



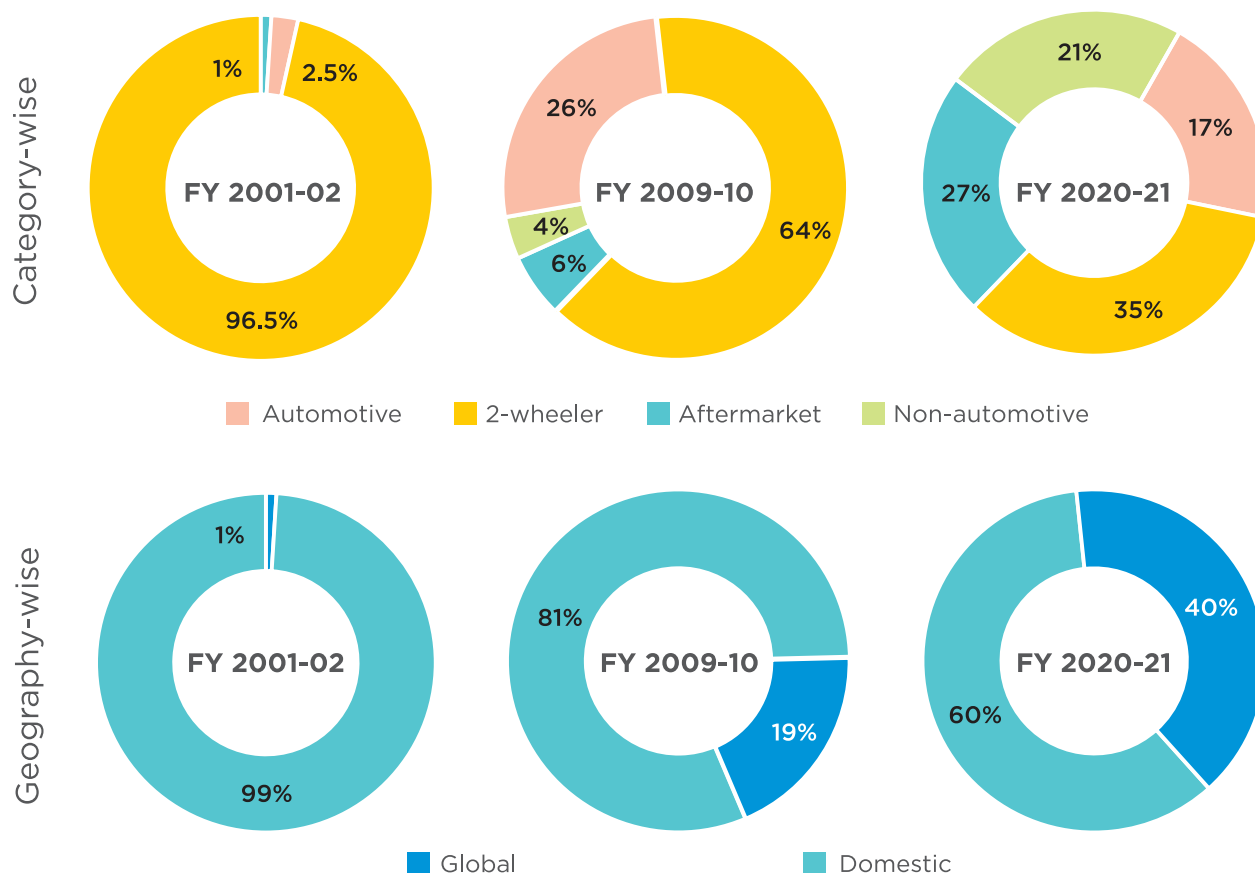
36th Annual Report 2020 - 2021



Marching
ahead with
Confidence...



SEGMENTAL AND GEOGRAPHIC SYNERGIES



GROUP FINANCIAL HIGHLIGHTS AND KEY INDICATORS

₹ in Million

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross Income	2270	2663	3792	4612	5107	6006	6718	10504	12954	14546	15899	15628	16409
Profit after tax (PAT)	90	222	333	398	471	508	503	803	1137	1385	1338	1040	1427
Equity and Reserves	546	702	969	1292	1667	2047	2408	4476	5242	6549	7751	8538	9897
ROE%	15.49	33.89	39.84	35.22	31.85	27.36	22.58	20.90	25.49	23.49	18.71	12.77	15.48
Asset Turnover Ratio (Net assets)	3.25	3.81	4.37	4.58	4.29	3.94	4.00	4.69	4.04	3.56	3.86	3.36	3.79
Debt Equity Ratio (Term debt)	0.46	0.39	0.44	0.30	0.27	0.27	0.38	0.26	0.47	0.26	0.21	0.16	0.09
Current Ratio	1.24	1.30	1.59	1.50	1.57	1.60	1.85	1.81	1.61	1.53	1.65	1.47	1.76
Operational EBIDTA %	13.22	17.28	16.18	15.51	15.69	16.01	14.90	16.20	16.55	16.53	14.64	13.99	14.43
ROCE %	27.34	41.73	46.81	44.69	37.81	37.12	31.47	29.55	29.08	26.94	23.46	17.92	18.51
Book Value of shares (₹)	4.54	5.85	8.07	10.76	13.89	17.05	20.06	25.96	36.81	46.82	55.41	61.04	70.76
EPS (₹)	0.74	1.84	2.77	3.31	3.92	4.23	4.19	6.11	8.13	9.90	9.57	7.43	10.20
Pay out Ratio (%) to PAT **	25.72	27.32	20.19	23.12	22.13	27.99	30.27	31.36	20.35	23.19	22.23	23.43	16.99

**Pay out ratio on standalone basis

* subject to shareholder's approval.



K. Ajith Kumar Rai
Founder and Chairman

Marching ahead with Confidence...

My dear Shareholder,

I have pleasure in sharing with you the performance of Suprajit for the year 2020-21. The enclosed reports and financial statements provide you with detailed and relevant information.

Last year, the year of Covid-19, was very challenging for all, including your Company. Business was disrupted across the world due to lockdowns, IC part shortages, shipment delays, port congestions, commodity price increases and other Covid related issues across various plants of ours and that of our customers. Kudos to Team Suprajit, we were able to manage multiple challenges throughout the year to deliver a commendable performance. Automotive industry contracted by 13.5% against which your Company, on a consolidated

basis, grew by 5% with improved operational margins.

I am happy to present to you some of the highlights of the year gone-by:

1. After complete lockdown in Q1, the sales for the group continuously improved, led by aftermarket across the group.
2. Post the very subdued Q1 due to Covid, Q2, Q3 and Q4 sales successively surpassed the previous historic record sales.
3. All divisions, except Luxlite and Trifa, performed much better than budgeted in the beginning of the year.
4. Capacity expansions, both at Narsapura for cables and at Noida for bulbs, have been progressing satisfactorily.
5. Suprajit Technology Centre, in close interaction with customers, is working on a range of products for the future requirements of the Company. Some of these products are in advanced stage of commercialisation.
6. Margin improvements were seen across the divisions of the group, largely due to the various cost optimization projects, improved operational efficiencies and product mix.
7. The overall debt was reduced to ₹3277 million, from ₹3803 million a year ago.
8. The Board of Directors reviewed the distribution policy for a higher distribution to shareholders in the coming years, starting with the first Buyback of shares in the history of Suprajit.

CURRENT YEAR:

Current year can probably be designated as 'Year of the Vaccine' to fight the Covid pandemic. 90% of the Suprajit Team, including temporary and casual workers, have at least had one dose of vaccination.

The second wave hit India badly with innumerable deaths and disruptions during the first quarter. The challenges we faced last year in terms of IC shortages, shipment issues, commodity price increases, lockdowns, etc., continue this year. This may have certain impact on group's financial performance.

While the WHO believes that the pandemic is yet to be under control, I am hopeful, with the vaccination drives and continuous Covid precautions across our units, and, with the solid support of Team Suprajit, rest of the current year will be satisfactory. I am also happy to inform that Suprajit Foundation has taken up multiple CSR projects, with a special focus to Covid, to alleviate the hardships related to this dreadful disease, which is elaborated elsewhere in the report.

While the pandemic rages, Team Suprajit continues to focus on customers, optimal operations, and improved efficiencies to outperform automotive industry as it has done in the past, with an eye to grow profitably. Your Company is also actively pursuing inorganic opportunities and new product developments to further strengthen Suprajit in the years to come.

To this end, I seek your continued support and good wishes.

With warm personal regards,

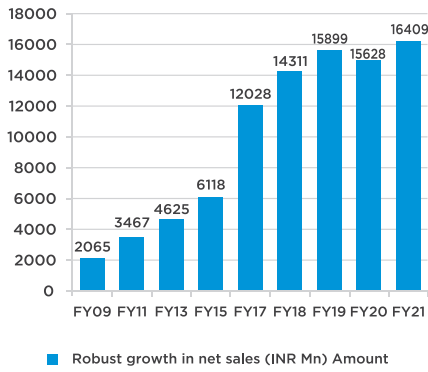
Yours sincerely,

K. Ajith Kumar Rai
Chairman

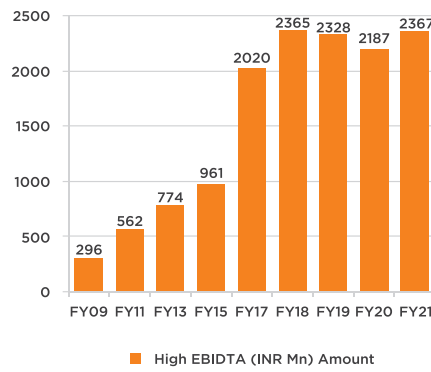


ROBUST FINANCIALS (GROUP)

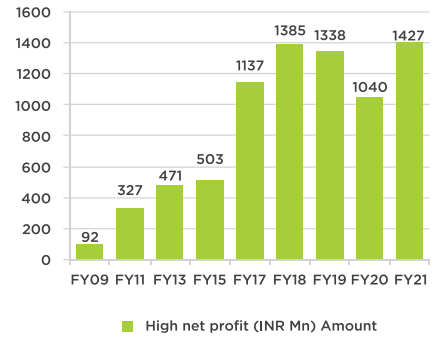
Robust growth in net sales



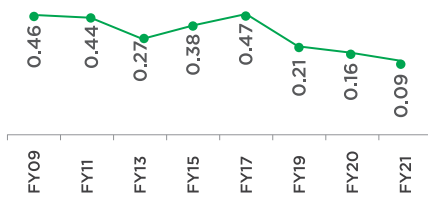
High EBIDTA



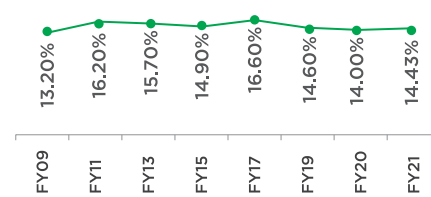
High net profit



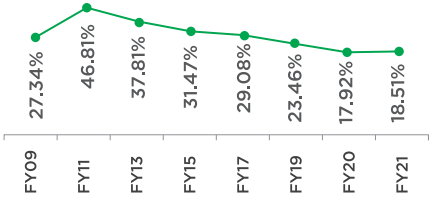
Low Long Term Liabilities / Equity Amount



High EBIDTA Margins Amount

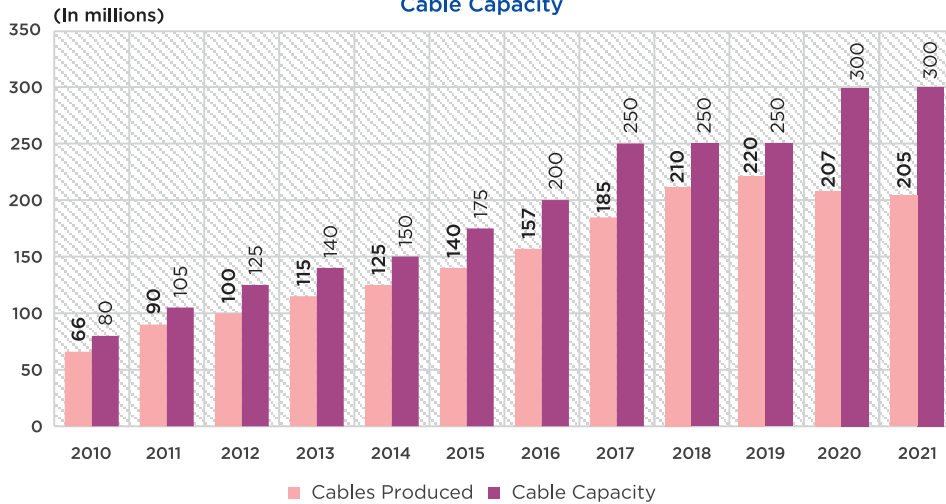


Resulting in Exceptional ROCE Amount



CAPACITIES

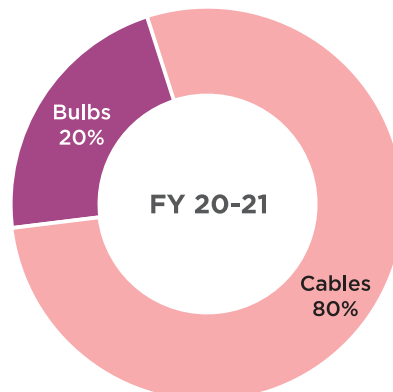
Cable Capacity



CAPACITY

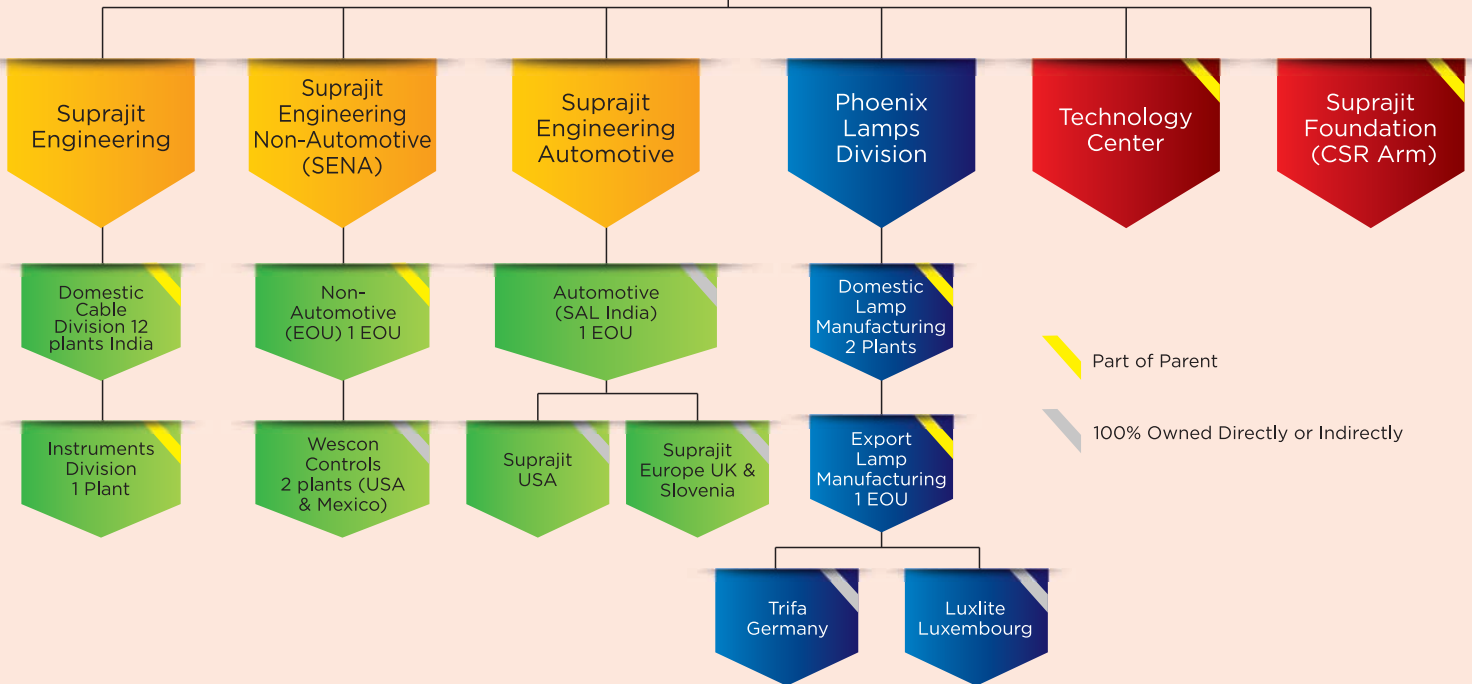
Cables	- 300 million
Bulbs	- 110 million

Revenue Split

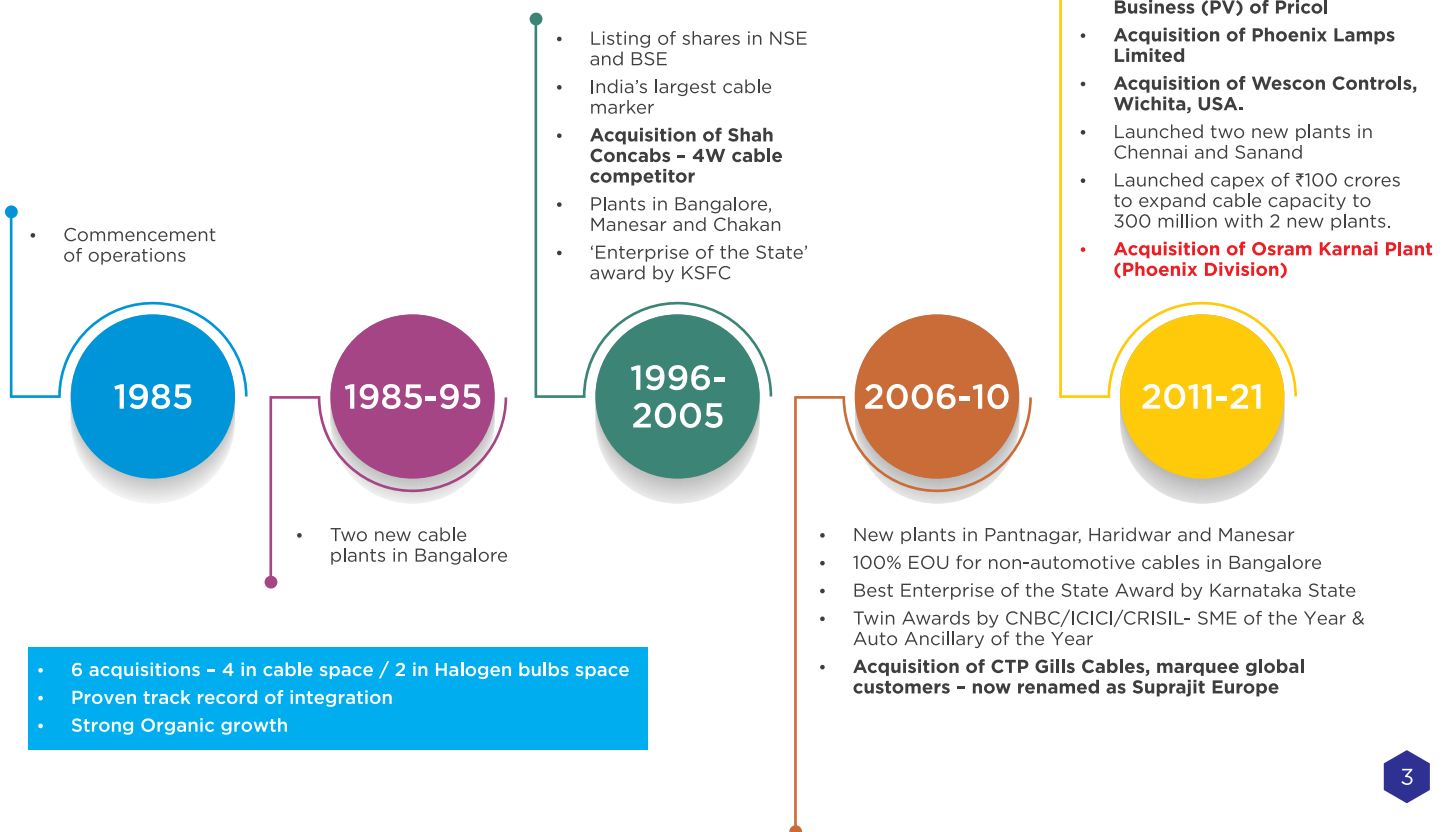


SUPRAJIT GROUP STRUCTURE

Suprajit Engineering Limited



Key milestones in our journey





AWARDS AND RECOGNITIONS



Recent Recognitions



Customer Awards and Recognitions

- BMW India - Best Delivery Performance 2019
- Maruti Suzuki - Green Supplier Status Award
- TVS Motors - Best Supplier of the Year 2021 Award
- Volkswagen - 'A' Grade Supplier Quality Performance Award
- Honda Motorcycles & Scooters - Quality & Delivery Achievement
- General Motors - Supplier Quality Excellence Award (3 years running)
- John Deere - Accelerated Global Sourcing Award
- Brose Key Supplier Award
- Bajaj Auto Limited - TPM Excellence Award
- Tata Motors - Green Card for 'O' PPM
- Hero MotoCorp Limited - Direct Online Supply (DOL) Award
- Bajaj Auto Limited - Quality Consistency Gold Award
- Yamaha - Cost Reduction & VA/VE & 'A Grade' Excellence Award
- TVS, Bajaj and Mahindra - various Awards

Other Awards

- KSFC: Entrepreneur of the Year for the promoter, 1995
- CNBC/ICICI/CRISIL: - SME & Auto Ancillary of the Year, 2006
- NASSCOM: Best IT user Award in Automotive Sector, 2007
- KSFC: Outstanding Enterprise of the State, 2010
- BMA - Entrepreneur of the Year, 2017

STRATEGY - 3 BRANDS



Suprajit Engineering Automotive Cables

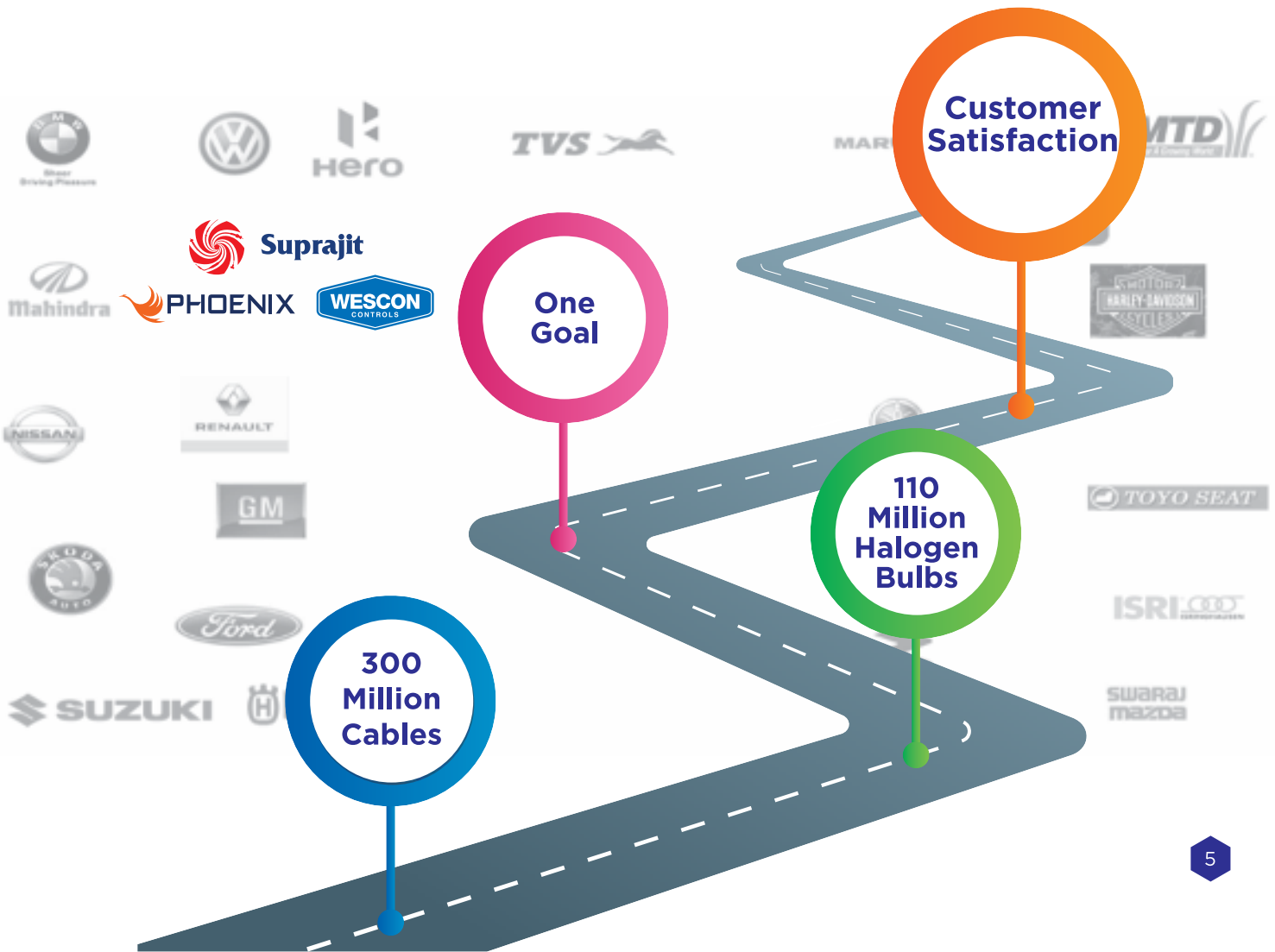
- 14 manufacturing facilities in India including EOU for non-automotive.
- SAL - EOU facility for automotive
- SEU - Tech Centre in Tamworth, UK.
- SEK - Owned Warehouse in Koper, Slovenia.
- Over 35 years of expertise in cables.

Phoenix Lamps Halogen Lamps

- 3 manufacturing facilities in India.
- 2 marketing arms in Germany and Luxembourg.
- Acquired by Suprajit in May 2015 and merged with Suprajit in August 2017.
- Acquired halogen plant of Osram in Chennai in 2019.
- Over 30 years of expertise in Halogen Lamps.

Wescon Controls Non-Automotive cables

- Manufacturing facility in Wichita, Kansas, USA.
- 1 Maquiladora facility in Juarez, Mexico.
- Acquired by Suprajit in September 2016.
- Over 75 years of expertise in cables & controls.



BEST-IN-CLASS FACILITIES IATF16949 PLANTS



World-class manufacturing with operations IATF 16949 certified



Global standards in manufacturing, testing and quality assurance



Vertical process integration for key processes and optimized supply chain



PRODUCT RANGE





MOHAN N S
Managing Director &
Group CEO

A famous Tamil Poet philosopher has written that “when faced with difficult times, laugh at it, as it is laughter which can defeat difficulties”. True to that, the Team Suprajit when faced with difficulties of COVID, took it in the stride, faced it and tried to overcome the difficulties. This was done across all our facilities in and outside of India.

We all demonstrated “People First” and stood by those who got infected. We sensitized all our employees and ensured that the strictest COVID protocols were followed to ensure a safe working environment to all those with whom we interacted. Ensuring that our contract workforce which has a sizable portion of Migrant labour, was retained, the team supported them with dry ration and giving them confidence.

Supply chain constraints following the COVID pandemic was our bigger challenge. Again, the team rose up to the occasion and worked closely with our Vendor community to ensure that none of our customers suffered. We reached out to our dealer & distributor network in the aftermarket segment to give them support, when the trade went into a state of paralysis.

At Suprajit, we emerged stronger with our resilience demonstrated.

We believed in the economic reliance too and while we cut on “Discretionary expenses”, keeping an eye on the Cash flow, we continued our efforts to train our people, bring in automation, new product development, LED assembly line at NOIDA and went ahead with our projects for cable capacity expansions at Suprajit Automotive Pvt. Ltd., and at Narasapura.

Our overseas operations at Wescon (Wichita and Juarez) continued their journey to improve operational efficiencies. Suprajit Europe continued to clock new business wins despite the severe COVID impact in Europe. Luxlite and Trifa continued to their operational expenses to get inline with the revenue streams.

In Summary, I am proud of our Team Suprajit and thank all our Vendors, Customers, Distributors and Dealers who stood by us as we stood with them in facing this unprecedented Pandemic.



AKHILESH RAI
Director & CSO
(Chief Strategy Officer)

This year our strategic focus was on the welfare of employees and the communities surrounding our plants. In Lockdown 1, we distributed 60 tons of dry food rations across all Suprajit locations. In Lockdown 2, this distribution was increased multifold, along with initiatives supporting PHCs across India with a variety of needs. We are also proud to have completed the vaccination of 90% of our staff and contract workers across our 20 plants in India. An incredible joint effort by team Suprajit.

We also took this year to focus on internal improvements. Online technical training sessions and a companywide Lean Six Sigma drive brought out major improvements in operations and technical competence of our team. Our digitization and analytics initiatives have been well received and this year will be about horizontal deployment. Suprajit also inaugurated the first of many rooftop solar initiatives to help reduce cost and environmental footprint.

Acquisition related activities were approached with caution considering the uncertainty in the market. However the current situation supports a global consolidation in our industry and we continue to assess opportunities in this regard.



MEDAPPA GOWDA J
Group CFO

Suprajit too had a challenging phase due to Covid-19 during Q1 FY 2020-21, which led to taking a few drastic cost saving measures and implementing additional stringent internal control system across the Group. During this phase, effective cash flow management and proper financial planning were the key focus. We are happy that Suprajit Group has overcome this hurdle without disrupting its well-established financial management system that evolved over the period of time. Optimal debt structure across the Group with minimal cost, effective treasury management and foreign currency management with prudent hedging policies, robust MIS system are the backbone of Suprajit's Financial Management system. Covid-19 pandemic has shown how strong Suprajit can position itself as an outstanding Company during the adverse situation and how effectively it can respond to such challenges.

Presently, availability of cash in the Balance Sheet, internal accruals and through surplus Bank limits will continue to keep the Company comfortable in meeting its short and long term financial obligations of capital expenditure / investment plans. These are expected to guide the Company towards its long term objective of 'Grow profitably and sustain Profitability'.

Good Corporate governance and compliance systems across the Group remain intact and it has been further strengthened over the years in line with Industry best practices and frequently changing regulatory requirements. We aim to keep the stakeholders well informed and educated with our transparent and ethical business practices and to reward them with regular returns by way of dividends, buy-back, etc. We strongly believe that these practices will enhance the faith and confidence of the stakeholders in the Company and will attract new long term investors, in the coming years.



NARAYANSHANKAR K.
COO
Domestic Cable Division

The impact of Covid-19, on industry during the year 2020-21, is known to everyone." Life and Living" was the fundamental issue during the year. We at Suprajit took several steps to ease the pain of the pandemic on our employees and build a reinforced operations team.

First quarter of the year was one of the worst in our history due to lock down which disrupted supply chain, logistics and manpower supply, etc. Despite all these issues, by end of the year, we were able to produce almost as much as the previous year. The set Goal was "not to lose any order or any customer" under any circumstances and give the best to customer that gave a commendable result.

A well-motivated Team, with Focus to meet the challenges of Business is one of the greatest strengths of Suprajit. The Team has once again stood up to the challenge. We received appreciation and awards from top customers. "Best QCD performance" and "Star Supplier & Best Supplier of the Year" were some of the awards for our best service levels during the year. These awards and appreciation continue to motivate our Team to relentlessly work for customer satisfaction at all the times.

Throughout the year, the Team was engaged in various Training Programs with identified projects of quality improvement, productivity and TPM to meet the requirement of the customers for cost reduction and quality improvement. We will continue to focus on TPM to bring in culture of "Productivity up & Cost down in all our Units.



AKHILESH GOEL
COO
Phoenix Lamps Division

Despite COVID-19 pandemic and lockdown in FY 2020-21, Phoenix Lamps Division has achieved growth especially in domestic aftermarket. This year too, we continued our efforts on geographical reach expansion of products & added few new customers.

We added new products in halogen series and enhanced our product portfolio. We will continue efforts to add more products in the FY 2021-22 as well. Assembly of retrofit LED Solution was started, and there was very good response from the 2W market. This year we are working on expanding the LED production capacity and planning to launch more variants of retrofit LED to fill the product basket in LED automotive lighting.

We continued our focus on various initiatives like quality improvement through "Q" Challenge as well as low-cost automations for productivity improvement through "C" Challenge. To remain competitive in the market, teams across all units of Phoenix Lamps Division are continuously working on cost optimization with enhanced focus on alternate materials usage, alternate supplier's introduction, waste reduction and mobilizing internal R&D resources to prioritize material validation and product performance enhancement.

In FY 2020-21 Company has committed a capex on completely automated HS1 Line to increase the halogen bulbs capacity. Line will be ready for production early next year.



PRAVEEN RAO
Vice President
Sales & Marketing

FY21 witnessed the continued Aftermarket growth recording the highest growth ever, fuelled by the pent-up demand and the brand preference for both Suprajit in Cables and Phoenix in Bulbs. Brand communication through Sign boards, Innovative Virtual Digital campaigns and on the ground, field campaigns marked the unique position of our brands. One-of-its-kind Digital platforms App to reward our channel partners was also implemented to expand our reach.

New launches were limited last year but new projects were won in OE segment through engagement in Gear Shift cable for CV segment. We also expanded our portfolio in Farm Equipment sector through supply of range of cables to Farm Equipment OEMs.

Our EV portfolio of Cables, 3W-Gear Shift Mechanism, Combination Braking and Brake Shoes, Instrument Clusters and Retrofittable -LED unveiled last year gained traction and we won some businesses for Instrument Clusters, Brake Shoes and CBS from some key OEMs reinforcing our intent to penetrate the EV segment.

Brand Suprajit and Phoenix continue its innovation effort in products both in traditional ICE, EV segment and Independent Aftermarket and reinforce its position as a technology provider.



BADARINARAYANA H R
Associate Vice President, HR

“Human Resource Management isn’t something we do. It’s everything that runs our business....”

2020 was an unusual year with the pandemic which significantly disrupted and impacted business environment across the globe, including India. At Suprajit, we took lead to address and safeguard our workforce with strict adherence to Covid appropriate behavior and protocols, SOPs and guidelines. This has resulted in effective management of Covid situation across all our plants.

During lockdown period, the workforce migration was minimized and managed through frequent interactions, financial aid and CSR initiatives of Suprajit Foundation. Various online learning and development programmes were conducted for employees. Post lockdown, focus was given on employee sensitization for alignment of new way of work in management of Covid situation and business operation.

Employee cost management and optimization were the key focus areas. Appropriate measures were taken to right size the workforce. The Industrial Relations situation across all the units was normal and peaceful. The ethical, professional and employee friendly culture continues to be our main drivers for talent retention and healthy low levels of attrition.

Safety and wellness of our employees are the top-most priority. Vaccination drive to vaccinate our workforce has progressed well. The HR team is well equipped to handle the ongoing challenges in people management due to the Covid pandemic.



ASHUTOSH RAI
Head - Suprajit Tech Centre

The Engineering team at STC is maturing well. We have a young and enthusiastic team, with a select number of industry experts to lead and guide them. The focus this year has been on expanding our product portfolio into digital speedometers, and we have done so by bringing in the nucleus of a strong technical team lead by an industry expert. We have won a few contracts in this space in both the non-automotive and EV segments, as well as making good forays into the established two-wheeler OEMs. As this vertical grows, we will have established strong engineering capabilities in digital speedometers on top of the established capabilities we have in mechanisms design. The focus now turns to establishing strong manufacturing capabilities in digital speedometers and in the space of “Rider Information”.

In the coming year we intend to build a third vertical of STC, focusing on electromechanical sub-systems. Put all three verticals together, and Suprajit will have the capability to sense, actuate, mechanically operate and control any sub-system and also display the performance of the sub-system, if needed. This will give us a unique position as a systems supplier to OEMs or a sub-system supplier to tier-1s, with the ability to handle any part of the system, or the whole.

We will also focus on bringing some of our innovations into the market and see the commercial benefit of the last 2-3 years of effort. We are continuously building our IP by listening to and identifying customer pain points and approaching the solution from first principles.



Peter Greensmith
MD - Suprajit Europe Ltd (SEU)

There are sufficient customer contracts in place to support the best year ever for Suprajit Automotive export sales. What we are seeing each month, however, are customer plants announcing unplanned shutdowns due to shortages of semiconductors. The effect is to delay demand and at this point it is difficult to predict when the inevitable recovery will take off.

The automotive operations have weathered the Covid storm remarkably well, primarily due to the compensating increase in new business won. Having overcome Covid restrictions, lockdowns, shipping delays and a Suez blockage, we are now hungry to realize the full potential within our business model.



FRANK KLINKERT
Managing Director
Luxlite

The last year has been a challenging one. The business had been hit very hard. Transport costs, raw material, energy, or manpower costs went up, the economy suffered a lot. Most of the Governments in EU supported employment levels through their various schemes.

We must learn and adapt to the "new normal" life.

Vaccination has brought in hope. We pray that the worse is past us and the future looks much brighter. The European Commission believes that the euro area will expand by 4.3 per cent this year and 4.4 per cent in 2022. We look forward for a more stable future.



JAMES GERARD RYAN
President -
Controls & Cables
Global Operations

Having joined the Suprajit Team after the end of the FY20-21's, I can only attest historically to the challenges faced and overcome as these were similar to that of other companies around the globe faced. Clearly the performance of our Company was admirable in the face of the pandemic.

As the year ended, the trends of economies emerging from Covid-19 were very positive and expectations are that the trend will continue. Confidence has emerged as certain FY20-21 economic uncertainty impacts, including Brexit and U.S. elections, have stabilized. Cash is available for purchases and investments throughout the world. Pent-up demands in several sectors we serve appear to be robust as industrial and homeowner related products are expected to maintain the momentum begun in late 2020. The global automotive industry is expected to see YoY growth despite certain material shortage negatively impacting production.

The outlook is not all sunshine however. Risks to demand related to raw materials supply as well as on-going global Covid-19 concerns certainly exist. However, we have proven in the past year that the agility exists to overcome such challenges and via the global footprint and talented personnel stand ready to succeed. I look forward to working with the team to navigate to the next level of the company's rich history of success.



STEVE FRICKER
CEO - SENA & Wescon
Controls LLC

SENA began FY20-21 slowly due to the effects of COVID-19. Q1 Revenue was down 25%, workers were in short supply in the US, Juarez and the U-9 plant in India was closed for parts of April and May. Q2 challenges were highlighted by significant Customer scheduling disruptions due to increased demand in the market place for Outdoor Power Equipment related products. Q3 and Q4 experienced Supply Chain interruptions from Global chip shortages, resin shortages and major US port delays. However, by year-end Revenue was up 2% and EBITDA was up 25% over FY19-20.

SENA is projecting a decent revenue growth and EBITDA growth in FY21-22. Supply Chain challenges from FY20-21 will continue to linger into FY21-22. We are currently progressing several opportunities with both new and existing Customers.

CORPORATE SOCIAL RESPONSIBILITY



BOARD OF DIRECTORS

K Ajith Kumar Rai
Executive Chairman

N S Mohan
Managing Director & Group CEO

Akhilesh Rai
Director & Chief Strategy Officer

Ian Williamson
Director

Suresh Shetty
Director

Dr. (Ms.) Supriya A Rai
Director

M Lakshminarayan
Director

Ms. Bharati Rao
Director

Harish Hassan Visweswara
Director

CFO & COMPANY SECRETARY

Medappa Gowda J

STATUTORY AUDITORS

Messrs S R Batliboi & Associates LLP,
Chartered Accountants

INTERNAL AUDITORS

Messrs K S Aiyar & Co.
Chartered Accountants

Messrs R G N Price & Co
Chartered Accountants

SECRETARIAL AUDITOR

Parameshwar G Bhat
Company Secretary

COST AUDITORS

Messrs G N V Associates
Cost Accountants

REGISTERED OFFICE

Plot No. 100 & 101, Bommasandra Industrial Area
Bengaluru – 560 099.

Phone : +91-80-43421100

Fax : +91-80-27833279

E-mail : info@suprajit.com

investors@suprajit.com

PLANTS AT :

Karnataka - 7 Plants

Chakan (Maharashtra) - 1 Plant

Vapi and Sanand (Gujarat) - 2 Plants

Manesar (Haryana) - 1 Plant

Pathredi, Bhiwadi (Rajasthan) - 1 Plant

Haridwar and Pantnagar (Uttarakhand) - 2 Plants

Chennai (Tamilnadu) - 2 Plants

Noida (Uttar Pradesh) - 2 Plants

WHOLLY OWNED SUBSIDIARIES:

Suprajit Automotive Private Limited, India

Suprajit Europe Limited, U.K.

