₹ 10/- each | 12.48 | 12.48 |
| | c. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period: | March 31, 2023 | March 31, 2022 |
| | Equity Shares of ₹ 10/- each | | |
| | Outstanding at the beginning of the year (No. of Shares) | 1,24,80,000 | 1,24,80,000 |
| | Outstanding at the beginning of the year ₹ Crores | 12.48 | 12.48 |
| | Changes in equity share capital during the year (No. of Shares) | - | - |
| | Change in equity Share Capital during the year ₹ Crores | 0.00 | 0.00 |
| | Outstanding at the end of the year (No. of Shares) | 1,24,80,000 | 1,24,80,000 |
| | Outstanding at the end of the year ₹ Crores | 12.48 | 12.48 |
| | d. Rights, Preferences and restrictions | | |
| | The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each member is entitled to one vote by e-voting (remote e-voting / e-voting at the meeting), every shareholder is entitled to vote in proportion to their holdings. | | |
| | e. Details of shareholder holding more than 5% shares in the company | | |
| | M/s Trichur Sundaram Santhanam & Family Private Limited | 2729148 | 2729148 |
| | (From 4th February 2022) | 21.87% | 21.87% |
| | M/s Sundaram Finance Holdings Limited | 2496033 | 2395314 |
| | | 20.00% | 19.19% |
| | M/s. Pari Washington India Master Fund Limited | 888667 | 888667 |
| | | 7.12% | 7.12% |

f. During the year 2019-20, the company had allotted 41,60,000 Equity Shares of ₹ 10/- each as fully paid up by way of Bonus shares

g. Disclosure of Shareholding of Promoters

| Promoters | No of Shares 2022-23 | % of holding | No of Shares 2021-22 | % of holding | % Change during the year |
|---|-------------------------|-----------------|-------------------------|-----------------|-----------------------------|
| Bodies Corporate | | | | | |
| Trichur Sundaram Santhanam & Family Private Limited | 2729148 | 21.87% | 2729148 | 21.87% | 0.00% |
| Individual | | | | | |
| Sri S. Ram | 29850 | 0.24% | 29850 | 0.24% | 0.00% |
| Sri. S. Viji | 70986 | 0.57% | 70986 | 0.57% | 0.00% |
| Ms. Vijaya Rangarajan | 141007 | 1.13% | 141007 | 1.13% | 0.00% |
| Sri R. Ramanujam | 3516 | 0.03% | 3516 | 0.03% | 0.00% |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

| | | Amount in ₹ Crores | |
|-----------|--|--------------------|----------------|
| Note | Particulars | March 31, 2023 | March 31, 2022 |
| 11 | Other Equity | | |
| | Capital Reserves | | |
| | Opening Balance | 6.26 | 7.27 |
| | Add: Transfer relating to Associate becoming Non Associate | (2.48) | (1.01) |
| | Add: Premium paid on purchase of Equity Shares of Subsidiary Company- Net of Non controlling interest transferred | (0.31) | - |
| | Closing Balance A | 3.47 | 6.26 |
| | General Reserves | | |
| | Opening Balance | 305.25 | 305.25 |
| | Add: Transfer relating to Associate becoming non Associate | (6.01) | 0.00 |
| | Closing Balance B | 299.24 | 305.25 |
| | Retained Earnings | | |
| | Opening Balance | 116.31 | 68.04 |
| | Add: Profit for the year | 75.14 | 60.75 |
| | Less: Dividend | (27.46) | (12.48) |
| | Closing Retained Earnings C | 163.99 | 116.31 |
| | The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported under retained earnings are not distributable in entirety. | | |
| | Total Reserves and Surplus A+B+C | 466.70 | 427.82 |
| | Other Comprehensive Income | | |
| | Gains / (losses) from equity investments through OCI | | |
| | Opening Balance | 793.33 | 1048.06 |
| | Change during the year (net) | 96.29 | (254.73) |
| | Closing Balance | 889.62 | 793.33 |
| | The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity till the same is derecognised/disposed off. | | |
| | Remeasurement of Defined Benefit Obligations | | |
| | Opening Balance | 0.40 | (0.12) |
| | Change during the year (net) | (1.08) | 0.52 |
| | Closing Balance | (0.68) | 0.40 |
| | Re-measurements of defined benefit liability comprises actuarial gains and losses. | | |
| | Total Other Equity | 1355.64 | 1221.55 |

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

Amount in ₹ Crores

| Note | Particulars | March 31, 2023 | March 31, 2022 |
|-----------|--|----------------|----------------|
| | LIABILITIES | | |
| 12 | Deferred Tax Liability (net) | | |
| | Deferred Tax Liability | 56.66 | 47.18 |
| | Deferred Tax Assets | (2.39) | (2.00) |
| | TOTAL | 54.27 | 45.18 |
| 13 | Long Term Provisions | | |
| | For Employee Benefits | | |
| | - Compensated Absences | 0.56 | 0.46 |
| | - Gratuity liability under OCI | 0.92 | 0.00 |
| | For Financial Covenants | 8.05 | 8.05 |
| | TOTAL | 9.53 | 8.51 |
| 14 | Borrowings | | |
| | Secured Loans | | |
| | Cash Credit from Bank (Secured by charge on inventory and receivables of the Company.) | 0.00 | 5.33 |
| | TOTAL | 0.00 | 5.33 |
| 15 | Trade Payable - Current | | |
| | (i) Total outstanding dues of micro enterprises and small enterprises | - | - |
| | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 37) | 58.55 | 61.73 |
| | TOTAL | 58.55 | 61.73 |
| 16 | Other Financial Liabilities - Current | | |
| | Commission payable to Directors | 2.34 | 1.88 |
| | Unclaimed dividends | 1.48 | 1.48 |
| | TOTAL | 3.82 | 3.36 |
| 17 | Other Current Liabilities | | |
| | For expenses | 3.79 | 2.74 |
| | GST payable | 0.31 | 1.33 |
| | Other payables | 3.33 | 2.42 |
| | Advance received for sale of Property | 0.00 | 3.01 |
| | TOTAL | 7.43 | 9.50 |
| 18 | Short Term Provisions | | |
| | Provision for Employee Benefits - Compensated Absences | 0.15 | 0.11 |
| | TOTAL | 0.15 | 0.11 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

| Note | Particulars | Amount in ₹ Crores | |
|-----------|--|--------------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| 19 | Revenue from operations | | |
| | Sales - Less Returns | | |
| | Sale of Products / Services | 723.38 | 644.56 |
| | Other Operating Revenue | 2.54 | 1.53 |
| | TOTAL | 725.92 | 646.09 |
| 20 | Other income | | |
| | Dividend Income | 13.99 | 5.43 |
| | Profit on Sale of Mutual Funds Liquid Funds (Net) | 1.87 | 0.00 |
| | Fair Value Gain on Mutual Funds and NCD (unrealised) | 5.78 | 5.78 |
| | Interest Income from Bank Deposits and Others | 4.00 | 3.59 |
| | Other non operating income | 0.03 | 0.08 |
| | Profit on sale of Property, Plant and Equipment | 2.63 | 0.00 |
| | Profit on sale of Equity shares of Associate Company | 2.27 | 0.00 |
| | TOTAL | 30.57 | 14.88 |
| 21 | Purchase of Stock-in-Trade | | |
| | Purchase Less Returns | 616.75 | 555.65 |
| | TOTAL | 616.75 | 555.65 |
| 22 | Changes In Inventories - Stock-in-Trade | | |
| | Opening Stock | 68.72 | 50.83 |
| | Closing Stock | 80.71 | 68.72 |
| | (Increase)/Decrease in inventories | (11.99) | (17.88) |
| 23 | Employee benefits expense | | |
| | Salaries, Bonus and other allowances | 28.50 | 25.94 |
| | Company's contribution to Provident fund, gratuity and other funds | 2.88 | 2.72 |
| | Staff Welfare Expenses | 1.21 | 1.13 |
| | TOTAL | 32.59 | 29.79 |
| 24 | Depreciation and amortization expense | | |
| | Depreciation of property, plant and equipment | 0.92 | 0.81 |
| | TOTAL | 0.92 | 0.81 |

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

| Note | Particulars | Amount in ₹ Crores | |
|-----------|---|--------------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| 25 | Other expenses | | |
| | Audit Fees: | | |
| | as Auditors | 0.13 | 0.12 |
| | for Tax Audit | 0.04 | 0.04 |
| | for GST Certification | 0.03 | 0.03 |
| | Power and fuel | 0.42 | 0.32 |
| | Rent | 3.75 | 3.30 |
| | Repairs to Buildings | 1.18 | 0.72 |
| | Repairs to Plant & Equipments | 0.04 | 0.05 |
| | Corporate Social Responsibility Expenses / Donations | 0.99 | 0.89 |
| | Insurance | 0.08 | 0.15 |
| | Rates, Taxes and Licences | 0.16 | 0.12 |
| | Loss on Sale / Write off Property, Plant and Equipments | 0.12 | 0.01 |
| | Finance Charges | 0.00 | 0.08 |
| | Travelling Expenses | 2.90 | 1.49 |
| | Printing & Stationery | 0.74 | 0.57 |
| | Directors Sitting Fee | 0.06 | 0.04 |
| | Legal and Professional Charges | 1.05 | 1.25 |
| | Administrative and Other expenses | 12.80 | 10.92 |
| | TOTAL | 24.49 | 20.10 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

26. General

The group operates only in one business segment. Viz "Sale and Distribution of Automotive Spares".

