INDEPENDENT AUDITOR'S REPORT

To the Members of Suprajit Automotive Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Suprajit Automotive Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) 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 Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

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Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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(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 Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued there under;

e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

   The provisions of section 197 read with Schedule V to the Act is not applicable to the Company.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 35 on Contingent Liabilities to the Ind AS financial statements.

   (ii) The Company did not have any long-term contracts for which there were any material foreseeable losses and has disclosed derivative contracts in its financial statements.

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(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co.LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Gaurav Poddar
Partner
Membership No. 063847

Place: Bengaluru
Date: May 27, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Suprajit Automotive Private Limited on the Ind AS financial statements for the year ended March 31, 2019]

Matters specified in clauses (iii),(iv),(v),(vi),(xi),(xii),(xiv) and (xvi) of paragraph 3 of the Order are not applicable to the Company for the year.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, fixed assets have not been physically verified by the management. However, 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.

(c) The title deeds of immovable properties recorded as fixed assets in the books of accounts of the Company are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year (except in respect of stock held by third parties). In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

(iii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and any 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, goods and service tax, customs duty, cess and other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, the dues outstanding with respect to, income tax, service tax, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (In Rs. millions)	Amount paid under protest (In Rs. Millions)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Excise Duty	0.22	0.22	2010-11	Customs, Excise and Service tax appellate tribunal
Central Excise Act 1944	Excise Duty	0.11	0.11	2011-12	Customs, Excise and Service tax appellate tribunal

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Name of the statute	Nature of dues	Amount Demanded (In Rs. millions)	Amount paid under protest (In Rs. Millions)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Excise Duty	0.15	0.15	2012-13	Customs, Excise and Service tax appellate tribunal
Central Excise Act 1944	Excise Duty	1.17	1.17	2013-14	Customs, Excise and Service tax appellate tribunal
Central Excise Act 1944	Excise Duty (penalty for above cases)	1.65	0.41	April 2010 to December 2013	Customs, Excise and Service tax appellate tribunal
Central Excise Act 1944	Excise Duty (interest for above cases)	0.58	0.58	April 2010 to December 2013	Customs, Excise and Service tax appellate tribunal
Finance Act 1994	Service tax	3.46	0.28	2010-11 to 2013-14 &	Customs, Excise and Service tax appellate tribunal
Finance Act 1994	Service tax	2.09	-	January 2014 to September 2014	Customs, Excise and Service tax appellate tribunal
Finance Act 1994	Service tax	3.59	0.27	October 2014 to September 2016	Customs, Excise and Service tax appellate tribunal
Finance Act 1994	Service tax (penalty for above case)	0.37	-	October 2014 to September 2016	Customs, Excise and Service tax appellate tribunal

Note : Out of total taxes paid under deposits, amount of Rs. 1.02 million relating to service tax cases for the periods April 2010-December 2013 & Jan 2014 to October 2014, company won the case as per the judgement given by the Customs, Excise and Service tax appellate tribunal on December 4, 2018 and the same amount is yet to recovered.

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(iv) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. There were no dues towards financial institutions, government or to debenture holders.

(v) In our opinion and according to the information and explanations given to us, the Company has utilized the term loans during the year for the purposes for which they were raised and kept the unutilised portion in readily realisable liquid funds. The Company did not raise any money by way of initial public offer/ further public offer (including debt instruments).

(vi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(vii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

(viii) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Poddar

Gaurav Poddar
Partner
Membership No.063847

HARIBHAKTI & CO. LLP
BENGALURU
CHARTERED ACCOUNTANTS

Place: Bengaluru
Date: May 27, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Suprajit Automotive Private Limited on the Ind AS financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements 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 financial statements of Suprajit Automotive Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to financial statements issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls with reference to financial statements (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 the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to financial statements issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Poddar