Suprajit USA INC, U.S.A.

Wescon Controls LLC, U.S.A.

Luxlite Lamps SARL, Luxembourg

TRIFA LAMPS GERMANY, GmbH

STOCK EXCHANGES

BSE Ltd [BSE]

National Stock Exchange [NSE]

REGISTRAR AND SHARE TRANSFER AGENT

Integrated Registry Management Services
Private Limited

No. 30, Ramana Residency,

4th Cross, Sampige Road,

Malleswaram, Bengaluru – 560 003

Phone: +91-80-23460815-18

Fax: +91-80-23460819

E-mail : irg@integratedindia.in

BANKERS

State Bank of India

Citi Bank N.A.

HSBC Limited

Syndicate Bank (Canara Bank)

ICICI Bank Limited

Corporation Bank (Union Bank)

Axis Bank Limited

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SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934

Registered & Corporate Office: No. 100 & 101, Bommasandra Industrial Area, Bengaluru-560 099

Telephone: +91-80-4342 1100, Fax: +91-80-2783 3279

Website: www.suprajit.com, Email: info@suprajit.com

NOTICE OF THE THIRTY SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the 36th (Thirty Sixth) Annual General Meeting (AGM) of the Members of Suprajit Engineering Limited ("the Company") will be held on Friday, September 03, 2021, at 2.30 p.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company which include Audited standalone and consolidated Balance Sheet as at March 31, 2021, the standalone and consolidated Statement of Profit and Loss including the Statement of other Comprehensive Income and Cash Flow of the Company as on that date together with the Auditors' Report thereon and Report of the Board of Directors.
2. To appoint Mr. Mohan Srinivasan Nagamangala (holding DIN:01916468), Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To confirm the payment of Interim Dividend of Re. 0.75 (75%) and to declare Final Dividend of Re. 1.00(100%) for the financial year 2020-21.

SPECIAL BUSINESS:

4. **Approval for continuation of Directorship of Mr. Muthuswamy Lakshminarayan (DIN: 00064750) as an Independent Director of the Company:**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 17(1A) and any other applicable Regulation(s), if any, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of the Members of the Company be and is hereby accorded to continue the Directorship of Mr. Muthuswamy Lakshminarayan (DIN: 00064750), Non-Executive Director, who will attain the age of 75 (Seventy Five) years on September 07, 2021, as an Independent Director of the Company, for the remaining term of his tenure, i.e., till March 31, 2022.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (including its Committee(s) thereof and / or any Director or any individual delegated with powers necessary for the purpose) be and is hereby authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have been given all necessary approval thereto expressly by the authority of this resolution."

5. **To ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors of the Company for the financial year 2021-22:**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), the remuneration payable to Messrs G N V and Associates, Cost Accountants, Bangalore, Cost Auditors, appointed by the Board of Directors based on the recommendation of the Audit Committee of the Company, to conduct audit of the cost records for the financial year 2021-22 at a remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, at actuals, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors and / or Company Secretary of the Company, be and are hereby severally authorized to do all acts, deeds and things as may be deemed necessary to give effect to the above said Resolution."

By Order of the Board
For **Suprajit Engineering Limited**

Medappa Gowda J
Company Secretary
Membership No.: FCS - 4111

Place : Bengaluru
Date : May 29, 2021

NOTES:

1. Pursuant to the General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
2. A Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
3. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of

proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

4. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
5. Since the AGM being held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. The Notice of the AGM has been uploaded on the website of the Company at www.suprajit.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e., www.evotingindia.com.
7. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to Circulars, the facility to appoint Proxy to attend and cast vote for the Members is not available for this AGM. However, in pursuance of Section 113 of the Companies Act, 2013, representatives of the Bodies Corporate can attend the AGM through VC / OAVM and cast their votes through e-voting.
9. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board Resolution / authorization letter to the Company OR upload on the e-voting portal.
10. The Register of Members of the Company will remain closed from August 28, 2021 to September 03, 2021 (both days inclusive).
11. An Interim Dividend of ₹ 0.75 (75%) declared on February 10, 2021 has been paid to those Members, whose names appeared on the Company's Register of Members / Beneficial Owners Position as per the records of the depositories as on February 22, 2021 (Record Date).
12. Final Dividend of ₹ 1.00 (100%) per Equity Share as recommended by the Board, if approved by the Members, will be paid to those Members whose names appear on the Register of Members of the Company / beneficial owners as per the records of depositories as at the end of August 27, 2021.
13. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act. For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid PAN	10% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be paid during the financial year 2021-22 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

Also, no tax shall be deducted for Shareholders (e.g. LIC, GIC for whom Section 194 of the Act is not applicable), Persons Covered under Section 196 of the Act (e.g. Mutual Funds, Govt.) and Category - I & II Alternative Investment Funds (AIF) registered with SEBI on submission of documents as below:

Shareholders (e.g. LIC, GIC for whom Section 194 of the Act is not applicable)	<ul style="list-style-type: none"> - Documentary evidence that the said provisions u/s 194 are not applicable. - A declaration that it has full beneficial interest with respect to the shares owned by it along with PAN
Persons Covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	<p>Documentary evidence that the person is covered under said Section 196 of the Act.</p> <p>Mutual Funds:</p> <ul style="list-style-type: none"> (i) Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate. (ii) Also a certificate that payment of / by way of dividend in respect of any securities or shares owned by it or in which it has full beneficial interest.
Category - I & II Alternative Investment Funds (AIF) registered with SEBI	<p>AIF established / incorporated in India - Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate</p>

For non-resident shareholders taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable.

However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”), read with Multilateral Instrument between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Self-attested copy of PAN if available / Self-attested copy of Indian Tax Identification number (PAN), if available
- Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

Kindly note that the Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company.

Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.

The aforesaid documents, as applicable, should be received from registered email ID by email to Integrated Registry Management Services P. Ltd at their email id gopi@integratedindia.in / giri@integratedindia.in or the same can be uploaded on the web link of RTA <https://www.integratedindia.in> / [ExemptionFormSubmission.aspx](https://www.integratedindia.in/ExemptionFormSubmission.aspx) on or before August 27, 2021 to enable the Company to determine the appropriate TDS / withholding tax rate applicable and remit the same to the Government within the stipulated date. No communication on the tax determination / deduction received post August 27, 2021 shall be considered for payment of Dividend with the appropriate deduction / no deduction.

For withholding of taxes as mentioned above, the residential status of the shareholders will be considered as per the data available with the Company / RTA / the Depository Participants (the “DPs”). In case there is change in their status, then the shareholders are requested to update their current status with the Company / RTA / the DPs on or before August 27, 2021.

14. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through Depository Participants. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). ISIN Code No. INE399CO1030. All Shareholders holding Shares in physical form are requested to make use of this facility.
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of Listed Companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

For further information, Shareholders can contact the Company's Registrar and Share Transfer Agent (RTAs), Integrated Registry Management Services Private Limited, No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560003, Phone : +91-80-23460815 to 818, Fax: +91-80-23460819, E-mail: irg@integrated.in .

16. Members holding Shares in physical mode are required to submit their Permanent Account Number (PAN) and bank account details to the RTA, if not registered with the Company, as mandated by SEBI by writing to the RTA at irg@integrated.in. in along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.

Members holding Shares in electronic mode are requested to submit their PAN and bank account details to their respective Depository Participants (“DPs”) with whom they are maintaining their demat accounts to update the same.

17. To support the ‘Green Initiative’, the Members who have not registered their e-mail addresses are requested to register the same with Integrated Registry Management Services Private Limited / Depositories.
18. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection electronically by the Members during normal business hours (9.00 A.M. to 5.00 P.M.) on all working days except Saturdays and Sundays, up to the conclusion of AGM of the Company.
19. Members seeking any information with regard to the Annual Accounts, are requested to write to the Company at investors@suprajit.com at an early date, so as to enable the Management to keep the information ready at the Meeting.
20. Notice of the AGM along with the Annual Report for the financial year 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website at www.suprajit.com.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL at www.evotingindia.com.

21. Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 mandates the Companies to transfer Dividend that has remained unclaimed for a period seven years from the Unpaid Dividend Account to Investor Education and Protection Fund (IEPF). Further, the rules also mandate the transfer of Shares with respect to the Dividend, which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, the Dividend for the below mentioned years will be transferred to the IEPF on the respective dates, if the Dividend remains unclaimed for seven years, and the respective Shares will also be transferred to IEPF, if Dividend is unclaimed for seven consecutive years.

The particulars of unpaid / unclaimed Dividend etc. are available on the Company's website at www.suprajit.com (http://www.suprajit.com/reports_category/unclaimed-dividends/) which is in compliance with the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012.

Following are the details of unpaid Dividends with due date within which it can be claimed:

FY	Year of declaration	Type of Dividend	Dividend per share (Re.)	Date of declaration	Due date for transfer
2013-14	2014	Final	0.50	31-Jul-14	5-Sep-21
2014-15	2015	Interim	0.45	3-Feb-15	10-Mar-22
2014-15	2015	Final	0.50	19-Sep-15	25-Oct-22
2015-16	2016	Interim	0.50	9-Feb-16	16-Mar-23
2015-16	2016	Final	0.55	24-Sep-16	30-Oct-23
2016-17	2017	Interim	0.50	13-Feb-17	21-Mar-24
2016-17	2017	Final	0.60	11-Nov-17	18-Dec-24
2017-18	2018	Interim	0.60	12-Feb-18	20-Mar-25
2017-18	2018	Final	0.80	14-Aug-18	19-Sept-25
2018-19	2019	Interim	0.70	11-Feb-19	19-Mar-26
2018-19	2019	Final	0.85	10-Aug-19	15-Sept-26
2019-20	2020	Interim	0.75	01-Feb-20	08-Mar-27
2019-20	2020	Interim	1.00	03-Mar-20	10-Apr-27
2020-21	2021	Interim	0.75	10-Feb-21	18-Mar-28

During the year, the Company was not required to transfer any shares to Investors and Education Protection Fund pursuant to Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

22. Mr. Parameshwar G. Bhat, Practising Company Secretary (Membership No. FCS-8860), Bengaluru has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within 2 (Two) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses who are not in the employment of the Company and make his report of the votes cast in favour or against and shall submit to the Chairman of the Meeting.

23. The results of the Annual General Meeting shall be declared within 2 (Two) working days from the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website

(www.suprajit.com) and on the website of CDSL and shall be communicated to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

24. Additional information pursuant to Regulation 36 of SEBI Listing Regulations in respect of the Directors seeking appointment / re-appointment at the AGM is annexed separately, which forms part of this Notice.

Voting through Electronic means:

25. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

26. The voting period begins on Tuesday, August 31, 2021 at 9.00 AM IST and ends on Thursday, September 02, 2021 at 5.00 PM IST. During this period, the Members whose names appear in the Register of Members / list of Beneficial Owners as on August 27, 2021 i.e. the date prior to the commencement of Book Closure date, are entitled to vote on the Resolutions set forth in this Notice. The e-voting module shall be disabled by CDSL for voting thereafter.

27. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

28. Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting again. However, they can participate in the VC / OAVM.

29. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM / AGM through VC / OAVM will be made available to at least 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

i) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories / Depository Participants. Demat

account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- ii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his / her holdings along with links of the respective e-Voting service provider i.e. CDSL / NSDL / KARVY / LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com / either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (i) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.
- The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on "Shareholders" module.
 - Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd / mm / yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- After entering these details appropriately, click on "SUBMIT" tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Facility for Non - Individual Shareholders and Custodians - Remote Voting
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password.

The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@suprajit.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/ EGM THROUGH VC / OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM / EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM / EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **3 days prior to meeting** mentioning their name, demat

account number / folio number, email id, mobile number at investors@suprajit.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **3 days prior to meeting** mentioning their name, demat account number / folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
9. Only those shareholders, who are present in the AGM / EGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM / AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM / AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company / RTA email id.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company / RTA email id.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542 / 43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542 / 43.

DETAILS PURSUANT TO REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 OF THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED:

Mr. Mohan Srinivasan Nagamangala (DIN: 01916468)



Mr. Mohan Srinivasan Nagamangala is a Graduate in Mechanical Engineering. He is a member of Institute of Cost and Works Accountants of India and he has a Diploma in Management. He has over three decades of experience of working in India and abroad. He started his career with BOSCH Bangalore and thereafter Visteon and Hansen/ZF Transmissions. He has held various positions including Chief Operations

Officer, Country Manager, Executive Director, Managing Director,

etc. He has managed businesses in India, Thailand, China, Belgium and USA. He joined Suprajit as 'President' in the year 2014 and has been appointed as Director and CEO of the Company w.e.f. February 13, 2017. Presently he is the Managing Director & Group CEO of the Company with effect from April 01, 2019.

Additional information:

Age	59 years
Date of Appointment as Director	February 13, 2017
Relationship between Directors inter-se	NIL
Names of listed entities in which the person holds the directorship	NIL
Membership of Committees of the Board of other listed entity	NIL
No. of Shares held in the Company	8,689

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 4:

The Members of the Company at the 34th Annual General Meeting of the Company, held on August 10, 2019 had appointed Mr. Muthuswami Lakshminarayanan Non-Executive -Independent Director of the Company for a period of 3 (Three) years, up to March 31, 2022.

Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which is effective from April 01, 2019, has made it mandatory to pass a Special Resolution for the appointment or continuation of Directorship of a Non-Executive Director, if such Director has attained the age of 75 (Seventy Five) years or more.

In compliance with the above stated requirement, it is proposed to pass a Special Resolution in connection with continuation of Directorship of Mr. Muthuswami Lakshminarayanan, Non Executive Director, who will attain the age of 75 years on September 07, 2021, as Independent Director of the Company, till the completion of remaining tenure (till March 31, 2022).

Mr. Muthuswami Lakshminarayanan, holds Masters degree in Technology from the Indian Institute of Technology, Mumbai. His experience has spanned over 35 distinguished years in Companies such as Bosch and Tata Motors. He spent over 22 years at Bosch and retired after serving on the Board of Bosch as Jt. Managing Director for 9 years. He established HARMAN operations in India in 2009, a leader in Connected Car Electronics and Audio Systems, where he was the Chairman of the Company. Considering the immense experience in automotive industry and his ability to bring in the dynamics to the Board in various matters, which are very helpful in making sound decisions, the Board proposes the continuation of Directorship of Mr. Muthuswami Lakshminarayanan.

Your Board recommends the Special Resolution as set out in Item no. 4 for the approval of the Members.

Except Mr. Muthuswami Lakshminarayanan, none of the Directors, Key Managerial Personnel or their relatives are interested or concerned financially or otherwise in the said Resolution.

Item No.5:

It may be noted that based on the recommendation of Audit Committee, Board had appointed Messrs G N V and Associates, as the Cost Auditors of the Company for the financial year 2021-22 and fixed a remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses at actuals.

Further, in terms of the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditors requires to be ratified by the Members of the Company at the Annual General Meeting.

Hence, your Board recommends the Ordinary Resolution as set out in item no. 5 for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives, is concerned or interested financially or otherwise, in the said Resolution.

By Order of the Board
For **Suprajit Engineering Limited**

Medappa Gowda J
Company Secretary
Membership No.: FCS - 4111

Place : Bengaluru
Date : May 29, 2021

BOARD'S REPORT

Your Directors have pleasure in presenting their Thirty Sixth (36th) Annual Report and the Audited Financial Statements for the financial year ended March 31, 2021 together with the Independent Auditor's Report.

STANDALONE AND CONSOLIDATED FINANCIAL RESULTS:

₹ in Million

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	11,484.07	10,962.30	16,744.47	15,852.16
Profit before exceptional items and tax expense	1,811.06	1,757.88	1,943.38	1,603.01
Less: Exceptional items	-	259.92	-	274.38
Profit before tax expense	1,811.06	1,497.96	1,943.38	1,328.63
Less: Provision for taxation	416.89	337.51	501.33	362.33
Profit after tax before prior period adjustment	1,394.17	1,160.45	1,442.05	966.30
Current Tax relation to prior year	14.96	(72.87)	14.95	(73.35)
Profit after tax	1,379.21	1,233.32	1,427.10	1,039.65
Add: Surplus from last year	1,803.03	1,748.75	1,739.94	1,897.30
Add: Other Comprehensive income	0.35	(2.90)	0.62	(2.47)
Add: Net change in fair value of Hedging instrument	-	-	5.53	(6.13)
Profit available for appropriation after adjustments prior period taxes	3,182.59	2,979.17	3,173.19	2,928.35
APPROPRIATIONS:				
1. First interim dividend [₹ 0.75 (March 31, 2020 ₹ 0.75) per share]	104.90	104.90	104.90	104.90
2. Second Interim dividend [Nil (March 31, 2020 ₹ 1.00) per share]	-	139.87	-	139.87
3. Final dividend [March 31, 2020: ₹ Nil (March 31, 2019 : ₹ 0.85) per share]	-	118.89	-	118.89
4. Tax on Dividend	-	62.48	-	74.75
5. Transfer to General Reserve	750.00	750.00	750.00	750.00
6. Balance carried to Balance Sheet	2,327.69	1,803.03	2,318.29	1,739.94

TRANSFER TO RESERVES:

During the financial year the Company has transferred an amount of ₹ 750 Million to General Reserves.

DIVIDEND:

An Interim Dividend of ₹ 0.75 per Share of ₹ 1/-each (75%) was declared and paid during the financial year under report. After careful review, your Directors have recommended a final dividend of ₹1.00 (100%), subject to necessary approval by the shareholders.

Total dividend outgo during the year is thus, ₹ 243.28 million (without Tax) as against ₹ 321.24 million (with Tax) during the year 2019-20.

PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED DURING THE FINANCIAL YEAR ENDED MARCH 31, 2021:

During the financial year Mr. Akhilesh Rai and Mr. Harish Hassan Visweswara were appointed as Directors of the Company.

Except this there were no other changes in the Board of Directors of the Company.

The composition of the Board of Directors of the Company as on March 31, 2021 is as below:

1	Mr. Kula Ajith Kumar Rai - Executive Chairman
2	Mr. Mohan N.S - Managing Director & Group CEO
3	Mr. Akhilesh Rai - Director & Chief Strategy Officer
4	Mr. Ian Williamson - Independent Director
5	Mr. Suresh Shetty - Independent Director
6	Mrs. Supriya A. Rai - Non Executive Director
7	Mr. M. Lakshminarayan - Independent Director
8	Mr. Harish Hassan Visweswara- Independent Director
9	Mrs. Bharati Rao - Independent Director

SHARE CAPITAL:

During the financial year, there were no changes in the Authorized Share Capital and Paid up Share Capital of the Company.

As on March 31, 2021, the Authorized Share Capital of the Company was ₹ 850,000,000/- (Rupees Eight fifty Million) and the Paid up Share Capital was ₹ 139,872,473/- (Rupees One Thirty Nine Million Eight Hundred Seventy Two Thousand Four Hundred Seventy Three Only).

BUY-BACK OF SHARES:

The Board of Directors approved the proposal of buyback of 15,00,000 equity shares of ₹ 1/- @ ₹ 320 per equity share, aggregating to ₹ 48,00,00,000/- during February 2021 and completed the entire buyback process by way of extinguishment of shares in the month of May 2021, after making payment of consideration with necessary compliances of applicable SEBI guidelines. Post buy-back, the paid up share capital of the Company reduced to ₹ 138,372,473/- (Rupees One Thirty Eight Million Three Hundred Seventy Two Thousand Four Hundred Seventy Three Only).

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS AND / OR ISSUE OF SWEAT EQUITY SHARES:

During the financial year under review, the Company has not issued any Shares with Differential voting Rights and / or any Sweat Equity Shares.

CHANGE IN NATURE OF BUSINESS:

The Company is engaged in the business of manufacturing and selling of automotive and other components and that are considered as single segment. There were no changes in the nature of business during the financial year.

OPERATIONS - MANAGEMENT DISCUSSION AND ANALYSIS:

The Indian Automotive industry recorded a negative growth of 13.50% during the year. Your Company, on a standalone basis, recorded an operational income of ₹ 11,122.75 Million during the financial year 2020-21 as against ₹ 10,709.46 Million during the financial year 2019-20. The Profit for the year was ₹ 1,379.21 Million during the financial year 2020-21 as against the Profit of ₹ 1,233.32 Million during the financial year 2019-20. The consolidated group operational income was ₹ 16,408.55 Million for the financial year 2020-21 as against ₹ 15,628.32 Million for the financial year 2019-20. The consolidated Profit for the year was ₹ 1,427.10 Million during the financial year 2020-21 as against ₹ 1,039.65 Million during the financial year 2019-20.

DOMESTIC CABLE DIVISION (DCD):

The Greenfield new plant at Narsapura had first full year of satisfactory performance. The aftermarket business had a robust growth along with steady performance in the OEM segment. The overall performance has been ahead of the industry.

PHOENIX LAMPS DIVISION (PLD):

The overall performance has been satisfactory, with aftermarket outperforming ahead of other segments. The Karnai (Chennai) plant, acquired from Osram, had a full year of performance and continues to work closely with PLD management to improve operational performance. The purchase of halogen bulbs from Osram has been in excess of the buyback commitment.

WHOLLY OWNED SUBSIDIARIES:

The consolidated sales of all the subsidiaries were ₹ 5,285.80 Million against ₹ 4,918.86 Million previous financial year. The EBIDTA was ₹ 536.00 Million against ₹ 259.67 Million previous financial year. The Profit Before Tax was ₹ 132.32 Million against ₹ (154.87) Million previous financial year. The Profit After Tax was ₹ 47.89 Million against ₹ (193.67) Million previous financial year.

Suprajit Automotive Private Limited (SAL) and Suprajit Europe (SEU):

The sales were ₹ 1,924.70 Million against ₹ 1,677.30 Million previous year. The EBIDTA was ₹ 435.69 Million against ₹ 333.24 Million previous year. The Profit Before Tax was ₹ 335.53 Million against ₹ 228.80 Million previous year. The Profit After Tax was ₹ 249.39 Million against ₹ 178.56 Million previous year.

The new plant at Doddaballapur is fully operational. This has added much needed capacity for export and helped in further enhancing performance. The warehouse at Koper (Slovenia) helped in derisking Brexit related issues.

Suprajit USA Inc (Wescon Controls LLC):

Suprajit USA Inc (Wescon Controls LLC) 100% owned subsidiary of your Company continues its focus on non-automotive business. The sales were ₹ 2,837.38 Million against ₹ 2,654.05 Million previous year. The EBIDTA was ₹ 260.13 Million against ₹ 139.87 Million previous year. The Profit Before Tax was ₹ (38.91) Million against ₹ (334.58) Million previous year. The Profit After Tax was ₹ (34.40) Million against ₹ (310.81) Million previous year.

Initiatives to drive the costs down, increase the productivity and acquire new businesses, have started yielding positive momentum during the year.

Mr. James Gerard Ryan (Jim Ryan), an Industry veteran, with extensive global knowledge of cables, joined Suprajit to strengthen the core team of the group.

Trifa and Luxlite:

Trifa and Luxlite, the 100% owned subsidiaries of PLD to had a challenging year. The combined sales was ₹ 1,073.25 Million (€12.38 Million) against ₹ 1,198.96 Million (€ 15.21 Million) previous financial year. The EBIDTA was ₹ (67.63) Million (€ (0.78) Million) against ₹ (125.74) Million (€ (1.60) Million) previous financial year.

The restructuring, as informed last year, was fully in place, resulting in better operating performance, despite difficult business environment and Covid-19 pandemic. However, the overall performance of subsidiaries, combined with PLD, improved during the year.

CURRENT YEAR OUTLOOK AND COVID-19 IMPACT:

Indian economy rebounded well post the lockdowns due to 1st wave last year. Unfortunately, with vaccination levels are at a very low levels in India, precautions thrown in the wind, the second wave has hit India severely with infection and death reaching levels, a few believed possible. With lockdowns imposed again by

most states, the economic activities have ground to a minimum in many areas. After a robust pick up till March 2021, a significant downtrend is visible from April onwards. This is expected to continue during the year. Unless the vaccination picks up well, experts believe, the 3rd wave could also be devastating in India. The Western world, particularly, US, UK & EU, appear in better position, thanks to vaccination and better adherence to Covid-19 protocols despite going through difficult Covid-19 outbreaks. However, the business outlook is still uncertain in these geographies due to shortage of electronic components, port congestion, commodity price increases along with Covid-19 uncertainty.

Commodity price increases are adding to the already fragile economic scenario in India. Under these circumstances, it is difficult to assess the economic activity for the near term. The automotive industry's prospects are equally uncertain. The year is expected to be a very challenging and difficult. Your Company is taking steps to minimize the negative impact of Covid-19. With an excellent team in place, clearly focused on optimizing costs and improving performance, your Company is confident of facing these uncertainties and emerge as a stronger Company, in the medium term.

The Company and Suprajit Foundation have initiated many projects to assist Covid-19 related relief for the needy. This includes providing Oxygen generators, PPE kits, dry rations, etc., to Covid-19 Care Centers, Primary Health Centres and needy population, in addition to the donation to related activities.

SALIENT FEATURE OF FINANCIAL STATEMENT OF SUBSIDIARIES:

A separate statement in Form AOC-1, is given as Annexure-1, which contains the salient features of the financial statement of Subsidiaries. The Annual Accounts and related documents of the Subsidiary Companies will be kept open for inspection at the Registered Office of the Company. The aforesaid documents will also be made available to the Members of the Company upon receipt of written request from them.

CREDIT RATING:

The Company's financial discipline and prudence are reflected in the strong credit ratings ascribed by rating agencies as exhibited below:

Instrument	Rating Agency	Rating	Outlook
Long Term Debt	CRISIL	AA	Stable
Long Term Debt	ICRA	AA	Stable
Long Term Debt	India Ratings & Research	AA	Stable
Short Term	CRISIL	A1+	Stable
Short Term	ICRA	A1+	Stable
Short Term	India Ratings & Research	A1+	Stable

FRAUD REPORTED BY THE AUDITORS DURING THE FINANCIAL YEAR:

Not applicable as there were no such instances during the year.

DEPOSITS:

Your Company has not invited/accepted/renewed any deposits from public as defined under the provisions of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the Company had no deposits as on March 31, 2021.

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There were no material changes and commitments between the end of the financial year and the date of the Report, which affect the financial position of the Company.

COPY OF ANNUAL RETURN:

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of annual return of the financial year 2020-21 on its website at www.suprajit.com.

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

During the financial year, the Company has not provided any loan/ guarantee / security which fall under the provisions of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013:

All related party transactions which were entered into during the financial year were at arm's length basis and were in the ordinary course of business and with the omnibus approval of the Audit Committee. 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.

All related party transactions, wherever applicable, are placed before the Audit Committee. The quarterly disclosures of transactions with related parties are made to the Audit Committee. In compliance with the provisions of Section 134(3) of the Companies Act, 2013, particulars of contracts or arrangements with related parties referred to in the provisions of Section 188(1) of the Companies Act, 2013 are enclosed, in the Form AOC-2, as part of this report as "Annexure- 2".

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the financial year, 4 (Four) Meetings were held on June 12, 2020, August 21, 2020, November 12, 2020, February 10, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company confirms and submits that:

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there have been no material departure;

- ii. the selected accounting policies were applied consistently and the judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profits of the Company for the year ended on that date;
- iii. proper and sufficient care has been taken 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 annual accounts have been prepared on a 'going concern' basis;
- v. adequate system of internal financial controls has been laid down and the said system is operating effectively; and
- vi. proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and are operating effectively.

CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT:

Being a Listed Company, necessary measures are taken to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) as amended from time to time. A report on Corporate Governance, along with a Certificate of compliance from a Practising Company Secretary, forms part of this report.

The Business Responsibility Report as required to be annexed to this report is annexed as Annexure -3.

DIVIDEND DISTRIBUTION POLICY:

The Company has a Dividend Distribution Policy in place, which is available on the website of the Company at www.suprajit.com (<http://www.suprajit.com/investors/compliance/policies-codes/>) and also annexed as Annexure-4.

RISK MANAGEMENT POLICY:

The Company has Risk Management Policy in place to oversight in the area of financial risks and controls through Risk Management Committee. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of Risk Management Policy has been covered in the management discussion and analysis, which forms part of this report. The Company has taken Directors' and Officers' Liability Insurance Policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR)/ SUPRAJIT FOUNDATION:

In line with Section 135 read with Schedule VII of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy "Giving Back to Society".

During the year, the Company has paid ₹ 27.58 Million and Suprajit Automotive has paid ₹ 4.90 Million to Suprajit Foundation towards the various projects undertaken by Suprajit Foundation. Annual Report on Corporate Social Responsibility (CSR) activities provided in **Annexure-5** to this report. The copy

of the CSR Policy is available on the website of the Company at www.suprajit.com (<http://suprajit.com/investors/compliance/policies-codes/>).

The Company has been active in CSR activities through Suprajit Foundation and has undertaken various projects in the areas of Education, Healthcare and Rural Development since 2011. Your Directors take this opportunity to thank the honorary Trustees of the Foundation, who continue to devote their valuable time and energy in planning, directing, monitoring and reviewing its activities.

DETAILS OF EMPLOYEES STOCK BENEFIT SCHEMES:

The Shareholders of the Company have approved 'SEL Employee Stock Appreciation Rights Plan 2017' ("ESAR 2017") at the 32nd Annual General Meeting of the Company held on November 11, 2017. The Company, through Nomination and Remuneration Committee, has taken necessary steps to implement the same. Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014 is enclosed as **Annexure -6**.

CONSERVATION OF ENERGY:

Conservation of energy continues to be one of the highest priority measures directly supervised by the Chief Strategy officer of the Company. We continue to replace / upgrade old high power consumption equipment with new more modern equipment and these include the Air compressors, Diesel Gensets, Injection molding machines etc.

The following energy conservation measures were implemented during the year under review.

- Monitoring and regular review of power consumption, maintaining the power factor value nearby 0.99 to reduce the reactive power losses.
- Up-gradation of the machine by using VFDs (Variable Frequency Drives) and TPRs (Thyristor Power Regulators) to increase the m/c efficiency and reduction of power consumption.
- Periodical inspection and testing of DG sets and transformers have been done as per Indian electricity rule 1956 by Assistant Director Electrical Safety.
- AC drives (VFD) has been installed for high-capacity induction motors to take care of the power consumption in AC motors.

In addition, the following new initiatives have been undertaken during the financial year at various plants:

- a. The Company has installed 100 kWp solar capacity. Further 904 KWp is planned to be installed in FY22.
- b. A focused effort at our Halogen bulb manufacturing facilities to reduce consumption of gasses and electricity used to manufacture the bulbs.

RESEARCH AND DEVELOPMENT, TECHNOLOGY, ABSORPTION, ADAPTATION & INNOVATION:

a) Research and Development (R&D):

1. The Company has a centralized Suprajit Tech Centre (STC) at Bengaluru. STC has Engineers for R&D, testing

and validation teams to products as per customers' requirements. The Group also has tech centers at Tamworth, U.K (Suprajit Europe Limited), Suprajit Automotive Private Limited, Doddaballapur and Wichita, USA (Wescon) for Cables and mechanisms. The company has a R&D facility at the plant in the NOIDA SEZ focused on developing new types of Halogen and LED bulbs.

2. The Company has product & process patents, which are deployed commercially. The Company's R&D has developed many specialized cables, speedometers, Lamps and other products for Customers as per the end user requirements. This is being successfully deployed by the customer with significant cost savings.
3. Development cells in respective units have been upgraded with more Engineers and latest equipment.
4. The Company has developed many types of equipment and automation specialized for cable and lamps with significant energy savings and increased productivity.
5. "Product Life Cycle Management"–software has been implemented to enhance standardization of new product launch and change management.
6. A newly formed cell within the STC has started to focus on the Automotive Electronics and specifically on Digital Speedometers.
7. A project on completely indigenized "Throttle Position Sensor" is underway and the developed product is under testing with the customers.
8. As a part of extension beyond Cables, end mechanisms like the seeding Gear box, Combination braking system are also being developed.
9. STC successfully developed, tested and established formulae for the brake shoes during the year.

b) Expenditure on Research and Development:

₹ in Million

Particulars	2020-21	2019-20
Salaries, Wages & Bonus	26.80	24.59
Cost of materials consumed	2.03	2.43
Other expenses	6.31	4.62
Total	35.13	31.63

c) Technology Absorption, Adaptation, Innovation and particulars of imported technology:

- 1) The Company has not imported any technology during the financial year.
- 2) The Company has developed innovative and path-breaking products and processes for both lamps and

Cables for which patents are pending.

- 3) The Company has successfully adopted customer's designs for new types of cables, halogen lamps and also other products.

GREEN INITIATIVES:

The Company has initiated a sustainability initiative with the aim of going green and minimizing our impact on the environment. Like the previous years, this year too, the Company is publishing only the statutory disclosures in the print version of the Annual Report.

FOREIGN EXCHANGE EARNINGS AND OUTFLOW:

The Company earned ₹ 2,759.21 Million and expended ₹829.24 Million during the financial year under review.

INDUSTRIAL RELATIONS:

Industrial relations have been cordial and constructive, which have helped your Company to achieve production targets.

DECLARATION BY THE INDEPENDENT DIRECTORS:

The Company has received necessary declarations from each Independent Directors pursuant to the provisions of Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of Independence laid down in the provisions of Section 149(6) of the Companies Act, 2013.

Further, the Board hereby confirms that all the Independent Directors of the Company fulfill the conditions as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and all the Independent Directors are independent of the management.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the Board has carried out an annual performance evaluation of Independent Directors. The Independent Directors have carried out evaluation of Non Independent Directors, Chairman and all the Committees of the Board.

FAMILIARISATION PROGRAMMES OF INDEPENDENT DIRECTORS:

To familiarize the new inductees with the strategy, operations and functions of the Company, the Executive Directors / Senior Managerial Personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management at the Board Meetings. The copy of Familiarization Programme of Independent Directors is available on the website of the Company at www.suprajit.com (<http://www.suprajit.com/investors/compliance/policies-codes/>).

NOMINATION AND REMUNERATION POLICY:

Your Company has adopted a Nomination and Remuneration Policy on Directors' Appointment and Remuneration including

criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under the provisions of Section 178(3) of the Companies Act, 2013. The Policy is available at the website of the Company at www.suprajit.com (<http://suprajit.com/investors/compliance/policies-codes/>).

COMPOSITION OF AUDIT COMMITTEE:

The Company has complied with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the composition of the Audit Committee. During the financial year, the composition of the Audit Committee was as follows:

Mr. Suresh Shetty	-	Chairman
Mr. Ian Williamson	-	Member
Mr. K.Ajith Kumar Rai	-	Member

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Your Company has formulated the Whistle Blower Policy with a view to provide a mechanism for Employees and Directors of the Company to approach the Compliance Officers / the Chairman of the Audit Committee of the Company in compliance with Section 177(9) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the Whistle Blower Policy are explained in the Report on Corporate Governance and Whistle Blower Policy of the Company is available on the website of the Company at www.suprajit.com (<http://suprajit.com/investors/compliance/policies-codes/>).

AUDITORS:

i. Statutory Auditors:

The Members of the Company at the 32nd(Thirty Second) Annual General Meeting of the Company held on November 11, 2017, appointed Messrs S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company for a period of 5 (Five) years. They will continue to be Statutory Auditors of the Company till the conclusion of 37th (Thirty Seventh) Annual General Meeting to be held in the year 2022.

As per the Companies (Amendment) Act, 2017 and rules made there under, with effect from May 7, 2018, the Central Government notified the omission of the requirement related to ratification of appointment of Statutory Auditors by Members at every Annual General Meeting. Accordingly, the Resolution for ratification has not been placed before the Members.

ii. Cost Auditors:

Messrs G N V Associates, Cost Accountants, Bangalore was appointed as the Cost Auditors of your Company for the financial year 2020-21.

iii. Secretarial Auditor:

The Board has appointed Mr. Parameshwar G. Bhat, a Practising Company Secretary (Membership No.FCS-8860), Bangalore, as the Secretarial Auditor as per the provisions of Section 204 of the Companies Act, 2013 for the financial

year 2020-21. The Secretarial Audit Report issued by him is enclosed as "Annexure-7" to this Report.

QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS:

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors. The Statutory Auditors have expressed an unmodified opinion in the audit reports in respect of the Audited standalone and consolidated Financial Statements for the financial year ended March 31, 2021.

Further, there are also no qualifications, reservations or adverse remarks or disclaimers made by Secretarial Auditor in his Secretarial Audit Report.

REGULATORY / COURT ORDERS:

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (HSE):

The Company's efforts towards reinforcing a positive safety culture have resulted in reduction of total lost time due to Injuries this year. Similarly, the lost Time Injury Frequency Rate reduced from a year ago.

Further, during the financial year, no occupational illness case was reported. Due to continued efforts to conserve water and energy, specific water and energy consumption also got reduced.

The Company has demonstrated its commitment to HSE by Establishing HSE Policy, same was communicated across the plants, Employees and interested parties (made available through website) and all the new manufacturing plants have been certified for Environmental Management System (ISO 14001:2015) during the year.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

Summary of sexual harassment complaints received and disposed off during the financial year 2020-21:

No. of complaints received: NIL

No. of complaints disposed off: NA

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act,

the Report and Accounts are being sent to the Members and others entitled thereto, excluding the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as "Annexure-8".

SECRETARIAL STANDARDS:

The Company complies with applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

CAUTIONARY NOTE:

Management Discussion and Analysis forming part of this Report is in compliance with Corporate Governance Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and such statements may be "forward looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic

conditions affecting demand/supply and price conditions in the domestic and overseas markets/currency fluctuations in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

ACKNOWLEDGEMENT:

The Directors place on record their appreciation for valuable contribution made by employees at all levels, active support and encouragement received from various Governmental agencies, Company's Bankers, Customers, vendors, distributors, Business Associates and other Acquaintances.

Your Directors recognize the continued support extended by all the Shareholders and gratefully acknowledge with a firm belief that the support and trust will continue in the future.

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : May 29, 2021

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy is sustained profitable growth and increase in stakeholders' value. This will be done through proper transparency and disclosures, adequate internal controls in its business practices and risk management, proper communication and good standards in safety, health, environment management, highest standards in accounting fidelity, product and service quality. The Company complies with the listing requirements of the Stock Exchanges, where its Shares are listed and endeavors to meet necessary listing guidelines. The Company has complied with all the provisions of the Companies Act, SEBI guidelines/regulations and also those of the Stock Exchanges guidelines and is committed to good Corporate Governance. The Board fully understands and takes responsibility for its commitments to stakeholders, employees, vendors, customers and the communities where it operates. The primary objective of customer satisfaction is relentlessly pursued. Following is a report on the status and progress on various aspects of Corporate Governance of the Company.

2. BOARD OF DIRECTORS:

The composition of the Board of Directors of the Company is in conformity with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.

(a) THE BOARD OF DIRECTORS AND THE MEETINGS ATTENDED BY RESPECTIVE DIRECTORS DURING THE YEAR 2020-21 AS UNDER:

Name of the Director	Category	Inter-se relationship	Board Meetings held	Board Meetings Attended	Attended Last AGM
Mr. K Ajith Kumar Rai	Chairman - Executive Director	Spouse of Dr. Supriya Rai	4	4	Yes
Mr. Mohan N.S	Executive Director	NIL	4	4	Yes
Mr. Akhilesh Rai*	Executive Director	Son of Mr. K. Ajith Kumar Rai & Dr. Supriya A. Rai	4	3	Yes
Dr. Supriya A. Rai	Non- Executive Director	Spouse of Mr. K Ajith Kumar Rai	4	4	Yes
Mr. Ian Williamson	Independent	Nil	4	4	Yes
Mr. Suresh Shetty	Independent	Nil	4	4	Yes
Mr. M. Lakshminarayan	Independent	Nil	4	4	Yes
Mr. Harish Hassan Visweswara*	Independent	Nil	4	3	Yes
Mrs. Bharati Rao	Independent	Nil	4	4	Yes

* Appointed as Director with effect from June 12, 2020.