27.1 Related Party disclosures in accordance with IND AS 24:

a. By virtue of shareholding in India Motor Parts and Accessories Limited:

- Trichur Sundaram Santhanam & Family Private Limited
- Wheels India Limited
- Brakes India Private Limited

b. Key Management Personnel:

- Sri. N.Krishnan, Managing Director, India Motor Parts and Accessories Ltd
- Sri. Mukund S Raghavan, Deputy Managing Director, India Motor Parts and Accessories Ltd
- Sri. Alkesh M Patel, Whole Time Director, CAPL Motor Parts Pvt Limited – upto 30th November 2022

c. Post-Employment Benefit Plan:

- India Motor Parts and Accessories Limited Gratuity Fund
- India Motor Parts and Accessories Limited Superannuation Fund

27.2 The disclosure of related party transactions during the year and balances as on 31/03/2023 are as follows.

₹ in Crores

| Particulars | By Virtue of Shareholding- Trichur Sundaram Santhanam & Family Private Limited and its group | | Key Management Personnel | |
|--------------------|--|---------|--------------------------|---------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Sales of Goods | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchase of Goods | 301.63 | 46.94 | 0.00 | 0.00 |
| Receiving Services | 0.00 | 0.00 | 0.00 | 0.00 |
| Payable Balance | 33.32 | 34.23 | 2.23 | 1.78 |
| Receivable Balance | 0.00 | 0.00 | 0.00 | 0.00 |
| Remuneration | 0.00 | 0.00 | 4.45 | 3.87 |

Contribution to Gratuity Fund – ₹ 0.61 Crore
(Previous Year – ₹ 0.49 Crore)

Outstanding / (Receivable) Gratuity Fund – ₹ 0.92 Crore
(Previous Year – ₹ (0.40) Crore)

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

27.3. Disclosures required under the “Micro, Small and Medium Enterprises Development Act, 2006”

| Particulars | | 2022-23 | 2021-22 |
|-------------|---|---------|---------|
| a) | Principal amount and the interest due to Suppliers under the Act | Nil | Nil |
| b) | Interest paid to Suppliers in terms of Section 16 of the Act, along with payment made beyond the appointed day | Nil | Nil |
| c) | 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 Act | Nil | Nil |
| d) | Interest accrued and remaining unpaid at the end of the year | Nil | Nil |
| e) | Further interest remaining due and payable even in the succeeding years, until such date, when interest dues above are actually paid in the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Act | Nil | Nil |

This information has been given in respect of such vendors to the extent they could be identified as “Micro, Small and Medium Enterprises” on the basis of information available with the Group on which the Auditors have relied upon.

27.4. Basic and diluted Earnings Per Share (EPS) of Face Value of ₹ 10 each is calculated as under

| Particulars | | 2022-23 | 2021-22 |
|--|-------------|----------|----------|
| Profit after Tax | ₹ In Crores | 75.14 | 60.87 |
| Total Equity Shares outstanding at the end of the year | Nos. | 12480000 | 12480000 |
| Earnings per share (Basic and Diluted) | ₹ | 60.21 | 48.68 |
| Face value per share | ₹ | 10 | 10 |

27.5a. Contingent Liability not provided for as on 31st March 2023 is Nil (previous year - Nil)

27.5b. The amount of Capital commitment pending as on 31st March 2023 is Nil (previous year Nil)

27.6. Employee benefits

Defined Contribution Plans:

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

| | ₹ in Crores | |
|--|-------------|-----------|
| | 2022-2023 | 2021-2022 |
| Contribution to Superannuation Fund | 0.27 | 0.21 |
| Contribution to Pension Fund | 0.99 | 1.06 |
| Contribution to Employees’ State Insurance – ESI | 0.32 | 0.32 |
| Contribution to Provident Fund | 0.66 | 0.61 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

Defined Benefit Plans:

| | As at 31st March, 2023 Funded Gratuity ₹ In Crores | As at 31st March, 2022 Funded Gratuity ₹ In Crores |
|---|---|--|
| 1. Change in the Present Value of Defined Benefit Obligation (DBO) | | |
| 1. Present Value of Defined Benefit Obligation at the beginning of the Period | 4.99 | 4.51 |
| 2. Service Cost | | |
| a. Current Service Cost | 0.53 | 0.51 |
| b. Past Service Cost | - | - |
| c. (Gain) / Loss on Curtailments | - | - |
| d. (Gain) / Loss on Settlements | - | - |
| 3. Interest Expense | 0.31 | 0.27 |
| 4. Remeasurements | | |
| a. Effect of Changes in Demographic Assumptions | - | - |
| b. Effect of Changes in Financial Assumptions | (0.17) | (0.08) |
| c. Effect of Experience Adjustments | 1.61 | 0.00 |
| 5. Cashflows | | |
| a. Benefit Payments | | |
| (i) From the Plan | (0.51) | (0.22) |
| (ii) Directly from the Employer | - | - |
| b. Settlement Payments from the Plan | - | - |
| c. Participant Contributions | - | - |
| 6. Effect of Business Combinations / Disposals | - | - |
| 7. Effect of Changes in Foreign Exchange Rates | - | - |
| 8. Present Value of Defined Benefit Obligation at the end of the Period | 6.77 | 4.99 |
| 2. Change in the Fair Value of Plan Assets | | |
| 1. Fair Value of Plan Assets at the beginning of the Period | 5.39 | 4.23 |
| 2. Interest Income on Plan Assets | 0.36 | 0.27 |
| 3. Cashflows | | |
| a. Benefit Payments | | |
| (i) From the Plan | (0.51) | (0.22) |
| (ii) Directly from the Employer | - | - |
| b. Settlement Payments from the Plan | - | - |
| c. Participant Contributions | - | - |
| d. Total Employer Contributions | | |
| (i) Employer Contributions | 0.61 | 0.49 |
| (ii) Employer Direct Benefit Payments | - | - |

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

| | As at 31st March, 2023 Funded Gratuity ₹ In Crores | As at 31st March, 2022 Funded Gratuity ₹ In Crores |
|--|---|---|
| 4. Remeasurements | | |
| a. Actual Return on Plan Assets | - | 0.62 |
| 5. Effect of Business Combinations / Disposals | - | - |
| 6. Effect of Changes in Foreign Exchange Rates | - | - |
| 7. Fair Value of Plan Assets at the end of the Period | 5.85 | 5.39 |
| 3 Components of Defined Benefit Cost | | |
| 1. Service Cost | | |
| a. Current Service Cost | 0.53 | 0.51 |
| b. Past Service Cost | - | - |
| c. (Gain) / Loss on Curtailments | | |
| d. (Gain) / Loss on Settlements | | |
| e. Total Service Cost | 0.53 | 0.51 |
| 2. Net Interest Expense | | |
| a. Interest Expense on DBO | 0.31 | 0.27 |
| b. Interest Income on Plan Assets | (0.36) | (0.27) |
| c. Interest Income on Reimbursement Rights | - | - |
| d. Interest Income on Asset Ceiling | - | - |
| e. Total Net Interest Cost | (0.05) | 0.00 |
| 3. Remeasurements | | |
| a. Effect of Changes in Demographic Assumptions | - | - |
| b. Effect of Changes in Financial Assumptions | (0.17) | (0.08) |
| c. Effect of Experience Adjustments | 1.61 | 0.00 |
| d. Actual Return on Plan Assets | - | (0.62) |
| e. Actual Return on Reimbursement Rights | - | - |
| f. Actual Change in Asset Ceiling | - | - |
| g. Total Remeasurements | 1.45 | (0.70) |
| 4. Defined Benefit Cost included in Profit & Loss Account | 0.48 | 0.51 |
| 5. Defined Benefit Cost included in Other Comprehensive Income | 1.45 | (0.70) |
| 4 Reconciliation of Net Liability (Asset) | | |
| 1. Net Liability (Asset) at the beginning of the Period | 0.40 | (0.28) |
| 2. Defined Benefit Cost included in Profit & Loss Account | (0.48) | (0.51) |
| 3. Defined Benefit Cost included in Other Comprehensive Income | (1.45) | 0.70 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