Gaurav Poddar
Partner
Membership No.063847

HARIBHAKTI & CO. LLP
BENGALURU
CHARTERED ACCOUNTANTS

Place: Bengaluru
Date: May 27, 2019

Suprajit Automotive Private Limited

BALANCE SHEET AS AT 31st MARCH 2019

₹ in Millions

Particulars	Note	31-Mar-19	31-Mar-18
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	254.98	226.30
Capital work-in-progress		155.47	0.42
Financial Assets			
Loans	4	3.53	2.52
Others	5	45.71	16.16
Non current Tax Assets (Net)	6	-	1.59
Other non-current assets	7	16.98	5.14
		476.67	**252.13**
Current assets			
Inventories	8	286.24	218.46
Financial Assets			
Investments	9	155.22	45.90
Trade Receivables	10	220.09	155.77
Cash and cash equivalents	11	20.34	9.45
Other Bank Balances	12	1.59	1.49
Loans	13	0.87	0.74
Others	14	50.63	2.43
Other current assets	15	162.28	93.71
		897.26	**527.95**
TOTAL ASSETS		**1,373.93**	**780.08**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	16	19.90	19.90
Other Equity	17	611.67	440.55
		631.57	**460.45**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	18	209.66	-
Provisions	19	4.12	5.95
Deferred tax liabilities(net)	20	45.47	21.02
Government Grants	21	3.17	2.18
		262.42	**29.15**
Current liabilities			
Financial Liabilities			
Borrowings	22	296.66	159.92
Trade Payable			
Dues to Micro and Small Enterprises	23	3.99	4.87
Dues to other than Micro and Small Enterprises	23	68.29	101.51
Other financial liabilities	24	95.33	8.08
Other current liabilities	25	2.57	2.34
Government Grants	21	1.40	2.10
Provisions	19	2.00	0.60
Current Tax liabilities	26	9.70	11.06
		479.94	**290.48**
TOTAL EQUITIES AND LIABILITIES		**1,373.93**	**780.08**

Company overview and Summary of Significant Accounting Policies 1 & 2

The notes referred to above form an integral part of the Financial Statements

As per Report attached of even date

For Haribhakti & Co.LLP
Chartered Accountants
ICAI FRN.No.103523W/W100048

Gaurav Poddar
Partner
M. No. 063847

Place : Bengaluru
Date : May 27, 2019

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * BENGALURU

For and on behalf of the Board of Directors

K Ajith Kumar Rai
Chairman
DIN:01160327

Mohan N.S
Director
DIN: 01916468

Place : Bengaluru
Date : May 27, 2019

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED * BANGALORE

Suprajit Automotive Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

₹ in Millions

Particulars	Note	31-Mar-19	31-Mar-18
INCOME			
Revenue from operations	27	1,477.38	1,129.19
Other Income	28	135.20	33.93
Total Revenue (I)		**1,612.58**	**1,163.12**
EXPENDITURE			
Cost of raw material and components consumed	29	755.50	539.70
Changes in inventories of finished goods and work-in-progress	30	(25.17)	5.49
Employee benefits expense	31	101.17	88.25
Finance Costs	32	17.74	13.79
Depreciation	3	19.31	17.62
Excise duty on sales		-	4.53
Other Expenses	33	396.29	279.72
Total expenses (II)		**1,264.84**	**949.10**
Profit before tax (III = I-II)		**347.74**	**214.02**
Tax expense (IV)			
Current Tax	20	83.00	78.98
Taxes of earlier years		(4.31)	2.32
Deferred Tax		24.89	(12.05)
		103.58	69.25
Profit for the period (V = III-IV)		**244.16**	**144.77**
Other Comprehensive Income (VI)			
Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		(1.51)	(0.24)
Income tax effect on above		0.44	0.07
		(1.07)	(0.17)
Total Comprehensive Income for the year (VII = V+VI)		**243.09**	**144.60**
Earnings per equity share (face value of Rs 10/- each):	34		
(1) Basic		122.69	72.75
(2) Diluted		122.69	72.75
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of financial statements.

As per Report attached of even date

For Haribhakti & Co.LLP
Chartered Accountants
ICAI FRN.No.103523W/W100048

Poddar

Gaurav Poddar
Partner
M. No. 063847

HARIBHAKTI & CO. LLP ★ BENGALURU ★ CHARTERED ACCOUNTANTS

Place : Bengaluru
Date : May 27, 2019

For and on behalf of the Board of Directors

N.S.