Skills / Expertise / Competencies of the Board of Directors:

The following are the list of core skills / expertise / competencies identified by the Board of Directors:

1. Knowledge on Company's businesses, policies and culture, major risks / threats and potential opportunities and knowledge of the industry in which the Company operates;
2. Leading growth through acquisitions and other business combinations, with the ability to assess, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans
3. Business Strategy, Sales & Marketing, Management, Administration, Decision Making;
4. Knowledge about maintaining the Board and management accountability, protecting Shareholder interests, and governance practices
5. Financial and Management skills
6. Technical / Professional skills and specialized knowledge in relation to Company's business

Each Director's Skills / expertise / competencies as referred above in point nos.1 - 6:

Name of the Director	Areas of expertise*					
	1	2	3	4	5	6
Mr. K Ajith Kumar Rai	✓	✓	✓	✓	✓	✓
Mr. Mohan N.S	✓	✓	✓	✓	✓	✓
Mr. Akhilesh Rai	✓	✓	✓	✓	✓	✓
Dr. Supriya A Rai	✓	-	✓	✓	✓	-
Mr. Ian Williamson	✓	✓	✓	✓	✓	✓
Mr. Suresh Shetty	✓	✓	✓	✓	✓	-
Mr. M. Lakshminarayan	✓	✓	✓	✓	✓	✓
Mrs. Bharati Rao	✓	✓	-	✓	✓	-
Mr. Harish H.V	✓	✓	✓	-	✓	✓

Certificate from Practising Company Secretary:

A Certificate from Mr. Vijayakrishna K. T, Practising Company Secretary, Bangalore, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority is enclosed as **Annexure-09**.

(b) DETAILS OF THE BOARD MEETINGS HELD DURING THE FINANCIAL YEAR:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. The Board of Directors duly met 4 (Four) times during the year on:

1. June 12, 2020
2. August 21, 2020
3. November 12, 2020
4. February 10, 2021

3. OUTSIDE DIRECTORSHIPS / COMMITTEE POSITIONS AS ON MARCH 31, 2021:

Name of the Directors	Listed Companies	Name of the Listed Entity and category	No. of Unlisted Public Companies	Chairperson / Membership of Committees
Mr. K Ajith Kumar Rai	Nil	NA	Nil	Nil
Mr. Mohan N.S	Nil	NA	Nil	Nil
Mr. Akhilesh Rai	Nil	NA	Nil	Nil
Dr. Supriya A Rai	Nil	NA	Nil	Nil
Mr. Ian Williamson	Nil	NA	Nil	Nil
Mr. Suresh Shetty	Nil	NA	Nil	Nil
Mr. M. Lakshminarayan	6	1. ASM Technologies Limited 2. Wabco India Limited 3. Kirloskar Oil Engines Limited 4. Rane (Madras) Limited 5. Wendt India Limited 6. TVS Electronics Limited *Independent Director in all Companies	1	Chairman - 2 Member - 9
Mrs. Bharati Rao	1	Neuland Laboratories Limited	4	Chairperson - Nil Member - 4
Mr. Harish H.V	Nil	Nil		

Notes:

- Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.
- Chairpersonship / Membership in the Audit and Stakeholders' Relationship Committee of listed and Un-listed Public Companies are considered for the above purpose.
- None of the Directors are neither a Member in more than 10 Committees nor a Chairperson in more than 5 Committees across all the Companies in which he/she is a Director.

4. AUDIT COMMITTEE:

The Company has complied with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the composition of the Audit Committee. During the financial year the Audit Committee has met 4 (four) times on June 12, 2020, August 21, 2020, November 12, 2020 and February 10, 2021. The composition of the Audit Committee and the attendance details of each Member of the Committee are as follows:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Suresh Shetty	4	4
Mr. Ian Williamson	4	4
Mr. K. Ajith Kumar Rai	4	4

Managing Director, Director & CSO, Chief Financial Officer, Chief Operating Officers, Internal Auditors and Statutory Auditors are invitees to the Meeting. Company Secretary of the Company acts as the Secretary to the Committee Meetings.

The terms of reference / role of the Audit Committee cover the matters specified for the Audit Committees under Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the provisions of Section 177 of the Companies Act, 2013. The brief description of the terms of reference of the Audit Committee is given below:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to the Statutory Auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval;
- Reviewing, with the management, the quarterly Financial results before submission to the Board for approval;
- Reviewing the statement of significant related party transactions;
- Discussion with Internal Auditors of any significant findings;

5. NOMINATION AND REMUNERATION COMMITTEE (NRC):

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted the Nomination and Remuneration Committee.

Following are the roles of the Committee:

- Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board including carrying out evaluation of every Director's performance;
- Devising a Policy on the Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal.
- Such other matters as may be prescribed under the Companies Act, 2013, Listing Regulations and by the Board of Directors of the Company from time to time.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

The composition of the Nomination and Remuneration Committee during the financial year as follows:

- Mr. M Lakshminarayan - Chairman
- Mr. Suresh Shetty - Member
- Mr. K. Ajith Kumar Rai - Member
- Dr. Supriya A. Rai - Member

During the financial year One (1) Meeting of the Committee was held on February 09, 2021. Except Mr. M. Suresh Shetty, all the Members were present at the Meeting.

Remuneration paid / payable to Directors during the financial year 2020-21

₹ in Million

Sl. No	Name of the Director	Sitting Fees	Salary & PF	Comm-ission	Bonus	Total
1	Mr. K Ajith Kumar Rai*	-	13.31	35.86		49.17
2	Mr. Mohan N.S*	-	14.17	-	1.23	15.40
3	Mr. Akhilesh Rai	-	5.07	-	1.87	6.94
4	Mr. Suresh Shetty	0.16	-	0.5	-	0.66
5	Mr. M. Lakshminarayan	0.12	-	0.5	-	0.62
6	Mrs. Bharati Rao	0.11	-	0.5	-	0.61
7	Mr. Harish H.V	0.075	-	0.5	-	0.575
8	Dr. Supriya A Rai	Waived	-	Waived	-	Waived
9	Mr. Ian Williamson	Waived	-	Waived	-	Waived
	Total	0.465	32.55	37.86	3.10	73.98

*The remuneration paid/payable to Mr. K. Ajith Kumar Rai and Mr. Mohan N.S was approved by the Shareholders at the Thirty Fourth Annual General Meeting held on August 10, 2019 and Remuneration of Mr. Akhilesh Rai was approved at the Thirty Fifth Annual General Meeting held on September 26, 2020, based on the recommendation of the Nomination and Remuneration Committee and with the approval of the Board.

Details of the sitting fees fixed by the Board for attending the Board / Committee Meetings are as below:

Board Meeting	₹ 25,000
Audit Committee Meeting	₹ 15,000
Stakeholders Relationship Committee	₹ 10,000
Other Committee Meeting	₹ 10,000

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As required under the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility (CSR) Committee comprises of Mr. K Ajith Kumar Rai, as Chairman, Mr. Ian Williamson and Dr. Supriya A Rai as its Members. The terms of reference of the Committee are in line with provisions of Section 135 of the Companies Act, 2013.

The terms of Reference of the Committee are as under:

The Role of the CSR Committee shall include inter-alia the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company from time to time;
- Recommend the amount of expenditure to be incurred on the activities undertaken as specified in Schedule VII of the Companies Act, 2013;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Perform such functions as may be statutorily required by the CSR Committee;
- Other matters as may be assigned by the Board from time to time.

One Meeting of CSR Committee was held on June 12, 2020. All the Members were present at the Meeting.

INDEPENDENT DIRECTORS' MEETING & PERFORMANCE EVALUATION:

During the year under review, the Independent Directors met on February 10, 2021, inter- alia, and transacted the following business:

- Evaluation of the performance of the Non-Independent Directors and the Board in general
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non- Executive Directors
- Evaluation of the process of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

All the Independent Directors were present in the Meeting.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has formed the "Stakeholders' Relationship Committee".

The role of the Committee shall inter-alia include the following:

- Resolving the grievances of the Security holders of the listed entity including complaints related to transfer/transmission of Shares, non-receipt of Annual Report, non-receipt of declared Dividends, issue of new/duplicate Share Certificates, General Meetings etc.
- Review of measures taken for effective exercise of voting rights by Shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed Dividends and ensuring timely receipt of Dividend warrants / annual reports / statutory notices by the Shareholders of the Company.

The composition of the Committee was as under:

- Mrs. Bharati Rao - Chairperson
- Dr. Supriya A. Rai - Members
- Mr. K. Ajith Kumar Rai - Member

Mr. Medappa Gowda. J, CFO & Company Secretary is the Secretary of the Committee.

During the year 1 (One) Meeting of the Committee held on February 10, 2021 and all the Members were present at the Meeting.

Name and designation of Compliance Officer:

Mr. Medappa Gowda. J
CFO & Company Secretary

The details of Members complaints received / redressed, during the period under review are as under:

Number of shareholders' complaints received during 2020-21	Number complaints not solved to the satisfaction of Shareholders	Number of pending complaints
5	NIL	NIL

8. RISK MANAGEMENT COMMITTEE:

The Company has constituted the Risk Management Committee in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition of the Committee as under:

- Mr. M. Lakshminarayan - Chairman
- Mr. K. Ajith Kumar Rai - Member
- Mr. Mohan N. S - Member
- Mr. Akhilesh Rai - Member

During the financial year, one Meeting of the Committee held on February 09, 2021. All the Members were present at the Meeting.

9. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on March 31, 2021, who held Shares in Suprajit Engineering Limited, are as under:

Name of the Director	Number of Shares held
Dr. Supriya A. Rai	17,57,835
Mr. Suresh Shetty	7,63,080
Mr. M.Lakshminarayan	3,804

9. GENERAL MEETINGS:

The details of last three Annual General Meetings of the Company are given below:

Year	Date	Time	Location
2017-18	14.08.2018	1.00 p.m.	No. 101, Bommasandra Industrial Area, Bangalore - 560 099
2018-19	10.08.2019	2.30 p.m.	No. 101, Bommasandra Industrial Area, Bangalore- 560 099
2019-20	26.09.2020	2.30 p.m.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

Special Resolutions passed in the previous three Annual General Meetings (AGM):

Date of AGM	Special Resolutions
14.08.2018	Nil
10.08.2019	Payment of remuneration in excess of ₹ 5 Crores or 2.5 % of the net profit, whichever is more to Mr. K Ajith Kumar Rai, Promoter & Executive Director of the Company.
26.09.2020	To pay fees or compensation exceeding fifty percent (50%) of the total remuneration payable to all the Non-Executive Directors to Mr. Harish Hassan Visweswara (DIN: 08742808)

Postal Ballot:

During the period under review, the Company has not passed any resolutions through Postal Ballot. Also, as on the date of this report, there is no proposal of passing any Resolution through Postal Ballot during the financial year 2021-22.

10. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT PURSUANT TO SEBI CIRCULAR NO. SEBI/LAD-NRO/GN/2015-16/013, DATED 2ND SEPTEMBER, 2015:

As per the above mentioned Circular, there are "Nil" Shares in the Demat Suspense Account or Unclaimed Suspense Account.

However, the Company proposes to transfer unclaimed Shares to the Suspense Account in the current year, after complying with necessary procedures as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:

Mr. Medappa Gowda J - CFO & Company Secretary is the Compliance Officer of the Company. He can be contacted for any investors' related matters of the Company. Telephone No. +91-80-43421100, Fax: +91-80-27833279, E-mail: mgj@suprajit.com.

12. OTHER DISCLOSURES:

Related party transactions:

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. Details of related party transaction are disclosed along with the compliance report on Corporate Governance.

The Company continued to comply with the requirements of the Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Statutory Authorities on all matters related to capital markets during the last three years. During the year SEBI has levied penalties in respect of non-compliance of procedural requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015 in the year 2016. Except this no other penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authorities relating to the above.

Accounting Treatment:

The Financial Statements of the Company is prepared as per the prescribed Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance

Details of fees paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part as per Clause 10 (k), Part C of Schedule V of SEBI (LODR) Regulations, 2015.

Below are the details of fees paid (on a consolidated basis) by the Company and its subsidiaries namely Trifa Lamps Germany and Luxlite Lamps Sarl, to Messrs S.R. Batliboi & Associates LLP, Statutory Auditors and other network entities, which they are part:

₹ in Million

Fees paid to Messrs S.R Batliboi & Associates LLP for Audit and related services	7.12
Fees paid to network firms of Messrs S.R Batliboi & Associates LLP for audit of overseas entities	3.22
Total	10.34

Disclosure of transaction with any person or entity belonging to the Promoter or Promoter Group, who holds 10 % or more Shares:

Other than payment of remuneration to Mr. K. Ajith Kumar Rai in the capacity of Executive Chairman, during the financial year, the Company has not entered in to any transaction with Mr. K. Ajith Kumar Rai, Promoter. Details of remuneration are disclosed in this report.

CEO and CFO Certification:

The Chief Executive Officer and Chief Financial Officer have certified to the Board of Directors, inter alia, the accuracy of Financial Statements and adequacy of Internal Controls for the Financial Reporting purpose as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2021.

Code of Conduct:

The Company has adopted a Code of Conduct and is available on the website of the Company at www.suprajit.com/http://suprajit.com/investors/compliance/policies-codes/. The Code of Conduct is made applicable to the Directors and Senior Management Team.

Whistle Blower Policy:

The Board of Directors has laid down Whistle Blower Policy for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Further, the Company affirms that no employees have been denied access to the Audit Committee on any issue related thereto. The copy of Whistle Blower policy is available on the website of the Company at [www.suprajit.com \(http://www.suprajit.com/investors/compliance/policies-codes/\)](http://www.suprajit.com/http://www.suprajit.com/investors/compliance/policies-codes/).

13. MEANS OF COMMUNICATION:

The quarterly and annual financial results of the Company are generally published in leading newspapers and also being sent to mail ids of Shareholders who have registered the same. These results are uploaded on the website of the Stock Exchanges immediately after the Board approves the same. Half yearly results were sent to each Shareholder along with a review of the business. The website of the Company i.e., www.suprajit.com/http://www.suprajit.com/reports_category/quarterly-reports/ gives information on the Company including Financial Results, corporate presentations, etc.

14. MANDATORY / NON-MANDATORY REQUIREMENTS:

The Company has complied with the requirements relating to Corporate Governance as mandated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained the Certificate from a Practising Company Secretary regarding compliance with the provisions relating to Corporate Governance as set out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. GENERAL SHAREHOLDER INFORMATION:

a. Thirty Sixth Annual General Meeting:

Date	Time	Venue
September 03, 2021	2.30 PM	Being conducted through VC/OAVM

b. Financial Calendar:

Financial Year	-	April 2021 to March 2022
First Quarter Results	-	In August 2021
Half Yearly Results	-	In November 2021
Third Quarter Results	-	In February 2021
Results for the year ended 31st March	-	By May 2022
Book Closure Date	-	August 28, 2021 to September 03, 2021 (both days inclusive)
Scrip Code	-	BSE-532509 / NSE-SUPRAJIT
Stock Exchange	-	BSE Limited, Mumbai National Stock Exchange of India Limited, Mumbai

International Securities Identification Number (ISIN) for National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL): **INE-399C01030**.

c. Share Transfer System:

The Company's Registrars and Share Transfer Agents (RTA), Integrated Registry Management Services Private Limited has adequate infrastructure to process the Share transfers. Periodically, a Practising Company Secretary audits the system and a Certificate to that effect is issued and the same is filed with the Stock Exchanges. Additionally, reconciliation on Share Capital audits and Dematerialization related scrutiny are conducted quarterly by a Practising Company Secretary.

With effect from April 01, 2019, transfer of Shares in physical form is not allowed. Shareholders are requested to contact our RTA for more details.

d. Dematerialization of Shares and Liquidity:

Equity Shares of the total Equity Capital are held in dematerialized form with NSDL and CDSL.

e. Plant Locations:

The Company has Plants located at:

Bangalore - Karnataka	-	7 plants
Manesar - Haryana	-	1 Plant
Chakan - Maharashtra	-	1 Plant
Vapi - Gujarat	-	1 Plant
Pantnagar - Uttarakhand	-	1 Plant
Haridwar - Uttarakhand	-	1 Plant
Sanand - Gujarat	-	1 plant
Pathredi - Rajasthan	-	1 plant
Chennai - Tamil Nadu	-	1 Plant
Noida - Uttar Pradesh (Phoenix Lamps Division)	-	2 Plants
Chennai - Tamil Nadu (Phoenix Lamps Division)	-	1 Plant
Suprajit Automotive Private Limited (Wholly Owned Subsidiary)	-	1 Plant

f. Registered Office / Address for correspondence:

Suprajit Engineering Limited
 No. 100 & 101, Bommasandra Indl. Area
 Bangalore - 560 099
 Tel: +91-80-43421100, Fax: +91-80-27833279
 E-mail: investors@suprajit.com / info@suprajit.com

g. Shareholding Pattern as on March 31, 2021:

Category	No. of Shares held	Percentage of Shareholding
Promoters	6,23,39,220	44.57
Institutions		
Mutual Funds/ UTI	1,51,56,651	10.84
Financial Institutions /Banks	560	0.00
Foreign Portfolio Investors	60,58,576	4.33
Insurance Companies	2,80,086	0.20
Alternative Investment Funds	17,02,533	1.22
Non-institutions		
Individuals -		
i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	2,31,96,550	16.58
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	1,26,70,991	9.06
Others		
NRI	33,79,061	2.42
Clearing Members	97,641	0.07
LLP	3,695	.00
Director or Director's Relatives	10,75,692	0.77
HUF	4,79,223	0.34
Trusts	13,370	0.01
Bodies Corporate	1,34,08,699	9.59
NBFCs Registered with RBI	9,925	0.01
TOTAL	13,98,72,473	100.00

Shareholders holding Shares in electronic mode should address all their correspondence to their respective Depository Participant (DP).

h. Distribution of shareholding according to size class as on March 31, 2021:

Description	Holders	% of Holders	Holding	% of Holdings
1 - 500	47125	89.01	5178515	3.70
501 - 1000	2602	4.91	1943242	1.39
1001 - 2000	1222	2.31	1830329	1.31
2001 - 5000	1137	2.15	3471669	2.48
5001 - 10000	441	0.83	3255156	2.33
10001 - 20000	212	0.40	3078591	2.20
20001 - 100000	126	0.24	4974799	3.56
100001 & ABOVE	78	0.15	116140172	83.03
Total	52,943	100.00	13,98,72,473	100.00

i. Shares held in Physical and Electronic mode as on March 31, 2021:

Category	No. of Shares	% to total shareholding
Physical	44,01,834	3.15
Demat NSDL	12,39,41,245	88.61
Demat CDSL	1,15,29,394	8.24
Total	13,98,72,473	100.00

j. Listing of Shares:

The Company's Shares are listed at:

BSE Limited

Phiroze Jeejeebhoy Towers
 Dalal Street, Mumbai-400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza
 Bandra Kurla Complex
 Bandra (East), Mumbai-400 051

l. Registrar and Share Transfer Agent:
Integrated Registry Management Services Private Limited

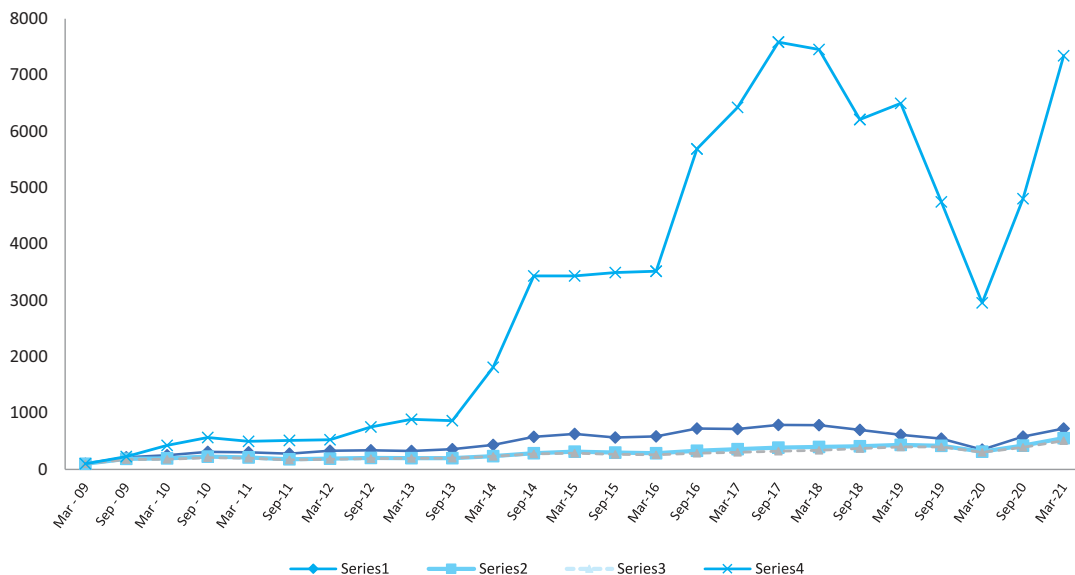
No. 30, Ramana Residency, 4th Cross, Sampige Road
 Malleswaram, Bengaluru - 560 003
 Tel: +91-80-2346 0815
 Fax: +91-80-2346 0819
 E-mail: irg@integratedindia.in

k. SHARE PRICE MOVEMENTS MARCH 2009 – MARCH 2021

Period	BSE - Auto Index		S&P BSE 500		BSE - SENSEX		Share Price*	
	Closing	Indexed	Closing	Indexed	Closing	Indexed	Closing	Indexed
Mar - 09	3,062	100	3,524	100	9,709	100	3.75	100
Sep - 09	6,664	218	6,553	186	17,127	176	8.60	229
Mar - 10	7,671	251	6,920	196	17,528	181	16.05	428
Sep - 10	9,528	311	7,984	227	20,069	207	21.25	567
Mar - 11	9,291	303	7,437	211	19,445	200	18.65	497
Sep-11	8,498	278	6,386	181	16,454	169	19.25	513
Mar-12	10,135	331	6,760	192	17,404	179	19.75	527
Sep-12	10,413	340	7,207	205	18,763	193	28.20	752
Mar-13	9,994	326	7,085	201	18,836	194	33.40	891
Sep-13	10,997	359	7,020	199	19,380	200	32.50	867
Mar-14	13,280	434	8,295	235	22,386	231	67.95	1,812
Sep-14	17,747	580	10,173	289	26,631	274	128.85	3,436
Mar-15	19,259	629	11,049	314	27,957	288	128.80	3,435
Sep-15	17,391	568	10,498	298	26,155	269	131.00	3,493
Mar-16	18,002	588	10,185	289	25,342	261	132.00	3,520
Sep-16	22,232	726	11,701	332	27,866	287	213.3	5,688
Mar-17	22,013	719	12,632	359	29,621	305	241.00	6,427
Sep-17	24,180	790	13,611	386	31,284	322	284.40	7,584
Mar-18	24,057	786	14,126	401	32,969	340	279.60	7,456
Sep-18	21,477	701	14,446	410	36,227	373	233.00	6,213
Mar-19	18,825	615	15,305	434	38,673	398	243.75	6,500
Sep-19	16,762	547	14,810	420	38,667	398	178.10	4,749
Mar-20	10,746	351	11,098	315	29,468	304	110.80	2,955
Sep-20	17,876	584	14,851	421	38,068	392	180.25	4,807
Mar-21	22,252	727	19,602	556	49,509	510	275.40	7,344

* Notes:

- Sub division of the original Equity Shaers of ₹10/- each into two Equity Shares of ₹5/- each and 1:1 bonus issued during March 2004.
- Sub division of the Equity Shares of ₹5/- each into five Equity Shares of ₹1/- each and 1:1 bonus issued during March 2010.



m. Nomination Facility:

The provisions of Section 72 of the Companies Act, 2013, introduced the concept of nomination by Securities holders. The facility is mainly useful for all holders holding the Shares in single name. Investors are advised to avail this facility, especially investors holding securities in single name, to avoid the lengthy process of transmission formalities.

The nomination form may be obtained from the Company/ Registrars and Share Transfer Agents on request.

However, if the Shares are held in dematerialized form, the nomination has to be conveyed by the Shareholders to their respective Depository Participant (DP) directly, as per the format prescribed by them.

n. Shareholders' Rights:

Upon the approval of quarterly and annual Financial Results by the Board of Directors, these are sent to the Stock Exchanges with whom the Shares of the Company are listed. Also, the results, in the prescribed proforma are published in National and local dailies i.e. Business Standards (English) and Sanjevani (Kannada) in the prescribed time limit.

o. Reporting of Internal Auditors:

The Internal Auditors report to the Audit Committee.

p. Commodity price risk or foreign exchange risk and hedging activities:

Details of Commodity price risk or foreign exchange risk and hedging activities are given in notes to accounts in note no. 45 of the standalone financial statement.

q. Disclosure as per Regulation 34(3) and Para A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

₹ in Million

Name of the Subsidiary	As at March 31, 2021	
	Outstanding amount	Maximum balance Outstanding during the year
Suprajit Automotive Private Limited	6.77	6.77

17. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

a) INDUSTRY STRUCTURE AND DEVELOPMENT:

Your Company continues to be the market leader in automotive cables and Halogen Lamps in India, both in the Original Equipment Manufacturing (OEM) and Aftermarket segments. Company also exports to many countries for original fitment as well as in the aftermarket. While the current COVID-19 outbreak is a major dampener for growth in business, your Company is in a much better position compared to its peers due to its diverse presence in products, customers and segments. Continued efforts to find new markets & customers and focused attention on cost optimization, which will help Company recover quickly from the significant damage created by the pandemic.

b) OPPORTUNITIES AND THREATS:

OPPORTUNITIES:

1. Reducing capacities world over for the Halogen Bulbs and vacated by some of the bigger players, provides your Company to expand into these territories and grown the market share in a dwindling market.
2. Significant potential for additional business from customers who may resource from current geography to India.
3. Good export potential for cables and halogen lamps in the OEM business.
4. Good potential to grow in the domestic business and in the aftermarket.
5. Potential to secure additional business from new models launches in the OEM segment in India and overseas.
6. Potential to grow aftermarket through OLM brands as well.
7. Introduction of additional products for the aftermarket.
8. Strategic opportunities in inorganic space considering the COVID-19 pandemic and resultant financial difficulties for certain strategic assets.
9. Global consolidation in the Cable Industry provides opportunity for your Company to be a Consolidator and enhance its Global position in the Light Duty Cable segment.

THREATS:

1. COVID-19 continues to be major threat which has led to economic slowdown and uncertainties.
2. Global Chip shortages is disrupting the supply chain for many of the OEMs worldwide and also in India. That could impact the Volume offtakes and new product launches.
3. Service quality and delivery issues can lead to costs and margin erosion.
4. Increase in commodity prices and availability.
5. Currency fluctuations.
6. Labour shortages.
7. LED replacing the Halogen Bulbs continues to be a threat in the OE segment
8. Electrical and Electronics could pose a threat to the fit and form of the current Cable requirements and will need more innovative functioning in these vehicles with the Cables.

c) SEGMENT WISE OR PRODUCT WISE PERFORMANCE

As at 31 March 31, 2021, the Company is engaged in manufacturing and trading of automotive cables and components, Non-Automotive Cables and Components & Halogen lamps predominantly.

The Company is identified as single business segment and that being manufacturing and selling of automotive and other components. The internal reporting and performance of the Group is assessed by the Chief Executive Officer as single segment. However for the purpose of explaining the performance of the Company to investors, the management provides further break down at product and customer level.

d) OUTLOOK:

Business outlook from the customer is not clear and hence it is difficult to estimate at this moment. While your company is ready for taking any increased volumes, the risks like covid related, Escalating Commodity prices, Container shortages for shipping and the widespread Integrated Chip shortages could prove a damper.

e) RISKS AND CONCERNS:

The major concerns for the current year are the continued COVID-19 pandemic, leading to economic disruption and uncertainty of the future. This is compounded by severe material shortages of Integrated Chips, Resins, steel and such other commodities and price escalations of many of the Commodities.

The Company's risk management strategy encompasses in-depth identification, assessment and Prioritization of risk followed by speedy mobilization of resources to minimize, monitor, and control the losses of unfortunate events.

f) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. All the transactions are authorized, recorded and reported correctly.

The Company's internal control systems are further supplemented by an extensive program of internal audit by a firm of Chartered Accountants and periodic review by the Management. The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and for maintaining accountability of assets.

Over an above these, an Internal Controls department was formed to ensure roll out of "Standard Operating Procedures", address the points raised by the Internal auditors and to strengthen the overall systems, controls and processes.

g) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:

Employees continue to be the key for the continued success of Organization. Industrial relations have been generally harmonious in all units. The COVID period provided an opportunity to upskill our personnel and many on-line training sessions were conducted to ensure that the employees are kept engaged and get trained in the process.

Special efforts were made to minimize the "labour migration" during the pandemic and they were supported by the Human resources staff with the help of the local Government authorities. Sound human resource development policies of the Company ensure that each employee grows as an individual and contributes to the performance and growth of the Company. Regular in-house training programs for employees at all levels help in this objective. While getting skilled manpower at various levels in the operations continues to be a challenge and employee turnover remained low during the year. The Company has satisfactory recruitment

system in place to address every challenging requirement of the Company at all levels of the organization.

(h) Details of Key Financial Ratios and changes thereto, if any during the year:**Standalone**

Sl. No.	Key Ratios	As on March 31, 2021	As on March 31, 2020	Reason for significant changes, if any
1	Debtor Turnover Ratio	4.51	5.06	NA
2	Inventory Turnover Ratio	6.81	7.72	NA
3	Interest Coverage Ratio	16.64	14.10	NA
4	Current Ratio	2.07	1.67	NA
5	Debt Equity Ratio	0.19	0.26	NA
6	Operating Profit Margin (%)	16.24	17.73	NA
7	Net Profit Margin (%)	12.01	11.25	NA
8	Return on net worth	16.29	16.64	NA

Consolidated

Sl. No.	Key Ratios	As on March 31, 2021	As on March 31, 2020	Reason for significant changes, if any
1	Debtor Turnover Ratio	5.41	5.52	NA
2	Inventory Turnover Ratio	5.56	5.71	NA
3	Interest Coverage Ratio	11.11	8.08	NA
4	Current Ratio	1.76	1.47	NA
5	Debt Equity Ratio	0.33	0.45	NA
6	Operating Profit Margin (%)	14.43	13.99	NA
7	Net Profit Margin (%)	8.52	6.56	NA
8	Return on net worth	15.48	12.77	NA

For and on behalf of the Board

K. Ajith Kumar Rai

Chairman

DIN: 01160327

Place: Bengaluru

Date : May 29, 2021

Form AOC-I
(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

(Information in respect of each subsidiary to be presented with amounts in Million)

Sl. No.	1	2	3	4	5	6
1	Name of the Subsidiary	Suprajit Automotive Private Limited	Suprajit Europe Limited	Suprajit USA Inc	Luxlite Lamps SARM, Luxembourg	Trifa Lamps Germany GmbH, Annweiler
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	GBP 1 GBP = 100.9509	USD 1 USD = 73.5047	EURO 1 EURO = 86.099	EURO 1 EURO = 86.099
4	Share capital	19.90	186.00	0.07	773.22	2.19
5	Reserves & surplus	844.77	181.70	1532.25	(838.99)	254.70
6	Total Assets	1706.23	481.18	3585.76	572.76	323.60
7	Total Liabilities	841.57	113.49	1892.26	638.52	66.72
8	Investments	0	0	0	0	0
9	Turnover (Note 3)	1551.71	1413.99	2837.30	995.44	347.74
10	Profit before taxation	304.68	31.79	(38.89)	(71.27)	(10.90)
11	Provision for taxation (Note 4)	79.80	6.34	(4.51)	0.71	(0.03)
12	Profit after taxation	224.87	25.45	(34.38)	(71.98)	(10.87)
13	Proposed Dividend	0	0	0	0	0
14	% of Shareholding	100%	100%	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - Nil
- Names of subsidiaries which have been liquidated or sold during the year - Nil
- Considered only Revenue from Operations (Net) as per section 2(91) of the Companies Act, 2013.
- Includes Tax expense pertaining to earlier years and deferred tax
- The figures in the audited consolidated financial statements of the subsidiary are in ₹ million and have been considered in the table above in the same manner

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	
1 Latest audited Balance Sheet Date	The Company has no Associates or Joint Ventures as on March 31, 2021. Hence Part "B" is not applicable to the Company
2 Shares of Associate / Joint Ventures held by the company on the year end No.	
Amount of Investment in Associates/Joint Venture	
Extend 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 - Nil
- Names of associates or joint ventures which have been liquidated or sold during the year - Nil

 For and on behalf of the Board of Directors of
Suprajit Engineering Limited
K Ajith Kumar Rai
 Chairman

Mohan Srinivasan Nagamangala
 Managing Director & Group Chief Executive Officer

Medappa Gowda J
 Company Secretary & Chief Financial Officer

 Place : Bengaluru
 Date : May 29, 2021

Form No. AOC-2

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

- (a) Name(s) of the related party and nature of relationship :
- (b) Nature of contracts / arrangements / transactions :
- (c) Duration of the contracts / arrangements / transactions :
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions :
- (f) Date (s) of approval by the Board :
- (g) Amount paid as advances, if any :
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of the material contracts or arrangements or transactions at arm's length basis

Name of the Related Party	Nature of relationship	Nature of transactions	Duration of Contract	Salient terms	Amount (₹ in Million)
Suprajit Automotive Private Limited	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	40.66
Luxlite Lamps SARL, Luxembourg	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	498.55
Suprajit USA Inc (Wescon Controls LLC)	Wholly Owned Subsidiary (step down subsidiary)	Sales / Purchase	NA	NA	30.43

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place: Bengaluru
Date: May 29, 2021

BUSINESS RESPONSIBILITY REPORT

[Regulation 34(2)(f)] of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L29199KA1985PLC006934
2. Name of the Company: SUPRAJIT ENGINEERING LIMITED
3. Registered address : No. 100 & 101, Bommasandra Industrial Area, Bengaluru - 560 099
4. Website: www.suprajit.com
5. E-mail id: investors@suprajit.com
6. Financial Year reported: 2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise): 29301 - Automotive cables and accessories (Automotive equipment)
8. List three key products/services that the Company manufactures/provides (as in Balance Sheet): Automotive Cables, Automotive Lamps and Speedo meters
9. Total number of locations where business activity is undertaken by the Company:
 - (a) Number of International Locations (Provide details of major 5): 4 (USA, U.K, Germany, Luxembourg, Mexico)
 - (b) Number of National Locations: 18 Plants across India
10. Markets served by the Company - Local, State, National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY (as at March 31, 2021)

1. Paid up Capital (₹): 139.87 Millions
2. Total Turnover (₹): 11,122.75 Millions
3. Total Profit after Taxes (₹): 1,379.21 Million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2% of average net profits of the Company made during the three immediately preceding financial years. Refer to Annexure-5 in the Annual Report
5. List of activities in which expenditure in 4 above has been incurred:-
 - (a) Education & Rural Development
 - (b) Health care

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies? : Yes
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): Yes. 1
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%]: NA

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

(a) Details of the Director / Director responsible for implementation of the BR policy / policies

1. DIN Number: 01160327
2. Name: Mr. Kula Ajith Kumar Rai
3. Designation: Chairman

(b) Details of the BR head:

No.	Particulars	Details
1	DIN Number	01160327
2	Name	Mr. K. Ajith Kumar Rai
3	Designation	Chairman
4	Telephone Number	080- 43421 100
5	E-mail	info@suprajit.com

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

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Product Lifecycle Sustainability [P2]

Principle 3: Employees Wellbeing [P3]

Principle 4: Stakeholder Engagement [P4]

Principle 5: Human Rights [P5]

Principle 6: Preservation of Environment [P6]

Principle 7: Responsible Advocacy [P7]

Principle 8: Inclusive Growth & Equitable Development [P8]

Principle 9: Customer Value [P9]

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The Company has formulated the policies and adopted the same in consultation with the relevant stakeholders								
3	Does the policy confirm to any national / international standards? If yes, specify?	Yes. The policy / practice confirms to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs, Government of India, July 2011 and the policies are compliant with the applicable laws as mapped against the principles mentioned in NVGs.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes. The Policies have been approved by the Board and signed by the Chairman and Managing Director.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes. The Company's officials / respective departments are authorised to oversee the implementation of the policies.								
6	Indicate the link for the policy to be viewed online?	http://www.suprajit.com/investors/compliance/policies-codes/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Internal stakeholders are made aware of the policies. External stakeholders are communicated to the extent possible.								
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	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	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) - NOT APPLICABLE

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) 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	The Executive Directors of the Company periodically assess the BR Performance of the Company.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has published its first Business Responsibility Report for FY17-18 which formed part of the Annual Report. The same can be accessed at www.suprajit.com .

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle 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 is applicable to only individuals working in the Company its subsidiary.

- 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.

No such complaints received during the financial year. Hence not applicable.

Principle 2

- List up to 3 of your products whose design has incorporated social or environmental concerns, risks and/or opportunities. - NA
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): NA
- Does the company have procedures in place for sustainable sourcing (including transportation)? - NA
- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? - Yes.
 - If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. Working closely with the local and small vendors across all locations to encourage them.
- 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 <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not applicable.

Principle 3

- Please indicate the Total number of employees - 1,720
- Please indicate the Total number of employees hired on temporary / contractual / casual basis:

The Company hires contractual / casual labors. Number of such casual / contractual labors depends on the orders received by the Company from customers from time to time. Hence it is difficult to provide exact number.
- Please indicate the Number of permanent women employees – 153
- Please indicate the Number of permanent employees with disabilities - NIL
- Do you have an employee association that is recognized by management - NO
- What percentage of your permanent employees is members of this recognized employee association? - NA
- 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.

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	NA
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- Permanent Employees - 100%
 - Permanent Women Employees - 100%
 - Casual/Temporary / Contractual Employees - 100%
 - Employees with Disabilities - NIL

Principle 4

- Has the company mapped its internal and external stakeholders? - Yes.
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:
All stakeholders are equally significant and no one is considered as disadvantaged, vulnerable and marginalized.
- 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. - Not applicable

Principle 5

- Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers/ Contractors / NGOs / Others? - Yes. The Policy applies to the Group.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? - NIL

Principle 6

- Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others. - It extends to the Group.
- 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.
- Does the company identify and assess potential environmental risks? Y/N - Not applicable
- 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 such mechanism. Hence not applicable.
- 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.
Yes. Company has installed 100 kWp solar capacity as the first pilot project in the year 2016, to assess the use of solar energy for the operational requirements of the Company. The Company will monitor the performance of this project and based on the success, will consider deploying such projects at various units.
- Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Yes. The Emissions / Waste generated by the company is within the permissible limits.
- 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.
The Company has not received any show cause notice as at March 31, 2021. Therefore not applicable.

Principle 7

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:

Yes the Company is a member of below mentioned associations:

- a. Confederation of Indian Industries (CII)
 - b. Automotive Component Manufacturers Association (ACMA)
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) - Not applicable.

Principle 8

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company has Corporate Social Expenditure (CSR) Policy in line with the requirement of Companies Act, 2013 ("Act"). The Company, based on the recommendation of the CSR Committee, makes contribution of 2% of net profit as required under the Act, every year to Suprajit Foundation, CSR wing of the Company.

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

The CSR programmes of the Company are undertaken through Suprajit Foundation. Details of the activities undertaken by Suprajit Foundation and amount spent thereof are provided as Annexure to the Board's Report.

3. Have you done any impact assessment of your initiative?
We assess the impact of our CSR initiatives on regular basis.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.
Details of the CSR activities undertaken by Suprajit Foundation are given as Annexure 6 to 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.
Not applicable.

Principle 9

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. The product information is displayed on the product label to the extent required by the applicable law.
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. - No.
4. Did your company carry out any consumer survey/ consumer satisfaction trends? - No.

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru

Date : May 29, 2021

DIVIDEND DISTRIBUTION POLICY

This Policy applies to the distribution of Dividend by Suprajit Engineering Limited ("the Company") in accordance with the provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SEBI, vide its notification dated July 08, 2016, notified Regulation 43A - Dividend Distribution Policy which requires top 500 listed Companies based on market capitalization to formulate Dividend Distribution Policy.

This Policy sets the parameters and circumstances that will be taken in to account by the Board of Directors of the Company in declaring dividend or retaining the profit, as the case may be.

A. THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND;

The Company shall comply with the Companies Act, 2013 and / or rules made there under or such other applicable statutory / regulatory requirements, if any while declaring / recommending the dividend. The Board shall, after taking in to consideration financial performance of the Company, determine the dividend payable to the Shareholders.

B. THE FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND;

Following financial parameters shall be considered by the Board of Directors while distributing dividend:

- a. Working Capital requirement of the Company in near future
- b. Capital expenditure towards purchase / maintenance of machineries and Building
- c. Acquisition / take over as part of growth plans
- d. Cash required for contingencies
- e. Servicing the outstanding loans, etc.

C. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND;

The Board of Directors shall provide due regard to the following internal / external parameters while declaring or recommending the dividend:

- Any political, regulatory, or such other changes that may have major impact on the industry in which the Company is operating.
- Any changes in the competitive environment requiring significant investment
- Any significant changes in the business or technology, which requires substantial investment

D. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED;

The Company maintains sufficient amount of retained earnings to address the financing of working capital, capital expenditure, corporate actions, inter alia, buyback and reduction of capital, etc. and unanticipated and emergency expenditures. The Company may also use the retained earnings for such purposes as are within the provisions the Act, Rules, Listing Regulations and any other applicable law.

E. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

The provisions of this Policy shall be applicable to all the classes of Shares of the Company. Presently, the Company has only one class of Shares i.e. Equity Shares.

REVIEW / AMENDMENT:

The Board may review this Policy from time to time and may at its discretion amend the provisions of this Policy, whenever it thinks necessary. Any amendments in Companies Act, 2013 / or rules made there under or SEBI regulations or such other statutory amendments, to the extent applicable shall automatically apply to this Policy.

In the event of any difference between Companies Act, 2013 and SEBI Regulations or such other statutory enactments ("the Regulations") and provisions of this Policy, the Regulations shall prevail.

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru

Date : May 29, 2021

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Suprajit Foundation is spearheading the CSR activities of the Company. The focus areas of the Foundation activities are education, healthcare and rural development. The policy of the Company is to give back to society that is in need of education, healthcare and upliftment of rural community. Suprajit Foundation is focused on executing socially relevant projects in these areas.

2. Composition of CSR Committee:

Sl. No.	Name of Directors	Designation	CSR Committee Meetings held during the year	Attendance
1	Mr. K. Ajith Kumar Rai	Chairman of the Committee	1	1
2	Mr. Ian Williamson	Member	1	0
3	Dr. Supriya A. Rai	Member	1	1

3. Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company at www.suprajit.com.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - Not applicable as average CSR obligation of the Company is less than **ten crore** rupees **in the three immediately preceding** financial years.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year:

Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Not applicable		

6. Average net profit of the company as per Section 135(5) : ₹ 1,490.32 Million

7.

a. Two percent of average net profit of the company as per Section 135(5) (In INR million)	₹ 30.61
b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
c. Amount required to be set off for the financial year, if any	Nil
d. Total CSR obligation for the financial year (7a+7b- 7c) (In INR million)	₹ 30.61

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in INR Million)	Amount Unspent (in Million)				
	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
30.61	NIL		NIL		

(b) Details of CSR amount spent against ongoing projects for the financial year:

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		Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current FY (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State	District.						Name	CSR Registration No.
NA												

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

(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 (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation Through implementing agency	
				State	District			Name	CSR registration number
1.	Company has not implemented any projects directly						No	Suprajit Foundation	CSR00002930

(e)	Amount spent in Administrative Overheads	NIL
(f)	Amount spent on Impact Assessment, if applicable	NA
(f)	Amount spent on Impact Assessment, if applicable (8b+8c+8d+8e)	NA

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NA
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(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)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NA							

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project Completed/ Ongoing
NA								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- Date of creation or acquisition of the capital asset(s): **Not Applicable**
- Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. 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

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : May 29, 2021

Details pursuant to Regulation 14 of Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014 for Stock Appreciation Rights (SARs) granted by the Company under Suprajit Employee Stock Appreciation Rights Plan, 2017 ("SEL ESAR 2017" / Plan):

A. Summary of status of SARs Granted:

The position of the existing plan is summarized as under:

I. Details of the ESAR

Sr. No.	Particulars	SEL ESAR 2017
1	Date of Shareholders approval	11.11.2017
2	Total No. of SARs approved	13,98,725
3	Vesting requirements	ESARs granted under the Plan would vest after 1 (one) year but not later the 5 (five) years from the date of grant
4	Pricing Formula	Equal market price of the date of grant
5	Maximum term of SARs granted (year)	9 years
6	Method of settlement	Equity Shares
7	Source of shares	Primary Allotment
8	Variation, if any in the Plan	NA

II. Option movement during the year ended March 31, 2021

Sr. No.	Particulars	No. of SARs	Weighted average exercise price
1	No. of SARs outstanding at the beginning of the year	8,25,751	257.65
2	SARs granted during the period	0	NA
3	SARs forfeited / surrendered during the year	5,558	257.65
4	SARs lapsed during the year	980	257.65
5	SARs exercised during the year	0	NA
6	No. of SARs outstanding at the end of the year	8,19,213	257.65
7	No. of SARs exercisable at the end of the year	0	NA

III. Weighted Average remaining contractual life

No. of SARs outstanding	Weighted average contractual life (years) as on March 31, 2021
8,19,213	6.02

IV. Weighted average Fair Value of SARs granted during the year ended March 31, 2021

a	Exercise price equals market price	No options granted during the year
b	Exercise price is greater than market price	
c	Exercise price is less than market price	

V. Weighted average market price of SARs exercised during the year ended March 31, 2021:

No Options granted during the year

VI. Employee wise details of SARs granted during the year ended March 31, 2021

Senior managerial personnel	No options granted during the year
Other employee who were granted, during the year, SARs amounting to 5% or more of the SARs granted during the year	
Employees, who were granted option, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	

**VII. Method of assumptions used to estimate the fair value of SARs granted during the year ended March 31, 2021**

The fair value has been calculated using the Black Scholes Pricing Model

The assumption used in the model is as follows:

Variables	Weighted Average
Risk free interest rate	No options granted during the year
Expected Life (in years)	
Expected volatility	
Dividend yield	
Exercise Price	
Price of the underlying share in market at the time of the grant of option	

VIII. Effect of share based payment transactions on the entity's Profit for the period:

(₹ Million)

Particulars	As on March 31, 2021
Employee option plan expenses during the year	21.92
Total Liability for the year ended March 31, 2021	76.19

For and on behalf of the Board

K Ajith Kumar Rai

Chairman

(DIN: 01160327)

Place : Bengaluru

Date : May 29, 2021

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To
The Members
SUPRAJIT ENGINEERING LIMITED
(CIN: L29199KA1985PLC006934)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SUPRAJIT ENGINEERING LIMITED (CIN: L29199KA1985PLC006934) (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 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 31.03.2021 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 Suprajit Engineering Limited for the financial year ended on 31.03.2021 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 thereunder 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'):
 - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - 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 (Buyback of Securities) Regulations, 2018;
 - e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
 - h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - i. Circulars/Guidelines issued there under;
- vi. There are no specific laws applicable to the Company pursuant to the business carried by the Company.
- vii. The other general laws as may be applicable to the Company including the following:

1) Employer/Employee Related laws & Rules:

- i. Industries (Development & Regulation) Act, 1951
- ii. The Factories Act, 1948
- iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- iv. The Apprentices Act, 1961
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923



- viii. The Maternity Benefits Act, 1961
- ix. The Payment of Gratuity Act, 1972
- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
- xxiii. Dangerous Machines (Regulation) Act, 1983
- xxiv. Indian Boilers Act, 1923
- xxv. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxvi. The Labour Welfare Fund Act, 1965
- xxvii. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxviii. For majority of Central Labour Laws, the respective States have introduced Rules [names of each of the Rules is not included here]

2) Environment Related Acts & Rules:

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981
- iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

3) Economic / Commercial Laws & Rules:

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872
- iii. The Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable during the year under review. Certain non material findings made during the course of the audit relating to the provisions of Companies Act, Secretarial Standards, Labour Laws were addressed suitably by the Management. SEBI had levied penalties under Sections 15A (b) and 15HB, in respect of non-compliance of procedural requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015 in the year 2016, on the Listed Entity, the Directors and the Compliance officer which were paid in time.

Further, I report that as per the details and documents provided before me, the Company has already taken steps towards installing a Structured Digital Database (SDD) in software format with the required details as prescribed in Regulation 3(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and represented that there is a robust prevailing system for tracking of sharing the Un-published Price Sensitive Information (UPSI).

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

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. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such instance.

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 I could not physically verify few documents/registers/returns due to Lockdown situation in relation to outbreak of Pandemic Covid-19 and I have relied up on the soft copies/information shared with me.

(Parameshwar G. Bhat)

FCS No.: 8860

C P No.: 11004

UDIN: F008860C000392309

Place : Bengaluru

Date : May 29, 2021

Note: This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, GST Act.
4. Wherever required, the Company has represented about the compliances of laws, rules and regulations and happenings of events etc as applicable from time to time.
5. The compliances 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.

(Parameshwar G. Bhat)

FCS No.: 8860

C P No.: 11004

UDIN: F008860C000392309

Place : Bengaluru

Date : May 29, 2021

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

Requirements	Particulars
The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	As per note 1
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	As per note 2
The percentage increase in the median remuneration of employees in the financial year.	14.76 %
The number of permanent employees on the rolls of Company	1,590
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The net sales for the financial year ended March 31, 2021 has increased by 5%. The aggregate remuneration of employees excluding Chairman & Managing Director grew by 8.32% over the previous financial year. The aggregate increase in salary for Chairman & Managing Director was (0.23)% in the financial year 2020-21 over financial year 2019-20.
The key parameters for any variable component of remuneration availed by the directors.	The Directors are not eligible for any variable compensation other than Commission as per the provisions of the Act.
Affirmation that the remuneration is as per the remuneration policy of the company.	We affirm that the remuneration is as per the remuneration policy of the Company.

Notes :

1. The ratio of the remuneration of each director to the median remuneration of the employees for the financial year ending on March 31, 2021 is as follow :

Sl. No.	Name of the Directors	Ratio
1	Mr. K Ajith Kumar Rai	181.31 x
2	Mohan Srinivasan Nagamangala	56.79 x
3	Mr. Akhilesh Rai	25.6 x
4	Mr. Suresh Shetty	1.84 x
5	Mr. M.Lakshminarayan	1.84 x
6	Mrs. Bharati Rao	1.84.x
7	Mr. Harish Hassan Visweswara	1.84 x
8	Mr. Ian Williamson	0 x
9	Dr. Supriya Rai	0 x

- a. During the year, the non-executive directors received sitting fees and commission as remuneration.
- b. The Median remuneration of the employees for the financial year ends March 31, 2021 is ₹ 2,71,188/-
2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ended on 31.03.2021 is as follow :

Sl. No	Name of the Director/KMP	Designation	For the year ended 31.03.2021	For the year ended 31.03.2020	% increase for ended on 31.03.2021
1	Mr. K Ajith Kumar Rai	Chairman	49.17	49.11	0.12%
2	Mr. Mohan Srinivasan Nagamangala	Managing Director & Group CEO	15.40	18.85	-18.30%
3	Akhilesh Rai*	Director & CSO	6.94	NA	-
4	Mr. Suresh Shetty	Independent Director	0.50	0.50	-
5	Mr. M. Lakshminarayan	Independent Director	0.50	0.50	-
6	Mrs. Bharati Rao	Independent Director	0.50	0.50	-
7	Mr. Ian Williamson	Independent Director	NA	NA	-
8	Mr. Harish Hassan Visweswara	Independent Director	0.50	NA	-
9	Dr. Supriya A Rai	Non – Executive Director	NA	NA	-
10	Mr. Medappa Gowda J	CFO & Company Secretary	7.35	7.35	-

*Appointed as Director during the FY 2020-21. Hence previous year figure is not included.

Note: The above remuneration to the non-executive directors does not include the sitting fees paid during the year.

Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

- (i) During the financial year 2020-21, no employee received the remuneration aggregating to ₹ 10.20 Million p.a or ₹ 0.85 Million p.m, except the following:

Sl. No	Employee Name	Designation	Educational Qualification	Age	Experience (in Years)	Date of joining	Remuneration (₹ in millions)	Previous Employment
1	Mr. K Ajith Kumar Rai	Chairman	B.E.M.A.Sc (Canada)	63	36	24.05.1985	49.17	Research & Teaching Assistant, Technical University of Novascotia, Canada.
2	Mr. Mohan Srinivasan Nagamangala	Managing Director & Group Chief Executive Officer	B.E (Mechanical), ICWA	59	34	05.12.2013	15.40	ZF Industrial Technology
3	Mr. Akhilesh Kumar Goel	Chief Operating Officer (Lamps Division)	BE (Mechanical), M.Sc. - Eng (Production Management)	55	31	07.10.2014	10.85	SKH Metals Division - Krishna Maruti Limited

- (ii) Employed for part of the year with an average salary above 0.85 Million per month : NIL
 (iii) During the financial year 2020-21, no employee received remuneration in excess of the highest-paid director.

For and on behalf of the Board

K Ajith Kumar Rai
 Chairman
 (DIN: 01160327)

Place : Bengaluru
 Date : May 29, 2021

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
 Suprajit Engineering Limited
 No.100 & 101, Bommasandra Industrial Area
 Bengaluru-560 099

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SUPRAJIT ENGINEERING LIMITED having CIN: L29199KA1958PLC006934 and having registered office at No. 100 & 101, Bommasandra Industrial Area, Bangalore 560099(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 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 Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Muthuswami Lakshminarayan	00064758	01.04.2019
2	Mr. Suresh Shetty	00316830	31.01.2011
3	Mr. Kula Ajith Kumar Rai	01160327	01.04.2009
4	Mrs. Supriya Ajith Rai	01756994	30.05.2014
5	Mr. Ian Williamson	01805348	23.06.2007
6	Mrs. Bharathi Rao	01892516	01.04.2019
7	Mr. Mohan Srinivasan Nagamangala	01916498	13.02.2017
8	Mr. Akhilesh Rai	07982469	12.06.2020
9	Mr. Harish Hassan Visweswara	08742808	12.06.2020

Ensuring the eligibility of 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.

Vijaykrishna K T

Company Secretary

FCS No.: 1788

C P No.: 980

UDIN: F001788C000392411

Place : Bengaluru

Date : May 29, 2021

CEO & CFO CERTIFICATION

We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and certify, to the best of our knowledge and belief, that:

- i. these statements present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations;
- ii. these statements do not contain any materially untrue statement, or omit any material fact, or contain statements that might be misleading;
- iii. no transactions entered into by the company during the year were fraudulent, illegal or violative of the Company's code of conduct and no instances of fraud took place;
- iv. we accept responsibility for establishing and maintaining internal controls for financial reporting;
- v. we have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and have taken steps to rectify the same, wherever found;
- vi. significant changes in internal control over financial reporting, as well as changes in accounting policies, if any, have been intimated to the auditors and the Audit Committee and been disclosed in the notes to the financial statements;

For **Suprajit Engineering Ltd.**

Medappa Gowda J

Chief Financial Officer

Mohan Srinivasan Nagamangala

Chief Executive Officer

DIN: 01916468

Place : Bengaluru

Date : May 29, 2021

DECLARATION BY CHIEF EXECUTIVE OFFICER (MANAGING DIRECTOR)

I, Mohan Srinivasan Nagamangala Managing Director & Group CEO of Suprajit Engineering Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended March 31, 2021 compliance with the code of conduct of the Company laid down for them.

Mohan Srinivasan Nagamangala

Managing Director & Group Chief Executive Officer

DIN: 01916468

Place : Bengaluru

Date : May 29, 2021



CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members
Suprajit Engineering Limited
Bengaluru

I have examined all the relevant records of Suprajit Engineering Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2021 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I 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.

Vijayakrishna KT

Practising Company Secretary

FCS-1788

CP-980

UDIN: F001788C000392387

Place : Bengaluru

Date : May 29, 2021

STANDLONE FINANCIAL STATEMENTS
OF
SUPRAJIT ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT

To
The Members of **Suprajit Engineering Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Suprajit Engineering Limited ("the Company"), which comprise the standalone Balance sheet as at March 31, 2021, the standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income / (Loss), the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and notes to the standalone 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 financial statements give the information required by the Companies Act, 2013, as amended ("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, 2021, its profit including other comprehensive income/ (loss) its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our

report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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 for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Investments in Subsidiaries (as described in Note 6(a) of the standalone financial statements)	
<p>As at March 31, 2021, the carrying value of investments in wholly owned subsidiaries included in the standalone balance sheet amounts to Rs. 2,390.45 million (net of impairment provision).</p> <p>To assess if there is any impairment in these investments, management conducts impairment tests annually or whenever changes in circumstances or events indicate that, the carrying amount of such investment may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value.</p> <p>The recoverable amount is estimated by calculating the value in use, basis valuation conducted by an external valuation specialist ('management expert') factoring future business plans and such valuation report/ future business plans are reviewed and approved by the Audit Committee/ Board of Directors of the Company. In view of the COVID -19 pandemic, the management has re-assessed its future business plans and key assumptions as at March 31, 2021 while assessing the adequacy of impairment provision.</p> <p>This is a key audit matter as the testing of investment impairment is complex and involves significant judgement. The key assumptions included in impairment tests are projected revenue growth, operating margins, discount rates and terminal growth etc.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We understood the Company's process for identification of indicators for impairment and evaluated the Company's internal controls over its impairment assessment of investment in subsidiaries. We understood the key assumptions applied by the management such as revenue growth, operating margins, discount rates and terminal growth rates in determining impairment; • In respect of the external valuation specialist engaged by the management, we obtained the valuation report from the management and assessed the independence, objectivity and competence of the management expert; • We tested the key assumptions and considered the sensitivity scenarios performed by management's expert; • We tested the methodologies used and the computations by the management's expert in their valuation reports; and • We assessed the disclosures made in the standalone financial statements.

INDEPENDENT AUDITOR'S REPORT

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' report including annexures, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone 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.

Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/ (loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Charged with Governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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.
- 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.

INDEPENDENT AUDITOR'S REPORT

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 for the financial year ended March 31, 2021 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 standalone Balance Sheet, the standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income/ (Loss), the standalone Cash Flow Statement and standalone Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 of the Company with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 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, as amended 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 standalone financial statements - Refer note 37(a) to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer note 20 and note 43(ii) to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004

per Rajeev Kumar

Partner

Membership Number: 213803

UDIN: 21213803AAAACC1542

Place of Signature: Bengaluru

Date: May 29, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and confirmation from banks relating to title deeds of immovable properties mortgaged with the banks, the title deeds of immovable properties are held in the name of the Company and in respect of immovable properties of land that have been taken on lease and disclosed as Right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act as applicable in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company. In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which provisions of section 185 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of automobile components and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, goods and service tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax and cess which have not been deposited on account of any dispute, except the following:

Name of the statute	Nature of the dues	Amount (₹ in Million)	Payment under protest	Period (financial year) to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of certain expenses and benefit	7.96	7.96	2010-11 & 2011-12	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Disallowance of certain expenses and benefit	9.43	9.43	2015-16	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Adjustment for transfer pricing and other disallowances	21.66*	-	2016-17	Income tax officer
The Income Tax Act, 1961	Disallowance of certain benefit	8.75*	-	2017-18	Income tax officer
Central Sales Tax Act, 1956	Central sales tax (including interest)	0.11	-	2016-17	Deputy Commissioner of State Tax
Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax (including interest)	2.26	-	2016-17	Deputy Commissioner of State Tax
Karnataka Value Added Tax Act, 2003	Karnataka Value Added Tax (including interest and penalty)	0.90	-	2013-14	Assistant Commissioner of Commercial Taxes (Audit)

*The aforesaid demand amounts are excluding advance tax payment of ₹ 75.01 million pertaining to financial year 2016-17 and ₹17.5 million pertaining to financial year 2017-18 respectively which have not been considered by the Assessing officer and hence the Company has filed necessary rectification application u/s 154 of the Income tax Act, 1961.

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to bank or dues to a financial institution. The Company did not have any outstanding dues to debenture holders or government during the year.
- (ix) In our opinion and according to information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004

per Rajeev Kumar

Partner

Membership Number: 213803

UDIN: : 21213803AAAACC1542

Place of signature: Bengaluru

Date: May 29, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

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 with reference to standalone financial statements of Suprajit Engineering Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone 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 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements 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, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements 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 With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

per Rajeev Kumar

Partner
Membership Number: 213803
UDIN: 21213803AAAACC1542

Place of signature: Bengaluru
Date: May 29, 2021

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

₹ in Million

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,554.28	2,495.37
Capital work in progress	3	34.83	138.36
Right-of-use assets	5	195.29	200.11
Intangible assets	4	12.82	21.56
Intangible assets under development	4	7.61	6.24
Financial assets			
Investments	6	2,724.64	3,177.73
Other bank balances	11	0.78	5.67
Loans	12	47.54	43.61
Other financial assets	13	1.74	-
Income tax assets (net)	15	21.42	23.46
Other non-current assets	14	31.75	24.94
		5,632.70	6,137.05
Current assets			
Inventories	7	1,830.18	1,435.91
Financial assets			
Investments	8	2,580.16	1,788.54
Trade receivables	9	2,732.50	2,202.00
Cash and cash equivalents	10	329.28	210.53
Other bank balances	11	169.05	23.24
Loans	12	16.10	13.37
Other financial assets	13	4.12	1.98
Other current assets	14	151.13	175.29
		7,812.52	5,850.86
Total assets		13,445.22	11,987.91
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	139.87	139.87
Other equity	17	8,975.35	7,676.62
Total equity		9,115.22	7,816.49
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18 (a)	215.25	311.44
Lease liabilities	18 (b)	37.40	39.18
Other financial liabilities	20	22.72	21.60
Provisions	21	113.51	129.48
Deferred tax liabilities (net)	22 (a)	156.60	150.14
Other non-current liabilities	23	8.51	10.08
		553.99	661.92

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

₹ in Million

	Notes	As at March 31, 2021	As at March 31, 2020
Current liabilities			
Financial liabilities			
Borrowings	18 (a)	1,447.50	1,550.21
Lease liabilities	18 (b)	1.78	1.62
Trade payables	19		
Total outstanding dues of micro and small enterprises		332.10	89.08
Total outstanding dues of creditors other than micro and small enterprises		1,440.91	1,411.14
Other financial liabilities	20	282.06	305.86
Other current liabilities	23	118.41	41.02
Provisions	21	72.62	65.75
Current tax liabilities (net)	22 (b)	80.63	44.82
		3,776.01	3,509.50
Total liabilities		4,330.00	4,171.42
Total equity and liabilities		13,445.22	11,987.91

Corporate information and significant accounting policies (refer note 1 & 2)

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

As per our report of even date**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar

Partner

Membership No.: 213803

**For and on behalf of the Board of Directors of
Suprajit Engineering Limited****K Ajith Kumar Rai**

Chairman

DIN: 01160327

Mohan Srinivasan Nagamangala

Managing Director &

Group Chief Executive Officer

DIN: 01916468

Medappa Gowda J

Chief Financial Officer &

Company Secretary

Place : Bengaluru

Date : May 29, 2021

Place : Bengaluru

Date : May 29, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

₹ in Million

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
I	Income			
	Revenue from operations	24	11,122.75	10,709.46
	Other income	25	361.32	252.84
	Total income		11,484.07	10,962.30
II	Expenses			
	Cost of materials consumed	26	7,169.83	6,594.09
	Purchases of stock-in-trade	27	48.23	18.64
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(201.54)	33.50
	Employee benefits expense	29	1,551.82	1,435.32
	Finance costs	30	115.79	134.22
	Depreciation and amortization expense	31	240.28	259.07
	Other expenses	32	748.60	729.58
	Total expenses		9,673.01	9,204.42
III	Profit before exceptional items and tax expense (I-II)		1,811.06	1,757.88
IV	Exceptional items (net)	33	-	(259.92)
V	Profit before tax expense (III-IV)		1,811.06	1,497.96
VI	Tax expense (net):	34		
	Current tax		410.55	405.64
	Deferred tax charge		6.34	(68.13)
	Current tax relating to earlier periods		14.96	(72.87)
	Total tax expenses		431.85	264.64
VII	Profit for the year (V-VI)		1,379.21	1,233.32
VIII	Other comprehensive income / (loss) ('OCI'), net of taxes			
	<i>Items that will not be reclassified subsequently to profit or loss:</i>			
	Re-measurement loss on defined benefit plan		0.35	(2.90)
	Total other comprehensive income / (loss)		0.35	(2.90)

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

₹ in Million

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
IX	Total comprehensive income for the year (VII+VIII) comprising profit and other comprehensive Income		1,379.56	1,230.42
X	Basic and Diluted earnings per equity share [nominal value of share ₹ 1 (March 31, 2020: ₹1)]	35	9.86	8.82
	Corporate information and significant accounting policies	1 & 2		
The accompanying notes are an integral part of the standalone financial statements				

As per our report of even date**For S.R. Batliboi & Associates LLP**

Chartered Accountants

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per Rajeev Kumar

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DIN: 01916468

Medappa Gowda J

Chief Financial Officer &

Company Secretary

Place : Bengaluru

Date : May 29, 2021

Place : Bengaluru

Date : May 29, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. Equity share capital (refer note 16)

	No. in Million	₹ in Million
Equity shares of ₹1 each issued, subscribed and fully paid-up		
As at April 1, 2019	139.87	139.87
Issued during the year	-	-
As at March 31, 2020	139.87	139.87
Issued during the year	-	-
As at March 31, 2021	139.87	139.87

B. Other equity (refer note 17)

₹ in Million

	Attributable to equity holders of the Company						Total
	Reserves and surplus						
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Share based payments reserves	Surplus in the statement of profit & loss	
As at April 1, 2019	5.13	1,861.81	293.70	2,910.83	50.22	1,748.75	6,870.44
Add: Profit for the year	-	-	-	-	-	1,233.32	1,233.32
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	(2.90)	(2.90)
Add: Share based payments expense	-	-	-	-	1.90	-	1.90
Add / Less: Transfer to general reserve	-	-	-	750.00	-	(750.00)	-
Less: Cash dividends	-	-	-	-	-	(363.66)	(363.66)
Less: Dividend distribution tax	-	-	-	-	-	(62.48)	(62.48)
Balance as at March 31, 2020	5.13	1,861.81	293.70	3,660.83	52.12	1,803.03	7,676.62
Add: Profit for the year	-	-	-	-	-	1,379.21	1,379.21
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	0.35	0.35
Add: Share based payments expense	-	-	-	-	24.07	-	24.07
Add / Less: Transfer to general reserve	-	-	-	750.00	-	(750.00)	-
Less: Cash dividends	-	-	-	-	-	(104.90)	(104.90)
Balance as at March 31, 2021	5.13	1,861.81	293.70	4,410.83	76.19	2,327.69	8,975.35

Corporate information and significant accounting policies (refer notes 1 & 2)

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar

Partner

Membership No.: 213803

For and on behalf of the Board of Directors of Suprajit Engineering Limited

K Ajith Kumar Rai

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Mohan Srinivasan Nagamangala

Managing Director &

Group Chief Executive Officer

DIN: 01916468

Place : Bengaluru

Date : May 29, 2021

Place : Bengaluru

Date : May 29, 2021

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
A Operating activities		
Profit before tax expense	1,811.06	1,497.96
Adjustments to reconcile profit before tax expense to net cash flows:		
Depreciation and amortization expense	240.28	259.07
Allowance for doubtful receivables (net)	(6.98)	4.69
Loss on disposal of property, plant and equipment (net)	0.11	0.51
Fair value gain in financial instruments	(203.83)	(97.16)
Finance cost	115.79	134.22
Interest income	(1.56)	(40.66)
Dividend income	(69.60)	(68.56)
Exceptional Items	-	259.92
Employee share based payments	21.92	1.61
Operating profit before working capital changes	1,907.19	1,951.60
Working capital adjustments:		
(Increase) / decrease in inventories	(394.27)	(96.59)
(Increase) / decrease in trade receivables	(523.52)	(178.15)
(Increase) / decrease in loans	(4.51)	(7.98)
(Increase) / decrease in other financial assets	(3.03)	16.16
(Increase) / decrease in other assets	24.76	(7.04)
Increase / (decrease) in trade payables	272.79	401.10
Increase / (decrease) in other financial liabilities	24.08	(43.46)
Increase / (decrease) in provisions	(8.64)	(4.16)
Increase / (decrease) in other liabilities	75.82	(50.57)
Cash generated from operations	1,370.67	1,980.91
Direct taxes paid (net of refund)	(387.66)	(394.79)
Net cash flows from operating activities	983.01	1,586.12
B Investing activities		
Purchase of property, plant and equipment and other intangible assets	(193.55)	(489.00)
Proceeds from sale of property, plant and equipment	1.80	1.86
Purchase of investments	(2,150.35)	(1,060.00)
Sales of current investments	2,015.64	118.17
Movement in deposits (net)	(140.92)	(1.57)
Interest received	0.71	41.10
Dividend received from subsidiary companies	69.60	68.56
Net cash flows used in investing activities	(397.07)	(1,320.88)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
C Financing activities		
Movement in working capital loans (net)	(102.71)	281.57
Movement in long term borrowings (net)	(143.57)	44.10
Interest paid	(115.25)	(131.98)
Payment of lease liabilities	(1.62)	(1.76)
Dividend paid to equity shareholders	(104.04)	(361.68)
Dividend distribution tax	-	(62.48)
Net cash flows used in financing activities	(467.19)	(232.23)
D Net increase in cash and cash equivalents (A+B+C)	118.75	33.01
Cash and cash equivalents at the beginning of the year	210.53	177.52
E Cash and cash equivalents at the end of the year (refer note 10)	329.28	210.53
Cash and cash equivalents as at year end comprises -		
Cash on hand	1.14	2.03
Balance with banks on		
Current accounts	290.09	169.70
EEFC accounts	38.05	38.80
Total cash and cash equivalents	329.28	210.53

Corporate information and significant accounting policies (refer notes 1 & 2)

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar

Partner

Membership No.: 213803

For and on behalf of the Board of Directors of Suprajit Engineering Limited

K Ajith Kumar Rai

Chairman

DIN: 01160327

Mohan Srinivasan Nagamangala

Managing Director &

Group Chief Executive Officer

DIN: 01916468

Medappa Gowda J

Chief Financial Officer &

Company Secretary

Place : Bengaluru

Date : May 29, 2021

Place : Bengaluru

Date : May 29, 2021

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. Corporate information

Suprajit Engineering Limited ('the Company') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at No. 100 & 101, Bommasandra Industrial Area, Bengaluru - 560 099. The Company CIN is L29199KA1985PLC006934.

The Company is engaged in the business of manufacturing of auto components consisting mainly of control cables, speedo cables, auto lamps and other components for automobiles and caters to both domestic and international markets.

The standalone financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on May 29, 2021.

2. Significant accounting policies

(a) Basis of preparation of standalone financial statements

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

The standalone financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value at the end of the reporting period, as explained further in the accounting policies below. The standalone financial statements are presented in Indian Rupees ("INR / ₹") and all values are rounded to the nearest Million (INR 000,000), except when otherwise indicated.

(b) Use of estimates, assumptions and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

Estimation of uncertainties relating to COVID-19

The Company has considered the possible effects that may result from the global health pandemic relating to COVID-19 on its operations. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal sources of information and market based intelligence to arrive at its estimates.

Impairment of financial assets

In accordance with Ind AS 109, the Company assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses, which are measured through a loss allowance.

The Company provides for impairment of investment in subsidiaries. Impairment exists when there is a diminution in value of the investment and the recoverable value of such investment is lower than the carrying value of such investment.

The Company provides for impairment of trade receivables based on assumptions about risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date (refer note 39(b)).

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

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

Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 2(e).

Share-based payments (Employee Stock Appreciation Plan)

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 47.

Taxes

The Company's major tax jurisdictions is in India. Significant judgments are involved in determining the provision for income taxes and tax credits, including the amount expected to be paid or refunded (refer note 34).

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax

assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Leases

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 makes an assessment on 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. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts [Refer to note 2(l)].

(c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(d) Foreign currencies

The standalone financial statements are presented in Indian Rupee (₹), which is also the Company's functional currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the standalone statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income ("OCI") or the statement of profit or loss are also recognized in OCI or the statement of profit or loss, respectively).

(e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the

transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Company's management determines the policies and procedures for fair value measurement. External valuers are involved, wherever considered necessary.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarizes accounting policy for fair value and the other fair value related disclosures are given in the relevant notes.

(f) Revenue from contract with customer

The Company earns revenue from contract with customer primarily from sale of goods.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Revenue from contract with customers is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer, it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Revenues in excess of invoicing are classified as contract assets (which we refer to as Unbilled Revenue)

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The revenue is collected immediately upon sale of goods or as per agreed credit terms which is within 0 to 270 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Variable Consideration

Rights of return, volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

Sale of Services

Revenue from service contracts are recognized as per the contractual terms as and when the services are rendered. No further obligations remains and the collection is probable.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the standalone statement of profit and loss.

Export benefits

Export entitlements in the form of Merchandise Export from India (MEIS) and Duty Entitlement Pass Book / draw back (DEPB) are recognized in the standalone statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(g) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as other liabilities.

(h) Taxes**Current income tax**

Tax Expense comprises of current tax and deferred tax and is recognized in the standalone statement of profit and loss.

Current income tax assets and liabilities is the amount of income tax determined to be payable / recoverable in respect of taxable income as computed in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside the standalone statement of profit or loss is recognized outside the standalone statement of profit or loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects

neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets include Minimum Alternative Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the standalone balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

(i) Property, plant and equipment

Property, plant and equipment and capital-work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the standalone statement of profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as specified in Schedule II to the Act except in case of certain assets wherein depreciation is calculated on a straight-line basis using the rates arrived at

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

Useful lives (years)

Buildings - Factory	30
Buildings- Others	60
Electrical installations	21
Plant and equipments	5 to 30
Dies and moulds	5
Furniture and fixtures	10 and 15
Office equipments	5 and 10
Vehicles	8 and 10
Computers and networks	3 and 6

In respect of plant and machinery (excluding pipelines and electrical fittings etc.) used at any time during the year on double shift or triple shift basis, the depreciation for that period is increased by 50% or 100%, respectively.

Effective April 01, 2019 the Company has revised the useful life of Dies and moulds based on the technical evaluation. The previously applied useful life was 15 years and revised useful life is 5 years. The depreciation expenses in standalone statement of profit and loss for the year ended March 31, 2021 is higher by ₹ 8.19 Million (March 31, 2020 : ₹ 16.21 Million) consequent to the change in useful life.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss when the asset is derecognized.

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

(j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the standalone statement of profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. The amortization expense on intangible assets is recognized in the standalone statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Company's intangible assets, is as below:

Useful lives (years)

Software	3
Business rights	5
Patents	5

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(l) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Useful lives (years)

Leasehold land	15 to 99
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If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index

or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Companies lease liabilities are included in Interest-bearing loans and borrowings (refer note 18(b)).

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(m) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Finished goods and work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(n) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the standalone statement of profit or loss, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranty is recognized based on the historical experience and future estimate claims by the management. The estimate of such warranty related costs is revised annually.

(p) Retirement and other employee benefits

Retirement benefit in the form of provident fund and employee state insurance which are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance. The Company recognizes contribution payable to the provident fund and employee state insurance scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund i.e. Employee's Company Gratuity cum Life Assurance Scheme of Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the standalone statement of profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the standalone statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(q) Share-based payment (Employee Stock Appreciation Plan)

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The standalone statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and / or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

A 'debt instrument' is measured at the amortized cost, if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI.

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the standalone statement of profit or loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the standalone statement of profit or loss.

Investment in subsidiary

Investments in subsidiary are carried at cost less provision for impairment, if any.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original Effective interest rate ('EIR'). ECL allowance (or reversal) recognized during the period is considered as income / expense in the standalone statement of profit and loss. This amount is reflected under the head 'other expenses' in the standalone statement of profit or loss.

The Company uses a provision matrix based on age to determine impairment loss allowance on portfolio of its trade receivables.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, lease liabilities, trade and other payables, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through the standalone statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the standalone statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of

recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the standalone statement of profit or loss.

Loans and borrowings

Borrowings is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in standalone statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the standalone statement of profit and loss.

Financial guarantee

Financial guarantee issued by the Company that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument, is recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the standalone statement of profit or loss.

Offsetting of financial instruments

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(s) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swap to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the standalone statement of profit and loss.

Any derivative that is either not designated as a hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through statement of profit and loss. Derivative designated as hedge and is effective as per Ind AS 109, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income.

(t) Cash and cash equivalents

Cash and cash equivalents in the standalone balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(u) Standalone statement of cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(v) Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence 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 but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The effects of anti-dilutive potential equity shares are not considered in calculating diluted earnings per share.

(x) Segment reporting

In accordance with Ind AS 108, Operating segments, segment information has been provided in the standalone financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

Changes in accounting policies and disclosures

New and amended standards

Several amendments and interpretations apply for the first time in March, 2021, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3.(i) Property, plant and equipment

₹ in Million

Cost	Freehold Land	Leasehold land*	Buildings	Electrical installations	Plant and equipments	Dies and moulds	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
As at April 01, 2019	183.21	27.04	1,138.54	146.99	1,094.52	44.91	44.39	33.35	32.39	24.59	2,769.93
Additions	5.18	-	67.71	16.54	125.06	24.92	5.74	6.41	15.86	5.09	272.51
Acquisition (refer note 46)	46.00	-	29.33	-	112.20	-	0.35	0.05	4.64	1.09	193.66
Disposals	-	-	-	-	(2.75)	-	(0.05)	(1.34)	(0.08)	(0.25)	(4.47)
As at March 31, 2020	234.39	27.04	1,235.58	163.53	1,329.03	69.83	50.43	38.47	52.81	30.52	3,231.63
Additions	-	-	104.50	32.61	104.51	18.54	7.94	1.07	8.93	5.48	283.58
Disposals	-	-	-	-	(6.50)	(0.18)	(0.01)	(0.81)	(0.55)	(0.71)	(8.76)
As at March 31, 2021	234.39	27.04	1,340.08	196.14	1,427.04	88.19	58.36	38.73	61.19	35.29	3,506.45
Depreciation											
As at April 01, 2019	-	-	133.95	26.51	290.45	7.46	9.00	6.87	10.66	14.44	499.34
Charge for the year	-	-	49.01	9.24	136.58	23.78	4.04	4.74	6.31	5.42	239.12
Disposals	-	-	-	-	(1.18)	-	-	(0.85)	(0.03)	(0.14)	(2.20)
As at March 31, 2020	-	-	182.96	35.75	425.85	31.24	13.04	10.76	16.94	19.72	736.26
Charge for the year	-	-	53.26	9.53	124.89	12.29	4.49	5.03	7.89	5.39	222.77
Disposals	-	-	-	-	(4.84)	(0.04)	(0.01)	(0.76)	(0.51)	(0.70)	(6.86)
As at March 31, 2021	-	-	236.22	45.28	545.90	43.49	17.52	15.03	24.32	24.41	952.17
Net book value											
As at March 31, 2020	234.39	27.04	1,052.62	127.78	903.18	38.59	37.39	27.71	35.87	10.80	2,495.37
As at March 31, 2021	234.39	27.04	1,103.86	150.86	881.14	44.70	40.84	23.70	36.87	10.88	2,554.28

*Represents land taken on lease cum sale basis from Karnataka Industrial Area Development Board (KIADB), which shall be converted into sale deed on fulfilment of certain conditions laid down in the agreement on completion of 10 years of lease term period.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3(i) Property, plant and equipment (cont...)

Notes:

- (a) Property, plant and equipment except leasehold land is owned by the Company. The title deeds of the immovable properties are held in the name of the Company subject to charge created for borrowings as detailed in note no. 18(a).
- (b) Buildings include those constructed on leasehold land as follows:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Gross block	746.48	744.41
Additions	3.20	2.07
Total gross block	749.68	746.48
Accumulated depreciation	(113.48)	(84.57)
Charge for the year	(28.95)	(28.91)
Total accumulated depreciation	(142.43)	(113.48)
Net book value	607.25	633.00

3(ii) Capital work in progress

₹ in Million

	Total
As at April 1, 2019	103.58
Additions	177.87
Capitalised	(143.09)
As at March 31, 2020	138.36
Additions	92.87
Capitalised	(196.40)
As at March 31, 2021	34.83

4(i) Intangible assets

₹ in Million

	Business rights	Patents	Software	Total
Cost				
As at April 01, 2019	13.16	0.49	41.40	55.05
Additions	-	-	5.46	5.46
Acquisition (refer note 46)	-	-	0.14	0.14
Disposals	-	-	(0.14)	(0.14)
As at March 31, 2020	13.16	0.49	46.86	60.51
Additions	-	0.27	3.69	3.96
Disposals	-	-	(0.57)	(0.57)
As at March 31, 2021	13.16	0.76	49.98	63.90
Amortization				
As at April 01, 2019	11.28	0.21	12.38	23.87
Charge for the year	1.88	0.07	13.16	15.11
Disposals	-	-	(0.03)	(0.03)
As at March 31, 2020	13.16	0.28	25.51	38.95
Charge for the year	-	0.04	12.65	12.69
Disposals	-	-	(0.56)	(0.56)
As at March 31, 2021	13.16	0.32	37.60	51.08
Net book value				
As at March 31, 2020	-	0.21	21.35	21.56
As at March 31, 2021	-	0.44	12.38	12.82

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

4(ii) Intangible assets under development

₹ in Million

	Total
As at April 1, 2019	5.44
Additions	0.80
Capitalised	-
As at March 31, 2020	6.24
Additions	1.37
Capitalised	-
As at March 31, 2021	7.61

5. Right-of-use assets

The Company has lease contracts for leasehold land and prepaid leasehold land rentals. Leases generally have lease terms between 15 and 99 years.