| | As at 31st March, 2023 Funded Gratuity ₹ In Crores | As at 31st March, 2022 Funded Gratuity ₹ In Crores |
|---|---|---|
| 4. Cash flows | | |
| a Total Employer Contributions | | |
| (i) Employer Contributions | 0.61 | 0.49 |
| (ii) Employer Direct Benefit Payments | - | - |
| b Employer Contributions towards Reimbursement Rights | - | - |
| c Reimbursements to Employer | - | - |
| 5. Effect of Business Combinations / Disposals | - | - |
| 6. Effect of Changes in Foreign Exchange Rates | - | - |
| 7. Net Liability (Asset) at the end of the Period | (0.92) | 0.40 |
| 5 Defined Benefit Obligation | | |
| 1 Defined Benefit Obligation by Participant Status | | |
| a Actives | 6.77 | 4.99 |
| b Vested Deferreds | - | - |
| c Retiree Beneficiaries | - | - |
| d Total | 6.77 | 4.99 |
| 6 Significant Actuarial Assumptions | | |
| 1. Financial Assumptions | | |
| a Discount Rate (Single Rate for ALL Years) | 7.15% | 6.55% |
| b Salary Escalation Rate (Duration Based) | | |
| From Year 1 To Year 1 | 8.00% | 8.00% |
| From Year 2 To Year 2 | 8.00% | 8.00% |
| From Year 3 To Year 3 | 8.00% | 8.00% |
| From Year 4 To Year 37 | 8.00% | 8.00% |
| 2. Demographic Assumptions | | |
| a Pre Retirement Mortality Rate - IALM (2006-08) Ultimate | 100% | 100% |
| b Post Retirement Mortality Rate - LIC Annuitants (1996-98) | 100% | 100% |
| c Attrition Rate (Age Based) | | |
| From Year 18 To Year 20 | 15.00% | 15.00% |
| From Year 21 To Year 30 | 13.00% | 13.00% |
| From Year 31 To Year 40 | 13.00% | 13.00% |
| From Year 41 To Year 55 | 12.00% | 12.00% |

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

| | As at 31st March, 2023 Funded Gratuity ₹ In Crores | As at 31st March, 2022 Funded Gratuity ₹ In Crores |
|---|---|---|
| 7 Sensitivity Analysis | | |
| 1. Discount Rate - 0.5% | 6.90 | 5.10 |
| 2. Discount Rate + 0.5% | 6.63 | 4.89 |
| 3. Escalation Rates - 0.5% | 6.64 | 4.89 |
| 4. Escalation Rates + 0.5% | 6.90 | 5.09 |
| 5. Mortality x 95% | 6.77 | 4.99 |
| 6. Mortality x 105% | 6.77 | 4.99 |
| 7. Attrition x 95% | 6.78 | 5.00 |
| 8. Attrition x 105% | 6.76 | 4.98 |
| 9. ₹ 1,000,000 Benefit Ceiling | 6.52 | 4.79 |
| 10. No Benefit Ceiling | 7.98 | 5.97 |
| 8 Maturity Profile of the DBO and Expected Cashflows in the following Period | | |
| 1. Estimated Term / Weighted Average Duration of the DBO | 0.06 | 0.06 |
| 2. Expected Total Benefit Payments | - | - |
| a. Year 1 | 1.35 | 0.85 |
| b. Year 2 | 1.58 | 1.04 |
| c. Year 3 | 0.77 | 0.97 |
| d. Year 4 | 0.88 | 0.46 |
| e. Year 5 | 0.96 | 0.76 |
| f. Next 5 years | 2.16 | 1.42 |
| 3. Expected Employer Contributions | - | - |
| 4. Expected Employer Contributions towards Reimbursement Rights | - | - |
| 9 Plan Assets | | |
| 1. Fair value of plan assets | | - |
| a. Assets held by Insurance Company | 100.00% | 100.00% |
| 2. Fair value of plan assets with a quoted market price | | |
| a. Assets held by Insurance Company | 100.00% | 100.00% |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

27.7. Income taxes

A. Amounts recognised in profit or loss

₹ In Crores

| | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|----------------------------------|----------------------------------|
| Current tax (a) | | |
| Current period | 19.31 | 17.31 |
| Changes in estimates related to prior years | - | (0.53) |
| Deferred tax (b) | | |
| Attributable to - | | |
| Origination and reversal of temporary differences | (0.73) | (1.85) |
| Tax expense of continuing operations (a) + (b) | 18.58 | 14.93 |

B. Income tax recognised in other comprehensive income

₹ In Crores

| | 31st March 2023 | | |
|--|-----------------|-----------------------|------------|
| | Before tax | Tax (expense) benefit | Net of tax |
| Change in Fair Value of Equity instruments | 106.47 | (10.18) | 96.29 |
| Re-measurements of defined benefit liability (asset) | (1.45) | 0.38 | (1.08) |

| | 31st March 2022 | | |
|--|-----------------|-----------------------|------------|
| | Before tax | Tax (expense) benefit | Net of tax |
| Change in Fair Value of Equity instruments | (306.06) | 51.33 | (254.73) |
| Re-measurements of defined benefit liability (asset) | 0.70 | (0.17) | 0.52 |

C. Reconciliation of Tax expenses

₹ In Crores

| | 31st March 2023 | 31st March 2022 |
|---|-----------------|-----------------|
| Profit before tax | 93.72 | 72.42 |
| Tax using the Company's domestic tax rate : | 23.59 | 18.23 |
| Effect of: | | |
| Tax effect on Interest and Dividend Income | (3.52) | (1.01) |
| Tax Effect on Capital Gains | (1.14) | (1.34) |
| Tax Impact on CSR | 0.25 | 0.22 |
| Depreciation impact | 0.03 | (0.01) |
| Others | 0.10 | 0.16 |
| Tax pertaining to earlier years | 0.00 | 0.53 |
| Deferred Tax | (0.73) | (1.85) |
| Total | (5.01) | (3.30) |
| Tax expenses recognized | 18.58 | 14.93 |

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

D. Deferred Tax Liability / (Asset) in relation to:

₹ In Crores

| Particulars | Balance at April 01, 2022 | Recognised in Profit & Loss | Recognised in Other Comprehensive Income | Balance at March 31, 2023 |
|---|---------------------------|-----------------------------|--|---------------------------|
| Property Plant and Equipment | 0.57 | 0.51 | 0.00 | 1.08 |
| Investments measured at Fair Value through Profit and Loss | 2.76 | (1.21) | 0.00 | 1.55 |
| Employee Benefits | (0.15) | (0.03) | 0.00 | (0.18) |
| Investments measured at Fair Value through Other Comprehensive Income | 43.66 | 0.00 | 10.35 | 54.01 |
| Financial Covenants | (1.84) | 0.00 | 0.00 | (1.84) |
| Defined Benefit Obligation - Gratuity | 0.18 | 0.00 | (0.54) | (0.36) |
| Total | 45.18 | (0.73) | 9.81 | 54.27 |

₹ In Crores

| Particulars | Balance at April 01, 2021 | Recognised in Profit & Loss | Recognised in Other Comprehensive Income | Balance at March 31, 2022 |
|---|---------------------------|-----------------------------|--|---------------------------|
| Property Plant and Equipment | 0.56 | 0.01 | 0.00 | 0.57 |
| Investments measured at Fair Value through Profit and Loss | 4.64 | (1.88) | 0.00 | 2.76 |
| Employee Benefits | (0.17) | 0.02 | 0.00 | (0.15) |
| Investments measured at Fair Value through Other Comprehensive Income | 94.74 | 0.00 | (51.08) | 43.66 |
| Financial Covenants | (1.84) | 0.00 | 0.00 | (1.84) |
| Defined Benefit Obligation - Gratuity | 0.03 | 0.00 | 0.15 | 0.18 |
| Total | 97.96 | (1.85) | (50.93) | 45.18 |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