K Ajith Kumar Rai	**Mohan N.S**
Chairman	Director
DIN:01160327	DIN: 01916468

Place : Bengaluru
Date : May 27, 2019

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

Suprajit Automotive Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

₹ in Millions

	Year Ended 31.03.2019		Year Ended 31.03.2018	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		347.74		214.02
Adjustments for:				
Depreciation	19.31		17.62	
Interest expenses	17.74		13.79	
Interest income on Bank Deposits	(0.10)		(0.10)	
Unrealised foreign currency fluctuations (net)	(99.68)		(19.92)	
Net loss on disposal of Property Plant and Equipment	0.07		0.23	
Amortisation of deferred Govt Grant (excluding Govt grant relating to PF contribution)	(5.83)		(1.72)	
Fair value gain on investments at FVTPL	(9.33)		(3.07)	
Profit on sale of investments	(2.43)		-	
Expense on Employee stock appreciation rights	4.33		-	
		(75.92)		6.83
Operating profit before working capital changes		**271.82**		**220.85**
Adjustments for changes in working capital:				
Decrease in Non current Financial Assets	15.15		1.25	
Increase in Other Non current Assets	(0.28)		-	
Increase in Inventories	(67.78)		(34.86)	
Increase in trade receivables	(70.98)		(37.24)	
Decrease in Current Financial Assets	2.30		39.77	
Increase in other Current Assets	(68.58)		(52.60)	
Increase/(Decrease) in Trade payable	(33.66)		70.23	
Increase/(Decrease) in Other Financial Liabilities	14.81		(1.93)	
Increase in Other Current Liabilities	0.23		1.18	
Increase/(Decrease) in Provisions	(1.93)		0.27	
		(210.72)		(13.93)
Cash generated from operations		**61.10**		**206.92**
Direct taxes paid (net of refunds)		(78.47)		(67.49)
Net cash generated from operating activities		**(17.37)**		**139.43**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Investments	(150.00)		-	
Proceeds from sale of investments	52.43		-	
Purchase of Property, Plant and Equipment and Capital work in progress	(175.33)		(29.87)	
Interest received	-		0.10	
Proceeds from sale of Property, Plant & Equipment	0.47		1.12	
Net cash used in investing activities		**(272.43)**		**(28.65)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(12.11)		(11.79)	
Proceeds/(repayment) of long term borrowings (net)	250.00		(10.53)	
Proceeds/(repayment) of short term borrowings (net)	135.64		(7.80)	
Dividend paid including DDT	(71.97)		(71.85)	
Net cash used in financing activities		**301.56**		**(101.97)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**11.76**		**8.82**
CASH AND CASH EQUIVALENTS - At the beginning of the Year		9.45		0.78
Add: Unrealised loss on cash and cash equivalents		(0.15)		-
CASH AND CASH EQUIVALENTS - At the End of the Year		20.34		9.45
Add: Unrealised loss on cash and cash equivalents		(0.71)		(0.15)

Suprajit Automotive Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

₹ in Millions

Notes :

1.	Cash and Cash equivalents (Refer Note No 11)		20.34		9.45
			20.34		**9.45**
	The Details are as below				
	Cash in hand		0.06		0.01
	Balances with Scheduled Banks				
	- In Current Accounts		7.21		2.93
	- In OD Accounts		10.57		0.20
	- In EEFC Accounts		2.50		6.31
			20.34		**9.45**

As per report attached of even date

For Haribhakti & Co.LLP
Chartered Accountants
ICAI FRN.No.103523W/W100048

Gaurav Poddar
Partner
M. No. 063847

Place : Bengaluru
Date : May 27, 2019

For and on behalf of the Board of Directors

K Ajith Kumar Rai
Chairman
DIN:01160327

Mohan N.S
Director
DIN: 01916468

Place : Bengaluru
Date : May 27, 2019

Suprajit Automotive private Limited

Statement of Changes in Equity for the year ended 31st March 2019

₹ in Millions

A. Equity Share Capital

As at March 31,2018	Movement during the year	As at March 31,2019
19.90	-	19.90

B. Other Equity

Particulars	Reserve and Surplus		Items of other comprehensive income	Total
	General Reserve	Retained Earnings	Remeasurements of the net defined benefit plans	
Opening Balance as at April 01, 2017	257.50	110.22	0.08	367.80
Profit for the year	-	144.77	-	144.77
Other comprehensive income for the year, net of income tax	-	-	(0.17)	(0.17)
Interim Dividends including DDT (refer note 16F)	-	(71.85)	-	(71.85)
Closing balance as at March 31, 2018	**257.50**	**183.14**	**(0.09)**	**440.55**
Profit for the year	-	244.16	-	244.16
Other comprehensive income for the year, net of income tax	-	-	(1.07)	(1.07)
Interim Dividends including DDT (refer note 16F)	-	(71.97)	-	(71.97)
Transfer from Retained earnings to General reserve	150.00	(150.00)	-	-
Closing balance as at March 31, 2019	**407.50**	**205.33**	**(1.16)**	**611.67**