The Company also has certain leases of warehouse, with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Refer note 18(b) for lease liabilities.

₹ in Million

	Leasehold land	Total
As at April 1, 2019	-	-
Recognition on transition to Ind AS 116	204.95	204.95
As at March 31, 2020	204.95	204.95
Additions	-	-
As at March 31, 2021	204.95	204.95
Accumulated depreciation		
As at April 1, 2019	-	-
Depreciation expense	4.84	4.84
As at March 31, 2020	4.84	4.84
Depreciation expense	4.82	4.82
As at March 31, 2021	9.66	9.66
Net book value as at March 31, 2020	200.11	200.11
Net book value as at March 31, 2021	195.29	195.29

6. Investments

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Investment carried at cost (unquoted equity instruments)		
6 a) Investments in equity shares of wholly owned subsidiaries		
Suprajit Automotive Private Limited, India		
1,990,000 (March 31, 2020: 1,990,000) equity shares of ₹ 10 each including beneficial holding of 1 equity share.	19.90	19.90
Suprajit Europe Limited, UK		
2,200,000 (March 31, 2020: 2,200,000) equity shares of GBP 1 each.	186.00	186.00
Trifa Lamps Germany, GmbH, Germany		
30,000 (March 31, 2020: 30,000) equity shares of Euro 1 each. [Net of impairment on investment ₹ 54.00 Million (March 31, 2020: ₹ 54.00 Million) (Refer Note c)]	258.00	258.00
Luxlite Lamp SARL, Luxembourg		
91,125 (March 31, 2020: 91,125) equity shares of Euro 100 each. [Net of impairment on investment ₹ 307.51 Million (March 31, 2020: ₹ 307.51 Million) (Refer Note b)]	484.79	484.79
Suprajit USA Inc., USA		
1,000 (March 31, 2020: 1,000) Common Stock of USD 21,000 each. (Refer Note d)	1,441.76	1,413.93
Total	2,390.45	2,362.62

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Aggregate amount of unquoted investment in subsidiaries	2,751.96	2,724.13
Less: Aggregate amount of impairment in value of investments	(361.51)	(361.51)
Total	2,390.45	2,362.62

Note:

- Based on Networth, future operational plan, projected cash flows and valuation carried out by an external valuer, the Company had assessed the carrying value of its investment in its wholly owned subsidiaries as at March 31, 2021 and March 31, 2020.
- Based on the financial statements of the wholly owned subsidiary namely Luxlite Lamp SARL Luxembourg as at March 31, 2021, the net worth of the subsidiary has been evaluated. The Company carried out the fair valuation of the aforesaid subsidiary as at March 31, 2021 by an independent valuer and has accordingly considered the carrying value to be appropriate. The company had made a provision of ₹ 107.97 million for the year ended March 31, 2020 in addition to earlier impairment provision of ₹ 199.54 million on account of diminution in the value of its investment in the aforesaid subsidiary disclosed under 'Exceptional item'. Refer note 33(b) to the standalone financial statements.
- Based on the financial statements of the wholly owned subsidiary namely Trifa Lamps Germany, GmbH, Germany as at March 31, 2021, the net worth of the subsidiary has been evaluated. The Company has carried out the fair valuation of the aforesaid subsidiary as at March 31, 2021 and has accordingly considered the carrying value to be appropriate. The company had made a provision of ₹ 54.00 million on account of diminution in the value of its investment in the aforesaid subsidiary for the year ended March 31, 2020 disclosed under 'Exceptional item'. Refer note 33(b) to the standalone financial statements.
- Includes investments in the form of Financial guarantee provided to bankers of Suprajit USA Inc. amounting to ₹ 27.83 Million.

Valued at fair value through profit and loss

	As at March 31, 2021			As at March 31, 2020		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
6 b) Investments in quoted mutual funds						
Quoted mutual funds (fully paid-up)						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth Plan	835,571	29.91	24.99	5,379,731	27.65	148.76
Franklin India Short Term Income Plan - Retail Plan - Direct - Growth Plan	43,600	4,249.99	185.30	70,534	4,052.25	285.82
Franklin India Low Duration Fund - Direct - Growth Plan	1,104,587	23.84	26.33	6,375,819	21.10	134.56
Franklin India Low Duration Fund - Growth Plan	379,821	23.21	8.82	2,189,568	20.62	45.15
Franklin India Dynamic Accrual Fund - Direct - Growth Plan	862,919	75.44	65.10	2,179,140	71.03	154.79
Franklin India Credit Risk Fund - Direct - Growth Plan	1,072,545	22.05	23.65	2,324,084	19.80	46.03
Total			334.19			815.11
Total Non current investment			2,724.64			3,177.73
Aggregate cost of quoted investments			305.69			766.30

As on March 31, 2021, the Company has an investment of ₹ 657.19 Million (March 31, 2020: ₹ 979.49 Million) in the wound up schemes of Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) as on said date. The Company has realised significant portion of investments during the year and considered the provision of ₹ 97.95 Million made during the year ended March 31, 2020 as adequate. Refer note 33(a) to the standalone financial statements. The classification of said investment in current and non-current investment is based on maturity profile provided by FTMF.

7. Inventories

(Valued at lower of cost and net realisable value)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Raw materials [includes goods in transit ₹ 135.88 Million (March 31, 2020: ₹ 147.83 Million)]	1,189.96	971.22
Work-in-progress	148.37	114.18
Finished goods	535.06	383.42
Traded goods [includes goods in transit ₹13.85 Million (March 31, 2020: ₹ Nil)]	19.93	4.22
Less: Allowance towards slow and non-moving items	(63.14)	(37.13)
Total	1,830.18	1,435.91

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

8 Investments

(Valued at fair value through profit and loss)

	As at March 31, 2021			As at March 31, 2020		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)*						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth Plan	3,615,740	29.91	108.15	3,439,500	27.65	95.12
Aditya Birla Sun Life Banking & PSU Debt Fund- Growth-Direct Plan (formerly known as Aditya Birla Sun Life Treasury Optimizer Plan)	1,294,728	289.72	375.11	1,294,728	266.96	345.65
IDFC Dynamic Bond Fund-Growth-(Regular Plan)	720,861	26.90	19.39	720,861	25.18	18.15
Aditya Birla Sun Life Credit Risk Fund - Gr.DIRECT (formerly known as Aditya Birla Sun Life Corporate Bond)	-	-	-	19,037,233	14.71	280.06
Aditya Birla Sun Life Credit Risk Fund Gr.DIRECT (Segregated Portfolio - 1)	19,037,233	0.42	7.91	19,037,233	0.43	8.25
HDFC Credit risk Debt Fund - Direct - Growth	-	-	-	10,236,037	17.44	178.55
ICICI Prudential Equity Arbitrage Fund - Direct plan - Growth	4,490,155	28.05	125.96	4,490,155	26.98	121.15
Franklin India Low Duration Fund - Direct - Growth Plan	1,848,191	23.84	44.06	1,495,562	21.10	31.56
Franklin India Low Duration Fund - Growth Plan	634,215	23.21	14.72	513,602	20.62	10.59
Franklin India Dynamic Accrual Fund - Direct - Growth Plan	666,641	75.44	50.29	354,744	71.03	25.20
Franklin India Credit Risk Fund - Direct - Growth Plan	739,157	22.05	16.30	96,837	19.80	1.92
HDFC Corporate Bond Fund - Regular Plan - Growth	2,251,847	24.93	56.13	2,251,847	22.91	51.60
ICICI Prudential Credit Risk Fund - Direct Plan - Growth	-	-	-	3,202,645	23.15	74.13
ICICI Prudential All Seasons Bond Fund - Direct Plan - Growth	-	-	-	4,708,675	26.66	125.54
SBI Credit Risk Fund Direct Growth	-	-	-	1,604,750	33.11	53.13
HDFC Floating Rate Debt Fund - Direct Plan - Growth Option	1,813,231	38.29	69.43	1,813,231	35.38	64.16
SBI Magnum Medium Duration Fund Direct Growth	4,793,102	41.51	198.94	3,576,686	37.90	135.55
HDFC Medium Term Debt Fund - Direct Plan - Growth Option	-	-	-	2,472,854	42.10	104.12
ICICI Prudential Savings Fund - Direct Plan-Growth	164,230	419.69	68.93	164,230	390.37	64.11
Franklin India Short term Income plan - Retail Plan - Direct Growth Plan	21,055	4,249.99	89.48	-	-	-
SBI Corporate Bond Fund - Direct Plan - Growth	4,227,965	12.21	51.64	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

8 Investments (cont.):

(Valued at fair value through profit and loss)

	As at March 31, 2021			As at March 31, 2020		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
HDFC Banking and PSU Debt Fund - Direct - Growth	4,545,254	18.25	82.95	-	-	-
IDFC Banking and PSU Debt Fund - Regular Plan - Growth	1,072,005	19.23	20.62	-	-	-
IDFC Banking and PSU Debt Fund - Direct Plan - Growth	2,588,385	19.54	50.58	-	-	-
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	3,085,130	23.51	72.52	-	-	-
HDFC Short Term Debt Fund - Direct Plan - Growth	3,282,994	24.95	81.90	-	-	-
HDFC Corporate Bond Fund - Direct Plan - Growth	5,393,676	25.18	135.83	-	-	-
SBI Short Term Debt Fund - Direct Plan - Growth	857,575	26.03	22.32	-	-	-
IDFC Dynamic Bond Fund - Growth - Direct Plan	2,428,222	28.82	69.99	-	-	-
ICICI Prudential Short Term Fund - Direct Plan - Growth	1,071,030	48.62	52.07	-	-	-
Kotak Banking and PSU Debt Fund - Direct- Growth	2,018,780	51.52	104.01	-	-	-
Aditya Birla Sun Life Corporate Bond Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Short Term Fund)	2,646,565	86.73	229.54	-	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	395,264	304.74	120.45	-	-	-
Axis Liquid Fund - Direct - Growth - CFDG	52,725	2,284.79	120.47	-	-	-
SBI Liquid Fund - Direct - Growth	37,395	3,221.62	120.47	-	-	-
Total			2,580.16			1,788.54
Aggregate cost of quoted investments			2,302.82			1,564.43
*Refer note 6(b)						

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

9. Trade receivables

(Unsecured, carried at amortised cost)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Trade receivables from other than related parties	2,306.83	1,934.20
Receivables from related parties (refer note 41)*	425.67	267.80
Total	2,732.50	2,202.00
Break-up for security details:		
Current		
Unsecured, considered good	2,732.50	2,202.00
Unsecured, credit impaired	4.54	14.19
Total	2,737.04	2,216.19
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(4.54)	(14.19)
Total	2,732.50	2,202.00

* Includes dues from companies where directors are interested.
Refer note 41 for related party transactions.

Trade receivables are non interest bearing and are generally on terms of 0 to 270 days.

10. Cash and cash equivalents

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Current		
Cash on hand	1.14	2.03
Balance with banks on		
Current accounts	290.09	169.70
EEFC accounts	38.05	38.80
Total	329.28	210.53

11. Other bank balances

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Margin money deposits	0.78	5.67
Total	0.78	5.67
Current		
Balance with banks on deposits with remaining maturity for less than 12 months	6.04	1.09
Earmarked balances with banks being unpaid dividend accounts*	23.01	22.15
Balance with banks in buy back 2021 escrow account#	140.00	-
Total	169.05	23.24

*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities. The Company transferred ₹ 0.18 Million (March 31, 2020 ₹ 0.21 Million) during the year to investor education and protection fund as per the provisions of the Companies Act, 2013.

In lien with bank in lieu of escrow required for buyback of fully paid equity shares. Refer Note 16 (g) to the standalone financial statements.

12. Loans

(Unsecured, considered good, carried at amortised cost)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits	47.54	43.61
Total	47.54	43.61
Current		
Advances to employees	9.33	8.76
Recoverable from subsidiaries (refer note 41)	6.77	4.61
Total	16.10	13.37

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

13. Other financial assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
<i>Carried at fair value through profit and loss</i>		
Foreign currency forward contracts	1.74	-
Total	1.74	-
Current		
<i>Carried at fair value through profit and loss</i>		
Foreign currency forward contracts	1.29	-
<i>Carried at amortised cost</i>		
Interest receivable on bank deposits and others	2.83	1.98
Total	4.12	1.98

14. Other assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Capital advances	29.21	21.79
Balances with statutory / government authorities	1.65	2.26
Others	0.89	0.89
Total	31.75	24.94
Current		
Advances to suppliers	61.20	52.30
Prepaid expenses	31.35	28.61
Export benefits receivable	5.52	38.25
Balances with statutory / government authorities	50.39	56.13
Government grant	2.67	-
Total	151.13	175.29

15. Income tax assets (net)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Advance income-tax, including paid under protest (net of provision for taxation)	21.42	23.46
Total	21.42	23.46

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

16. Equity share capital

₹ in Million

	As at March 31, 2021		As at March 31, 2020	
Authorised share capital				
850,000,000 (March 31, 2020: 850,000,000) equity shares of ₹ 1 each	850.00		850.00	
Issued, subscribed and fully paid-up equity share capital				
139,872,473 (March 31, 2020: 139,872,473) equity shares of ₹ 1 each	139.87		139.87	
Total	139.87		139.87	
(a) Terms / rights attached to equity shares:				
The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share and such amount of dividend per share as declared by the Company. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.				
(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:				
	Year ended March 31, 2021		Year ended March 31, 2020	
	No. in Million	₹ in Million	No. in Million	₹ in Million
Equity shares				
At the beginning of the year	139.87	139.87	139.87	139.87
Issued during the year	-	-	-	-
Outstanding at the end of the year	139.87	139.87	139.87	139.87
(c) Details of shareholders holding more than 5% shares in the Company:				
	As at March 31, 2021		As at March 31, 2020	
	No. in Million	%	No. in Million	%
Equity shares of ₹ 1 each fully paid				
Supriyajith Family Trust	53.15	38.00%	53.15	38.00%
(d) Shares reserved for issue under share based payments				
	As at March 31, 2021		As at March 31, 2020	
Outstanding employee stock options under below schemes, granted / available for grant (refer note 47):				
Employee Stock Appreciation Rights (SEL ESAR 2017)	819,213		825,751	
(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:				
	As at March 31, 2021		As at March 31, 2020	
Equity shares (No.)				
Equity shares allotted as fully paid-up pursuant to contract (no.)				
The Company issued 8,533,699 equity shares of ₹ 1 each to the minority shareholders of Phoenix Lamps Limited, as part of merger.	8,533,699		8,533,699	
(f) The Company has neither issued any bonus shares nor bought back any shares for the period of five years immediately preceding the date as at which the Balance sheet is prepared.				
(g) On February 10, 2021, the Board of Directors approved a proposal to Buy-back up to 1,500,000 fully paid equity shares of ₹ 1 each (representing 1.07% of paid-up equity share capital) from the shareholders of the Company on a proportionate basis through tender offer, at a price of ₹ 320 per fully paid-up equity share for an aggregate amount not exceeding ₹ 480 Million in accordance with the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended and the Companies Act, 2013 and rules made thereunder. Subsequently, the proposed buy-back has been completed on May 12, 2021.				

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

17. Other Equity

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Capital reserve		
Balance as per last financial statements	5.13	5.13
Closing balance	5.13	5.13
Capital redemption reserve		
Balance as per last financial statements	293.70	293.70
Closing balance	293.70	293.70
Securities premium		
Balance as per last financial statements	1,861.81	1,861.81
Closing balance	1,861.81	1,861.81
General reserve		
Balance as per last financial statements	3,660.83	2,910.83
Add: Transferred from 'Surplus in the statement of profit & loss'	750.00	750.00
Closing balance	4,410.83	3,660.83
Share based payments reserves		
Balance as per last financial statements	52.12	50.22
Add: Share based payments expense (refer note 47)	24.07	1.90
Closing balance	76.19	52.12
Surplus in the statement of profit & loss		
Balance as per last financial statements	1,803.03	1,748.75
Add: Profit for the year	1,379.21	1,233.32
Add / (less): OCI - Re-measurement gain / (loss) on defined benefit obligation (net of tax)	0.35	(2.90)
Less: Appropriations		
First interim dividend [₹ 0.75 (March 31, 2020: ₹ 0.75) per share]	(104.90)	(104.90)
Second interim dividend [₹ Nil (March 31, 2020: ₹ 1.00) per share]	-	(139.87)
Final dividend [March 31, 2020: ₹ Nil (March 31, 2019 : ₹ 0.85) per share]	-	(118.89)
Dividend distribution tax*	-	(62.48)
Transfer to general reserve	(750.00)	(750.00)
Closing balance	2,327.69	1,803.03
Total	8,975.35	7,676.62

* For the year ended March 31, 2020, Indian subsidiary had declared dividend on which Dividend distribution tax was paid by the subsidiary which was adjusted with dividend tax liability to be payable on dividend distributed by the Company pursuant to the provisions of Income Tax Act, 1961. With effect from April 1, 2020, the Dividend Distribution Tax ('DDT') payable by the Company under section 115O of Income Tax Act has been abolished and a withholding tax has been introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

Summary of other equity:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Capital reserve	5.13	5.13
Capital redemption reserve	293.70	293.70
Securities premium	1,861.81	1,861.81
General reserve	4,410.83	3,660.83
Share based payments reserves	76.19	52.12
Surplus in the statement of profit & loss	2,327.69	1,803.03
	8,975.35	7,676.62

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Distribution made and proposed		₹ in Million	
	As at March 31, 2021	As at March 31, 2020	
Cash dividends on equity shares declared and paid:			
First interim dividend for the year ended March 31, 2021: ₹ 0.75 per share (March 31, 2020: ₹ 0.75 per share)	104.90	104.90	
Second interim dividend for the year ended March 31, 2021: ₹ Nil per share (March 31, 2020: ₹ 1.00 per share)	-	139.87	
Final dividend for the year ended March 31, 2020: ₹ Nil per share (March 31, 2019: ₹ 0.85 per share)	-	118.89	
Dividend distribution tax	-	62.48	
	104.90	426.14	
Proposed dividends on equity shares:			
Final dividend for the year ended on March 31, 2021: ₹ 1.00 per share (March 31, 2020: ₹ Nil per share)	139.87	-	
	139.87	-	
Proposed dividend on equity shares are subject to approval by shareholders at the Annual General Meeting and hence not recognised as a liability as at March 31, 2021.			

Nature and purpose of reserves

17.1 Capital reserve

The Company recognised capital subsidy received (₹ 4.58 million) prior to April 1, 2017 along with profit on forfeiture of the Company's own equity instruments (₹ 0.55 million) to capital reserve.

17.2 Capital redemption reserve

The Company recognised capital redemption reserve on redemption of Preference shares of erstwhile Phoenix Lamps Limited and upon merger of Phoenix Lamps Limited with the Company, the balances have been brought as such to the Company.

17.3 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

17.4 General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

17.5 Share based payments reserves

Share based payments reserves represents employee share based expense recognised in fair valuation of option expenses on ESAR.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

18. (a) Borrowings

(Carried at amortised cost)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured		
Term loans		
from a financial institution (refer note [i] below)	-	51.19
from banks - External Commercial Borrowing (ECB) (refer note [ii] below)	322.87	415.25
Less: Current maturities of (refer note 20):		
Secured term loans	(107.62)	(155.00)
Total	215.25	311.44
Current		
Secured		
Loans repayable on demand		
Working capital loans from banks (refer note [iii] below)	1,447.50	1,550.21
Total	1,447.50	1,550.21

(i) Term loan from financial institution represented Indian rupee loan which carried a floating interest rate linked to Bajaj Finance Limited base rate. The loan was repayable in 15 quarterly instalments ranging from ₹ 2.78 Million to ₹ 9.52 Million each, loan has been repaid in full in November, 2020. The loan was secured by pari-passu first charge on the entire movable fixed assets with minimum fixed assets coverage ratio.

(ii) External commercial borrowing is the term loan of EURO 3.75 Million (₹ 322.87 Million) (March 31, 2020: EURO 5.00 Million [₹ 415.25 Million]) which carries fixed interest rate of EURIBOR plus 1.25% and is repayable by the Company in 16 quarterly instalments of EURO 0.31 Million, the loan repayment started from May 20, 2020. The loan is secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets of the Company.

To mitigate the risk of the floating rate, the Company has entered into interest rate swap agreement with bank.

(iii) Current borrowings represents:

(a) Working capital loans from banks are secured by current and future current assets. These facilities are also collaterally secured by pari-passu charge on entire current & future fixed assets (except certain plant and equipment on which exclusive charge has been created towards term loans) and equitable mortgage. Working capital demand loan, cash credit and overdraft is repayable on demand. These facilities carry interest in the range of 6.00% to 13.61% p.a. (March 31, 2020: 7.11% to 13.46% p.a.).

(b) Foreign Currency Loans are taken from bank and carry interest rate of 1.50%.

(c) Packing credit loans from banks are taken for a term not exceeding 180 days and carry interest rate of 3.50% to 5.35%. (March 31, 2020: 5.25% to 6%).

(d) Bill discounting facility is repayable over a term of 60 to 90 days with a fixed rate of interest of 9.75% p.a. (March 31, 2020: 9.75% p.a.).

(iv) As per the loan arrangements, the Company is required to comply with certain debt covenants and the Company was in compliance with such covenants as at March 31, 2021. The Company has not defaulted on any loans payable.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

18. (b) Lease liabilities

(Carried at amortised cost)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Lease Liabilities	37.40	39.18
Total	37.40	39.18
Current		
Lease Liabilities	1.78	1.62
Total	1.78	1.62

Effective April 1, 2019, the Company adopted IndAS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method.

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Balance as per last financial statements	40.80	-
Recognition on transition to Ind AS 116	-	42.56
Accretion of interest	3.75	3.56
Payments	(5.37)	(5.32)
As at 31 March 2021	39.18	40.80
Current	1.78	1.62
Non-current	37.40	39.18

The effective interest rate for lease liabilities is 9.45%, with maturity in 2033.

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	4.82	4.84
Interest expense on lease liabilities	3.75	3.56
Expense relating to short-term leases / leases of low-value assets (included in other expenses)	3.17	2.61
Total amount recognised in statement of profit and loss	11.74	11.01

The Company had total cash outflows for leases of ₹ 5.37 Million in March 31, 2021 (March 31, 2020: ₹ 5.32 Million). During the year ended March 31, 2021, the Company had non-cash additions to right-of-use assets ₹ Nil (March 31, 2020: ₹ 204.95 Million) and lease liabilities of ₹ Nil (March 31, 2020: ₹ 42.56 Million).

The Company is obligated under non-cancellable lease for factory land, warehouse, office and residential space that are renewable on a periodic basis at the option of both the lessor and lessee.

Set out below are details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Not later than one year	5.44	5.44
Later than one year and not later than five years	21.77	21.77
More than five years	38.56	43.93
Total	65.77	71.14

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

19. Trade payables

(Carried at amortised cost)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Current		
Trade payables		
- Total outstanding dues of micro and small enterprises*	332.10	89.08
- Total outstanding dues of creditors other than micro and small enterprises*	1,440.91	1,411.14
Total	1,773.01	1,500.22
Terms and conditions of the above financial liabilities:		
- Trade payables other than micro and small enterprises are non-interest bearing and are normally settled on 15-60 days terms.		
- For explanations on the Company liquidity risk management, refer note 45.		
# Includes dues to related parties (refer note 41).		
*The Company has amounts due to micro and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2021 and March 31, 2020. The details in respect of such dues are as follows:		

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Principal amount remaining unpaid to any supplier at the end of accounting year	330.71	88.52
Interest due thereon remaining unpaid to any supplier at the end of accounting year	0.15	0.14
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year	0.93	0.60
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	1.61	0.20
The amount of interest accrued and remaining unpaid at the end of accounting year	1.39	0.56
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	1.39	0.56
The information given above has been determined to the extent such parties have been identified on the basis of information available with the Company.		

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

20. Other financial liabilities

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
<i>(Carried at amortised cost)</i>		
Security deposits*	22.72	20.07
<i>(Fair value through profit and loss)</i>		
Provision for MTM losses on foreign currency forward contracts	-	1.53
Total	22.72	21.60
Current		
<i>(Carried at amortised cost)</i>		
Current maturities of long-term borrowings (refer note 18(a))	107.62	155.00
Interest accrued but not due on borrowings	10.16	9.62
Capital creditors	13.87	14.66
Employee related liabilities	79.43	63.15
Payable to directors (refer note 41)	45.96	34.56
Security deposits	0.07	0.07
Unpaid dividend	23.01	22.15
Others	0.93	0.81
<i>(Fair value through profit and loss)</i>		
Provision for MTM losses on foreign currency forward contracts	-	4.14
Provision for MTM losses on Interest rate swap	1.01	1.70
Total	282.06	305.86

*Includes security deposit received from subsidiaries for lease of freehold land (refer note 41).

21. Provisions

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Provision for employee benefits		
Gratuity (refer note 39(b))	15.56	31.53
Provision for diminution in value of investments (refer note 33(a))	97.95	97.95
Total	113.51	129.48
Current		
Provision for employee benefits		
Gratuity (refer note 39(b))	23.63	20.24
Compensated absences	45.79	42.31
Provision for warranties*	3.20	3.20
Total	72.62	65.75

*A provision is recognized for expected warranty claims on products sold during the year, based on past experience of level of repairs and returns. It is expected that the significant portion of these costs will be incurred within one year of the balance sheet date. Assumption used to calculate the provision for warranties are based on current sales level and current information available about warranty claims based on warranty period for all products sold. Provision was not made or utilised during the year.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

22. Tax liabilities

₹ in Million

	As at March 31, 2021	As at March 31, 2020
(a) Deferred tax liabilities (net)		
Deferred tax liabilities		
Property, plant and equipment and Intangible assets	152.76	146.10
Fair valuation of financial instruments	56.24	61.06
(A)	209.00	207.16
Deferred tax assets		
Expenditure allowable for tax purposes when paid	2.51	1.99
Provision for diminution in value of investments	24.65	24.65
Provision for doubtful debts and advances	1.14	3.57
Provision for employee benefits	24.10	26.81
(B)	52.40	57.02
Net deferred tax liabilities (A-B)	156.60	150.14
(b) Current tax liabilities (net)		
Provision for income tax (net of advance tax and tax deducted at source)*	80.63	44.82
Total	80.63	44.82

*represents tax payable for current year and provision made in respect of uncertain tax positions.

23. Other liabilities

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Government grants*	8.51	10.08
Total	8.51	10.08
Current		
Advances from customers	12.04	4.48
Government grants*	4.24	1.69
Statutory dues	100.84	34.85
Financial guarantee liability (refer note 41)	1.29	-
Total	118.41	41.02

*Government grants received includes grant received in nature of customs duty exemption on import of certain property, plant and equipment and deferred income on packing credit loans taken from banks at concessional rate of interest. There are no unfulfilled conditions or contingencies attached to these grants.

₹ in Million

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	11.77	19.05
Add: Received during the year	5.90	5.33
Less: Transferred to the standalone statement of profit and loss (refer note 25)	(4.92)	(12.61)
Closing balance	12.75	11.77

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

24. Revenue from operations

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	11,089.11	10,661.16
Sale of services (processing charges)	1.32	4.50
Other operating revenue	32.32	43.80
Total	11,122.75	10,709.46
Disaggregated revenue information based on customer geographical location		
India	9,780.41	9,515.40
USA	339.45	319.36
Rest of the world	1,002.89	874.70
Total	11,122.75	10,709.46

25. Other income

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on		
Bank deposits	0.51	0.06
Income tax refund	-	39.06
Others	1.05	1.54
Dividend income	69.60	68.56
Gain on investments carried at fair value through profit or loss*	203.83	97.16
Government grant income	17.47	28.01
Exchange differences (net)**	28.30	4.96
Other non-operating income	40.56	13.49
Total	361.32	252.84
*Total net gain on fair value changes include ₹ 62.22 Million (March 31, 2020 ₹ 5.01 Million) as net gain on sale / redemption of investments.		
**Includes mark to market gain / (loss) on foreign currency forward contracts.		

26. Cost of materials consumed

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	971.22	853.96
Add: Purchases	7,388.57	6,711.35
Less: Inventories at the end of the year	(1,189.96)	(971.22)
Cost of materials consumed	7,169.83	6,594.09

27. Purchases of stock-in-trade

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Auto lamps	-	1.57
Stop and tail lamps	40.93	11.26
Others	7.30	5.81
Total	48.23	18.64

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

28. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
Finished goods	535.06	383.42
Stock-in-trade	19.93	4.22
Work-in-progress	148.37	114.18
Total (A)	703.36	501.82
Inventories at the beginning of the year		
Finished goods	383.42	402.31
Stock-in-trade	4.22	8.03
Work-in-progress	114.18	124.98
Total (B)	501.82	535.32
Net change in inventories of finished goods, work-in-progress and stock-in-trade (B-A)	(201.54)	33.50

29. Employee benefits expense

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	1,410.86	1,313.33
Contribution to provident and other funds (refer note 39(a))	69.23	70.34
Employee share based payments (refer note 47)	21.92	1.61
Staff welfare expenses	49.81	50.04
Total	1,551.82	1,435.32

30. Finance cost

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on		
Borrowings	76.56	108.64
Lease liabilities (refer note 18 (b))	3.75	3.56
Others	4.93	5.32
Exchange fluctuation on foreign currency borrowings, net (to the extent regarded as borrowing cost)	28.67	14.30
Loan processing and other charges	1.88	2.40
Total	115.79	134.22

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

31. Depreciation and amortization expense

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 3)	222.77	239.12
Depreciation of right-of-use assets (refer note 5)	4.82	4.84
Amortization of intangible assets (refer note 4)	12.69	15.11
Total	240.28	259.07

32. Other expenses

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	185.07	180.47
Rent	3.17	2.61
Repairs and maintenance		
Buildings	9.30	9.61
Machinery	50.43	49.49
Others	61.50	56.56
Insurance	24.53	17.26
Rates and taxes	11.10	12.03
Travelling and conveyance	56.72	79.75
Legal and professional fees	67.94	49.68
Payment to auditors [refer note (i) below]	7.12	7.14
Freight and forwarding charges	151.66	137.88
Advertisement and sales promotion	15.39	15.51
Sales commission	2.76	3.19
Directors' sitting fees and commission	2.46	2.46
Allowance for doubtful receivables (net)	(6.98)	4.69
Printing and stationery	7.88	9.78
Security expenses	34.95	32.30
Communication expenses	8.04	9.36
Loss on disposal of property, plant and equipment (net)	0.11	0.51
Research & development expenses	6.31	4.62
CSR expenditure [refer note (ii) below]	30.61	29.13
Miscellaneous expenses	18.53	15.55
Total	748.60	729.58

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(i) Payment to auditors (excluding Goods and Services Tax)

₹ in Million

As auditor	Year ended March 31, 2021	Year ended March 31, 2020
Audit fee	3.10	2.80
Limited review fee	3.50	3.20
Certification Fee	0.35	0.46
Reimbursement of expenses	0.17	0.68
Total	7.12	7.14

(ii) Details of CSR expenditure

As per Section 135 of the Company's Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. The Company has made contribution to Suprajit foundation. Suprajit Foundation is engaged in the activities of eradication of hunger, malnutrition, promoting education and healthcare.

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

₹ in Million

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year		29.81	28.57
Total		29.81	28.57
b) Amount spent during the year ended March 31, 2021:	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	30.61	-	30.61
c) Amount spent during the year ended March 31, 2020:	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	29.13	-	29.13
d) Refer note 41 B for details of contribution to Suprajit foundation in relation with CSR expenditure.			

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

33. Exceptional items (net)

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Provision for diminution in value of investments (refer note a)	-	97.95
Provision for impairment of investment in subsidiaries (refer note b)	-	161.97
	-	259.92
Exceptional items for the year ended March 31, 2020 includes the following:		
(a) Provision of ₹ 97.95 Million in respect of investment in Franklin Templeton Mutual Fund schemes which have been wound up. The Company has realised significant portion of investments during the year 2020-21 and aforesaid provision is considered to be adequate.		
(b) The Company carried out annual impairment exercise during the year ended March 31, 2020 in respect of investment in subsidiaries and basis valuation carried out by an external specialist, the Company made impairment provision of ₹ 107.97 Million towards investment in Luxlite Lamp SARL and ₹ 54.00 Million towards investment in Trifa Lamps Germany GmbH. The Company carried out annual impairment exercise for the year ended March 31, 2021 in respect of investment in subsidiaries and carrying value is considered to be appropriate.		

34. Tax expense (net)

Income tax expense in the standalone statement of profit and loss consist of the following:

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	410.55	405.64
Deferred tax charge / (credit)	6.34	(68.13)
Current tax relating to earlier periods	14.96	(72.87)
Total	431.85	264.64

Reconciliation of tax to the amount computed by applying the statutory income tax rate to the income before tax is summarized below:

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax expense	1,811.06	1,497.96
Applicable tax rates in India*	25.17%	25.17%
Computed tax charge (A)	455.81	377.01
Components of tax expense		
Tax effect of exempt income	(15.03)	(15.03)
Current tax relating to earlier periods	14.96	(72.87)
Opening deferred tax reversal due to change in tax rate*	-	(57.75)
Others	(23.89)	33.28
Total adjustments (B)	(23.96)	(112.37)
Total tax expense (A+B)	431.85	264.64

*The Company exercised the option of availing the lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from AY 2020-21, thereby lowering the tax rate from 34.944% to 25.168% effective April 01, 2019. Accordingly, the Company provided for income taxes for the year ended March 31, 2020 and re-measured the accumulated balance of deferred tax liabilities as at March 31, 2019, based on the rate prescribed under the aforesaid Section. The resultant impact taken through the statement of profit and loss. The re-measurement of accumulated deferred tax liabilities resulted in a one-time additional deferred tax credit of ₹ 57.75 million for the year ended March 31, 2020.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

35. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Computation of basic and diluted EPS:	Year ended March 31, 2021	Year ended March 31, 2020
Nominal value per equity share (₹ per share)	1	1
Profit attributable to equity shareholders (₹ in Million)	1,379.21	1,233.32
Weighted average number of equity shares (No. in Million)	139.87	139.87
Earnings per share basic and diluted (₹ per share)*	9.86	8.82

*Employee stock appreciation outstanding as at March 31, 2021 and March 31, 2020 are anti-dilutive and accordingly have not been considered for the purpose of computing dilutive EPS for the year ended March 31, 2021 and March 31, 2020.

36. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 154.22 Million (March 31, 2020: ₹ 117.87 Million).

37. Contingent liabilities

₹ in Million

	As at March 31, 2021	As at March 31, 2020
(a) Claims against Company not acknowledge as debts*		
Income tax demands**	22.18	1.39
Value Added Tax / Central Sales Tax demands	3.27	9.51
Excise duty / service tax demand	-	0.11
Others	9.01	7.57
(A)	34.46	18.58
(b) Others		
Bonds executed in favour of customs authority	15.00	15.00
Bank guarantees (furnished to tax authorities)	1.58	1.58
Corporate guarantees (issued on behalf of subsidiaries to their bankers towards credit facilities) (refer note 41)	2,205.14	2,261.58
Others	4.90	5.59
(B)	2,226.62	2,283.75
Total	2,261.08	2,302.33

*These demands are disputed by the Company and the Company has filed appeals against these orders with various appellate authorities. The management is confident that the demands raised by the Officers of the respective departments are not tenable under the respective statutory provisions. Pending outcome of the aforesaid matters under litigation, no provision has been made in the books of account towards these demands. The Company does not expect any material adverse effect in respect of the above contingent liabilities.

** Net of tax provision made for pending litigations.

(c) The Company has issued comfort letter to provide continued financial support to its subsidiary Luxlite Lamp SARM.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

38. The Company has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Company is in the process of carrying out transfer pricing study for the year ended March 31, 2021 in this regard, to comply with the requirements of the Income Tax Act, 1961. The Management of the Company, is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the standalone Ind AS financial statements, particularly on account of tax expense and that of provision for taxation.

39. Employee benefit plans

(a) Defined contribution plans

The Company makes contributions to Provident Fund, Employee State Insurance scheme contributions which are defined contribution plan for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company has recognised the following amounts towards the defined contribution plans in the statement of profit and loss:

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Employers contribution to Provident Fund	44.34	44.55
Employers contribution to Employee State Insurance	6.56	7.95

(b) Defined benefit plans**Gratuity**

The Company offers gratuity benefits to employees, a defined benefit plan, gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the standalone statement of profit and loss and the funded status and amounts recognized in the standalone Balance Sheet.

Disclosure as per Ind AS 19

₹ in Million

	March 31, 2021	March 31, 2020
A. Change in defined benefit obligation		
Obligations at beginning of the year	199.04	176.94
Service cost	13.61	13.72
Interest cost	13.70	11.90
Benefits settled	(14.78)	(5.42)
Transfer in	0.09	-
Actuarial (gain) / loss (through OCI)	(0.94)	1.90
Obligations at end of the year (Gross)	210.72	199.04

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	March 31, 2021	March 31, 2020
B. Change in plan assets		
Plan assets at beginning of the year, at fair value	147.27	114.69
Expected return on plan assets	11.07	8.67
Contributions	30.00	30.00
Benefits settled	(14.78)	(5.42)
Actuarial gain / (loss) (through OCI)	(0.48)	0.73
Admin expenses / Taxes paid from plan assets	(1.55)	(1.40)
Plan assets at the end of the year	171.53	147.27
Present value of defined benefit obligation at the end of the year	(210.72)	(199.04)
Fair value of plan assets at the end of the year	171.53	147.27
C. Net liability recognised in the standalone balance sheet	(39.19)	(51.77)

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
D. Expenses recognised in the standalone statement of profit and loss:		
Service cost	13.61	13.72
Interest cost	13.70	11.90
Expected return on plan assets	(11.07)	(8.67)
Administrative Expenses / Taxes / Insurance Cost / Exchange Rate cost	1.55	1.40
Net gratuity cost	17.79	18.35

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
E. Re-measurement (gain) / loss in OCI		
Actuarial (gain) / loss due to demographic assumption changes in Defined Benefit Obligation (DBO)	-	-
Actuarial (gain) / loss due to financial assumption changes in DBO	0.34	(4.82)
Actuarial (gain) / loss due to experience on DBO	(1.28)	6.72
Return on plan assets (greater) / less than discount rate	0.48	(0.73)
Total Actuarial (Gain) / loss included in OCI	(0.46)	1.17

F. Actual return on plan assets	10.59	9.40
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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
G. Assumptions		
Discount rate	7.15%	6.83%
Estimated rate of return on plan assets	7.15%	6.83%
Salary increase rate (refer note K (i))	8% for first year & 9% thereafter	2% for first year, 8% second year & 9% thereafter
Attrition Rate	9.73% upto age 40 from Age 40-45 7.3%, Age 45-50 4.87%, Age 50-55 2.43%, Age 55 & above 1.22%.	9.73% upto age 40 from Age 40-45 7.3%, Age 45 -50 4.87%, Age 50-55 2.43%, Age 55 & above 1.22%.
Retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

₹ in Million

	March 31, 2021	March 31, 2020
H. Pay-outs to the plan assets		
Within one year	23.63	20.24
After one year but not more than five years	46.22	48.07
After five years	75.43	66.27
	145.28	134.58

I. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with insurer	100%	100%

J. A quantitative sensitivity analysis for significant assumption is as below (refer note K (ii) below) ₹ in Million

	Year ended March 31, 2021		Year ended March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
Effect of change in discount rate	(13.99)	16.15	(13.45)	15.56
Effect of change in salary growth	15.47	(13.65)	14.88	(13.11)
Effect of change in attrition rate	(2.63)	3.00	(2.42)	2.75

K. Notes	
(i)	The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.
(ii)	The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.
(iii)	The weighted average duration of the defined benefit obligation at the end of the reporting period is 11.86 years (March 31, 2020: 11.75 years).