28. Disclosure on Accounting for revenue from customers in accordance with IND AS 115

Disaggregated revenue information

(₹ In Crores)

| A | Type of goods and service | 31st March 2023 | 31st March 2022 |
|---|--|--------------------|-----------------------|
| | a) Sale of products / services | 723.38 | 644.56 |
| | b) Other operating revenues | 2.54 | 1.53 |
| | Total operating revenue | 725.92 | 646.09 |
| B | Timing of revenue recognition | At a point of time | Over a period of time |
| | Sale of products and other operating income - at a point of time | 725.92 | 646.09 |
| | Sale of products and other operating income - over a period of time | Nil | Nil |
| C | Contract Balances | | |
| | Contract Assets | Nil | Nil |
| | Contract Liabilities | Nil | Nil |
| D | Revenue recognised in relation to contract liabilities | Nil | Nil |
| E | Reconciliation of revenue recognised in the statement of profit and loss with the contracted price | | |
| | Revenue at contracted prices | 723.38 | 644.56 |
| | Revenue from contract with customers | 723.38 | 644.56 |
| | Difference | Nil | Nil |
| F | Unsatisfied or partially satisfied performance obligation | Nil | Nil |

29. Disclosure on Accounting for adoption in accordance with IND AS 116

All Rent payments being in the nature of short term/cancellable leases, are charged off in the Statement of Profit and Loss

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

30. Financial instruments

A. The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

₹ In Crores

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|------------|----------------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets | | | | |
| Amortized Cost | | | | |
| Trade Receivables | 90.74 | 0.00 | 91.29 | 0.00 |
| Cash and Cash Equivalents | 14.94 | 0.00 | 12.58 | 0.00 |
| Bank Balances other than cash and cash equivalents | 1.67 | 0.00 | 3.05 | 0.00 |
| Other Current Financial Assets | 2.32 | 0.00 | 2.37 | 0.00 |
| Investments in Fixed Maturity Plan Mutual Funds | 0.00 | 0.00 | 0.00 | 41.70 |
| Fair Value through Other Comprehensive Income | | | | |
| Investment in Equity Shares | 0.00 | 1084.91 | 10.12 | 992.61 |
| Fair Value through Profit and Loss | | | | |
| Investment in Mutual Funds | 23.35 | 178.17 | 0.00 | 123.20 |
| Financial Liabilities | | | | |
| Amortized Cost | 0.00 | 0.00 | 0.00 | 0.00 |
| Borrowings | 0.00 | 0.00 | 5.33 | 0.00 |
| Trade Payables | 58.55 | 0.00 | 61.73 | 0.00 |
| Other Financial Liabilities | 3.82 | 0.00 | 9.50 | 0.00 |

Trade Receivables, Trade Payables, Cash and Cash equivalents, Cash Credits, Trade Payables, other financial assets and liabilities are stated at amortised cost which approximates their fair values.

B. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 hierarchy - Includes Financial Instruments measured using quoted prices in the active market.

Level 2 hierarchy - The Fair value of Financial Instruments that are not traded in an active market, is determined using valuation techniques which maximise the use of observable market data.

Level 3 hierarchy - includes Financial Instruments for which one or more of the significant inputs are not based on observable market data. This is applicable for unlisted securities.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

₹ In Crores

| | Level 1 | Level 2 | Level 3 |
|--|---------|---------|---------|
| As at March 31, 2023 | | | |
| Financial assets : | | | |
| Investment in Equity Shares | 751.78 | 0.00 | 333.13 |
| Investment in Non-Convertible Debentures | 0.00 | 0.00 | 0.00 |
| Investments in Mutual Funds | 178.17 | 0.00 | 0.00 |
| As at March 31, 2022 | | | |
| Financial assets : | | | |
| Investment in Equity Shares | 650.26 | 0.00 | 326.99 |
| Investment in Non-Convertible Debentures | 0.00 | 15.36 | 0.00 |
| Investments in Mutual Funds | 0.79 | 0.00 | 0.00 |

C. Financial risk management

The Company's business activities are exposed to liquidity risk and credit risk. The Risk management policies have been established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review and reflect the changes in the policy accordingly.

a) Management of Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities. In doing this, management considers both normal and stressed conditions.

The Company regularly monitors the rolling forecasts and the actual cash flows to service the financial liabilities on a day-to-day basis through cash generation from business and by having adequate banking facilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

₹ In Crores

| | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|----------------------|----------------------|
| Payable within one year | | |
| Trade payable | 58.55 | 61.73 |
| Borrowings - Cash Credit | 0.00 | 5.33 |

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

b) Management of Credit risk

Credit risk is the risk of financial loss to the Company if the other party to the financial assets fails to meet its contractual obligations.

a) Trade receivables:

Concentration of credit risk with respect to trade receivables are limited as the customers are reviewed, assessed and monitored regularly on a monthly basis with pre determined credit limits assessed based on their payment capacity. Our historical experience of collecting receivables demonstrates that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

b) Expected credit loss:

We have in place, a rigorous process of follow up for collecting long outstanding receivables and write off identified unrecoverable amounts. Over and above the bad debts written off, we have additionally provided an amount of Rs. 13.56 lakhs as Expected Credit Loss (ECL) in compliance with IND AS.

c) Other financial assets:

The Company has exposure in Cash and cash equivalents and term deposits with banks and others. The Company's maximum exposure to credit risk as at 31st March, 2023 is the carrying value of each class of financial assets as on that date.

31. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure of the company consists of the following:

| Particulars | ₹ In Crores | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Total equity attributable to the equity shareholders of the group Company | 1368.12 | 1234.03 |
| As percentage of total capital % | 100.00 | 99.57 |
| Current Borrowings | 0.00 | 5.33 |
| As a percentage of total capital % | 0.00 | 0.43 |
| Total Capital (Borrowings and Equity) | 1368.12 | 1239.36 |

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has generally been a net cash surplus Company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds and equity shares.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

32. Dividend:

The Board of Directors have declared an interim dividend of Rs.9/- (90%) per equity share of Rs.10/- each for the Financial Year 2022-23. A final dividend of Rs.15/- (150%) per equity share was recommended by the Board, which, together with the interim dividend, aggregates to a total dividend of Rs.24/- (240%) per equity share on the paid-up share capital of 12.48 crores. This will totally result in a sum of Rs. 29.95/- Crores as dividend paid. Register of Members and Share transfer books of the Company shall remain close from 22nd July, 2023 to 31st July, 2023.

33. Corporate Social Responsibility:

₹ In Crores

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-----------------------------|-----------------------------|
| a) Gross amount required to be spent by the company during the year | 1.20 | 1.10 |
| b) Amount considered from carry forward of 2021-22 | 0.28 | 0.24 |
| b) Amount approved by the Board to be spent during the year | 0.96 | 0.86 |
| d) Balance eligible to carry forward for next three financial years | 0.00 | 0.00 |
| e) Balance for the previous years eligible to carry forward for next two financial year | 0.04 | 0.28 |
| c) Amount spent during the year for the purpose other than construction / acquisition of asset | 0.96 | 0.86 |

Note: With reference to recently notified CSR rules, inter alia provide for carry forward of the excess contribution made by a Company to the succeeding three financial years.

34 Amalgamation:

The Board has approved the amalgamation of the wholly owned Subsidiary, CAPL Motor Parts Private Limited with India Motor Parts and Accessories Limited, subject to regulatory approvals. The companies are in the process of filing the application with NCLT.

35 Associate becoming Non-Associate

During the year, the company sold a part of its holding in Transenergy Private Limited. Consequent to this, with effect from 24th March, 2023. Transenergy Private Limited ceased to be an Associate of the Company. The Investment has been valued as per applicable Accounting Standards.

35(a). Additional Regulatory Disclosures under Schedule III

- a. The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- b. The title deeds of all the immovable properties, (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group) disclosed in the financial statements included in property, plant and equipment are held in the name of the as at the balance sheet date.
- c. The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- d. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- e. The Group has not traded or invested in crypto currency or virtual currency during the financial year.
- f. The Group has not entered into any derivative contracts during the year.
- g. The Group has Working Capital Limits from banks on the basis of security of current assets. The returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts.
- h. None of the entities in the Group have been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- i. The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- j. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- k. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries).
 - (or)
 - (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary.
- l. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (i) 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)
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS (Contd.)

35(b). Additional Information as required by Part III of the General Instructions for Preparation of Consolidated Financial Statements of Schedule III of the Companies Act, 2013.