See accompanying notes to the standalone financial statements

As per our report attached of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

Gaurav Poddar
Partner
M. No. 063847

HARIBHAKTI & CO. LLP ★ BENGALURU ★ CHARTERED ACCOUNTANTS

Place : Bengaluru
Date : May 27, 2019

For and on behalf of the Board of Directors

K Ajith Kumar Rai
Chairman
DIN:01160327

Mohan N.S
Director
DIN: 01916468

Place : Bengaluru
Date : May 27, 2019

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2019

1 CORPORATE INFORMATION

Suprajit Automotive Private Limited ('the Company') is a private limited Company domiciled in India and is incorporated under the provisions of Companies Act applicable in India . The company registered as 100 % EOU. The Company is engaged in the manufacturing and selling of Automotive cables and part thereof. The Company caters to both domestic and international markets. Suprajit Automotive Private Limited is a wholly owned subsidiary of Suprajit Engineering Limited, a listed entity.

2 Summary of significant accounting policies

2.1 BASIS OF PREPARATION OF IND AS FINANCIAL STATEMENTS

The 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 and relevant amendment rules issued there after.

For all the periods upto and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Financial statements have been on a historical cost basis, except derivative Financial instruments and current investments have been measured at fair values.

Financial statements are prepared and presented in Indian Rupees and all amounts have been presented in millions with two decimals, unless otherwise stated.

2.2 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 realised or intended to be sold or consumed in normal operating cycle

► Held primarily for the purpose of trading

► Expected to be realised 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:

► It is expected to be settled in normal operating cycle

► It is held primarily for the purpose of trading

► It is 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 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.

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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2.3 FOREIGN CURRENCIES

The Ind As financials statements are presented in Indian Rupees (INR or Rs.) which is Company's functional and presentation currency. Initially, foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date applicable exchange rates.
Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss. All non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using exchange rate at the date of transaction. All non-monetary items which are carried at fair value denominated in foreign currency are reported using the exchange rates that existed when the fair value was 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 recognised in OCI or the statement of profit or loss, respectively).

INDAS 21 Amendment :

In determining the spot exchange rate for initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any material impact on the Company's Ind AS financial statements.

2.4 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 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

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SUPRAJIT AUTOMOTIVE PRIVATE LIMITED BANGALORE

The Company's management determines the policies and procedures for both recurring and non - recurring 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.

2.5 REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it has the primary obligation in all revenue arrangements as it has pricing latitude & is also exposed to inventory and credit risk. GST collected by the Company is excluded from the revenue as it is not received by the company on its own account but it is collected on value added to the commodity by the seller on behalf of the government.

The following specific recognition criteria must also be met before revenue is recognized:

Sales of Products

Revenue is recognised at the time of transfer of property in goods, which results in or coincides with the transfer of significant risks and rewards to the customers and is generally as per terms of contract with customers and no significant uncertainty exist regarding the amount of consideration towards such sale. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from scrap is recognised on sale.

Interest income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the statement of profit and loss.

Export entitlements

Export entitlements in the form of Merchandise Export from India (MEIS) is recognized in the 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.

2.6 GOVERNMENT GRANTS AND SUBSIDIES

Government grants are recognised 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 recognised 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 recognised 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 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 recognised 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.

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2.7 Taxes

Current Income Tax

Tax Expense comprises of current tax and deferred tax and is recognised in the 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 at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the 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 establishes provisions, where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

► When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

► In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred Tax Asset:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:

• when the deferred tax liability or asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised 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 tax assets is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Services Tax paid on acquisition of assets or on incurring expenses

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of GST paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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2.8 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment, capital-work-in progress is 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 recognised 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 recognised in the statement of profit or loss as incurred. Spare parts, stand-by equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventory.

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, supported by independent technical evaluation by professionals that considered shift wise working as well. 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.

Category	Useful lives estimated by the management (years)	Useful lives as per Schedule II of the Act (years)
Plant and Machinery	15 to 20	15
Electrical Installations	21	10
Furniture & Fixtures	15	10
Office Equipments	10	5
Moulds and dies	15	-
Factory buildings	-	30
Other buildings	-	60
Testing and lab equipments(included in Plant & Machinery)	-	10
Computers	-	3
Servers and networks(included in computers)	-	6
Crates(included in Plant & Machinery)	-	1
Vehicles - Two wheeler	-	10
Vehicles - Four wheeler	-	8

Machinery spares are depreciated over the useful life of plant and equipment or useful life of spare part, whichever is less.