40. Segment reporting

In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated Ind AS financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone Ind AS financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

41. Related party transactions

A. Related parties under Ind AS 24 and Companies Act, 2013

Related party relationship	Name of the related party																						
Subsidiaries (Direct):	Suprajit Automotive Private Limited, India ('Suprajit Automotive')																						
	Suprajit Europe Limited, U.K. ('Suprajit Europe')																						
	Suprajit USA Inc., USA ('Suprajit USA')																						
	Luxlite Lamp SARL, Luxembourg ('Luxlite Lamp')																						
	Trifa Lamps Germany GmbH, Germany ('Trifa Lamps')																						
Subsidiaries (Indirect):	Wescon Controls LLC ('Wescon')																						
Key Management Personnel (KMP) of the Company:	<table border="0"> <tr> <td style="vertical-align: top;">Mr. K Ajith Kumar Rai</td> <td style="vertical-align: top;">Chairman w.e.f. April 01, 2019. (Chairman and Managing Director upto March 31, 2019)</td> </tr> <tr> <td style="vertical-align: top;">Mr. Mohan Srinivasan Nagamangala</td> <td style="vertical-align: top;">Managing Director & Group Chief Executive Officer w.e.f. April 01, 2019. (Director and Chief Executive Officer upto March 31, 2019)</td> </tr> <tr> <td style="vertical-align: top;">Mr. Akhilesh Rai</td> <td style="vertical-align: top;">Director & Chief Strategy Officer w.e.f. June 12, 2020. (Chief Strategy Officer upto June 11, 2020).</td> </tr> <tr> <td style="vertical-align: top;">Mr. Medappa Gowda J</td> <td style="vertical-align: top;">Chief Financial Officer and Company Secretary</td> </tr> <tr> <td style="vertical-align: top;">Mr. Ian Williamson</td> <td style="vertical-align: top;">Independent Director</td> </tr> <tr> <td style="vertical-align: top;">Mr. B.S.Patil, IAS (Retd)</td> <td style="vertical-align: top;">Independent Director (upto February 02, 2020)</td> </tr> <tr> <td style="vertical-align: top;">Mr. Suresh Shetty</td> <td style="vertical-align: top;">Independent Director</td> </tr> <tr> <td style="vertical-align: top;">Mrs. Dr. Supriya A Rai</td> <td style="vertical-align: top;">Non-Executive Director</td> </tr> <tr> <td style="vertical-align: top;">Mrs. Bharathi Rao</td> <td style="vertical-align: top;">Independent Director (w.e.f. April 01, 2019)</td> </tr> <tr> <td style="vertical-align: top;">Mr. M. Lakshminarayan</td> <td style="vertical-align: top;">Independent Director (w.e.f. April 01, 2019)</td> </tr> <tr> <td style="vertical-align: top;">Mr. Harish Hassan Visweswara</td> <td style="vertical-align: top;">Independent Director (w.e.f. June 12, 2020)</td> </tr> </table>	Mr. K Ajith Kumar Rai	Chairman w.e.f. April 01, 2019. (Chairman and Managing Director upto March 31, 2019)	Mr. Mohan Srinivasan Nagamangala	Managing Director & Group Chief Executive Officer w.e.f. April 01, 2019. (Director and Chief Executive Officer upto March 31, 2019)	Mr. Akhilesh Rai	Director & Chief Strategy Officer w.e.f. June 12, 2020. (Chief Strategy Officer upto June 11, 2020).	Mr. Medappa Gowda J	Chief Financial Officer and Company Secretary	Mr. Ian Williamson	Independent Director	Mr. B.S.Patil, IAS (Retd)	Independent Director (upto February 02, 2020)	Mr. Suresh Shetty	Independent Director	Mrs. Dr. Supriya A Rai	Non-Executive Director	Mrs. Bharathi Rao	Independent Director (w.e.f. April 01, 2019)	Mr. M. Lakshminarayan	Independent Director (w.e.f. April 01, 2019)	Mr. Harish Hassan Visweswara	Independent Director (w.e.f. June 12, 2020)
Mr. K Ajith Kumar Rai	Chairman w.e.f. April 01, 2019. (Chairman and Managing Director upto March 31, 2019)																						
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Mr. M. Lakshminarayan	Independent Director (w.e.f. April 01, 2019)																						
Mr. Harish Hassan Visweswara	Independent Director (w.e.f. June 12, 2020)																						
Relatives of KMP:	<table border="0"> <tr><td style="vertical-align: top;">Mr. Akhilesh Rai</td></tr> <tr><td style="vertical-align: top;">Mr. Ashutosh Rai</td></tr> <tr><td style="vertical-align: top;">Mr. Aashish Rai</td></tr> <tr><td style="vertical-align: top;">Mr. Ashok Kumar Rai</td></tr> <tr><td style="vertical-align: top;">Mrs. Arati Shetty</td></tr> <tr><td style="vertical-align: top;">Mrs. Deeksha Bhandary</td></tr> </table>	Mr. Akhilesh Rai	Mr. Ashutosh Rai	Mr. Aashish Rai	Mr. Ashok Kumar Rai	Mrs. Arati Shetty	Mrs. Deeksha Bhandary																
Mr. Akhilesh Rai																							
Mr. Ashutosh Rai																							
Mr. Aashish Rai																							
Mr. Ashok Kumar Rai																							
Mrs. Arati Shetty																							
Mrs. Deeksha Bhandary																							
Enterprises in which directors / shareholders have significant influence	<table border="0"> <tr><td style="vertical-align: top;">Suprajit Foundation</td></tr> <tr><td style="vertical-align: top;">Supriyajith Family Trust</td></tr> </table>	Suprajit Foundation	Supriyajith Family Trust																				
Suprajit Foundation																							
Supriyajith Family Trust																							

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

B. Details of transactions entered into with related parties are as given below:

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products and services		
Subsidiaries		
Suprajit Automotive	3.41	24.92
Luxlite Lamp	484.69	477.54
Trifa Lamps	-	46.01
Wescon	29.60	58.74
	517.70	607.21
Sale of Property, plant and equipment		
Subsidiaries		
Suprajit Automotive	0.04	1.30
	0.04	1.30
Lease Rent Received		
Subsidiaries		
Suprajit Automotive	5.13	5.13
	5.13	5.13
Dividend income		
Subsidiaries		
Suprajit Automotive	59.70	59.70
Suprajit Europe	9.90	8.86
	69.60	68.56
Income on financial guarantee given		
Subsidiaries		
Suprajit USA	26.79	-
	26.79	-
Purchase of materials		
Subsidiaries		
Suprajit Automotive	2.54	4.69
Luxlite Lamp	13.85	-
Wescon	0.79	0.53
	17.18	5.22
Purchase of duty licenses		
Subsidiaries		
Suprajit Automotive	33.46	35.94
	33.46	35.94
Purchase of Property, plant and equipment		
Subsidiaries		
Suprajit Automotive	1.21	0.06
	1.21	0.06
Allowance for impairment in value of investments		
Subsidiaries		
Luxlite Lamp	-	107.97
Trifa Lamps	-	54.00
	-	161.97

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

B. Details of transactions entered into with related parties are as given below (cont.):

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Salary and perquisites:*		
KMP		
Mr. K Ajith Kumar Rai	49.17	49.11
Mr. Mohan Srinivasan Nagamangala	15.40	18.85
Mr. Medappa Gowda J	7.35	7.35
Mr. Akhilesh Rai	6.03	-
Relatives of KMP		
Mr. Akhilesh Rai	0.91	6.66
Mr. Ashutosh Rai	2.23	2.14
	81.09	84.11
Independent Directors remuneration (Commission and Sitting fee)		
Mr. B.S.Patil	-	0.61
Mr. Suresh Shetty	0.66	0.66
Mrs. Bharathi Rao	0.61	0.60
Mr. M. Lakshminarayan	0.62	0.59
Mr. Harish Hassan Visweswara	0.57	-
	2.46	2.46

*As the liabilities for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the KMP and relatives of KMP is not ascertainable and, therefore, not included above. Also during the FY 2018-19 the Company granted stock appreciation rights to some of its directors and KMP. Since such rights are not tradeable, no perquisite or benefit is immediately conferred upon the employee by such grant of rights, and accordingly the said rights has not been considered as remuneration.

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Dividend Paid		
Enterprises in which directors / shareholders have significant influence		
Supriyajith Family Trust	39.86	138.19
KMP		
Mr. K Ajith Kumar Rai	2.86	9.85
Mr. Mohan Srinivasan Nagamangala	0.01	0.02
Mr. Medappa Gowda J [^]	-	-
Mr. Akhilesh Rai	0.91	-
Mrs. Supriya Rai	1.32	4.57
Mr. Suresh Shetty	0.57	1.98
Mr. M. Lakshminarayan	-	0.01
Relatives of KMP		
Mr. Akhilesh Rai	-	3.12
Mr. Ashutosh Rai	0.90	3.13
Mr. Aashish Rai	0.90	3.12
Mr. Ashok Kumar Rai	0.02	0.07
Mrs. Arati Shetty	0.38	1.30
Mrs. Deeksha Bhandary	0.01	0.03
	47.74	165.39
[^] Rounded off		

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

B. Details of transactions entered into with related parties are as given below (cont.):

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Reimbursements of expenses to		
Subsidiaries		
Trifa Lamps	0.20	-
Luxlite Lamp	-	0.92
KMP		
Mr. K Ajith Kumar Rai	0.76	1.46
Mr. Mohan Srinivasan Nagamangala	0.17	0.44
Mr. Medappa Gowda J	0.11	0.31
Mr. Akhilesh Rai	1.03	-
Relatives of KMP		
Mr. Akhilesh Rai	-	0.77
Mr. Ashutosh Rai	0.10	0.24
	2.37	4.14
CSR expenditure (Contributed to)		
Suprajit Foundation (refer note 32(ii))	27.58	29.13
	27.58	29.13
Recovery of expenses from		
Subsidiaries		
Suprajit Automotive	6.06	4.63
Luxlite Lamp	0.40	0.60
Trifa Lamps	-	0.20
	6.46	5.43

C. Balances outstanding as at year ends:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Investment in shares		
Subsidiaries		
Suprajit Automotive	19.90	19.90
Suprajit Europe	186.00	186.00
Suprajit USA*	1,441.76	1,413.93
Luxlite Lamp	792.30	792.30
Trifa Lamps	312.00	312.00
	2,751.96	2,724.13

*Includes investments in the form of Financial guarantee provided to bankers of Suprajit USA Inc. amounting to ₹ 27.83 Million.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
C. Balances outstanding as at year ends (cont.):

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Allowance for impairment in value of investments		
Subsidiaries		
Luxlite Lamp	307.51	307.51
Trifa Lamps	54.00	54.00
	361.51	361.51
Recoverable from subsidiaries		
Subsidiaries		
Suprajit Automotive	6.77	4.61
	6.77	4.61
Trade receivables		
Subsidiaries		
Wescon	0.17	0.15
Luxlite Lamp	425.50	267.65
	425.67	267.80
Lease deposit payable		
Subsidiaries		
Suprajit Automotive	1.00	1.00
	1.00	1.00
Financial guarantee liability		
Subsidiaries		
Suprajit USA	1.29	-
	1.29	-
Trade payables		
Subsidiaries		
Luxlite Lamp	0.74	-
Trifa Lamps	0.20	-
Wescon	0.06	-
	1.00	-
Payable to KMP / Relatives of KMP		
KMP		
Mr. K Ajith Kumar Rai	35.86	26.33
Mr. Mohan Srinivasan Nagamangala	6.23	6.23
Mr. Medappa Gowda J	1.99	1.99
Mr. Akhilesh Rai	1.87	-
Mr. B.S.Patil	-	0.50
Mr. Suresh Shetty	0.50	0.50
Mrs. Bharathi Rao	0.50	0.50
Mr. M. Lakshminarayan	0.50	0.50
Mr. Harish Hassan Visweswara	0.50	-
Relatives of KMP		
Mr. Ashuthosh Rai	0.15	0.15
Mr. Akhilesh Rai	-	1.28
	48.10	37.98

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

C. Balances outstanding as at year ends (cont.):

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Corporate guarantees (refer note 37)		
Suprajit USA [USD 30 million (March 31, 2020 - USD 30 million)]	2,205.14	2,261.58
	2,205.14	2,261.58
Also refer note 37(c) for comfort letter given to subsidiary.		

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2021, the Company has not recorded any impairment of assets relating to amounts owed by related parties (March 31, 2020: impairment recorded for investments in Subsidiaries namely Luxlite Lamp and Trifa Lamps). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates..

42. Operating lease as lessor

The company has entered into lease agreement with subsidiary for the lease of vacant land. The total rental income for the year under non-cancellable operating leases amounted to ₹ 5.13 Million (March 31, 2020 ₹ 5.13 Million).

The future minimum lease receivable under non-cancellable operating leases are as follows:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Not later than one year	5.32	5.13
Later than one year and not later than five years	24.09	22.94
More than five years	247.21	253.68
Total	276.62	281.75

43. (i) Fair value

The carrying value of financial instruments by categories is as follows:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Financial assets measured at amortized cost		
Recoverable from subsidiaries*	6.77	4.61
Trade receivables*	2,732.50	2,202.00
Security deposits	47.54	43.61
Advances to employees*	9.33	8.76
Interest receivable on bank deposit and others*	2.83	1.98
Financial assets measured at fair value through profit and loss		
Investment in mutual funds	2,914.35	2,603.65
Foreign currency forward contracts	3.03	-
	5,716.35	4,864.61
Cash and cash equivalents and other balances with banks#		
Cash on hand	1.14	2.03
Balance with banks in current accounts	290.09	169.70
Balance with banks in EEFC accounts	38.05	38.80
Balance with banks in deposit accounts	6.82	6.76
Earmarked balances with banks being unpaid dividend accounts	23.01	22.15
Balance with banks in buy back 2021 escrow account	140.00	-
	499.11	239.44

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

43. (i) Fair value (contd...)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Financial liabilities measured at amortized cost*		
Borrowings	1,770.37	2,016.65
Lease liabilities	39.18	40.80
Trade payables	1,773.01	1,500.22
Employee related liabilities	79.43	63.15
Interest accrued but not due on borrowings	10.16	9.62
Capital creditors	13.87	14.66
Payable to directors	45.96	34.56
Security deposits	22.79	20.14
Unpaid dividend	23.01	22.15
Others	0.93	0.81
Financial liabilities measured at fair value through profit and loss		
Provision for MTM losses on foreign currency forward contract	-	5.67
Provision for MTM losses on Interest rate swap	1.01	1.70
	3,779.72	3,730.13

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature.
These accounts are considered to be highly liquid / liquid and the carrying amount of these are considered to be the same as their fair value.

43. (ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

₹ in Million

	Level 1	Level 2	Level 3	Total
	March 31, 2021			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	2,914.35	-	-	2,914.35
Foreign currency forward contracts	-	3.03	-	3.03
Total financial assets measured at fair value	2,914.35	3.03	-	2,917.38
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on Interest rate swap	-	1.01	-	1.01
Total financial liabilities measured at fair value	-	1.01	-	1.01

	Level 1	Level 2	Level 3	Total
	March 31, 2020			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	2,603.65	-	-	2,603.65
Total financial assets measured at fair value	2,603.65	-	-	2,603.65
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on foreign currency forward contract	-	5.67	-	5.67
Provision for MTM losses on Interest rate swap	-	1.70	-	1.70
Total financial liabilities measured at fair value	-	7.37	-	7.37

There have been no transfer between Level 1 , Level 2 and Level 3 during the year ended March 31, 2021 and March 31, 2020.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

43. (iii) Valuation technique used to determine fair value

- The Company holds derivative financial instruments such as foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Hence, the valuation is considered Level 2 by the management.
- The Company enters into contracts with financial institutions in nature of interest rate swap, the fair value of which is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data, therefore, are classified with in Level 2 of the valuation hierarchy.
- The Company has investment in quoted mutual funds these investments other than investment in subsidiaries are carried at fair value through profit and loss using quoted prices in active markets and accordingly classified with in Level 1 of the valuation hierarchy.

44. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to ensure sustained growth in the business and to maximise the shareholders value.

₹ in Million

	As at March 31, 2021	As at March 31, 2020
A. Total equity attributable to the share holders of the Company (Capital)	9,115.22	7,816.49
B. Borrowings		
Non-current borrowings	215.25	311.44
Current borrowings	1,447.50	1,550.21
Current maturities of non-current borrowings	107.62	155.00
Lease Liabilities	39.18	40.80
Less: Cash and cash equivalents	(329.28)	(210.53)
Less: Current investments (For March 31, 2021: limited to the extent of borrowings)	(1,480.27)	(1,788.54)
Net debt	-	58.38
C. Total capital and net debt (A+B)	9,115.22	7,874.87
D. Gearing ratio (B / C)	0%	1%

- The Company is predominantly equity financed as evident from the capital structure table above. Further the Company has sufficient cash and cash equivalents, current investments and financial assets which are liquid to meet the debts.
- In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current year.

45. Financial risk management

Objective and policies:

The Company's principal financial liabilities comprise borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit and loss investments and derivative financial instruments.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2021.

(i) (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate due to change in the market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates.

The Company enters into contracts with financial institutions in nature of interest rate swap, to mitigate the risk of changes in interest rates in respect of its borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's profit before tax due to change in the interest rate / fair value of financial liabilities are as disclosed below:

₹ in Million

	Year ended March 31, 2021		Year ended March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
Effect of profit before tax expense	(18.32)	18.32	(20.78)	20.78

(i) (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign operations and foreign currency revenues and expenses. The Company has exposures to United States Dollars ('USD'), Great Britain Pound ('GBP'), Euro ('EUR') and other currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its trade receivables.

Below is the summary of unhedged foreign currency exposure of Company's financial assets and liabilities.

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets				
USD	2.49	1.61	180.56	119.89
EUR	5.12	3.37	441.31	279.71
GBP	0.15	0.07	15.04	6.24
Total			636.91	405.84
Financial liabilities				
USD	0.87	0.98	64.12	74.02
EUR	9.36	11.29	806.05	937.72
GBP [^]	-	-	0.35	0.13
Others	2.44	1.89	27.27	20.33
Total			897.79	1,032.20
Net financial assets			(260.88)	(626.36)
[^] Rounded off				

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these transactions are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Forward contracts outstanding are as below:

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
EUR*	0.60	0.41	50.68	33.88
EUR**	2.40	4.00	221.50	342.63

* towards foreign currency receivables.

** towards highly probable foreign currency sales.

Sensitivity analysis

Every 1% appreciation or depreciation of the respective foreign currencies compared to functional currency of the Company would cause the profit before tax in proportion to revenue to increase or decrease respectively by 0.02% (March 31, 2020: 0.05%).

(i) (c) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of automotive cables & lamps and therefore require a continuous supply of below said products. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Commodity price sensitivity

The following table shows the effect of price changes in below said products:

₹ in Million

	Year ended March 31, 2021		Year ended March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax				
Steel wire	(13.02)	13.02	(12.95)	12.95
Cable components	(41.74)	41.74	(38.42)	38.42
Glass tube	(2.67)	2.67	(2.28)	2.28
Lamp components	(14.27)	14.27	(12.28)	12.28

(ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

a. Trade receivables

Credit risk is managed by each business unit as per the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

b. Credit risk exposure

The Company's credit period generally ranges from 0-270 days. The credit risk exposure of the Company is as below:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Trade receivables (A)	2,737.04	2,216.19
Impairment allowance (allowance for bad and doubtful debts)		
Balance as per last financial statements	14.19	10.62
Add / (Less): Charge / (reversal) for the year	(6.98)	4.69
Less: Utilised during the year	(2.67)	(1.12)
Closing balance (B)	4.54	14.19
Total (A - B)	2,732.50	2,202.00

The Company evaluates the concentration of risk with respect to trade receivables as low, since majority of its customers are reputed automobile companies and are spread across multiple geographies.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

c. Financial instruments and cash deposits

Credit risk is limited, as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investment primarily includes investment in liquid mutual fund units. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents, investment in mutual funds and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents and deposits is as below:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Cash on hand	1.14	2.03
Balance with banks	334.18	209.59
Investment in mutual funds	2,580.16	1,788.54
	2,915.48	2,000.16

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

₹ in Million

	On demand	1-180 days	180-365 days	> 365 days	Total
March 31, 2021					
Non-current borrowings	-	-	-	215.25	215.25
Current borrowings	1,447.50	-	-	-	1,447.50
Lease liabilities*	-	2.72	2.72	60.33	65.77
Trade payables	-	1,773.01	-	-	1,773.01
Other financial liabilities	23.01	205.24	53.81	22.72	304.78
Total	1,470.51	1,980.97	56.53	298.30	3,806.31
March 31, 2020					
Non-current borrowings	-	-	-	311.44	311.44
Current borrowings	1,550.21	-	-	-	1,550.21
Lease liabilities*	-	2.72	2.72	65.70	71.14
Trade payables	-	1,500.22	-	-	1,500.22
Other financial liabilities	22.15	217.92	65.79	21.60	327.46
Total	1,572.36	1,720.86	68.51	398.74	3,760.47
*Includes future cash outflow toward estimated interest on lease liabilities.					

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

46. On June 03, 2019 the Company had entered into an asset purchase agreement to acquire Halogen bulb manufacturing unit of Osram Lighting Private Limited situated near Chennai, Tamil Nadu. All the conditions precedent to the said acquisition were completed by October 03, 2019 and effective from October 04, 2019, the said unit commenced its operation as a part of Phoenix lamp division of the Company. The acquisition increased Company's Halogen bulb manufacturing capacity and further de-risked business. The Company evaluated the transaction as per the requirements of Ind AS-103 Business Combinations and carried out Purchase price allocation (PPA) through an external valuer. Considering that the valuation as per aforesaid PPA was not materially different from the transaction value as per asset purchase agreement, the Company recorded the transaction at transaction values for assets and liabilities during the year ended March 31, 2020 as set out below.

₹ in Million

Assets		
Property, plant and equipment*		193.66
Intangible assets		0.14
Other non-current assets		2.46
Inventories		84.54
Loans (current)		0.76
Other current assets		1.69
Total	(A)	283.25
Liabilities		
Liability for employee benefits		(4.76)
Total	(B)	(4.76)
Total Consideration	(A-B)	278.49
*The Company additionally incurred ₹ 9.14 Million as stamp duty charges on registration of Freehold Land and Building acquired from Osram Lighting Private Limited.		

47. Employee Stock Appreciation Rights ('ESAR') (Equity Settled):

Employee Stock Appreciation Rights Plan - 2017 (the ESAR 2017 Plan): Effective June 26, 2018, the Company instituted the ESAR 2017 plan. The Board of directors of the Company and shareholders approved the ESAR 2017 plan at its meeting held on September 13, 2017 and November 11, 2017 respectively. The ESAR 2017 Plan provides for the issue of stock appreciation rights (SARs) to certain employees of the Company and its subsidiaries.

The ESAR 2017 Plan is administered by the Nomination and Remuneration Committee. As per the ESAR 2017 Plan, the stock appreciation rights are granted at the exercise price of ₹ 1 /-. The equity shares covered under these stock appreciation rights vest over five years from the date of grant. The exercise period is five years from the respective date of vesting.

The movement in the rights under the ESAR 2017 plan for the year ended March 31, 2021 is set out below

	Year ended March 31, 2021	Year ended March 31, 2020
The ESAR 2017 Plan	No. of stock appreciation rights	
SARs Outstanding at the beginning of the year	825,751	848,442
SARs Granted during the period	-	-
SARs Forfeited / Surrendered during the year	5,558	22,691
SARs Lapsed during the year	980	-
SARs Exercised during the year	-	-
SARs Outstanding at the end of the year	819,213	825,751
SARs exercisable at the end of the year	-	-

The stock appreciation rights outstanding on March 31, 2021 has the weighted average remaining contractual life of 6.02 years (March 31, 2020 7.02 years).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The weighted average fair value of stock appreciation rights granted was ₹ 128.14. The Black - Scholes valuation model has been used for computing the weighted fair value considering the following inputs:

	Input Values
Weighted average share price on the date of Grant (₹)	257.65
Exercise Price (₹)	1
Expected Volatility*	35.79%
Life of rights granted in years	1-5 Years
Average risk free interest rate	7.92
Dividend Yield	0.54

* The expected volatility was determined based on historical volatility data

Total Employee Compensation Cost pertaining to the ESAR 2017 plan during the year is ₹ 21.92 Million [March 31, 2020: ₹ 1.61 Million (net of reversal of ₹ 23.87 Million)], net of cross charge to subsidiary.

48. The Code on Social Security, 2020 which received the President's assent on September 28, 2020 subsumes nine laws relating to Social security, retirement and employee benefits, including the Provident Fund and Gratuity. The effective date of the Code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.
49. At the time of finalisation of these standalone financial statements the severity of the pandemic in the form of second wave is peaking day by day across the country and on account of which various state Governments have started imposing lockdown like restrictions in various parts of the country. The situation though is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of COVID-19 and due to which the Company will continue to closely monitor any material changes to future economic conditions, if any.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar

Partner

Membership No.: 213803

For and on behalf of the Board of Directors of Suprajit Engineering Limited

K Ajith Kumar Rai

Chairman

DIN: 01160327

Mohan Srinivasan Nagamangala

Managing Director &

Group Chief Executive Officer

DIN: 01916468

Medappa Gowda J

Chief Financial Officer &

Company Secretary

Place : Bengaluru

Date : May 29, 2021

Place : Bengaluru

Date : May 29, 2021

CONSOLIDATED FINANCIAL STATEMENTS
OF
SUPRAJIT ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT

To
The Members of **Suprajit Engineering Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Suprajit Engineering Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group, as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those

Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Goodwill (as described in Note 4 of the consolidated financial statements)	
<p>As at March 31, 2021, the total goodwill recognized in the consolidated balance sheet amounts to Rs. 1,356.70 million (net of impairment) pertaining to two acquired entities i.e. Wescon Controls LLC and Luxlite Lamp SARL, which are separate cash generating units ('CGUs').</p> <p>To assess if there is an impairment in the goodwill, the management conducts impairment tests at CGU level to which the goodwill is attributable, annually or whenever changes in circumstances or events indicate that, the carrying amount of such goodwill may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value.</p> <p>The recoverable amount of the CGU is estimated by calculating the value in use of the CGU to which goodwill is attributable, basis valuation conducted by an external valuation specialist ('management's expert') factoring future business plans and such valuation reports/ future business plans which are reviewed and approved by the Audit Committee/ Board of Directors of the Company. In view of the COVID -19 pandemic, the management has reassessed its future business plans and key assumptions as at March 31, 2021 while assessing the adequacy of impairment provision.</p> <p>This is a key audit matter as the testing of goodwill impairment is complex and involves significant judgement. The key assumptions included in impairment tests are projected revenue growth, operating margins, discount rates and terminal growth.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the Group's internal controls over its annual impairment assessment and key assumptions applied such as revenue growth, operating margins, discount rates and terminal growth rates; • In respect of the external valuation specialist engaged by the Group, we obtained the valuation report from the management and assessed the independence, objectivity and competence of the management expert; • We tested the key assumptions and considered the sensitivity scenarios performed by management's expert; • We tested the methodologies used and the computations by the management's expert in their valuation reports; and • We assessed the disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

Other Information

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated 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.

Those Charged with Governance of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated 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 financial statements of which we are the independent auditors. For the other entities included in the consolidated 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 Holding Company and such other entities included in the consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 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.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of six subsidiaries, whose financial statements include total assets (before consolidation adjustments) of Rs. 6,173.14 million as at March 31, 2021, total revenues (before consolidation adjustments) of Rs. 7,146.18 million and net cash inflows of Rs 39.98 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

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

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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 and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose report we have relied upon 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 financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company,

INDEPENDENT AUDITOR'S REPORT

- none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, refer to our separate Report in "Annexure " to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Holding Company and its subsidiary, incorporated in India to their directors in accordance with the provisions of section 197 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements - Refer Note 38(a) to the consolidated financial statements;
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer note 20 and 43(ii) to the consolidated financial statements in respect of such items as it relates to the Group;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary Company, incorporated in India during the year ended March 31, 2021.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004

per **Rajeev Kumar**

Partner

Membership Number: 213803

UDIN: 21213803AAAACD5708

Place of Signature: Bengaluru

Date: May 29, 2021

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

Report on the Internal Financial Controls 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 financial statements of Suprajit Engineering Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company (the Holding Company and its subsidiary company together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included

obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 With Reference to Consolidated Financial Statements

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

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to one subsidiary company,

which is a company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary company, incorporated in India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004

per **Rajeev Kumar**

Partner

Membership Number: 213803

UDIN: 21213803AAAACD5708

Place of Signature: Bengaluru

Date: May 29, 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

₹ in Million

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,465.72	3,503.54
Capital work in progress	3	41.73	145.49
Right-of-use assets	6	339.40	262.22
Goodwill	4	1,356.70	1,374.75
Other intangible assets	5	819.36	993.94
Intangible assets under development	5	7.61	6.24
Financial assets			
Investments	8	347.85	889.70
Other bank balances	11	0.78	5.67
Loans	12	57.77	54.50
Other financial assets	13	5.52	-
Income tax assets (net)	14	37.90	47.65
Other non-current assets	15	44.02	37.46
		6,524.36	7,321.16
Current assets			
Inventories	7	3,145.29	2,762.00
Financial assets			
Investments	8	2,847.32	1,873.19
Trade receivables	9	3,319.59	2,750.03
Cash and cash equivalents	10	770.75	611.77
Other bank balances	11	170.07	24.15
Loans	12	10.10	10.01
Other financial assets	13	4.12	57.74
Other current assets	15	341.05	395.11
		10,608.29	8,484.00
Total assets		17,132.65	15,805.16
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	139.87	139.87
Other equity	17	9,757.24	8,397.81
Total equity		9,897.11	8,537.68
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18 (a)	350.53	660.21
Lease Liabilities	18 (b)	135.13	59.15
Other financial liabilities	20	23.93	31.11

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

₹ in Million

	Notes	As at March 31, 2021	As at March 31, 2020
Provisions	21	136.73	152.08
Deferred tax liabilities (net)	23	552.24	562.74
Other non current liabilities	24	11.53	13.44
		1,210.09	1,478.73
Current liabilities			
Financial liabilities			
Borrowings	18 (a)	2,353.88	2,452.92
Lease Liabilities	18 (b)	47.13	43.91
Trade payables	19		
Total outstanding dues of micro and small enterprises		355.98	96.46
Total outstanding dues of creditors other than micro and small enterprises		2,120.01	2,043.65
Other financial liabilities	20	779.45	901.72
Other current liabilities	24	148.26	72.46
Provisions	21	134.89	117.95
Current tax liabilities (net)	22	85.85	59.68
		6,025.45	5,788.75
Total liabilities		7,235.54	7,267.48
Total equity and liabilities		17,132.65	15,805.16

Corporate information and significant accounting policies (refer note 1 & 2)

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

As per our report of even date**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar

Partner

Membership No.: 213803

**For and on behalf of the Board of Directors of
Suprajit Engineering Limited****K Ajith Kumar Rai**

Chairman

DIN: 01160327

Mohan Srinivasan Nagamangala

Managing Director &

Group Chief Executive Officer

DIN: 01916468

Medappa Gowda J

Chief Financial Officer &

Company Secretary

Place : Bengaluru

Date : May 29, 2021

Place : Bengaluru

Date : May 29, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
I Income			
Revenue from operations	25	16,408.55	15,628.32
Other income	26	335.92	223.84
Total income		16,744.47	15,852.16
II Expenses			
Cost of materials consumed	27	9,398.29	8,564.97
Purchases of stock-in-trade	28	283.35	526.24
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(134.46)	59.33
Employee benefits expense	30	3,083.45	2,926.91
Finance costs	31	192.18	226.57
Depreciation and amortization expense	32	567.57	581.26
Other expenses	33	1,410.71	1,363.87
Total expenses		14,801.09	14,249.15
III Profit before exceptional items and tax expense (I-II)		1,943.38	1,603.01
IV Exceptional items (net)	34	-	(274.38)
V Profit before tax expense (III-IV)		1,943.38	1,328.63
VI Tax expense (net):	35		
Current tax		503.04	467.00
Deferred tax charge / (credit)		(1.71)	(104.67)
Current tax relating to earlier periods		14.95	(73.35)
Total tax expenses		516.28	288.98
VII Profit for the year (V-VI)		1,427.10	1,039.65
VIII Other comprehensive income ('OCI'), net of taxes			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Re-measurement gain / (loss) on defined benefit plan		0.62	(2.47)
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Net exchange differences on translation of foreign operations		7.01	192.41
Net change in fair value of Hedging instrument		5.53	(6.13)
Total other comprehensive income		13.16	183.81
IX Total comprehensive income for the year (VII+VIII) Comprising Profit and other comprehensive Income		1,440.26	1,223.46

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
X Basic and Diluted earnings per equity share [nominal value of share ₹ 1 (March 31, 2020: ₹ 1)]	36	10.20	7.43
Corporate information and significant accounting policies	1 & 2		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar

Partner

Membership No.: 213803

For and on behalf of the Board of Directors of
Suprajit Engineering Limited

K Ajith Kumar Rai

Chairman

DIN: 01160327

Mohan Srinivasan Nagamangala

Managing Director &

Group Chief Executive Officer

DIN: 01916468

Medappa Gowda J

Chief Financial Officer &

Company Secretary

Place : Bengaluru

Date : May 29, 2021

Place : Bengaluru

Date : May 29, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021
A. Equity share capital (refer note 16)

	No. in Million	₹ in Million
Equity shares of ₹1 each issued, subscribed and fully paid-up		
As at April 1, 2019	139.87	139.87
Issued during the year	-	-
As at March 31, 2020	139.87	139.87
Issued during the year	-	-
As at March 31, 2021	139.87	139.87

B. Other equity (refer note 17)

₹ in Million

	Attributable to equity holders of the Company							Total
	Reserves and surplus						OCI	
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserves	Surplus in the statement of profit & loss	Foreign currency translation reserve	
As at April 1, 2019	5.13	293.70	1,861.81	3,318.33	50.22	1,897.30	184.37	7,610.86
Add: Profit for the year	-	-	-	-	-	1,039.65	-	1,039.65
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	(2.47)	-	(2.47)
Less: Net change in fair value of Hedging instrument (net of tax)	-	-	-	-	-	(6.13)	-	(6.13)
Add: Share based payments expense	-	-	-	-	1.90	-	-	1.90
Add / Less: Transfer to general reserve	-	-	-	750.00	-	(750.00)	-	-
Less: Cash dividends	-	-	-	-	-	(363.66)	-	(363.66)
Less: Dividend distribution tax	-	-	-	-	-	(74.75)	-	(74.75)
Add: Net exchange differences on translation of foreign operations	-	-	-	-	-	-	192.41	192.41
Balance as at March 31, 2020	5.13	293.70	1,861.81	4,068.33	52.12	1,739.94	376.78	8,397.81
Add: Profit for the year	-	-	-	-	-	1,427.10	-	1,427.10
Add: OCI - Re-measurement gain on defined benefit obligation (net of tax)	-	-	-	-	-	0.62	-	0.62
Add: Net change in fair value of Hedging instrument (net of tax)	-	-	-	-	-	5.53	-	5.53
Add: Share based payments expense	-	-	-	-	24.07	-	-	24.07

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	Attributable to equity holders of the Company							
	Reserves and surplus						OCI	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserves	Surplus in the statement of profit & loss	Foreign currency translation reserve	
Add/ Less: Transfer to general reserve	-	-	-	750.00	-	(750.00)	-	-
Less: Cash dividends	-	-	-	-	-	(104.90)	-	(104.90)
Add: Net exchange differences on translation of foreign operations	-	-	-	-	-	-	7.01	7.01
Balance as at March 31, 2021	5.13	293.70	1,861.81	4,818.33	76.19	2,318.29	383.79	9,757.24

Corporate information and significant accounting policies (refer notes 1 & 2)

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar

Partner

Membership No.: 213803

For and on behalf of the Board of Directors of
Suprajit Engineering Limited

K Ajith Kumar Rai

Chairman

DIN: 01160327

Mohan Srinivasan Nagamangala

Managing Director &

Group Chief Executive Officer

DIN: 01916468

Medappa Gowda J

Chief Financial Officer &

Company Secretary

Place : Bengaluru

Date : May 29, 2021

Place : Bengaluru

Date : May 29, 2021

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
A Operating activities		
Profit before tax expense	1,943.38	1,328.63
Adjustments to reconcile profit before tax expense to net cash flows:		
Depreciation and amortization expense	567.57	581.26
Allowance for doubtful receivables (net)	19.44	20.58
Loss / (profit) on disposal of property, plant and equipment (net)	(0.31)	1.32
Liabilities no longer required written back	(0.20)	(0.45)
Fair value gain in financial instruments	(225.50)	(101.19)
Finance cost	192.18	226.57
Interest income	(1.61)	(40.85)
Employee share based payments	24.07	1.90
Exceptional Items	-	274.38
Operating profit before working capital changes	2,519.02	2,292.15
Working capital adjustments:		
(Increase) / decrease in inventories	(374.32)	19.68
(Increase) / decrease in trade receivables	(561.27)	200.11
(Increase) / decrease in loans	(3.06)	(11.68)
(Increase) / decrease in other financial assets	48.88	56.50
(Increase) / decrease in other assets	58.94	42.61
Increase / (decrease) in trade payables	312.11	326.33
Increase / (decrease) in other financial liabilities	15.68	(77.72)
Increase / (decrease) in provisions	2.79	(15.14)
Increase / (decrease) in other liabilities	73.67	(42.14)
Cash generated from operations	2,092.44	2,790.70
Direct taxes paid (net of refund)	(482.29)	(470.39)
Net cash flows from operating activities	1,610.15	2,320.31
B Investing activities		
Purchase of property, plant and equipment and other intangible assets	(254.82)	(669.51)
Proceeds from sale of property, plant and equipment	3.56	5.59
Purchase of investments	(2,286.79)	(1,060.00)
Sales of investments	2,080.01	118.17
Movement in deposits (net)	(141.03)	(0.89)
Interest received	0.83	41.29
Net cash flows used in investing activities	(598.24)	(1,565.35)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
C Financing activities		
Movement in working capital loans (net)	(87.65)	400.58
Movement in long term borrowings (net)	(424.03)	(286.63)
Interest paid	(193.49)	(226.64)
Payment of lease liabilities	(51.02)	(57.63)
Dividend paid to equity shareholders	(104.04)	(361.68)
Dividend distribution tax	-	(74.75)
Net cash flows used in financing activities	(860.23)	(606.75)
D Net increase in cash and cash equivalents (A+B+C)	151.68	148.21
Net foreign exchange difference on cash and cash equivalents	7.30	21.27
Cash and cash equivalents at the beginning of the year	611.77	442.29
E Cash and cash equivalents at the end of the year (refer note 10)	770.75	611.77
Cash and cash equivalents at the end of the year comprises -		
Cash on hand	1.25	2.14
Balance with banks on		
Current accounts	724.04	549.36
EEFC accounts	45.46	60.27
Total cash and cash equivalents	770.75	611.77

Corporate information and significant accounting policies (refer notes 1 & 2)

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

As per our report of even date**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar

Partner

Membership No.: 213803

**For and on behalf of the Board of Directors of
Suprajit Engineering Limited****K Ajith Kumar Rai**

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Mohan Srinivasan Nagamangala

Managing Director &

Group Chief Executive Officer

DIN: 01916468

Medappa Gowda J

Chief Financial Officer &

Company Secretary

Place: Bengaluru

Date: May 29, 2021

Place: Bengaluru

Date: May 29, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. Corporate information

The consolidated financial statements comprise financial statements of Suprajit Engineering Limited ('SEL' or 'the Company' or 'the Holding Company') and its subsidiaries (collectively, 'the Group'). SEL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange in India. The registered office of the Holding Company is situated at No. 100 & 101, Bommasandra Industrial Area, Bengaluru - 560 099.

The Group is engaged in the business of manufacturing of auto components consisting mainly of control cables, speedo cables, auto lamps and other components for automobiles and caters to both domestic and international markets.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on May 29, 2021.

2. Significant accounting policies

(a) Basis of preparation of Consolidated financial statements

The consolidated financial statements of the Group have been

prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value at the end of the reporting period, as explained further in the accounting policies below. The consolidated financial statements are presented in Indian Rupees ("INR / ₹") and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

(b) Basis of consolidation

The consolidated financial statements for the year ended March 31, 2021 comprise the financial statements of Suprajit Engineering Limited and its subsidiaries (collectively referred to as "the Group").

Following subsidiaries have been considered in the preparation of the consolidated financial statements:

Name of entity	Relationship	Country of Incorporation	% of Ownership Interest	
			March 31, 2021	March 31, 2020
Suprajit Automotive Private Limited	Subsidiary	India	100%	100%
Suprajit Europe Limited	Subsidiary	United Kingdom	100%	100%
Suprajit USA Inc.	Subsidiary	USA	100%	100%
Trifa Lamps, Germany GmbH	Subsidiary	Germany	100%	100%
Luxlite Lamp SARL	Subsidiary	Luxembourg	100%	100%
Wescon Controls LLC	Subsidiary of Suprajit USA Inc	USA	100%	100%

All the above subsidiaries are under the same management. Suprajit USA Inc. is an investment company holding Wescon Controls LLC and all other subsidiaries are engaged in the same principle activities as the holding company.