FY 2022-23

₹ In Crores

| Name of the Entity | Net Assets, i.e., total assets minus total liabilities | | Share in Profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|--|----------------|-----------------------------|--------------|---|--------------|---|---------------|
| | As % of Consolidated Net Assets | Amount | As % of Consolidated Profit | Amount | As % of Consolidated Other Comprehensive Income | Amount | As % of Consolidated Total Comprehensive Income | Total |
| Parent | | | | | | | | |
| Current Year | 99.65% | 1363.32 | 98.07% | 73.70 | 100.00% | 95.21 | 99.15% | 168.92 |
| Previous Year | 98.87% | 1220.89 | 92.44% | 56.26 | 100.00% | (254.21) | 102.38% | (197.95) |
| Subsidiary | | | | | | | | |
| CAPL Motor Parts Private Limited | | | | | | | | |
| Current Year | 0.35% | 4.80 | 1.93% | 1.45 | 0.00% | 0.00 | 0.85% | 1.44 |
| Previous Year | 0.24% | 3.02 | 1.83% | 1.11 | 0.00% | 0.00 | (0.58)% | 1.11 |
| Non Controlling Interest in Subsidiary | | | | | | | | |
| Current Year | 0.00% | 0.00 | 0.00% | 0.00 | 0.00% | 0.00 | 0.00% | 0.00 |
| Previous Year | 0.07% | 0.83 | 0.19% | 0.12 | 0.00% | 0.00 | (0.06)% | 0.12 |
| Associate | | | | | | | | |
| Transenergy Private Limited | | | | | | | | |
| Current Year | 0.00% | 0.00 | 0.00% | 0.00 | 0.00% | 0.00 | 0.00% | 0.00 |
| Previous Year | 0.82% | 10.12 | 5.54% | 3.38 | 0.00% | 0.00 | (1.74)% | 3.38 |
| Total | | | | | | | | |
| Current Year | 100.00% | 1368.12 | 100.00% | 75.14 | 100.00% | 95.21 | 100.00% | 170.36 |
| Previous Year | 100.00% | 1234.86 | 100.00% | 60.87 | 100.00% | (254.21) | 100.00% | (193.34) |

36. Trade Receivables ageing schedule**2022-2023****₹ in Crores**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|--|--|-----------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed Trade Receivables - considered good | 90.06 | 0.58 | 0.09 | 0.00 | 0.00 | 90.74 |

2021-2022

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|--|--|-----------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed Trade Receivables - considered good | 90.95 | 0.24 | 0.10 | 0.00 | 0.00 | 91.29 |

37. Trade Payables ageing schedule**2022-2023****₹ in Crores**

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (ii) Others | 58.55 | 0.00 | 0.00 | 0.00 | 58.55 |
| (iii) Disputed dues - MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed dues - Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

2021-2022

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (ii) Others | 61.73 | 0.00 | 0.00 | 0.00 | 61.73 |
| (iii) Disputed dues - MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed dues - Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

N KRISHNAN
 Managing Director
 DIN: 00041381

S PRASAD
 Director
 DIN: 00063667

As per our Report of even date attached
 for **Brahmayya & Co**
 Chartered Accountants
 Firm Registration No:000511S

MUKUND S RAGHAVAN
 Deputy Managing Director
 DIN: 03411396

S RAMASUBRAMANIAN
 Chief Financial Officer

ADITYA SHARMA
 Secretary

L RAVI SANKAR
 Partner
 Membership No:25929

Place: Chennai
 Date : 19th May, 2023

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

The Company's Philosophy on Corporate Governance is to ensure transparent functioning of the Company in the conduct of its business. Management's goal is to enhance Shareholder value and stakeholders' interests through sound business decisions, prudent financial management and high standards of ethics in the Organization.

2.1 Board of Directors:

The Board has ten members, eight are Non-Executive Directors and remaining two are Executive Directors, namely, Sri N Krishnan, Managing Director and Sri Mukund S Raghavan, Deputy Managing Director.

Composition of the Board is in compliance with Listing Regulations and the Companies Act, 2013.

During the year under review the Shareholders by way of Postal Ballot, have approved the below mentioned appointment / re-appointment with the requisite majority.

- A. Sri N Krishnan (DIN 00041381), Managing Director has been re-appointed for the term of 3 years with effect from 05th July, 2022.
- B. Sri Mukund S Raghavan (DIN 03411396), Executive Director elevated as Deputy Managing Director effective from 18th May, 2022 for the term of 5 years.

All Directors and Senior Management Personnel have affirmed their compliance with the code of Conduct, approved and adopted by the Board of Directors. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the Management.

2.2. Attendance at Board Meeting and last Annual General Meeting

During the year under review eight board meetings were held i.e., on 07th April, 2022, 18th May, 2022, 28th May 2022, 12th August, 2022, 05th October, 2022, 07th November, 2022, 30th January, 2023 and 21st March, 2023.

Details of attendance at Board Meetings, Annual General Meeting, other Directorships, Committee Chairmanships / Memberships held by the Directors are given below:

| Name of the Director | Attendance | | No. of other Directorship / Committee Membership/Chairmanship in other Public limited companies in India (as on 31.03.2023) | | |
|--|----------------|-----|---|-----------------------|-------------------------|
| | Board Meetings | AGM | Other Directorship | *Committee Membership | *Committee Chairmanship |
| Promoter Directors | | | | | |
| Sri S Ram (DIN 00018309) Non-Executive Chairman | 8 | Yes | 2 | 1 | 2 |
| Sri Ananth Ramanujam (DIN 00061970) Non-Executive Director | 5 | Yes | 1 | 2 | - |
| Sri Srivats Ram (DIN 00063415) Non-Executive Director | 7 | Yes | 6 | 2 | - |

| Name of the Director | Attendance | | No. of other Directorship / Committee Membership/Chairmanship in other Public limited companies in India (as on 31.03.2023) | | |
|---|----------------|-----|---|-----------------------|-------------------------|
| | Board Meetings | AGM | Other Directorship | *Committee Membership | *Committee Chairmanship |
| Non - Executive Independent Director | | | | | |
| Sri S Prasad (DIN 00063667) | 8 | Yes | 6 | 2 | 6 |
| Sri Rasesh R Doshi (DIN 00538059) | 8 | Yes | 1 | 1 | - |
| Sri S Venkatesan (DIN 00019155) | 8 | Yes | - | - | - |
| Sri T N P Durai (DIN 00655615) | 6 | Yes | - | - | - |
| Ms.Sriya Chari (DIN 07383240) | 5 | Yes | 1 | 1 | - |
| Managing Director | | | | | |
| Sri N Krishnan (DIN 00041381) | 8 | Yes | - | - | - |
| Deputy Managing Director | | | | | |
| Sri Mukund S Raghavan (DIN 03411396) | 8 | Yes | - | - | - |

*Only Audit Committee, Stakeholders Relationship Committee are considered for this purpose.

Details of Directorship held in other Listed Companies

| Name of the Director | Directorship held in other Listed Company | Category of Directorship |
|--|--|--|
| Sri S Ram (DIN 00018309) Non-Executive Chairman | 1. Wheels India Limited | Non- Executive Non-Independent Director |
| Sri Ananth Ramanujam (DIN 00061970) Non-Executive Director | 1. Sundaram Finance Holdings Limited | Promoter Director |
| Sri Srivats Ram (DIN 00063415) Non-Executive Director | 1. Wheels India Limited 2. Sundaram Finance Limited 3. Sundaram Finance Holdings Limited | Executive Director Promoter Director Promoter Director |
| Sri S Prasad (DIN 00063667) Independent Director | 1. Wheels India Limited 2. Sundaram Finance Limited 3. Sundaram Finance Holdings Limited | Non-Executive Independent Director |
| Sri Rasesh R Doshi (DIN 00538059) Independent Director | 1. TVS Srichakra Limited | Non-Executive Independent Director |
| Sri S Venkatesan (DIN 00019155) Independent Director | - | - |

INDIA MOTOR PARTS & ACCESSORIES LIMITED

| Name of the Director | Directorship held in other Listed Company | Category of Directorship |
|---|---|------------------------------------|
| Sri T N P Durai (DIN 00655615) Independent Director | - | - |
| Ms. Sriya Chari (DIN 07383240) Independent Director | 1. Pricol Limited | Non-Executive Independent Director |
| Sri N Krishnan (DIN 00041381) Managing Director | - | - |
| Sri Mukund S Raghavan (DIN 03411396) Deputy Managing Director | - | - |