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 statement of profit and loss when the asset is derecognised.

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.

2.9 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.

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2.10 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.

2.11 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 and components, stores and spares, consumables, packing 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.

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

2.12 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 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 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.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised 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 recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the 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.

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2.13 PROVISIONS

Provisions are recognised 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, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the 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.

2.14 RETIREMENT AND OTHER EMPLOYEE BENEFITS

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund 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 Company 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 recognised immediately in the 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 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 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 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.

2.15 SHARE BASED PAYMENTS

Certain Employees of the company are granted stock appreciation rights of holding company , which are settled in shares (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 recognised, together with a corresponding increase in Employee Share Appreciation Rights (ESAR) liability in other financial liability, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised 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 statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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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 recognised 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.

2.16 FINANCIAL INSTRUMENTS

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- ► Debt instruments at amortised 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)
- ► Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

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 amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

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

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

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.

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 the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

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.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

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Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Profit and Loss , even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

Derecognition

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

(a.) The rights to receive cash flows from the asset have expired, or

(b.) 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 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

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 following financial assets and credit risk exposure

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 EIR.

When estimating the cash flows, an entity is required to consider :

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual term.

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SUPRAJIT AUTOMOTIVE PRIVATE LIMITED * BANGALORE

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a.) Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the 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 P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

(b.) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

(c.) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts 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.

Financial guarantee contracts are recognised 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 recognised less cumulative amortisation.

Derecognition:

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

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED BANGALORE

2.17 DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments, such as forward currency contracts and currency and interest rate SWAP to hedge its foreign currency and interest rate risks. Such derivative financial instruments are initially recognised 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 profit or loss.

2.18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the 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.

2.19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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 Ind AS financial statements unless possibility of out flow of resources remote..

Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

2.20 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.21 SEGMENT REPORTING

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.22 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the Ind AS financial statements are explained in relevant notes in the financial statements.

I. Useful lives of property, plant and equipment: Determination of the estimated useful life of Property Plant and Equipment and the assessment as to which components of the cost may be capitalised. Useful life of Property Plant and Equipment is based on technical assessment made by technical expert and management estimate which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. Assumption also needs to be made, when company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.

II. Provisions and liabilities : Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2019

III. Contingencies : In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

IV. 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 appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

V. Defined benefit plan: The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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.

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

VII. 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, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It 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. Where 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 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.

VIII. Share-based payments :

Estimating fair value for employee stock appreciation rights (ESAR) 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 employee stock appreciation rights (ESAR) are disclosed in note 46.

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SUPRAJIT AUTOMOTIVE PRIVATE LIMITED
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Suprajit Automotive Private Limited
NOTES TO THE FINANCIAL STATEMENTS
3. PROPERTY, PLANT AND EQUIPMENT

₹ in Millions

	Land	Buildings	Electrical Installations	Plant and Machinery	Dies and Moulds	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
Cost										
At April 01, 2017	9.24	123.30	14.45	120.52	29.29	5.79	0.92	5.65	4.13	313.29
Additions	-	0.48	0.38	24.18	2.56	1.39	-	0.48	0.31	29.78
Government Grant	-	-	-	0.59	-	-	-	-	-	0.59
Disposals	-	-	-	1.61	-	-	-	-	-	1.61
At March 31, 2018	9.24	123.78	14.83	143.68	31.85	7.18	0.92	6.13	4.44	342.05
Additions	-	-	1.38	33.66	7.88	1.56	-	1.49	0.18	46.15
Government Grant	-	-	-	2.38	-	-	-	-	-	2.38
Disposals	-	-	-	0.62	-	-	-	-	-	0.62
At March 31, 2019	9.24	123.78	16.21	179.10	39.73	8.74	0.92	7.62	4.62	389.96
Accumulated depreciation										
At April 01, 2017	-	23.65	5.06	44.59	15.06	2.55	0.15	3.69	3.65	98.40
Charge for the year	-	4.08	0.68	8.67	2.65	0.61	0.11	0.44	0.38	17.62
Disposals	-	-	-	0.27	-	-	-	-	-	0.27
At March 31, 2018	-	27.73	5.74	52.99	17.71	3.16	0.26	4.13	4.03	115.75
Charge for the year	-	4.09	0.70	10.48	2.19	0.70	0.11	0.74	0.30	19.31
Disposals	-	-	-	0.08	-	-	-	-	-	0.08
At March 31, 2019	-	31.82	6.44	63.39	19.90	3.86	0.37	4.87	4.33	134.98
Net book value										
At April 01, 2017	9.24	99.65	9.39	75.93	14.23	3.24	0.77	1.96	0.48	214.89
At March 31, 2018	9.24	96.05	9.09	90.69	14.14	4.02	0.66	2.00	0.41	226.30
At March 31, 2019	9.24	91.96	9.77	115.71	19.83	4.88	0.55	2.75	0.29	254.98