Control exists when the parent has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent, to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- i. Combine like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the date on which the investment in the subsidiaries were made, is recognized as 'Goodwill' being an intangible asset in the consolidated financial statements and is tested for an impairment on an annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Company, it is recognized as 'Capital Reserve' and shown in 'Other Equity', in the consolidated financial statements. The 'Goodwill/Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.
- iii. Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant & equipment are eliminated in full).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group.

(c) Use of estimates, assumptions and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

Estimation of uncertainties relating to COVID-19

The Group has considered the possible effects that may result from the global health pandemic relating to COVID-19 on its operations. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal sources of information and market based intelligence to arrive at its estimates.

Impairment of financial assets

In accordance with Ind AS 109, the Group assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses, which are measured through a loss allowance.

The Group provides for impairment of trade receivables based on assumptions about risk of default and expected timing of collection. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in note 2(p).

Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by external valuation experts and in certain cases by management internally (refer note 4 and 5).

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date (Refer note 40).

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

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

Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of

judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 2(g).

Share-based payments (Employee Stock Appreciation Plan)

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 46.

Taxes

The Group's two major tax jurisdictions are India and the United States, though the Group also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes and tax credits including the amount expected to be paid or refunded. Also refer note 2(j) and note 35.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Leases

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 Group makes an assessment on 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. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

that no changes are required to lease period relating to the existing lease contracts [Refer to note 2(n)].

(d) Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(e) Business combination and goodwill

The Group accounts for its business combinations using acquisition method of accounting. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair

value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually as at March 31 or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in the consolidated statement of profit and loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

(f) Foreign currencies

The Consolidated financial statements are presented in Indian Rupee (₹), which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the Company and its Indian subsidiaries is Indian Rupee whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the consolidated balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the consolidated statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the consolidated balance sheet date. Statement of profit and loss have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the consolidated statement of changes in equity.

(g) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group's management determines the policies and procedures for fair value measurement. External valuers are involved, wherever considered necessary.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarizes accounting policy for fair value and the other fair value related disclosures are given in the relevant notes.

(h) Revenue from contract with customer

The Group earns revenue from contract with customer primarily from sale of goods.

Revenue from contract with customers is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer, it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Revenues in excess of invoicing are classified as contract assets (which we refer to as Unbilled Revenue).

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The revenue is collected immediately upon sale of goods or as per agreed credit terms which is within 0 to 270 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Variable Consideration

Rights of return, volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

Sale of Services

Revenue from service contracts are recognized as per the contractual terms as and when the services are rendered. No further obligations remains and the collection is probable.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the consolidated statement of profit and loss.

Export benefits

Export entitlements in the form of Merchandise Export from India (MEIS) and Duty Entitlement Pass Book / draw back (DEPB) are recognized in the consolidated statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(i) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached

conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the consolidated statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as other liabilities.

(j) Taxes on income

Tax Expense comprises of current tax and deferred tax and is recognized in the consolidated statement of profit and loss.

Current income tax assets and liabilities is the amount of income tax determined to be payable / recoverable in respect of taxable income as computed in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside the consolidated statement of profit or loss is recognized outside the consolidated statement of profit or loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets include Minimum Alternative Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the consolidated balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

(k) Property, plant and equipment

Property, plant and equipment and capital-work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the

Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as specified in Schedule II to the Act except in case of certain assets wherein depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Useful lives (years)

Buildings - Factory	10 to 30
Buildings - Others	60
Electrical installations	21
Plant and equipments	5 to 30
Dies and moulds	5
Furniture and fixtures	10 and 15
Office equipments	3 to 10
Vehicles	5 and 10
Computers	3 and 6

In respect of plant and machinery (excluding pipelines and electrical fittings etc.) used at any time during the year on double shift or triple shift basis, the depreciation for that period is increased by 50% or 100%, respectively.

Effective April 01, 2019 the Group has revised the useful life of Dies and moulds based on the technical evaluation. The previously applied useful life was 15 years and revised useful life is 5 years. The depreciation expense in consolidated statement of profit and loss for the year ended March 31, 2021 is higher by ₹ 10.51 Million (March 31, 2020: ₹ 26.51 Million) consequent to the change in useful life.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

(l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the consolidated statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Group's intangible assets, is as below:

	<u>Useful lives (years)</u>
Software	3
Business rights	5
Patents	5
Customer relationship	10
Non-compete agreement	1
Trade marks	10

Effective April 01, 2019 the Group revised the useful life of Customer relationship and Trade marks. The previously

applied useful life was 13 years for customer relationship and Indefinite life for Trademarks and revised useful life is 10 years for both customer relationship and Trade marks. The amortisation expense in consolidated statement of profit and loss for the year ended March 31, 2021 is higher by ₹ 47.83 Million (March 31, 2020: ₹ 45.69 Million) consequent to aforesaid change in useful life.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(n) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. as follows:

	<u>Useful lives (years)</u>
Leasehold land	15 to 99
Buildings	1 to 4

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (refer note 18(b)).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(o) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location

and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- Finished goods and work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(p) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

recent budgets / forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(q) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranty is recognized based on the historical experience and future estimate claims by the management. The estimate of such warranty related costs is revised annually.

(r) Retirement and other employee benefits

Retirement benefit in the form of provident funds and employee state insurance which are defined contribution schemes. The Group has no obligation, other than the contribution payable to the provident fund and employee

state insurance. The Group recognizes contribution payable to the provident fund scheme and employee state insurance scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund i.e. Employee's Group Gratuity cum Life Assurance Scheme of Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the consolidated statement of profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the consolidated statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Group

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has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(s) Share-based payment (Employee Stock Appreciation Plan)

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model (refer note 46).

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and / or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is

otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(t) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

A 'debt instrument' is measured at the amortized cost, if both the following conditions are met:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI.

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit or loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original Effective interest rate ('EIR'). ECL allowance (or reversal) recognized during the period is considered as income / expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit or loss.

The Group uses a provision matrix based on age to determine impairment loss allowance on portfolio of its trade receivables.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include borrowings, lease liabilities, trade and other payables, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through the statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Loans and borrowings

Borrowings is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee

Financial guarantee issued by the Group that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument, is recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

Offsetting of financial instruments

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

(u) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swap to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of profit and loss.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through statement of profit and loss. Derivative designated as hedge and is effective as per Ind AS 109, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income.

(v) Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(w) Consolidated statement of cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(x) Cash dividend to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(y) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

(z) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The effects of anti-dilutive potential equity shares are not considered in calculating dilutive earnings per share.

(aa) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as the chief operating decision maker.

The Group has identified a single business segment being manufacturing and selling of automotive and other components. This being a single segment no additional segment disclosure has been made for the business segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

The Group's operations are categorized geographically as (a) India (b) United States of Americas ('USA') (c) Rest of the world. 'Rest of the world' comprises the Group's operations in the 'United Kingdom', 'Germany' and 'Luxembourg'. Customer relationships are driven based on customer domicile.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

Changes in accounting policies and disclosures**New and amended standards**

Several amendments and interpretations apply for the first time in March, 2021, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
3 (i) Property, plant and equipment

₹ in Million

Cost	Freehold Land	Leasehold land*	Buildings	Electrical installations	Plant and equipments	Dies and moulds	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
As at April 1, 2019	230.05	27.74	1,418.61	158.75	1,676.13	71.09	53.87	40.18	125.32	27.57	3,829.31
Additions	5.18	-	277.08	51.99	176.57	28.52	7.80	9.51	28.16	5.38	590.19
Acquisition (refer note 47)	46.00	-	29.33	-	112.20	-	0.35	0.05	4.64	1.09	193.66
Disposals	-	-	-	-	(5.48)	-	(0.05)	(3.75)	(3.98)	(2.48)	(15.74)
Exchange differences	-	-	20.00	-	39.31	-	0.31	0.46	8.18	-	68.26
As at March 31, 2020	281.23	27.74	1,745.02	210.74	1,998.73	99.61	62.28	46.45	162.32	31.56	4,665.68
Additions	-	-	119.06	37.29	121.36	21.10	12.23	1.07	9.72	11.86	333.69
Disposals	-	-	-	(1.34)	(6.74)	(0.18)	(0.01)	(0.81)	(1.91)	(0.74)	(11.73)
Exchange differences	-	-	(5.41)	-	(8.35)	-	1.04	0.21	(1.70)	-	(14.21)
As at March 31, 2021	281.23	27.74	1,858.67	246.69	2,105.00	120.53	75.54	46.92	168.43	42.68	4,973.43
Depreciation											
As at April 1, 2019	-	0.70	170.76	28.52	465.56	13.39	11.10	10.84	54.23	17.20	772.30
Charge for the year	-	-	69.70	10.66	210.15	37.16	5.39	6.80	26.00	5.67	371.53
Disposals	-	-	-	-	(2.75)	-	-	(2.04)	(1.78)	(2.38)	(8.95)
Exchange differences	-	-	3.29	-	18.06	-	0.26	0.42	5.23	-	27.26
As at March 31, 2020	-	0.70	243.75	39.18	691.02	50.55	16.75	16.02	83.68	20.49	1,162.14
Charge for the year	-	-	79.60	11.99	204.76	15.76	6.65	6.09	27.24	6.19	358.28
Disposals	-	-	-	(0.13)	(5.02)	(0.04)	(0.01)	(0.76)	(1.80)	(0.73)	(8.49)
Exchange differences	-	-	(0.60)	-	(3.38)	-	0.82	0.11	(1.17)	-	(4.22)
As at March 31, 2021	-	0.70	322.75	51.04	887.38	66.27	24.21	21.46	107.95	25.95	1,507.71
Net book value											
As at March 31, 2020	281.23	27.04	1,501.27	171.56	1,307.71	49.06	45.53	30.43	78.64	11.07	3,503.54
As at March 31, 2021	281.23	27.04	1,535.92	195.65	1,217.62	54.26	51.33	25.46	60.48	16.73	3,465.72

* Represents land taken on lease cum sale basis from Karnataka Industrial Area Development Board (KIADB), which shall be converted into sale deed on fulfilment of certain conditions laid down in the agreement on completion of 10 years of lease term period.

Notes:

(a) Property, plant and equipment except leasehold land and assets capitalised under finance lease arrangement is owned by the Group. The title deeds of the immovable properties are held in the name of the Group companies subject to charge created for borrowings as detailed in note 18(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3(i) Property, plant and equipment (cont...)

Notes (cont..)

(b) Buildings include those constructed on leasehold land as follows:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Gross block	746.48	744.41
Additions	3.20	2.07
Total gross block	749.68	746.48
Accumulated depreciation	(113.48)	(84.57)
Charge for the year	(28.95)	(28.91)
Total accumulated depreciation	(142.43)	(113.48)
Net book value	607.25	633.00

3(ii) Capital work in progress

₹ in Million

	Total
As at April 1, 2019	266.37
Additions	295.33
Capitalised	(416.21)
As at March 31, 2020	145.49
Additions	103.18
Capitalised	(206.94)
As at March 31, 2021	41.73

4 Goodwill

Following is the movement of carrying value of Goodwill:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Carrying value as per last financial statement	1,374.75	1,418.35
Exchange differences	(18.05)	122.25
Goodwill impairment of Wescon Controls LLC	-	(165.85)
Closing balance	1,356.70	1,374.75

Below is the Cash Generating Unit ('CGU') wise break-up of goodwill:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Wescon Controls LLC	1,083.25	1,110.98
Luxlite Lamps SARL, Luxembourg ('Luxlite Lamps')	273.45	263.77
Total	1,356.70	1,374.75

Goodwill impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis as at March 31. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the management. An average of the range of each assumption used is mentioned below:

	As at March 31, 2021	As at March 31, 2020
Growth rate	2% to 28.5%	(9.6%) to 24.9%
Operating margins	9% to 19.2%	9.3% to 17.7%
Discount rate	14% to 15%	15.1% to 17%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of operations and cash flows.

As at March 31, 2021, the Group assessed the carrying value of Luxlite Lamps and Wescon controls LLC at their CGU level, based on future operational plan, projected cash flows and valuation carried out by an external valuer. Considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill as at March 31, 2021 is appropriate. During the previous year ended March 31, 2020, the Group recorded impairment of goodwill amounting to USD 2.1 Million (₹ 165.85 Million) in relation to Wescon Controls LLC on account of decline in operations as 'exceptional item' (refer note 34(b)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
5 (i) Other intangible assets

₹ in Million

	Business rights	Patents	Software	Customer relationship	Non-compete agreement	Trade marks	Total
Cost							
As at March 31, 2019	13.16	0.49	44.01	1,156.04	11.07	98.22	1,322.99
Additions	-	-	5.46	-	-	-	5.46
Acquisition (refer note 47)	-	-	0.14	-	-	-	0.14
Disposals	-	-	(0.15)	-	-	-	(0.15)
Exchange differences	-	-	0.10	103.72	0.99	8.82	113.63
As at March 31, 2020	13.16	0.49	49.56	1,259.76	12.06	107.04	1,442.07
Additions	-	0.27	4.25	-	-	-	4.52
Disposals	-	-	(0.57)	-	-	-	(0.57)
Exchange differences	-	-	0.52	(32.70)	(0.30)	(2.67)	(35.15)
As at March 31, 2021	13.16	0.76	53.76	1,227.06	11.76	104.37	1,410.87
Amortization							
As at March 31, 2019	11.28	0.21	14.59	228.07	11.07	-	265.22
Charge for the year	1.88	0.07	14.13	126.63	-	10.06	152.77
Disposals	-	-	(0.03)	-	-	-	(0.03)
Exchange differences	-	-	0.08	28.46	0.99	0.64	30.17
As at March 31, 2020	13.16	0.28	28.77	383.16	12.06	10.70	448.13
Charge for the year	-	0.04	11.89	133.73	-	10.54	156.20
Disposals	-	-	(0.57)	-	-	-	(0.57)
Exchange differences	-	-	0.46	(12.04)	(0.30)	(0.37)	(12.25)
As at March 31, 2021	13.16	0.32	40.55	504.85	11.76	20.87	591.51
Net book value							
As at March 31, 2020	-	0.21	20.79	876.60	-	96.34	993.94
As at March 31, 2021	-	0.44	13.21	722.21	-	83.50	819.36

5(ii) Intangible assets under development

₹ in Million

	Total
As at April 1, 2019	5.44
Additions	0.80
Capitalised	-
As at March 31, 2020	6.24
Additions	1.37
Capitalised	-
As at March 31, 2021	7.61

6. Right-of-use assets

The Group has lease contracts for leasehold land, prepaid leasehold land rentals, factory premises and office space. Leases generally have lease terms between 1 and 99 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The Group also has certain leases of warehouse, with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Refer note 18(b) for lease liabilities.

₹ in Million

	Buildings	Leasehold land	Total
As at April 1, 2019	-	-	-
Recognition on transition	81.70	204.95	286.65
Additions	32.53	-	32.53
As at March 31, 2020	114.23	204.95	319.18
Additions	127.96	-	127.96
Exchange differences	6.84	-	6.84
As at March 31, 2021	249.03	204.95	453.98
Accumulated depreciation			
As at April 1, 2019	-	-	-
Depreciation expense	52.12	4.84	56.96
As at March 31, 2020	52.12	4.84	56.96
Depreciation expense	48.27	4.82	53.09
Exchange differences	4.53	-	4.53
As at March 31, 2021	104.92	9.66	114.58
Net book value as at March 31, 2020	62.11	200.11	262.22
Net book value as at March 31, 2021	144.11	195.29	339.40

7. Inventories

(Valued at lower of cost and net realisable value)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Raw materials [includes goods in transit ₹ 185.86 Million (March 31, 2020: ₹ 271.74 Million)]	1,862.09	1,633.08
Work-in-progress	206.73	172.19
Finished goods	1,050.03	767.46
Traded goods	164.36	327.79
Less: Allowance towards slow and non-moving items	(137.92)	(138.52)
Total	3,145.29	2,762.00

8. Investments

(Valued at fair value through profit and loss)

Non-current	As at March 31, 2021			As at March 31, 2020		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth Plan	1,025,470	29.91	30.67	6,602,372	27.65	182.57
Franklin India Short Term Income Plan - Retail Plan - Direct - Growth Plan	43,600	4,249.99	185.30	70,534	4,052.25	285.81
Franklin India Low Duration Fund - Direct - Growth Plan	1,439,472	23.84	34.31	8,308,818	21.10	175.35
Franklin India Low Duration Fund - Growth Plan	379,821	23.21	8.82	2,189,568	20.62	45.15
Franklin India Dynamic Accrual Fund - Direct - Growth Plan	862,919	75.44	65.10	2,179,140	71.03	154.79
Franklin India Credit Risk Fund - Direct - Growth Plan	1,072,545	22.05	23.65	2,324,084	19.80	46.03
			347.85			889.70
Aggregate cost of quoted investments			317.44			837.30

As on March 31, 2021, the Group has an investment of ₹ 708.77 Million (March 31, 2020: ₹ 1,085.28 Million) in the wound up schemes of Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) as on said date. The Group has realised significant portion of investments during the year and considered the provision of ₹ 108.53 Million made during the year ended March 31, 2020 as adequate. Refer note 34(a) to the consolidated financial statements. The classification of said investment in current and non-current investment is based on maturity profile provided by FTMF.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

8. Investments (cont...)

(Valued at fair value through profit and loss)

Current	As at March 31, 2021			As at March 31, 2020		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth Plan	4,437,483	29.91	132.72	4,221,188	27.65	116.74
Aditya Birla Sun Life Banking & PSU Debt Fund- Growth-Direct Plan (formerly known as Aditya Birla Sun Life Treasury Optimizer Plan)	1,294,728	289.72	375.11	1,294,728	266.96	345.65
IDFC Dynamic Bond Fund-Growth-(Regular Plan)	720,861	26.90	19.39	720,861	25.18	18.15
Aditya Birla Sun Life Credit Risk Fund - Gr.DIRECT (formerly known as Aditya Birla Sun Life Corporate Bond)	-	-	-	19,037,233	14.71	280.05
Aditya Birla Sun Life Credit Risk Fund Gr.DIRECT (Segregated Portfolio - 1)	19,037,233	0.42	7.91	19,037,233	0.43	8.25
HDFC Credit risk Debt Fund - Direct - Growth	-	-	-	10,236,037	17.44	178.55
ICICI Prudential Equity Arbitrage Fund - Direct plan - Growth	4,490,155	28.05	125.96	4,490,155	26.98	121.15
Franklin India Low Duration Fund - Direct - Growth Plan	2,408,519	23.84	57.41	1,948,982	21.10	41.13
Franklin India Low Duration Fund - Growth Plan	634,215	23.21	14.72	513,602	20.62	10.59
Franklin India Dynamic Accrual Fund - Direct - Growth Plan	666,641	75.44	50.29	354,744	71.03	25.20
HDFC Floating Rate Debt fund - Direct Plan - Growth option	2,567,564	38.29	98.32	2,567,564	35.38	90.85
ICICI Prudential Savings Fund - Direct Plan - Growth	232,819	419.69	97.71	232,819	390.37	90.89
Franklin India Credit Risk Fund - Direct - Growth Plan	739,157	22.05	16.30	96,837	19.80	1.92
HDFC Corporate Bond Fund - Regular Plan - Growth	2,251,847	24.93	56.13	2,251,847	22.91	51.60
ICICI Prudential Credit Risk Fund - Direct Plan - Growth	-	-	-	3,202,645	23.15	74.13
ICICI Prudential All Seasons Bond Fund - Direct Plan - Growth	-	-	-	4,708,675	26.66	125.54
SBI Credit Risk Fund Direct Growth	-	-	-	1,604,750	33.11	53.13
SBI Magnum Medium Duration Fund Direct Growth	4,793,102	41.51	198.94	3,576,686	37.90	135.55
HDFC Medium Term Debt Fund - Direct Plan - Growth Option	-	-	-	2,472,854	42.10	104.12
Franklin India Short term Income plans - Retail Plan - Direct - Growth Plan	21,055	4,249.99	89.48	-	-	-
SBI Corporate Bond Fund - Direct Plan - Growth	4,227,965	12.21	51.64	-	-	-
HDFC Banking and PSU Debt Fund - Direct - Growth	4,545,254	18.25	82.95	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

8. Investments (cont...)

(Valued at fair value through profit and loss)

Current	As at March 31, 2021			As at March 31, 2020		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
IDFC Banking and PSU Debt Fund - Regular Plan - Growth	1,072,005	19.23	20.62	-	-	-
IDFC Banking and PSU Debt Fund - Direct Plan - Growth	2,588,385	19.54	50.58	-	-	-
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	3,085,130	23.51	72.52	-	-	-
HDFC Short Term Debt Fund - Direct Plan - Growth	3,282,994	24.95	81.90	-	-	-
HDFC Corporate Bond Fund - Direct Plan - Growth	7,401,495	25.18	186.40	-	-	-
SBI Short Term Debt Fund - Direct Plan - Growth	857,575	26.03	22.32	-	-	-
IDFC Dynamic Bond Fund - Growth - Direct Plan	2,428,222	28.82	69.99	-	-	-
ICICI Prudential Short Term Fund - Direct Plan - Growth	1,071,030	48.62	52.07	-	-	-
Kotak Banking and PSU Debt Fund - Direct - Growth	2,018,780	51.52	104.01	-	-	-
Aditya Birla Sun Life Corporate Bond Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Short Term Fund)	3,230,026	86.73	280.15	-	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	395,264	304.74	120.45	-	-	-
Axis Liquid Fund - Direct - Growth - CFDG	52,725	2,284.79	120.47	-	-	-
SBI Liquid Fund - Direct - Growth	37,395	3,221.62	120.47	-	-	-
Axis Treasury Advantage Fund - Direct - Growth - TADG	14,174	2,482.58	35.19	-	-	-
ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	1,538,662	22.88	35.20	-	-	-
Total			2,847.32			1,873.19
Aggregate cost of quoted investments			2,545.06			1,633.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

9. Trade receivables

(Unsecured, carried at amortised cost)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Trade receivables	3,319.59	2,750.03
Total	3,319.59	2,750.03
Break-up for security details:		
Current		
Unsecured, considered good	3,319.59	2,750.03
Trade receivables - credit impaired	18.04	23.52
Total	3,337.63	2,773.55
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(18.04)	(23.52)
Total	3,319.59	2,750.03

Trade receivables are non interest bearing and are generally on terms of 0 to 270 days.

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Further, there are no trade or other receivables which are due from firms or private companies in which any director is a partner, a director or a member.

10. Cash and cash equivalents

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Current		
Cash on hand	1.25	2.14
Balance with banks on		
Current accounts	724.04	549.36
EEFC accounts	45.46	60.27
Total	770.75	611.77

11. Other bank balances

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Margin money deposits	0.78	5.67
Total	0.78	5.67
Current		
Balance with banks on deposits with remaining maturity for less than 12 months	7.06	2.00
Earmarked balances with banks being unpaid dividend accounts*	23.01	22.15
Balance with banks in buy back 2021 escrow account#	140.00	-
Total	170.07	24.15

* These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities. The Company transferred ₹ 0.18 Million (March 31, 2020 ₹ 0.21 Million) during the year to investor education and protection fund as per the provisions of the Companies Act, 2013.

In lien with bank in lieu of escrow required for buyback of fully paid equity shares. Refer Note 16 (g) to the consolidated financial statements.

12. Loans

(Unsecured, considered good, carried at amortised cost)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits	57.77	54.50
Total	57.77	54.50
Current		
Advances to employees	10.10	10.01
Total	10.10	10.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

13. Other financial assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
<i>Carried at fair value through profit and loss</i>		
Foreign currency forward contracts	5.52	-
Total	5.52	-
Current		
<i>Carried at fair value through profit and loss</i>		
Foreign currency forward contracts	1.29	55.69
<i>Carried at amortized cost</i>		
Interest receivable on bank deposits and others	2.83	2.05
Total	4.12	57.74

14. Income tax assets (net)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Advance income-tax, including paid under protest (net of provision for taxation)	37.90	47.65
Total	37.90	47.65

15. Other assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Capital advances	36.57	27.33
Balances with statutory / government authorities	5.57	6.18
Others	1.88	3.95
Total	44.02	37.46
Current		
Advances to suppliers	81.29	64.52
Prepaid expenses	66.13	70.48
Export benefits receivable	8.12	58.23
Balances with statutory / government authorities	178.18	196.36
Government grant	7.33	5.52
Total	341.05	395.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

16. Equity share capital

₹ in Million

	As at March 31, 2021		As at March 31, 2020	
Authorised share capital				
850,000,000 (March 31, 2020: 850,000,000) equity shares of ₹ 1 each	850.00		850.00	
Issued, subscribed and fully paid-up equity share capital				
139,872,473 (March 31, 2020: 139,872,473) equity shares of ₹ 1 each	139.87		139.87	
Total	139.87		139.87	
(a) Terms / rights attached to equity shares:				
The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share and such amount of dividend per share as declared by the Company. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.				
(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:				
	As at March 31, 2021		As at March 31, 2020	
	No. in Million	₹ in Million	No. in Million	₹ in Million
Equity shares				
At the beginning of the year	139.87	139.87	139.87	139.87
Issued during the year	-	-	-	-
Outstanding at the end of the year	139.87	139.87	139.87	139.87
(c) Details of shareholders holding more than 5% shares in the Company:				
	As at March 31, 2021		As at March 31, 2020	
	No. in Million	%	No. in Million	%
Equity shares of ₹ 1 each fully paid				
Supriyajith Family Trust	53.15	38.00%	53.15	38.00%
(d) Shares reserved for issue under share based payments				
	As at March 31, 2021		As at March 31, 2020	
Outstanding employee stock options under below schemes, granted / available for grant (refer note 46):				
Employee Stock Appreciation Rights (SEL ESAR 2017)	819,213		825,751	
(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:				
	As at March 31, 2021		As at March 31, 2020	
Equity shares (No.)				
Equity shares allotted as fully paid-up pursuant to contract (no.)				
The Company issued 8,533,699 equity shares of ₹ 1 each to the minority shareholders of Phoenix Lamps Limited, as part of merger	8,533,699		8,533,699	
(f) The Company has neither issued any bonus shares nor bought back any shares for the period of five years immediately preceding the date as at which the Balance sheet is prepared.				
(g) On February 10, 2021, the Board of Directors approved a proposal to Buy-back up to 1,500,000 fully paid equity shares of ₹ 1 each (representing 1.07% of paid-up equity share capital) from the shareholders of the Company on a proportionate basis through tender offer, at a price of ₹ 320 per fully paid-up equity share for an aggregate amount not exceeding ₹ 480 Million in accordance with the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended and the Companies Act, 2013 and rules made thereunder. Subsequently, the proposed buy-back has been completed on May 12, 2021.				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

18. Other equity

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Capital reserve		
Balance as per last financial statements	5.13	5.13
Closing balance	5.13	5.13
Capital redemption reserve		
Balance as per last financial statements	293.70	293.70
Closing balance	293.70	293.70
Securities premium		
Balance as per last financial statements	1,861.81	1,861.81
Closing balance	1,861.81	1,861.81
General reserve		
Balance as per last financial statements	4,068.33	3,318.33
Add: Transferred from 'Surplus in the statement of profit & loss'	750.00	750.00
Closing balance	4,818.33	4,068.33
Share based payments reserves		
Balance as per last financial statements	52.12	50.22
Add: Share based payments expense (refer note 46)	24.07	1.90
Closing balance	76.19	52.12
Surplus in the statement of profit & loss		
Balance as per last financial statements	1,739.94	1,897.30
Add: Profit for the year	1,427.10	1,039.65
Add / (less): OCI - Re-measurement gain / (loss) on defined benefit obligation (net of tax)	0.62	(2.47)
Add / (less): Net change in fair value of Hedging instrument	5.53	(6.13)
Less: Appropriations		
First interim dividend [₹ 0.75 (March 31, 2020: ₹ 0.75) per share]	(104.90)	(104.90)
Second interim dividend [₹ Nil (March 31, 2020: ₹ 1) per share]	-	(139.87)
Final dividend [March 31, 2020: ₹ Nil (March 31, 2019 : ₹ 0.85) per share]	-	(118.89)
Dividend distribution tax*	-	(74.75)
Transfer to general reserve	(750.00)	(750.00)
Closing balance	2,318.29	1,739.94
Foreign currency translation reserve		
Balance as per last financial statements	376.78	184.37
Add: Net exchange differences on translation of foreign operations	7.01	192.41
Closing balance	383.79	376.78
Total	9,757.24	8,397.81

* With effect from April 1, 2020, the Dividend Distribution Tax ('DDT') payable by the Group under section 115O of Income Tax Act has been abolished and a withholding tax has been introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

Summary of other equity:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Capital reserve	5.13	5.13
Capital redemption reserve	293.70	293.70
Securities premium	1,861.81	1,861.81
General reserve	4,818.33	4,068.33
Share based payments reserves	76.19	52.12
Surplus in the statement of profit & loss	2,318.29	1,739.94
Foreign currency translation reserve	383.79	376.78
	9,757.24	8,397.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Distribution made and proposed

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Cash dividends on equity shares declared and paid:		
First interim dividend for the year ended March 31, 2021: ₹ 0.75 per share (March 31, 2020: ₹ 0.75 per share)	104.90	104.90
Second interim dividend for the year ended March 31, 2021: ₹ Nil per share (March 31, 2020: ₹ 1.00 per share)	-	139.87
Final dividend for the year ended March 31, 2020: ₹ Nil per share (March 31, 2019: ₹ 0.85 per share)	-	118.89
Dividend distribution tax	-	74.75
	104.90	438.41
Proposed dividends on equity shares:		
Final dividend for the year ended on March 31, 2021: ₹1.00 per share (March 31, 2020: ₹ Nil per share)	139.87	-
	139.87	-
Proposed dividend on equity shares are subject to approval by shareholders at the Annual General Meeting and hence not recognised as a liability as at March 31, 2021.		

Nature and purpose of reserves

17.1 Capital reserve

The Group recognised capital subsidy received (₹ 4.58 Million) prior to April 1, 2017 along with profit on forfeiture of the Company's own equity instruments (₹ 0.55 million) to capital reserve.

17.2 Capital redemption reserve

The Group recognised capital redemption reserve on redemption of Preference shares of erstwhile Phoenix Lamps Limited and upon merger of erstwhile Phoenix Lamps Limited with the Company, the balances have been brought as such to the Company.

17.3 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

17.4 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

17.5 Share based payments reserves

Share based payments reserves represents employee share based expense recognised in fair valuation of option expenses on ESAR.

17.6 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

18. (a) Borrowings

(Carried at amortized cost)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured		
Term loans		
from banks (refer note [i] below)	600.30	884.06
from a financial institution (refer note [ii] below)	-	51.19
from banks - External Commercial Borrowing (ECB) (refer note [iii] below)	322.87	415.25
	923.17	1,350.50
Less: Current maturities of (refer note 20):		
Secured term loans	(572.64)	(690.29)
Total	350.53	660.21
Current		
Secured		
Loans repayable on demand		
Working capital loan from banks and financial institutions (refer note [iv] below)	2,256.98	2,385.89
Unsecured		
Working capital loan from banks and financial institutions (refer note [v] below)	96.90	67.03
Total	2,353.88	2,452.92

(i) Term loan from bank consists of:

(a) USD 3.75 Million (₹ 275.65 Million) (March 31, 2020: USD 8.75 Million [₹ 659.63 Million]), borrowed by Suprajit USA Inc., during the year ended March 31, 2017 towards acquisition of Wescon Controls LLC, USA, the principle loan borrowed was USD 25 Million (₹ 1,683.25 Million), the term loan carried interest at Libor plus 2.30% (March 31, 2020: Libor plus 2.30% p.a), the loan is repayable in quarterly instalments starting from December 31, 2017, the loan is due for repayment in full by September 30, 2021. The loan is collateralised by substantially all of the assets of the Suprajit USA Inc. and is guaranteed by the Company.

Suprajit USA Inc. has entered into an interest swap agreement to mitigate the risk of floating rate and accordingly Suprajit USA Inc. pays fixed rate of interest.

(b) Foreign currency term loan in Suprajit Automotive Private Limited (SAPL) of EURO 1.89 Million (₹ 165.67 Million) (March 31, 2020: EURO 2.65 Million [₹ 224.43 Million]) carries interest rate at USD-Libor-BBA plus 2% and is repayable in 16 quarterly instalments of EURO 0.19 Million, the loan repayment started from November, 2019. The loan is secured by pari-passu charge on the present and future current assets including stocks and receivables of SAPL and first exclusive charge by way of equitable mortgage of property located at 25 & 26-A (part), KIADB industrial area, Veerapura Village, Doddaballapur, Bengaluru - 561 203 belonging to SAPL.

To mitigate the risk of the floating rate, SAPL has entered into interest rate swap agreement with bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- (c) Term loan from bank of USD 2.16 Million (₹ 158.98 Million) in Wescon Controls LLC fully guaranteed by the U.S. Small Business Administration (SB) through the Paycheck Protection Program (PPP) under the CARES Act. The loan is repayable in monthly instalments of USD 0.12 Million including interest at 1.00% beginning in September, 2021. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, SB, or lender. The Group expects the loan to be forgiven in subsequent period once required criteria are met. Such forgiveness will be recognized as a gain in the financial statements in the period the debt is legally released.
- (ii) Term loan from financial institution represented Indian rupee loan which carried a floating interest rate linked to Bajaj Finance Limited base rate. The loan was repayable in 15 quarterly instalments ranging from ₹ 2.78 Million to ₹ 9.52 Million each, loan has been repaid in full in November, 2020. The loan was secured by pari-passu first charge on the entire movable fixed assets with minimum fixed assets coverage ratio.
- (iii) External commercial borrowing is the term loan of EURO 3.75 Million (₹ 322.87 Million) (March 31, 2020: EURO 5.00 Million [₹ 415.25 Million]) which carries interest rate of EURIBOR plus 1.25% and is repayable by the Company in 16 quarterly instalments of EURO 0.31 Million, the loan repayment started from May 20, 2020. The loan is secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets of the Company.
- To mitigate the risk of the floating rate, the Company has entered into interest rate swap agreement with bank.
- (iv) Current secured borrowings consists of:**
- Working capital loans availed from banks by the Company and SAPL are secured by current and future current assets. These facilities are also collaterally secured by pari-passu charge on entire current & future fixed asset (except certain plant and equipment on which exclusive charge has been created towards term loans) and equitable mortgage. Working capital demand loan, cash credit and overdraft is repayable on demand. These facilities carry interest in the range of 6.00% to 13.61% p.a. (March 31, 2020: 7.11% to 13.46% p.a.).
 - Line of credit availed by Suprajit USA Inc. is collateralized by substantially all of the assets of that Suprajit USA Inc., and is guaranteed by the Company with interest varying with the LIBOR rate plus 2.75%, which was 2.86% on March 31, 2021 (March 31, 2020: 3.75%).
 - Foreign Currency Loans are taken from bank and carry interest rate of 1.50%.
 - Packing credit loans from banks are taken for a term not exceeding 180 days and carry interest rate of 3% to 6%. (March 31, 2020: 3% to 6%).
 - Bill discounting facility in the Company is repayable over a term of 60 to 90 days with a fixed interest rate of 9.75% p.a. (March 31, 2020: 9.75% p.a.).
 - Bounce Back Bank Loan of GBP 0.05 Million (₹ 5.05 Million) in Suprajit Europe Limited with HSBC in conjunction with the UK Government's Coronavirus Bounce Back Loan Scheme. There are no repayments of capital or interest due for the first twelve months after the date of draw down of the loan, after which the loan will be repaid in 59 monthly instalments. The interest will be charged at a fixed rate of 2.5%.
- (v) Current unsecured borrowings consists of bill discounting facility in Luxlite Lamps SARL which represents the receivables assigned to a factoring firm that does not takeover the default risk.
- (vi) As per the loan arrangements, the Group is required to comply with certain debt covenants and the Group was in compliance with such covenants as at March 31, 2021. The Group has not defaulted on any loans payable.

18. (b) Lease liabilities

(Carried at amortised cost)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Lease Liabilities	135.13	59.15
Total	135.13	59.15
Current		
Lease Liabilities	47.13	43.91
Total	47.13	43.91

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method.

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Balance as per last financial statements	103.06	-
Recognition on transition to Ind AS 116	-	128.16
Additions	127.96	32.53
Accretion of interest	8.04	8.42
Payments	(59.06)	(66.05)
Exchange differences	2.26	-
As at 31 March 2021	182.26	103.06
Current	47.13	43.91
Non-current	135.13	59.15

The effective interest rate for lease liabilities is 3% to 9.45%, with maturities between 2022 and 2033.

The following are the amounts recognised in profit or loss:

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	53.09	56.96
Interest expense on lease liabilities	8.04	8.42
Expense relating to short-term leases / leases of low-value assets (included in other expenses)	37.05	36.82
Total amount recognised in statement of profit and loss	98.18	102.20

The Group had total cash outflows for leases of ₹ 59.06 Million in March 31, 2021 (March 31, 2020: ₹ 66.05 Million). During the year ended March 31, 2021, the Group had non-cash additions to right-of-use assets of ₹ 127.96 (March 31, 2020: ₹ 319.18 Million) and lease liabilities of ₹ 127.96 Million (March 31, 2020: 160.69 Million).

The Group is obligated under non-cancellable lease for factory land and premises, warehouse, office and residential space that are renewable on a periodic basis at the option of both the lessor and lessee.

Set out below are details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Not later than one year	83.33	77.58
Later than one year and not later than five years	136.98	45.26
More than five years	38.56	43.93
Total	258.87	166.77

19. Trade payables

(Carried at amortised cost)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Current		
Trade payables		
- Total outstanding dues of micro and small enterprises*	355.98	96.46
- Total outstanding dues of creditors other than micro and small enterprises	2,120.01	2,043.65
Total	2,475.99	2,140.11

Terms and conditions of the above financial liabilities:

- Trade payables other than micro and small enterprises are non-interest bearing and are normally settled on 15-60 days terms.
- For explanations on the Group's liquidity risk management (refer note 45).

*The Group has amounts due to micro and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2021 and March 31, 2020. The details in respect of such dues are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Principal amount remaining unpaid to any supplier at the end of accounting year	354.57	95.82
Interest due thereon remaining unpaid to any supplier at the end of accounting year	0.15	0.14
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year	0.99	0.60
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	1.61	0.20
The amount of interest accrued and remaining unpaid at the end of accounting year	1.41	0.64
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	1.41	0.64
The information given above has been determined to the extent such parties have been identified on the basis of information available with the Group.		

20. Other financial liabilities

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
<i>(Carried at amortised cost)</i>		
Security deposits	23.93	19.29
<i>(Fair value through profit and loss)</i>		
Provision for MTM losses on foreign currency forward contracts	-	11.82
Total	23.93	31.11
Current		
<i>(Carried at amortised cost)</i>		
Current maturities of long-term borrowings (refer note 18(a))	572.64	690.29
Interest accrued but not due on borrowings	12.32	13.63
Capital creditors	17.15	26.78
Employee related liabilities	96.56	99.01
Payable to directors (refer note 42)	45.96	34.56
Security deposits	0.07	0.07
Unpaid dividend	23.01	22.15
Others	0.93	0.81
<i>(Fair value through profit and loss)</i>		
Provision for MTM losses on foreign currency forward contracts	8.37	4.14
Provision for MTM losses on Interest rate swap	1.01	1.70
<i>(Fair value through other comprehensive income)</i>		
Provision for MTM losses on Interest rate swap	1.43	8.58
Total	779.45	901.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

21. Provisions

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Provision for employee benefits		
Gratuity (refer note 40(b))	17.10	32.17
Others (including pension)	11.10	11.38
Provision for diminution in value of investments (refer note 34(a))	108.53	108.53
Total	136.73	152.08

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Current		
Provision for employee benefits		
Gratuity (refer note 40(b))	25.24	21.91
Compensated absences	82.79	81.71
Others	0.35	0.36
Provision for customer claims*	17.41	-
Provision for warranties**	9.10	13.97
Total	134.89	117.95

*With respect to certain customer claims under negotiation for the Group's products.

**A provision is recognized for expected warranty claims on products sold during the year, based on past experience level of repairs and returns. It is expected that the significant portion of these costs will be incurred within one year of the balance sheet date. Assumption used to calculate the provision for warranties are based on current sales level and current information available about warranty claims based on warranty period for all products sold. During the year the Group has utilised the provision of ₹ 4.87 Million (March 31, 2020: utilised ₹ 3.43 Million).

22. Current tax liabilities (net)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Current		
Provision for income tax (net of advance tax and tax deducted at source)*	85.85	59.68
Total	85.85	59.68

*represents tax payable for current year and provision made in respect of uncertain tax positions.