3. Familiarisation Programme

The Company has program to familiarize Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. and the same is available on the website of the Company at www.impal.net/investor.htm

Skills / Expertise / Competencies of the Board of Directors are given below:

| Directors | Expertise | Skill / Competencies |
|---|--|---|
| Promoter / Executive Directors Sri S Ram, Chairman Sri Ananth Ramanujam Sri Srivats Ram Sri N Krishnan Managing Director Sri Mukund S Raghavan Deputy Managing Director | <ul style="list-style-type: none"> • In-depth Industry Knowledge • Automotive Components Industry • Business Policies • Legal and Regulatory Framework • Strategic Management • Audit, Taxation & Financial Management | <ul style="list-style-type: none"> • Entrepreneurial • Governance • Leadership • Technical • Analytical • Organisational • Technological • Planning • Resource Management and Utilisation • People Management • Communication • Behavioural |
| Independent Directors Sri S Prasad Sri Rasesh R Doshi Sri S Venkatesan Sri T N P Durai Ms Sriya Chari | <ul style="list-style-type: none"> • In-depth Industry Knowledge • Automotive Components Industry • Business Policies • Audit, Taxation and Financial Management • Legal and Regulatory Framework • Debt Markets | <ul style="list-style-type: none"> • Technical/Professional • Analytical • Technological • Behavioural |

4. Audit Committee:

The Audit Committee reviews the quarterly financial results, adequacy of internal control systems, annual financial statements, compliance to listing and other legal requirements relating to financial statements, related party transactions, management discussion and analysis. Managing Director, Chief Financial Officer, Internal Audit Head and Statutory Auditors are invitees to the Committee Meetings. During the financial year 2022-23, seven Audit Committee meetings were held i.e., on 27th May, 2022, 11th August, 2022, 05th October, 2022, 04th November, 2022, 27th January, 2023, 09th February, 2023 and 21st March, 2023. The composition and attendance particulars are as follows:

| Name | Position | No. of Meetings | |
|-----------------------|----------|-----------------|----------|
| | | Held | Attended |
| Sri S Prasad | Chairman | 7 | 7 |
| Sri Rasesh R Doshi | Member | 7 | 7 |
| Sri S Venkatesan | Member | 7 | 7 |
| Sri Mukund S Raghavan | Member | 7 | 7 |

The Company Secretary is the Secretary of the Committee.

5. Nomination and Remuneration Committee:

The Committee consists of three Directors, two of whom, are Independent. The Chairman of the Committee is an Independent Director.

The terms of reference of the committee is as follows :

- A. Identify persons who are qualified to become Directors and who may be appointed to senior management in accordance with the criteria laid down; recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- B. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

During the financial year 2022-23, one meeting was held on 18th May, 2022.

The composition and attendance particulars are as follows :

| Name | Position | No. of Meetings attended |
|------------------|----------|--------------------------|
| Sri S Venkatesan | Chairman | 1 |
| Sri S Ram | Member | 1 |
| Sri S Prasad | Member | 1 |

6. Remuneration to Directors:

Directors of the Company are paid a sitting fee of Rs.6000/- for every meeting of the Board, the Committees of the Board and separate meetings of Independent Directors.

INDIA MOTOR PARTS & ACCESSORIES LIMITED

A. Non Executive Directors

The Non-Executive Directors are remunerated by way of commission, for each financial year, within the ceiling of 1% of the net profits of the Company, as approved by the shareholders upto the financial year 2023-24. The details of remuneration paid and the number of shares held by the Non- Executive Directors are as follows: -

| Name of the Director | Sitting Fee (₹) | Commission (₹) | No. of shares held (as at 31.03.2023) | Relationship with Other Directors |
|----------------------|--------------------|-------------------|--|--------------------------------------|
| Sri S Ram | 54,000 | 1,00,000 | 29850 | Father of Sri Srivats Ram |
| Sri Ananth Ramanujam | 36,000 | 1,00,000 | 1968 | |
| Sri S Prasad | 1,20,000 | 2,00,000 | 3600* | |
| Sri Rasesh R Doshi | 1,08,000 | 2,00,000 | 12984 ¹ | |
| Sri T N P Durai | 60,000 | 1,00,000 | 10392 | |
| Sri S Venkatesan | 1,08,000 | 2,00,000 | 9150 ² | |
| Ms.Sriya Chari | 54,000 | 1,00,000 | - | |
| Sri Srivats Ram | 42,000 | 1,00,000 | 44448 [#] | Son of Sri S Ram, Chairman |

Number of shares held jointly with others ¹2880 ²2664

[#]Includes 732 shares held as Karta of HUF

*Held jointly with others. No change in the shareholding.

B. Managing Director

The Managing Director has been re-appointed effective 5th July, 2022 for a period of 3 years. The remuneration as approved by the shareholders comprises of salary, allowances, commission and perquisites. The quantum of commission payable to the Managing Director is decided by the Board of Directors for each financial year within the ceiling approved by the Members. The remuneration is within the limits prescribed under Schedule V to the Companies Act, 2013. Details of remuneration paid to Managing Director is as under: -

₹ in Lakhs

| Nature of Payment | Sri N Krishnan, Managing Director | No of shares held (as at 31.03.2023) | Relationship with Other Directors |
|---|--------------------------------------|---|--------------------------------------|
| Salary | 99.93 | 40,311 [§] | Nil |
| Commission | 133.91 | | |
| Contribution to Provident Fund & other funds | 15.87 | | |
| Perquisites | 8.58 | | |

[§]Includes 2,133 shares as Karta of HUF

C. Deputy Managing Director

The Executive Director has been elevated and appointed as Deputy Managing Director effective 18th May 2022 for a period of 5 years. The remuneration as approved by the shareholders comprises of salary, allowances, commission and perquisites. The quantum of salary and commission payable to the Deputy Managing Director is decided by the Board of Directors for each financial year within the ceiling approved by the shareholders. The remuneration is within the limits prescribed under Schedule V to the Companies Act, 2013. Details of remuneration paid to Deputy Managing Director is as under :-

(₹ in Lakhs)

| Nature of Payment | Sri Mukund S Raghavan, Deputy Managing Director | No of shares held (as at 31.03.2023) | Relationship with Other Directors |
|--|---|--------------------------------------|-----------------------------------|
| Salary | 69.97 | 12,144 | Nil |
| Commission | 89.27 | | |
| Contribution to Provident Fund & other funds | 11.11 | | |
| Perquisites | 5.31 | | |

7. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee was constituted to attend to shareholders and investors complaints.

During the year a meeting of the Committee was held on 27th March 2023.

The composition and attendance particulars are as follows:

| Name | Position | No. of Meetings attended |
|-----------------------|----------|--------------------------|
| Sri S Venkatesan | Chairman | 1 |
| Sri Mukund S Raghavan | Member | 1 |
| Sri Ananth Ramanujam | Member | 1 |

Sri Aditya Sharma, Company Secretary is the Compliance Officer.

During the year under review, 2 complaints from shareholders were received by the Company and the same has been resolved.

8. Risk Management Committee

The Company has constituted a Risk Management Committee on 13th August 2021 which assist the Board of Directors in timely identification, assessment and mitigation of risk, i.e., financial operation, strategic, regulatory and other statutory compliance faced by the Company.

The role of committee which includes formulation of a detailed risk management policy and monitoring its implementation, periodic review of such policy, review and appointment of Chief Risk Officer (if any) etc.

During the financial year 2022-23, two meetings were held on 02nd September, 2022 and 27th February, 2023.

The composition and attendance particulars are as follows:

| Name | Position | No. of Meetings attended |
|-----------------------|----------|--------------------------|
| Sri N Krishnan | Chairman | 2 |
| Sri Mukund S Raghavan | Member | 2 |
| Sri Rasesh R Doshi | Member | 2 |
| Sri S Ramasubramanian | Member | 2 |

9. General Body Meetings:

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

| Year | Location | Date and time |
|-----------------------------------|----------------------------|-----------------------------------|
| 66 th AGM (2019-20) | Through Video Conferencing | September, 07, 2020 11.30 a.m. |
| 67 th AGM (2020-21) | Through Video Conferencing | September, 08, 2021 11.30 a.m. |
| 68 th AGM (2021-22) | Through Video Conferencing | September, 01, 2022 11.30 a.m. |

**b) Details of Special Resolutions passed in previous three Annual General Meetings (AGM) :
66th AGM**

There was one Special Resolution passed in the 66th Annual General Meeting, held on 07th September, 2020, under regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re-appointment of Sri S Ram (DIN - 00018309), aged 80 years, as Non-Executive Director of the Company, liable to retire by rotation:

| Total No.of votes in favour | Total No. of votes against | % of votes in favour | % of votes against |
|-----------------------------|----------------------------|----------------------|--------------------|
| 6404261 | 206 | 99.997 | 0.003 |

c) Postal Ballot

During the year under review, 1 (one) Special Resolution and 1 (one) Ordinary Resolution were passed through postal ballot.