Note

(a) Moulds and dies include assets having original cost of RS. 20.70 millions (Previous Year - Rs. 15.66 millions) held by the sub-contractors.

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

4. LOANS

₹ in Millions

	31-Mar-19	31-Mar-18
Unsecured, Considered good		
Deposits with Government Departments	2.36	2.35
Other Deposits	1.17	0.17
	3.53	**2.52**

5. FINANCIAL ASSETS -OTHERS

₹ in Millions

	31-Mar-19	31-Mar-18
Derivative financial instruments - foreign exchange forward contracts (refer Note-42)	40.52	16.16
Derivative financial instruments - Currency and Interest rate SWAP (refer Note-42)	5.19	-
	45.71	**16.16**

6.TAX ASSETS(Net)

₹ in Millions

	31-Mar-19	31-Mar-18
Tax Assets (Net of provisions)	-	1.59
	-	**1.59**

7. OTHER NON-CURRENT ASSET

₹ in Millions

	31-Mar-19	31-Mar-18
Unsecured, Considered good		
Capital Advances	12.78	1.21
Taxes paid under Protest	4.20	3.93
	16.98	**5.14**

8. INVENTORIES

₹ in Millions

	31-Mar-19	31-Mar-18
Inventories (at lower of cost and Net realisable value)		
Raw Materials and components	107.48	84.87
Raw Materials and components in Transit	23.74	2.01
Work-in-process	16.09	9.41
Finished Goods	111.22	92.73
Tooling in process	27.71	29.44
	286.24	**218.46**

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SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENTS

₹ in Millions

	31-Mar-19	31-Mar-18
Investments in Mutual funds		
Unquoted		
HDFC Floating Rate Debt Fund-Direct Plan- Growth option - 7,54,333 Units of Rs 10/-Each (31-Mar-18 7,54,333 Units of Rs 10/- each)	24.67	22.92
ICICI Prudential Savings Fund - Direct plan- Growth- 68,589 Units of Rs 10/-Each (31-Mar-18- 68,589 Units of Rs 10/-Each)	24.77	22.98
Quoted		
Franklin India Low Duration Fund - Direct Growth - 23,86,418 units of Rs 10/-Each (31-Mar-18- Nil Units)	52.90	-
Franklin India Ultra Short Bond Fund Super Institutional Plan- Direct Growth - 20,04,329 Units of Rs 10/-Each (31-Mar-18- Nil Units)	52.88	-
	155.22	**45.90**
Aggregate amount of unquoted mutual funds (Refer Note 42)	49.44	45.90
Aggregate amount of quoted mutual funds and market value thereof (Refer Note 42)	105.79	-

10. TRADE RECEIVABLES

₹ in Millions

	31-Mar-19	31-Mar-18
Unsecured		
Considered good		
From related parties	64.33	27.99
Others	155.76	127.78
	220.09	**155.77**

11. CASH AND CASH EQUIVALENTS

₹ in Millions

	31-Mar-19	31-Mar-18
Cash on hand	0.06	0.01
Balances with banks		
- In Current Accounts	7.21	2.93
- In EEFC accounts	2.50	6.31
- In Over draft accounts	10.57	0.20
	20.34	**9.45**

12. OTHER BANK BALANCES

₹ in Millions

	31-Mar-19	31-Mar-18
Fixed Deposit held as Margin Money	1.59	1.49
	1.59	**1.49**

* Margin money given to Customs authority as guarantee.