23. Deferred tax liabilities (net)

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities		
Property, plant and equipment and Intangible assets	600.52	618.61
Fair valuation of financial instruments	59.70	71.86
	(A)	660.22
Deferred tax assets		
Expenditure allowable for tax purposes when paid	34.02	49.97
Provision for diminution in value of investments	27.31	27.31
Provision for doubtful debts and advances	3.64	4.02
Provision for employee benefits	33.99	36.52
On intercompany stock eliminations	9.02	9.91
	(B)	107.98
Net deferred tax liabilities	(A-B)	552.24
		562.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

24. Other liabilities

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Non-current		
Government grants*	11.53	13.44
Total	11.53	13.44
Current		
Advances from customers	26.98	10.20
Government grants*	9.13	7.44
Statutory dues	111.54	54.38
Others	0.61	0.44
Total	148.26	72.46

*Government grants received includes grant received in nature of customs duty exemption on import of certain property, plant and equipment and deferred income on packing credit loans taken from banks at concessional rate of interest. There are no unfulfilled conditions or contingencies attached to these grants.

₹ in Million

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	20.88	23.62
Add: Received during the year	14.12	20.63
Less: Transferred to the consolidated statement of profit and loss (refer note 26)	(14.34)	(23.37)
Closing balance	20.66	20.88

25. Revenue from operations

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	16,354.45	15,539.39
Sale of services (processing charges)	0.88	2.74
Other operating revenue	53.22	86.19
Total	16,408.55	15,628.32

Refer note 41 for disaggregate revenue details based on customer geographical location.

26. Other income

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on		
Bank deposits	0.56	0.25
Income tax refund	-	39.06
Others	1.05	1.54
Liabilities no longer required written back	0.20	0.45
Gain on investments carried at fair value through profit or loss*	225.50	101.19
Government grant income	26.89	38.77
Exchange differences (net)**	71.73	31.91
Other non-operating income	9.68	10.67
Profit on disposal of property, plant and equipment (net)	0.31	-
Total	335.92	223.84

*Total net gain on fair value changes include ₹ 73.40 Million (March 31, 2020 ₹ 5.01 Million) as net gain on sale / redemption of investments.

**Includes mark to market gain / (loss) on foreign currency forward contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

27. Cost of materials consumed

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	1,633.08	1,531.77
Add: Purchases	9,627.30	8,666.28
Less: Inventories at the end of the year	(1,862.09)	(1,633.08)
Cost of materials consumed	9,398.29	8,564.97

28. Purchases of stock-in-trade

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Auto lamps	235.12	509.17
Stop and tail lamps	40.93	11.26
Others	7.30	5.81
Total	283.35	526.24

29. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
Finished goods	1,050.03	767.46
Stock-in-trade	164.36	327.79
Work-in-progress	206.73	172.19
Total (A)	1,421.12	1,267.44
Inventories at the beginning of the year		
Finished goods	767.46	835.08
Stock-in-trade	327.79	279.78
Work-in-progress	172.19	173.36
Total (B)	1,267.44	1,288.22
Currency fluctuation arising on consolidation (C)	19.22	38.55
Net change in inventories of finished goods, work-in-progress and stock-in-trade (B-A+C)	(134.46)	59.33

30. Employee benefits expense

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	2,685.44	2,541.48
Contribution to provident and other funds (refer note 40)	310.11	312.24
Employee share based payments (refer note 46)	24.07	1.90
Staff welfare expenses	63.83	71.29
Total	3,083.45	2,926.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

31. Finance cost

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on		
Borrowings	132.79	192.61
Lease liabilities (refer note 18 (b))	8.04	8.42
Others	8.92	5.50
Exchange fluctuation on foreign currency borrowings, net (to the extent regarded as borrowing cost)	40.55	17.64
Loan processing and other charges	1.88	2.40
Total	192.18	226.57

32. Depreciation and amortization expense

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 3)	358.28	371.53
Depreciation of right-of-use assets (refer note 6)	53.09	56.96
Amortization of intangible assets (refer note 5)	156.20	152.77
Total	567.57	581.26

33. Other expenses

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	250.20	244.91
Labour charges	35.88	13.59
Rent	37.05	36.82
Repairs and maintenance		
Buildings	19.53	27.35
Machinery	81.28	81.01
Others	103.89	107.66
Insurance	52.95	42.37
Rates and taxes	31.60	32.21
Travelling and conveyance	64.73	113.24
Legal and professional fees	96.89	120.06
Payment to auditors	18.20	21.73
Freight and forwarding charges	360.02	283.04
Advertisement and sales promotion	17.67	21.00
Sales commission	62.70	36.95
Directors' sitting fees and commission	2.46	2.46
Allowance for doubtful receivables (net)	19.44	20.58
Printing and stationery	11.32	14.04
Security expenses	37.15	34.48
Communication expenses	18.27	21.18
Loss on disposal of property, plant and equipment (net)	-	1.32
Research and development expenses	6.31	4.64
CSR expenditure (refer note (i) below)	35.51	34.02
Miscellaneous expenses	47.66	49.21
Total	1,410.71	1,363.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(i) Details of CSR expenditure

As per Section 135 of the Company's Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Holding Company. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. The Group has made contribution to Suprajit foundation. Suprajit Foundation is engaged in the activities of eradication of hunger, malnutrition, promoting education and healthcare.

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

₹ in Million

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Group during the year		34.71	33.46
Total		34.71	33.46
b) Amount spent during the year ended March 31, 2021:	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	35.51	-	35.51
c) Amount spent during the year ended March 31, 2020:	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	34.02	-	34.02
d) Refer note 42 B for details of contribution to Suprajit foundation in relation with CSR expenditure.			

34. Exceptional items (net)

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Provision for diminution in value of investments (Refer note a)	-	108.53
Impairment of goodwill (Refer note b)	-	165.85
Total	-	274.38
Exceptional items for the year ended March 31, 2020 includes the following:		
(a) Provision of ₹ 108.53 million in respect of investment in Franklin Templeton Mutual Fund schemes which have been wound up. The Group has realised significant portion of investments during the year 2020-21 and aforesaid provision is considered to be adequate.		
(b) The Group carried out annual impairment exercise for the year ended March 31, 2020 in respect of carrying value of Goodwill and basis valuation carried out by an external specialist, the management had made an impairment provision of ₹ 165.85 million towards carrying value of goodwill in Wescon Controls LLC during the year ended March 31, 2020. The Group carried out annual impairment exercise for the year ended March 31, 2021 and carrying value is considered to be appropriate.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

35. Tax expense (net)

Income tax expense in the consolidated statement of profit and loss consist of the following:

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	503.04	467.00
Deferred tax charge / (credit)	(1.71)	(104.67)
Current tax relating to earlier periods	14.95	(73.35)
Total	516.28	288.98

Reconciliation of tax to the amount computed by applying the statutory income tax rate to the income before tax is summarized below:

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax expense	1,943.38	1,328.63
Applicable tax rates in India*	25.17%	25.17%
Computed tax charge (A)	489.11	334.39
Components of tax expense		
Tax effect of exempt income	(15.03)	(15.03)
Current tax relating to earlier periods	14.95	(73.35)
Opening deferred tax reversal due to change in tax rate*	-	(63.93)
Others (includes tax effect on differential domestic / overseas tax rate)	27.25	106.90
Total adjustments (B)	27.17	(45.41)
Total tax expense (A+B)	516.28	288.98

*The Group exercised the option of availing the lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from AY 2020-21, thereby lowering the tax rate from 34.944% to 25.168% effective April 01, 2019. Accordingly, Indian entities of the Group provided for income taxes for the year ended March 31, 2020 and re-measured the accumulated balance of deferred tax liability as at March 31, 2019, based on the rate prescribed under the aforesaid Section. The resultant impact taken through the consolidated statement of profit and loss. The re-measurement of accumulated deferred tax liabilities as at March 31, 2019 at the revised rate, resulted in a one time additional deferred tax credit of ₹ 63.93 million for the year ended March 31, 2020.

36. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Computation of basic and diluted EPS:	Year ended March 31, 2021	Year ended March 31, 2020
Nominal value per equity share (₹ per share)	1	1
Profit attributable to equity shareholders (₹ in Million)	1,427.10	1,039.65
Weighted average number of equity shares (No. in Million)	139.87	139.87
Earnings per share basic and diluted (₹ per share)*	10.20	7.43

*Employee stock appreciation rights outstanding as at March 31, 2021 and March 31, 2020 are anti-dilutive and accordingly have not been considered for the purpose of computing dilutive EPS for the year ended March 31, 2021 and March 31, 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

37. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 166.01 Million (March 31, 2020 : ₹ 121.71 Million).

38. Contingent liabilities

₹ in Million

	As at March 31, 2021	As at March 31, 2020
(a) Claims against Group not acknowledge as debts*		
Income tax demands**	22.18	1.39
Value Added Tax / Central Sales Tax demands	3.27	9.51
Excise duty / service tax demand	15.47	13.50
Others	9.01	7.57
(A)	49.93	31.97
(b) Others		
Bonds executed in favour of customs authority	15.00	15.00
Bank guarantees (furnished to tax authorities)	1.58	0.75
Others	4.90	5.59
(B)	21.48	21.34
Total	71.41	53.31

*These demands are disputed by the Group and the Group has filed appeals against these orders with various appellate authorities. The management is confident that the demands raised by the Officers of the respective departments are not tenable under the respective statutory provisions. Pending outcome of the aforesaid matters under litigation, no provision has been made in the books of account towards these demands. The Group does not expect any material adverse effect in respect of the above contingent liabilities.

** Net of tax provision made for pending litigations.

39. The Group Companies has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India, as well as in the other geographies. The Group is in the process of carrying out transfer pricing study for the year ended March 31, 2021 in this regard, to comply with the requirements of the Income Tax Act, 1961 and other applicable laws in other countries. The Management of the Group, is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the consolidated financial statements, particularly on account of tax expense and that of provision for taxation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

40. Employee benefit plans

(a) Defined contribution plans
The Group makes contributions to Provident Fund, Employee State Insurance scheme, 401(k) plan and other Social Security Schemes which are defined contribution plan for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Group has recognised the following amounts towards the defined contribution plans in the consolidated statement of profit and loss: ₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Employers contribution to Provident Fund	48.68	50.05
Employers contribution to Employee State Insurance	7.50	9.41
Employers contribution to 401(k) plan	27.22	29.10

(b) Defined benefit plans
Gratuity
The Group offers gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.
The following tables summarize the components of net benefit expense recognized in the consolidated statement of profit and loss and the funded status and amounts recognized in the Balance Sheet.

Disclosure as per Ind AS 19

₹ in Million

	March 31, 2021	March 31, 2020
A. Change in defined benefit obligation		
Obligations at beginning of the year	213.31	189.18
Service cost	14.83	15.01
Interest cost	14.69	12.73
Benefits settled	(15.69)	(5.65)
Transfer in	0.09	-
Transfer out	(0.09)	-
Actuarial (gain) / loss (through OCI)	(1.29)	2.04
Obligations at end of the year	225.85	213.31

	March 31, 2021	March 31, 2020
B. Change in plan assets		
Plan assets at beginning of the year, at fair value	159.23	123.70
Expected return on plan assets	11.90	9.37
Contributions	30.20	32.50
Benefits settled	(15.69)	(5.65)
Actuarial gain / (loss) (through OCI)	(0.47)	0.81
Admin expenses / Taxes paid from plan assets	(1.66)	(1.50)
Plan assets at the end of the year	183.51	159.23
Present value of defined benefit obligation at the end of the year	(225.85)	(213.31)
Fair value of plan assets at the end of the year	183.51	159.23
C. Net liability recognised in the consolidated balance sheet	(42.34)	(54.08)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
D. Expenses recognised in the consolidated statement of profit and loss:		
Service cost	14.83	15.01
Interest cost	14.69	12.73
Expected return on plan assets	(11.90)	(9.37)
Administrative Expenses / Taxes / Insurance Cost / Exchange Rate cost	1.66	1.50
Net gratuity cost	19.28	19.87

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
E. Re-measurement (gain) / loss in OCI		
Actuarial (gain) / loss due to demographic assumption changes in Defined Benefit Obligation (DBO)	-	(0.12)
Actuarial (gain) / loss due to financial assumption changes in DBO	0.35	(5.80)
Actuarial (gain) / loss due to experience on DBO	(1.64)	7.94
Return on plan assets (greater) / less than discount rate	0.47	(0.81)
Total Actuarial (Gain) / loss included in OCI	(0.82)	1.21

F. Actual return on plan assets	11.44	10.18
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	Year ended March 31, 2021	Year ended March 31, 2020
G. Assumptions		
Discount rate	7.15% to 7.18%	6.83% to 6.85%
Estimated rate of return on plan assets	7.15% to 7.18%	6.83% to 6.85%
Salary increase rate [refer note K (i)]	8% for first year & 9% thereafter	2% for first year, 8% for second year & 9% thereafter
Attrition Rate	9.73% upto age 40 from Age 40-45 7.3%, Age 45-50 4.87%, Age 50-55 2.43%, Age 55 & above 1.22%	9.73% upto age 40 from Age 40-45 7.3%, Age 45 -50 4.87%, Age 50-55 2.43%, Age 55 & above 1.22%
Retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

₹ in Million

	March 31, 2021	March 31, 2020
H. Pay-outs to the plan assets		
Within one year	25.24	21.91
After one year but not more than five years	47.84	49.78
After five years	79.17	69.92
	152.25	141.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

I. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with insurer	100%	100%

J. A quantitative sensitivity analysis for significant assumption is as below (refer note K (ii) below) ₹ in Million

	Year ended March 31, 2021		Year ended March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
Effect of change in discount rate	(15.83)	18.36	(15.19)	17.66
Effect of change in salary growth	17.60	(15.46)	16.92	(14.82)
Effect of change in attrition rate	(3.02)	3.44	(2.77)	3.16

K. Notes

- (i) The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.
- (ii) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.
- (iii) The weighted average duration of the defined benefit obligation at the end of the reporting period is 11.86 to 16.76 years (March 31, 2020: 11.75 to 17.08 years).

41. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Holding Company assesses the financial performance and position of the Group. The Chief Executive Officer has been identified as the chief operating decision maker.

The Group has identified a single business segment being manufacturing and selling of automotive and other components. This being a single segment no additional segment disclosure has been made for the business segment.

The Group's operations are categorized geographically as (a) India (b) United States of America ('USA') (c) Rest of the world. 'Rest of the world' primarily comprises the Group's operations in the 'United Kingdom', 'Germany' and 'Luxembourg'. Customer relationships are driven based on customer domicile.

Segment revenue by geographical location are as follows:* ₹ in Million

Region	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations		
India	9,890.04	9,678.11
USA	3,508.31	3,340.58
Rest of the World	3,010.20	2,609.63
	16,408.55	15,628.32

* Revenue by geographic area are based on the geographical location of the customer.
No customer individually accounted for more than 10% of the total revenue of the group during the years ended March 31, 2021 and March 31, 2020.

Non-current operating assets by geographical location are as follows:** ₹ in Million

Region	As at March 31, 2021	As at March 31, 2020
India	3,308.90	3,359.20
USA	2,404.75	2,593.60
Rest of the World	316.87	333.38
	6,030.52	6,286.18

** Non-current operating assets includes Property, plant and equipment, Capital work in progress, Right-of-use assets, Goodwill, Other intangible assets and Intangible assets under development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

42. Related party transactions

A. Related parties under Ind AS 24 and Companies Act, 2013

Key Management Personnel (KMP) of the Group

Mr. K Ajith Kumar Rai	Chairman w.e.f. April 01, 2019. (Chairman and Managing Director upto March 31, 2019)
Mr. Mohan Srinivasan Nagamangala	Managing Director & Group Chief Executive Officer w.e.f. April 01, 2019. (Director and Chief Executive Officer upto March 31, 2019)
Mr. Akhilesh Rai	Director & Chief Strategy Officer w.e.f. June 12, 2020. (Chief Strategy Officer upto June 11, 2020)
Mr. Medappa Gowda J	Chief Financial Officer and Company Secretary
Mr. Peter Greensmith	Managing Director of Suprajit Europe Ltd.
Mr. Frank Klinkert	Managing Director of Luxlite Lamp SARL, Luxembourg & Trifa Lamps Germany GmbH.
Mr. Steve Fricker	President & CFO of Wescon Controls LLC
Mrs. Dr. Supriya A Rai	Non-Executive Director
Mr. B.S. Patil, IAS (Retd)	Independent Director (upto February 02, 2020)
Mr. Suresh Shetty	Independent Director
Mr. Ian Williamson	Independent Director
Mrs. Bharathi Rao	Independent Director (w.e.f. April 01, 2019)
Mr. M. Lakshminarayan	Independent Director (w.e.f. April 01, 2019)
Mr. Harish Hassan Visweswara	Independent Director (w.e.f. June 12, 2020)

Relatives of KMP

Mr. Akhilesh Rai
Mr. Ashutosh Rai
Mr. Aashish Rai
Mr. Ashok Kumar Rai
Mrs. Arati Shetty
Mrs. Deeksha Bhandary

Enterprises in which directors / shareholders have significant influence

Suprajit Foundation
Supriyajith Family Trust

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

B. Details of transactions with key management personnel are as given below (cont.):

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Salary and perquisites:*		
KMP		
Mr. K Ajith Kumar Rai	49.17	49.11
Mr. Mohan Srinivasan Nagamangala	15.40	18.85
Mr. Medappa Gowda J	7.35	7.35
Mr. Akhilesh Rai	6.03	-
Mr. Peter Greensmith	12.47	12.28
Mr. Frank Klinkert	22.77	22.45
Mr. Steve Fricker	17.41	17.72
Relatives of KMP		
Mr. Akhilesh Rai	0.91	6.66
Mr. Ashutosh Rai	2.23	2.14
	133.74	136.56
Independent Directors remuneration (Commission and Sitting fee)		
Mr. B.S.Patil	-	0.61
Mr. Suresh Shetty	0.66	0.66
Mrs. Bharathi Rao	0.61	0.60
Mr. M. Lakshminarayan	0.62	0.59
Mr. Harish Hassan Visweswara	0.57	-
	2.46	2.46

*As the liabilities for gratuity and compensated absences are provided on an actuarial basis for the Group as a whole, the amount pertaining to the KMP and relatives of KMP is not ascertainable and, therefore, not included above. Also during the FY 2018-19 the Group granted stock appreciation rights to some of its directors and KMP. Since such rights are not tradeable, no perquisite or benefit is immediately conferred upon the employee by such grant of rights, and accordingly the said rights has not been considered as remuneration.

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Dividend Paid		
Enterprises in which directors / shareholders have significant influence		
Supriyajith Family Trust	39.86	138.19
KMP		
Mr. K Ajith Kumar Rai	2.86	9.85
Mr. Mohan Srinivasan Nagamangala	0.01	0.02
Mr. Medappa Gowda J [^]	-	-
Mr. Akhilesh Rai	0.91	-
Mrs. Supriya Rai	1.32	4.57
Mr. Suresh Shetty	0.57	1.98
Mr. M. Lakshminarayan	-	0.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

B. Details of transactions with key management personnel are as given below (cont.):

₹ in Million

	Year ended March 31, 2021	Year ended March 31, 2020
Relatives of KMP		
Mr. Akhilesh Rai	-	3.12
Mr. Ashutosh Rai	0.90	3.13
Mr. Aashish Rai	0.90	3.12
Mr. Ashok Kumar Rai	0.02	0.07
Mrs. Arati Shetty	0.38	1.30
Mrs. Deeksha Bhandary	0.01	0.03
	47.74	165.39
^ Rounded off		
Reimbursements of expenses to		
KMP		
Mr. K Ajith Kumar Rai	0.76	1.46
Mr. Mohan Srinivasan Nagamangala	0.17	0.44
Mr. Medappa Gowda J	0.11	0.31
Mr. Akhilesh Rai	1.03	-
Mr. Peter Greensmith	0.59	2.54
Mr. Steve Fricker	0.96	0.92
Mr. Frank Klinkert	1.25	6.05
Relatives of KMP		
Mr. Akhilesh Rai	-	0.77
Mr. Ashutosh Rai	0.10	0.24
	4.97	12.73
CSR expenditure (Contributed to)		
Suprajit Foundation (refer note 33(i))	32.48	34.02
	32.48	34.02

C. Balances outstanding as at year end:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Payable to		
KMP		
Mr. K Ajith Kumar Rai	35.86	26.33
Mr. Mohan Srinivasan Nagamangala	6.23	6.23
Mr. Medappa Gowda J	1.99	1.99
Mr. Akhilesh Rai	1.87	-
Mr. Frank Klinkert	0.25	1.80
Mr. B.S. Patil	-	0.50
Mr. Suresh Shetty	0.50	0.50
Mrs. Bharathi Rao	0.50	0.50
Mr. M. Lakshminarayan	0.50	0.50
Mr. Harish Hassan Visweswara	0.50	-
Relatives of KMP		
Mr. Ashuthosh Rai	0.15	0.15
Mr. Akhilesh Rai	-	1.28
	48.35	39.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

43. (i) Fair value

The carrying value of financial instruments by categories is as follows:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Financial assets measured at amortized cost		
Trade receivables*	3,319.59	2,750.03
Security deposits	57.77	54.50
Advances to employees*	10.10	10.01
Interest receivable on bank deposit and others*	2.83	2.05
Financial assets measured at fair value through profit and loss		
Investment in mutual funds	3,195.17	2,762.89
Foreign currency forward contracts	6.81	55.69
	6,592.27	5,635.17
Cash and cash equivalents and other balances with banks#		
Cash on hand	1.25	2.14
Balance with banks on current accounts	724.04	549.36
Balance with banks on EEFC accounts	45.46	60.27
Balance with banks on deposit accounts	7.84	7.67
Earmarked balances with banks being unpaid dividend accounts	23.01	22.15
Balance with banks in buy back 2021 escrow account	140.00	-
	941.60	641.59
Financial liabilities measured at amortized cost*		
Borrowings	3,277.05	3,803.42
Lease liabilities	182.26	103.06
Trade payables	2,475.99	2,140.11
Employee related liabilities	96.56	99.01
Interest accrued but not due on borrowings	12.32	13.63
Capital creditors	17.15	26.78
Payable to directors	45.96	34.56
Security deposits	24.00	19.36
Unpaid dividend	23.01	22.15
Others	0.93	0.81
Financial liabilities measured at fair value through profit and loss		
Provision for MTM losses on foreign currency forward contracts	8.37	15.96
Provision for MTM losses on Interest rate swap	1.01	1.70
Fair value through other comprehensive income		
Provision for MTM losses on Interest rate swap	1.43	8.58
	6,166.04	6,289.13
<p>* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. # These accounts are considered to be highly liquid / liquid and the carrying amount of these are considered to be the same as their fair value.</p>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

43. (ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

₹ in Million

	Level 1	Level 2	Level 3	Total
	March 31, 2021			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	3,195.17	-	-	3,195.17
Foreign currency forward contracts	-	6.81	-	6.81
Total financial assets measured at fair value	3,195.17	6.81	-	3,201.98
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on foreign currency forward contract	-	8.37	-	8.37
Provision for MTM losses on Interest rate swap	-	1.01	-	1.01
Financial liabilities measured at Fair value through other comprehensive income				
Provision for MTM losses on Interest rate swap	-	1.43	-	1.43
Total financial liabilities measured at fair value	-	10.81	-	10.81

	Level 1	Level 2	Level 3	Total
	March 31, 2020			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	2,762.89	-	-	2,762.89
Foreign currency forward contracts	-	55.69	-	55.69
Total financial assets measured at fair value	2,762.89	55.69	-	2,818.58
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on foreign currency forward contract	-	15.96	-	15.96
Provision for MTM losses on Interest rate swap	-	1.70	-	1.70
Financial liabilities measured at Fair value through other comprehensive income				
Provision for MTM losses on Interest rate swap	-	8.58	-	8.58
Total financial liabilities measured at fair value	-	26.24	-	26.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

43. (iii) Valuation technique used to determine fair value

- The Group holds derivative financial instruments such as foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Hence, the valuation is considered Level 2 by the management.
- The Group enters into contracts with financial institutions in nature of interest rate swap, the fair value of which is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data, therefore, are classified with in Level 2 of the valuation hierarchy.
- The Group has investment in quoted mutual funds these investments are carried at fair value through profit and loss using quoted prices in active markets and accordingly classified with in Level 1 of the valuation hierarchy.

44. Capital management

The primary objective of the group capital management is to ensure that it maintains a strong credit rating and capital ratios in order to ensure sustained growth in the business and to maximise the shareholder value.

₹ in Million

	As at March 31, 2021	As at March 31, 2020
A. Total equity attributable to the shareholders of the Company (Capital)	9,897.11	8,537.68
B. Borrowings		
Non-current borrowings	350.53	660.21
Current borrowings	2,353.88	2,452.92
Current maturities of non-current borrowings	572.64	690.29
Lease Liabilities	182.26	103.06
Less: Cash and cash equivalents	(770.75)	(611.77)
Less: Current investments (For March 31, 2021: limited to the extent of borrowings)	(2,688.56)	(1,873.19)
Net debt	-	1,421.52
C. Total capital and net debt (A+B)	9,897.11	9,959.20
D. Gearing ratio (B / C)	0%	14%

- The Group is predominantly equity financed as evident from the capital structure table above. Further the Group has sufficient cash and cash equivalents, current investments and financial assets which are liquid to meet the debts.
- In order to achieve this overall objective, the Group capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current year.

45. Financial risk management

Objective and policies:

The Group's principal financial liabilities comprise borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Groups principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit and loss investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2021.

(i) (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to change in the market interest rates. The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's borrowings with floating interest rates.

The Group enters into contracts with financial institutions in nature of interest rate swap, to mitigate the risk of changes in interest rates in respect of its borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's profit before tax due to change in the interest rate / fair value of financial liabilities are as disclosed below:

₹ in Million

	Year ended March 31, 2021		Year ended March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
Effect of profit before tax expense	(34.83)	34.83	(39.38)	39.38

(i) (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses. The Group has exposures to United States Dollars ('USD'), Great Britain Pound ('GBP'), Euro ('EUR') and other currencies. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and financing activities.

Group uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its trade receivables.

Below is the summary of unhedged foreign currency exposure of Group's financial assets and liabilities.

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets				
USD	3.74	1.94	271.58	144.74
EUR	2.38	2.55	204.70	202.98
GBP	0.15	0.07	15.04	6.24
Total			491.32	353.96
Financial liabilities				
USD	1.18	1.48	87.28	112.16
EUR	11.77	14.42	1,013.24	1,197.74
GBP [^]	-	-	0.35	0.13
Others	2.44	1.89	27.27	20.33
Total			1,128.14	1,330.36
Net financial assets			(636.82)	(976.40)
[^] Rounded off				

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these transactions are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Forward contracts outstanding are as below:

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
EUR*	1.44	2.26	124.79	187.69
GBP*	-	0.80	-	74.46
USD*	-	0.40	-	30.15
EUR**	12.56	14.50	1,150.50	1,204.22
GBP**	4.40	4.20	448.41	390.92
USD**	-	2.00	-	150.77
Total			1,723.70	2,038.21

* towards foreign currency receivables.

** towards highly probable foreign currency sales.

The above forward contracts are taken by Group companies for the receivables from intercompany transactions. For the purpose of consolidation intercompany balances are eliminated.

Sensitivity analysis

Every 1% appreciation or depreciation in the respective foreign currencies against functional currency of the each of the group entities would cause the profit before tax in proportion to revenue to increase or decrease respectively by 0.04% (March 31, 2020: 0.06%).

(i) (c) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of automotive cables & lamps and therefore require a continuous supply of below said products. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

The following table shows the effect of price changes in below said products:

₹ in Million

	Year ended March 31, 2021		Year ended March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax				
Steel wire	(18.09)	18.09	(17.23)	17.23
Cable components	(58.75)	58.74	(53.45)	53.45
Glass tube	(2.67)	2.67	(2.28)	2.28
Lamp components	(14.48)	14.47	(12.69)	12.69

(ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

a. Trade receivables

Credit risk is managed by each business unit as per the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

b. Credit risk exposure

The Group's credit period generally ranges from 0-270 days. The credit risk exposure of the Group is as below:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Trade receivables (A)	3,337.63	2,773.55
Impairment allowance (allowance for bad and doubtful debts)		
Balance as per last financial statements	23.52	13.84
Add: Charge for the year	19.44	20.58
Less: Utilised during the year	(17.04)	(11.32)
Add / Less: Exchange differences	(7.88)	0.42
Closing balance (B)	18.04	23.52
Total (A - B)	3,319.59	2,750.03

The Group evaluates the concentration of risk with respect to trade receivables as low, since majority of its customers are reputed automobile companies and are spread across multiple geographies.

c. Financial instruments and cash deposits

Credit risk is limited, as the Group generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investment primarily includes investment in liquid mutual fund units. Counterparty credit limits are reviewed by the Group periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents, investment in mutual funds and the cash flow that is generated from operations. The Group believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents and deposits is as below:

₹ in Million

	As at March 31, 2021	As at March 31, 2020
Cash on hand	1.25	2.14
Balance with banks	776.56	611.63
Current investments	2,847.32	1,873.19
	3,625.13	2,486.96

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

₹ in Million

	On demand	0-180 days	180-365 days	> 365 days	Total
March 31, 2021					
Non-current borrowings	-	-	-	350.53	350.53
Current borrowings	2,353.88	-	-	-	2,353.88
Lease liabilities*	-	41.67	41.67	175.53	258.87
Trade payables	-	2,475.99	-	-	2,475.99
Other financial liabilities	23.01	669.49	86.95	23.93	803.38
Total	2,376.89	3,187.15	128.62	549.99	6,242.65
March 31, 2020					
Non-current borrowings	-	-	-	660.21	660.21
Current borrowings	2,452.92	-	-	-	2,452.92
Lease liabilities*	-	38.79	38.79	89.19	166.77
Trade payables	-	2,140.11	-	-	2,140.11
Other financial liabilities	22.15	499.02	380.55	31.11	932.83
Total	2,475.07	2,677.92	419.34	780.51	6,352.84

*Includes future cash outflow toward estimated interest on lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

46. Employee Stock Appreciation Rights ('ESAR') (Equity Settled)

Employee Stock Appreciation Rights Plan – 2017 (the ESAR 2017 Plan): Effective June 26, 2018, the Group instituted the ESAR 2017 plan. The Board of directors of the Company and shareholders approved the ESAR 2017 plan at its meeting held on September 13, 2017 and November 11, 2017 respectively. The ESAR 2017 Plan provides for the issue of stock appreciation rights (SARs) to certain employees of the Company and its subsidiaries.

The ESAR 2017 Plan is administered by the Nomination and Remuneration Committee. As per the ESAR 2017 Plan, the stock appreciation rights are granted at the exercise price of ₹ 1 /-. The equity shares covered under these stock appreciation rights vest over five years from the date of grant. The exercise period is five years from the respective date of vesting.

The movement in the rights under the ESAR 2017 plan for the year ended March 31, 2021 is set out below

	Year ended March 31, 2021	Year ended March 31, 2020
The ESAR 2017 Plan	No. of stock appreciation rights	
SARs Outstanding at the beginning of the year	825,751	848,442
SARs Granted during the period	-	-
SARs Forfeited / Surrendered during the year	5,558	22,691
SARs Lapsed during the year	980	-
SARs Exercised during the year	-	-
SARs Outstanding at the end of the year	819,213	825,751
SARs exercisable at the end of the year	-	-

The stock appreciation rights outstanding on March 31, 2021 has the weighted average remaining contractual life of 6.02 years (March 31, 2020 7.02 years).

The weighted average fair value of stock appreciation rights granted was ₹ 128.14. The Black - Scholes valuation model has been used for computing the weighted fair value considering the following inputs:

	Input Values
Weighted average share price on the date of Grant (₹)	257.65
Exercise Price (₹)	1
Expected Volatility*	35.79%
Life of rights granted in years	1-5 Years
Average risk free interest rate	7.92
Dividend Yield	0.54

* The expected volatility was determined based on historical volatility data

Total Employee Compensation Cost pertaining to the ESAR 2017 plan during the year is ₹ 24.07 Million [(March 31, 2020: ₹ 1.90 Million (net of reversal of ₹ 26.04 Million)].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

47. On June 03, 2019 the Company had entered into an asset purchase agreement to acquire Halogen bulb manufacturing unit of Osram Lighting Private Limited situated near Chennai, Tamil Nadu. All the conditions precedent to the said acquisition were completed by October 03, 2019 and effective from October 04, 2019, the said unit commenced its operation as a part of Phoenix lamp division of the Company. The acquisition increased Company's Halogen bulb manufacturing capacity and further de-risked business. The Company evaluated the transaction as per the requirements of Ind AS-103 Business Combinations and carried out Purchase price allocation (PPA) through an external valuer. Considering that the valuation as per aforesaid PPA was not materially different from the transaction value as per asset purchase agreement, the Company recorded the transaction at transaction values for assets and liabilities during the year ended March 31, 2020 as set out below:

₹ in Million

Assets		
Property, plant and equipment*		193.66
Other intangible assets		0.14
Other non-current assets		2.46
Inventories		84.54
Loans (current)		0.76
Other current assets		1.69
Total	(A)	283.25
Liabilities		
Liability for employee benefits		(4.76)
Total	(B)	(4.76)
Total Consideration	(A-B)	278.49
*The Company additionally incurred ₹ 9.14 Million as stamp duty charges on registration of Freehold Land and Building acquired from Osram Lighting Private Limited.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

48. Additional information pursuant to para 2 of General Instructions for the Preparation of Consolidated Financial Statements:

Contribution of net assets / (liability), share of profit, share of comprehensive income in the consolidated financial statements:

A. As at and for the year ended March 31, 2021

₹ in Million

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss - gain / (loss)		Share in other comprehensive income - gain / (loss)		Share in total comprehensive income - gain / (loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Suprajit Engineering Limited	76%	9,115.22	91%	1,379.21	7%	0.35	91%	1,379.56
Indian subsidiary								
Suprajit Automotive Private Limited	7%	864.67	15%	224.87	6%	0.27	15%	225.14
Foreign subsidiaries								
Suprajit Europe Limited	3%	367.70	2%	25.45	583%	28.04	4%	53.49
Suprajit USA Inc.*	13%	1,532.25	(2%)	(34.38)	(708%)	(34.08)	(5%)	(68.46)
Trifa Lamps Germany, GmbH	2%	256.89	(1%)	(10.87)	198%	9.54	0%	(1.33)
Luxlite Lamps SARL, Luxembourg	(1%)	(65.77)	(5%)	(71.98)	14%	0.69	(5%)	(71.29)
Total	100%	12,070.96	100%	1,512.30	100%	4.81	100%	1,517.11
Adjustments arising out of consolidation		(2,173.85)		(85.20)		8.35		(76.85)
Total		9,897.11		1,427.10		13.16		1,440.26

* Suprajit USA Inc. represents the consolidated balances of Suprajit USA Inc. and its wholly owned subsidiary i.e. Wescon Controls LLC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

B. As at and for the year ended March 31, 2020

₹ in Million

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss - gain / (loss)		Share in other comprehensive income - gain / (loss)		Share in total comprehensive income - gain / (loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Suprajit Engineering Limited	73%	7,816.49	130%	1,233.32	(2%)	(2.90)	110%	1,230.42
Indian subsidiary								
Suprajit Automotive Private Limited	7%	699.22	15%	139.19	0%	0.43	13%	139.62
Foreign subsidiaries								
Suprajit Europe Limited	3%	323.92	4%	38.49	5%	9.16	4%	47.65
Suprajit USA Inc.*	15%	1,600.71	(33%)	(310.81)	85%	143.50	(15%)	(167.31)
Trifa Lamps Germany, GmbH	2%	258.22	(5%)	(47.88)	10%	17.29	(3%)	(30.59)
Luxlite Lamps SARL, Luxembourg	0%	5.52	(11%)	(101.48)	1%	1.76	(9%)	(99.72)
Total	100%	10,704.08	100%	950.83	100%	169.24	100%	1,120.07
Adjustments arising out of consolidation		(2,166.40)		88.82		14.57		103.39
Total		8,537.68		1,039.65		183.81		1,223.46

* Suprajit USA Inc. represents the consolidated balances of Suprajit USA Inc. and its wholly owned subsidiary i.e. Wescon Controls LLC.

49. The Code on Social Security, 2020 which received the President's assent on September 28, 2020 subsumes nine laws relating to Social security, retirement and employee benefits, including the Provident Fund and Gratuity. The effective date of the Code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.
50. At the time of finalisation of these consolidated financial statements the severity of the pandemic in the form of second wave is peaking day by day across the country and on account of which various state Governments have started imposing lockdown like restrictions in various parts of the country. The situation though is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of COVID-19 and due to which the Group will continue to closely monitor any material changes to future economic conditions, if any.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar

Partner

Membership No.: 213803

For and on behalf of the Board of Directors of
Suprajit Engineering Limited

K Ajith Kumar Rai

Chairman

DIN: 01160327

Mohan Srinivasan Nagamangala

Managing Director &

Group Chief Executive Officer

DIN: 01916468

Medappa Gowda J

Chief Financial Officer &

Company Secretary

Place: Bengaluru

Date: May 29, 2021

Place: Bengaluru

Date: May 29, 2021

SUPRAJIT ENGINEERING LIMITED**CIN: L29199KA1985PLC006934****Registered & Corporate Office:** No. 100 & 101, Bommasandra Industrial Area, Bengaluru-560 099

Telephone: +91-80-4342 1100, Fax: +91-80- 2783 3279

Website: www.suprajit.com, Email: info@suprajit.com

May 29, 2021

Dear Shareholder,

The Ministry of Corporate Affairs, Government of India ("MCA") has, by its circular dated 21st April, 2011 announced a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies. In terms of the said circular, service of notice / documents by a Company to its shareholders required to be made under the provisions of the Companies Act, 2013 can be made through the electronic mode.

In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, audited Financial Statements, Directors' Report, Auditors' Report, postal ballots etc., henceforth to all its esteemed shareholders, including your good self, in electronic form, through e-mail. To facilitate the same, we request you to furnish your e-mail ID, quoting your folio number / DPID / Client ID to our Registrar and share Transfer Agent at the following address:

Integrated Registry Management Services Private Limited**No. 30, Ramana Residency****4th Cross, Sampige Road****Malleswaram, Bengaluru - 560 003****Phone :+91-80-23460815-18, Fax :+91-80-23460819****E-mail : irg@integratedindia.in**

We are sure you would appreciate this initiative taken by the Ministry of Corporate Affairs to reduce consumption of paper and thereby, protect the environment. We expect to receive your support and co-operation in helping the Company to contribute its share to the said initiative.

Thanking you

Yours faithfully

For Suprajit Engineering Limited**Medappa Gowda J****Company Secretary**

SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934

Registered & Corporate Office: No. 100 & 101, Bommasandra Industrial Area, Bengaluru-560 099

Telephone: +91-80-4342 1100, Fax: +91-80- 2783 3279

Website www.suprajit.com, Email: info@suprajit.com

ECS MANDATE FORM

Members Holding Shares in Physical Mode

Please inform

Integrated Registry Management Services Private Limited

No. 30, Ramana Residency
4th Cross, Sampige Road,
Malleswaram, Bengaluru - 560 003

Members Holding Shares in Demat Mode

Please inform Your DPs directly
(if not done earlier)

I hereby consent to have the amount of Dividend on my Equity Shares credited through the Electronic Clearing Service (Cash Clearing) (ECS). The particulars are:

1. Folio No. / Certificate No.	
2. Name of the 1 st Holder	
3. Name of the Bank	
4. Full Address of the Branch	
5. Account Number	
6. Account Type (Please tick the relevant account)	Savings / Current / Cash Credit
7. 9 Digit Code Number of the Bank appearing on the MICR cheque issued by the Bank (Please attach a photocopy of a cheque for verifying the accuracy of the Code Number)	

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

Signature of the 1st Holder as per the

Specimen signature with the Company

Name : _____

Address : _____

Date : _____

GLOBAL FOOTPRINT



Plants	
India	18
US	1
Mexico	1

Pan India Footprint:

Phoenix:

- Noida 2 Plants, SEZ & DTA
- Chennai

Suprajit-India:

- Headquarters,
- Tech Centre,
- Global Manufacturing Hub,
- 15 Strategically located plants

SOME OF OUR KEY CUSTOMERS

Customers - automotive



Customers - 2 wheeler



Customers - Non-automotive



Top 10 Customers

TVS Motor



Hero Moto Corp



Bajaj Auto



Honda



Osram



VW Group



BMW



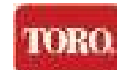
John Deere Group



MTD



Toro



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Suprajit Engineering Limited

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