The Board of Directors of the Company at its meeting held on 18th May, 2022 had appointed Sri M Damodaran (Membership No.: FCS 5837, CP No.: 5081) of M/s. M Damodaran & Associates, LLP, Company Secretaries, as the Scrutinizer (the "Scrutinizer") for conducting Postal Ballot (by remote e-voting) process in a fair and transparent manner.

The Scrutinizer submitted his report on postal ballot by remote e-voting process to the Managing Director of the Company (as per the authorization given by the Board vide its resolution dated 18th May, 2022) on 1st July, 2022. The details of resolutions passed and voting of Postal Ballot Notice dated 18th May, 2022 are as under:

1. Re-appointment of Sri N Krishnan (DIN: 00041381), as Managing Director for a period of 3 (three) years with effect from July 5, 2022 – **Special Resolution**

| Total No.of votes in favour | Total No. of votes against | % of votes in favour | % of votes against |
|-----------------------------|----------------------------|----------------------|--------------------|
| 6283617 | 402 | 99.99 | 0.01 |

2. Elevation and Appointment of Sri Mukund S Raghavan, (DIN: 03411396), Executive Director as Deputy Managing Director for a period of 5 (five) years with effect from May 18, 2022. – **Ordinary Resolution**

| Total No.of votes in favour | Total No. of votes against | % of votes in favour | % of votes against |
|-----------------------------|----------------------------|----------------------|--------------------|
| 6401591 | 496 | 99.99 | 0.01 |

10. Means of Communication:

- The quarterly unaudited/ audited annual financial results of the Company is being published in an English Daily and in a vernacular (Tamil) newspaper in the prescribed format.
- Quarterly results, Annual results including the Annual Report, shareholding pattern are displayed on our Company's website www.impal.net in accordance with the listing agreement with the National Stock Exchange.

11. Disclosures:

- There were no materially significant related party transactions with the Company's Promoters, Directors, the Management or Relatives, which may have a potential conflict of interest with the Company at large.
- There have been no instances of non-compliance by the Company on any matters relating to capital market, nor has any penalty / strictures been imposed on the Company by the Stock Exchange or SEBI or any other Statutory authority on such matters.
- The Company has a Whistle Blower Mechanism in place and no personnel has been denied access to the Audit Committee. The Whistle Blower Policy is available in the Company's website at www.impal.net/investor.htm
- All the mandatory requirements specified under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.
- The company does not have any material subsidiary.
- Policy on related party transaction is available in the Company's website at www.impal.net/investor.htm
- The Company does not trade in any commodities and hence disclosure of commodity price risks and commodity hedging activities do not arise.
- The Company has not raised funds through preferential allotment or qualified institutions placement as specified under the regulation 32(7)(A)
- Company Secretary in Practice, has certified that none of the Directors on the Board of the Company, have been debarred or disqualified from being appointed or continuing as Directors of the Company.
- ICRA Limited has re-affirmed the Credit Rating [ICRA] AA (Stable) for long-term bank credits and [ICRA] A1+ for short term bank credits.
- The Fees paid to statutory auditors is Rs 17.60 lakhs for the financial year 2022-23.
- Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 :
An Internal Complaints Committee has been setup to redress complaints and there was no complaint received during the financial year 2022-23.
- Key Managerial Personnel (KMPs) of the Company as per Section 203 of the Companies Act, 2013 are Sri N Krishnan, Managing Director, Sri Mukund S Raghavan, Deputy Managing Director, Sri S Ramasubramanian, Chief Financial Officer and Sri Aditya Sharma, Company Secretary. During the year under review Sri S Kalyanaraman, Company Secretary has resigned with effect from 31st May, 2022, consequently, Sri Aditya Sharma was appointed as Company Secretary with effect from 1st June, 2022

12. Equity Shares in Suspense Account

As per the Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company reports that :

INDIA MOTOR PARTS & ACCESSORIES LIMITED

| Particulars | Number of Shareholders | Total Shares in Demat Suspense Account |
|--|------------------------|--|
| Unclaimed shares at the beginning of the year (01.04.2022) | 134 | 21104 |
| Less: Claim received from shareholder | 1 | 300 |
| Less: shares transferred to IEPF suspense account | 0 | 132 |
| Unclaimed shares at the end of the year (31.03.2023) | 133 | 20672 |

The company further states that the voting rights on these unclaimed shares shall remain frozen till the rightful owner claims the shares.

Pursuant to the provisions of Section 124(6) read with Rule 2 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017, details of shares so far transferred to the Investor Education and Protection Fund Authority, Ministry of Corporate Affairs is given below:

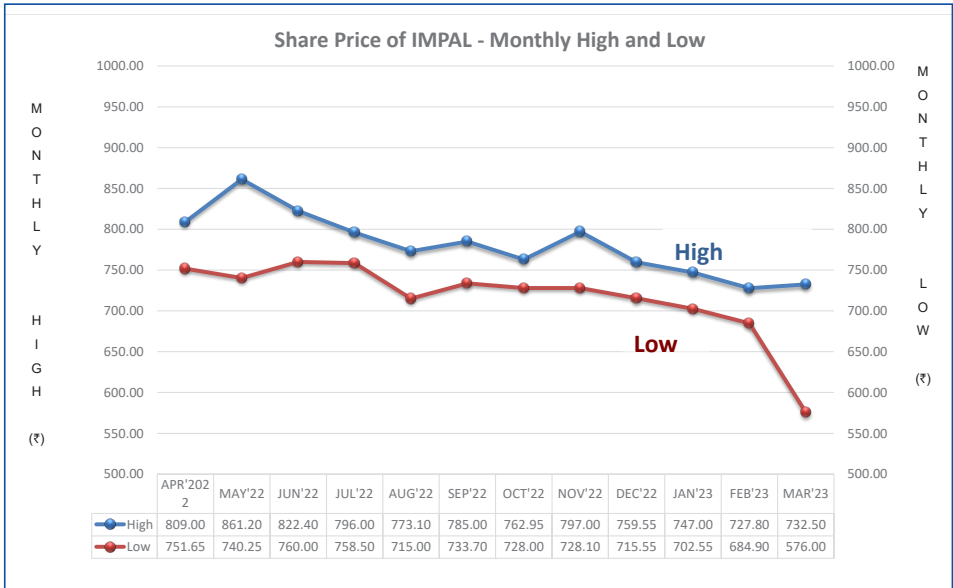
| Particulars | Number of Shareholders | Total Shares in IEPF A/c |
|---|------------------------|--------------------------|
| Shares in IEPF A/c as on 01.04.2022 | 313 | 80322 |
| Add: shares transferred to IEPF during the year | 21 | 5960 |
| Shares in IEPF A/c as on 31.03.2023 | 334 | 86282 |