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

13. LOANS

₹ in Millions

	31-Mar-19	31-Mar-18
Unsecured, Considered good		
Loan to employees	0.87	0.74
	0.87	**0.74**

14. FINANCIAL ASSETS - OTHERS

₹ in Millions

	31-Mar-19	31-Mar-18
Derivative financial instruments - foreign exchange forward contracts (refer Note-42)	49.89	2.43
Derivative financial instruments - Currency and Interest rate SWAP (refer Note-42)	0.74	-
	50.63	**2.43**

15 . OTHER CURRENT ASSETS

₹ in Millions

	31-Mar-19	31-Mar-18
Unsecured, Considered good		
Advance to Suppliers	14.44	9.02
Prepayments	0.98	1.10
Other receivables	0.88	1.30
Balance with Statutory Authorities	129.12	77.12
Export Incentive receivable	16.79	5.10
Interest accrued on fixed deposits with banks	0.07	0.07
	162.28	**93.71**

16. SHARE CAPITAL

₹ in Millions

	31-Mar-19	31-Mar-18
Authorised		
2,000,000 Equity Shares of Rs.10 each(31-Mar-18 - 20,00,000 Equity Shares of Rs 10 each)	20.00	20.00
Issued, Subscribed & Paid up		
19,90,000 Equity Shares of Rs.10 each Fully Paid (31-Mar-18 - 19,90,000 Equity Shares of Rs 10 each)	19.90	19.90
Total	**19.90**	**19.90**

(a) There were no movement in the share capital during current and previous year.

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amount and the distribution will be proportionate to the number of equity shares held by the shareholders.

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SUPRAJIT AUTOMOTIVE PRIVATE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

(c) Disclosure of the Shares of the Company held by -

₹ in Millions

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amount(Rs.)	Number	Amount(Rs.)
Holding Company				
- Suprajit Engineering Limited	1.99	19.90	1.99	19.90
Nominee of the holding Company				
- Mr. K Ajith Rai	-	-	-	-
	1.99	**19.90**	**1.99**	**19.90**

(d) shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	Number	% of Holding	Number	% of Holding
Suprajit Engineering Limited	1.99	99.99%	1.99	99.99%

e) No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back during the period of five years immediately preceding the reporting date.

f) During the year the company has paid the dividend of Rs.30 (Previous Year Rs.30) per equity share which resulted in a cash outflow (including DDT) of Rs.71.97 million (Previous Year Rs.71.85 Million).

17. OTHER EQUITY

₹ in Millions

	31-Mar-19	31-Mar-18
General Reserve	407.50	257.50
Retained earnings	205.33	183.14
OTHER COMPREHENSIVE INCOME:		
Remeasurements of the net defined benefit plans	(1.16)	(0.09)
	611.67	**440.55**

18 . BORROWINGS

₹ in Millions

	31-Mar-19	31-Mar-18
Term Loans from Banks(Secured)	209.66	-
The details of the security are as follows:		
- First exclusive charge by way of equitable mortgage of the building and other fixed assets funded from the term loan.		
- First charge on present and future movable fixed assets.		
- First exclusive charge by way of equitable mortgage of property located at Plot No. 25 & 26-A (part), KIADB Industrial Area, Veerapura Village, Doddaballapur, Bengaluru - 561 203.		
- Second pari passucharge on the current assets of the Company.		
	209.66	**-**

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SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

Suprajit Automotive Private Limited
NOTES TO THE FINANCIAL STATEMENTS

₹ in Millions

Term Loans From Banks	31-Mar-19	31-Mar-18
In 16 quarterly instalments of EUR 1,89,513.71 from 29th November 2018 to 31st August, 2023 at an interest of LIBOR-USD (3m)+2 %.	239.61	-
	239.61	-
Less: Current maturities of long-term borrowings	29.95	-
	209.66	-

19 PROVISIONS

₹ in Millions

	31-Mar-19	31-Mar-18
Non Current		
Provision for employee benefits		
Gratuity	1.54	3.39
Compensated absences	2.58	2.56
	4.12	**5.95**
Current		
Provision for employee benefits		
Gratuity	1.69	0.49
Compensated absences	0.31	0.11
	2.00	**0.60**

20. INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 25% plus a surcharge and education cess for the Companies having turnover less than 250 crores.

a) Income tax expenses

₹ in Millions

Particulars	For the year ended	
	31-Mar-19	31-Mar-18
Current tax:		
Current tax	83.00	78.98
Tax pertaining to earlier years	(4.31)	2.32
Deferred tax	24.89	(12.05)
Total	**103.58**	**69.25**

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is indicated below:

₹ in Millions

Particulars	For the year ended	
	3/31/2019	3/31/2018
Profit before tax	347.74	214.02
Enacted tax rate in India	29.12%	34.61%
Expected income tax expense at statutory tax rate	101.00	74.07
Tax impact on account of		
Non-deductible expenses for tax purposes	6.40	(7.27)
CSR expenditure	0.49	0.13
	107.89	**66.93**
Tax expenses pertaining to current year	107.89	66.93
Effective income tax rate	31.03%	31.27%