13. General Shareholder Information:

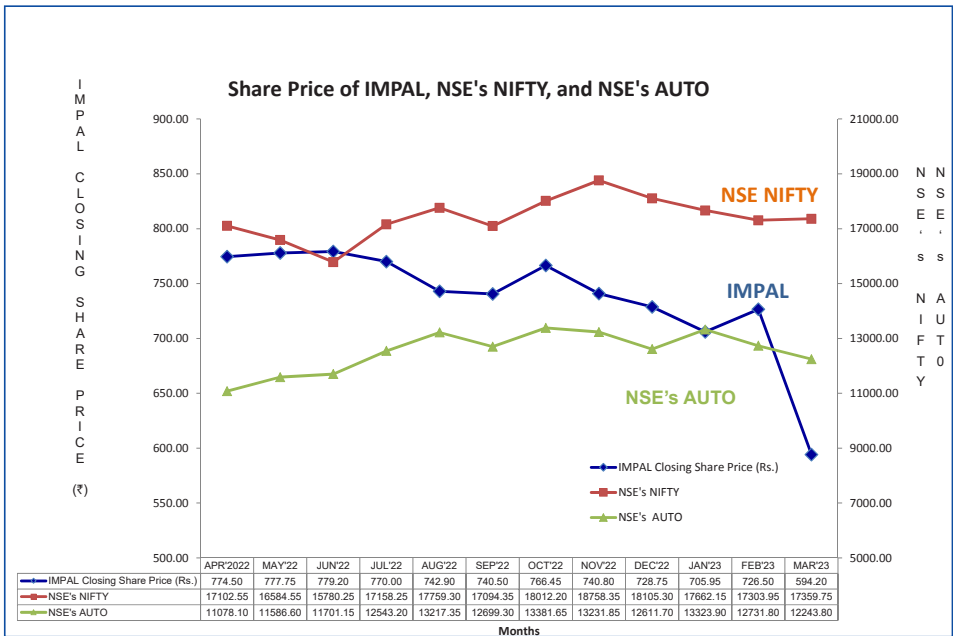
| | | |
|---|---|---|
| a | 69th Annual General Meeting | |
| | - Date and Time - Venue | Monday, 31st July, 2023 at 11.30 a.m. Through Video Conference |
| b | Financial Calendar (Tentative) | |
| | Annual General Meeting | 31st July, 2023 |
| | First quarter results ended June 30, 2023 | August, 2023 |
| | Second quarter results ending September 30, 2023 | November, 2023 |
| | Third quarter results ending December 31, 2023 | February, 2024 |
| | Audited results for the year ending March 31, 2024 | May, 2024 |
| c | Period of Book Closure | From 22nd July, 2023 to 31st July, 2023 |
| d | Dividend payment | Interim Dividend – 16th February, 2023 Final Dividend – On or before 29th August, 2023 |
| e | Listing on Stock Exchanges | National Stock Exchange of India Limited (NSE) |
| f | Stock Code | |
| | a. Trading Symbol b. Demat ISIN Numbers in NSDL & CDSL | NSE - IMPAL INE547E01014 |

- g. The Company has paid the listing fee up to the year 2023-24 to National Stock Exchange of India Ltd and Annual Custodial Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited.

h. Market Price Data (₹)



i. Share price performance in comparison to based indices: -



INDIA MOTOR PARTS & ACCESSORIES LIMITED

j. Share Transfer Systems / Registrar and Transfer Agents:

M/s Cameo Corporate Services Limited, Chennai, is Registrar and Transfer Agent for the Company providing connectivity with the NSDL and CDSL for demat services. They also process the share transfer and related services. The share transfer and other requests are processed within stipulated timeline from the date of receipt of the documents subject to being complete in all aspects

Members are requested to send all their communications & documents pertaining to both shares in physical form and dematerialized form to the Registrar at the following address:

| | |
|--|--|
| <p>M/S CAMEO CORPORATE SERVICES LIMITED UNIT: IMPAL</p> <p>V Floor, 'Subramanian Building' #1, Club House Road Chennai – 600 002</p> <p>Phone: 044-28460390 (5 Lines) Fax: 044-28460129 Email: investor@cameoindia.com</p> | <p>Contact Person:</p> <p>Sri R D Ramasamy Designation: Director</p> <p>Smt R Komalavalli Designation: Sr. Manager</p> |
|--|--|

k. (i) Distribution of Shareholding pattern as on March 31, 2023

| No of Shares | Shareholders | | No of Shares | |
|---------------|--------------|---------------|-----------------|---------------|
| | Number | % | Number | % |
| Up to 500 | 6654 | 77.36 | 686779 | 5.50 |
| 501-1000 | 957 | 11.13 | 683825 | 5.48 |
| 1001-2000 | 605 | 7.03 | 856888 | 6.87 |
| 2001-5000 | 248 | 2.89 | 726745 | 5.82 |
| 5001-10000 | 55 | 0.64 | 375192 | 3.01 |
| 10001 & Above | 82 | 0.95 | 9150571 | 73.32 |
| Total | 8601 | 100.00 | 12480000 | 100.00 |

(ii) Pattern of Shareholding as on March 31, 2023:

| S.No | Particulars | No. of shares held | % of total |
|------|---------------------|--------------------|---------------|
| 1 | Promoters | 3833168 | 30.71 |
| 2 | Non Residents (NRI) | 175793 | 1.41 |
| 3 | Corporate Bodies | 2623219 | 21.02 |
| 4 | FPI | 985007 | 7.89 |
| 5 | Public | 4862813 | 38.97 |
| | Total | 12480000 | 100.00 |

l. Dematerialisation of shares:

The trading in equity shares of the company is permitted only in dematerialised form. As of March 31, 2023, about 95.34% of total outstanding Shares have been dematerialised. Out of 86,46,832 equity shares held by the shareholders other than the promoters, 80,65,627 equity shares (forming 93.28% of the non - promoters shareholding) have been dematerialised up to 31st March 2023.

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

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

| | |
|---|--|
| Aditya Sharma Company Secretary & Compliance Officer India Motor Parts & Accessories Limited 'Sundaram Towers', 3rd Floor, # 46, Whites Road, Royapettah, Chennai – 600 014. Designated email i.d. for investor complaints | Tel: +91 44 28591433 E-mail: aditya@impal.net secy@impal.net |
|---|--|

N Krishnan
Managing Director
DIN: 00041381

INDIA MOTOR PARTS & ACCESSORIES LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of INDIA MOTOR PARTS & ACCESSORIES LIMITED
No.46, Whites Road, Chennai – 600 014.

I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **INDIA MOTOR PARTS & ACCESSORIES LIMITED having CIN - L65991TN1954PLC000958** and having registered office at No.46, Whites Road, Chennai – 600 014 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|---|----------|--------------------------------|
| 1 | Mr. Santhanam Ram | 00018309 | 24/01/2006 |
| 2 | Mr. Srinivasan Venkatesan | 00019155 | 07/08/2014 |
| 3 | Mr. Narayanan Krishnan | 00041381 | 01/07/1999 |
| 4 | Mr. Ananth Ramanujam | 00061970 | 22/07/2005 |
| 5 | Mr. Sreenivasan Prasad | 00063667 | 26/04/2007 |
| 6 | Mr. Rasesh Rasiklal Doshi | 00538059 | 08/07/2008 |
| 7 | Mr. Tandalam Narasimhachari Padmanabhan Durai | 00655615 | 07/08/2014 |
| 8 | Mr. Mukundsundara Raghavan | 03411396 | 07/02/2019 |
| 9 | Mrs. Sriya Chari | 07383240 | 07/02/2019 |
| 10 | Mr. Srivats Ram | 00063415 | 08/03/2021 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M DAMODARAN & ASSOCIATES LLP

Place : Chennai
Date : 17.05.2023

M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN No.: F005837E000321449

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of INDIA MOTOR PARTS & ACCESSORIES LIMITED

1. We, Brahmayya & Co., Chartered Accountants, the Statutory Auditors of India Motor Parts & Accessories Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) regulation 46 and para C, D and E of Schedule V of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 ["SEBI Listing Regulations"] as amended.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 ["SEBI Listing Regulations"] as amended.
6. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Brahmayya & Co.**
Chartered Accountants
Firm Regn No. 00511S

L. Ravi Sankar
Partner

Place : Chennai
Date : May 19, 2023

Membership No.025929
UDIN : 23025929BGYJXQ9838

Distribution Network



Branches : AGRA AGARTALA AHMEDABAD ASANSOL AURANGABAD BANGALORE BHILWARA BHUBANESWAR BIKANER CALICUT CHANDIGARH CHENNAI COCHIN COIMBATORE CUTTACK DANKUNI DHANBAD ERODE GANDHIDHAM GORAKHPUR GUWAHATI I GUWAHATI II HISAR HUBLI HYDERABAD INDORE JAIPUR JALANDHAR JAMMU JAMSHEDPUR JODHPUR KADAPA KANNUR KANPUR KARIMNAGAR KOLHAPUR KOLKATA KOTA KOTTAYAM KUMBAKONAM KURNOOL LUDHIANA LUCKNOW MADURAI MALDA MANGALORE MUMBAI MUZAFFARPUR MYSORE NAGPUR NANDED NEW DELHI PATNAI PATNAII PUNE PURNIA RAIPUR THRISSUR TINSUKIA RAJKOT RANCHI REDHILLS SALEM SAMBALPUR SASARAM SHIVAMOGGA SILIGURI SILCHAR SURAT TRICHY TIRUNELVELI THIRUPATI THIRUVANANTHAPURAM UDAIPUR VADODARA VARANASI VELLORE VIJAYAPURA VIJAYAWADA VILLUPURAM VISAKHAPATNAM