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED BANGALORE

Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for property plant and equipment under income tax act and disallowance of certain expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Deferred Tax Liabilities (Net)

₹ in Millions

	31-Mar-19	31-Mar-18
Deferred Tax Liability:		
On account of accelerated depreciation for tax purpose	24.37	21.33
Impact of fair value of investments	4.44	1.38
MTM forward contact Income	22.47	4.10
Deferred Tax Asset:		
Provision for Employee Benefits	(5.90)	(1.90)
Actuarial gain/(loss)	(0.47)	(0.03)
Others	0.56	(3.86)
Deferred Tax Asset/Liabilities (Net)	**45.47**	**21.02**

b) Deferred Tax Balances

₹ in Millions

Particulars	As at 31-03-2018	Recognised in Other comprehensive Income	Recognised in Statement of Profit and Loss	As at 31-03-2019
Deferred Tax Liability arising on account of : -				
On account of accelerated depreciation for tax purpose	21.33	-	3.04	24.37
Impact of fair value of investments	1.38	-	3.06	4.44
Impact of MTM forward contact Income	4.10	-	18.37	22.47
Deferred Tax Liability (A)	**26.81**	-	**24.47**	**51.28**
Deferred Tax Asset arising on account of : -				
Provision for Employee Benefits	1.90	-	4.00	5.90
Others	3.86		(4.42)	(0.56)
Deferred Tax Impact on Actuarial gain/(Loss)	0.03	0.44	-	0.47
Tax rate changes				-
Deferred Tax Asset (B)	**5.79**	**0.44**	**(0.42)**	**5.81**
Net Deferred Tax Liability(A-B)	**21.02**	**(0.44)**	**24.89**	**45.47**

Particulars	As at 31-03-2017	Recognised in Other comprehensive Income	Recognised in Statement of Profit and Loss	As at 31-03-2018
Deferred Tax Liability arising on account of : -				
Timing difference between depreciation as per books and depreciation as per Tax	25.53	-	(4.20)	21.33
Impact of fair value of investments	0.57	-	0.81	1.38
Impact of MTM forward contact Income	14.06	-	(9.96)	4.10
Deferred Tax Liability (A)	**40.16**	**-**	**(13.35)**	**26.81**
Deferred Tax Asset arising on account of : -				
Provision for Employee Benefits	2.17	-	(0.27)	1.90
Others	4.89	-	(1.03)	3.86
Def Tax Impact on Actuarial gain\(Loss)	(0.04)	0.07	-	0.03
Deferred Tax Asset (B)	**7.02**	**0.07**	**(1.30)**	**5.79**
Net Deferred Tax Liability(A-B)	**33.14**	**(0.07)**	**(12.05)**	**21.02**

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

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NOTES TO THE FINANCIAL STATEMENTS

21. Government Grants

₹ in Millions

	31-Mar-19	31-Mar-18
Opening	4.28	2.51
Add: Recognised during the year	6.42	3.49
less: Released to statement of profit and loss	6.13	1.72
	4.56	**4.28**
Government Grant - Non Current	3.17	2.18
Government Grant -Current	1.40	2.10
	4.56	**4.28**

Note: Government grant has been considered for customs duty exemption on import of Property Plant and Equipment as company is registered as EOU unit. Based on scheme notified by the government, grant has been considered in terms of lower interest rate to extent of 3% on the Indian denominated rupee packing credit loan compared to normal interest rate on such borrowings. Further, based on the scheme notified by the government, grant has been considered for the contribution received from the government towards EPF and EPS employer's share contribution.

22. BORROWINGS

₹ in Millions

	31-Mar-19	31-Mar-18
Secured		
Working Capital Loans repayable on demand from Banks	97.55	2.18
Carries interest range from 8.5% to 10.5%		
Packing credit loan	199.10	157.74
Carries interest range from 3% to 5.35% and repayable in 180 days		
The details of the security are as follows:		
- First pari-passu charge on present and future current assets including stocks and		
- Second pari passu charge on present and future movable fixed assets.		
- Second pari passu charge by way of equitable mortgage of property located at Plot No. 25 & 26-A (part), KIADB Industrial Area, Veerapura Villiage, Doddaballapur, Bangalore - 561 203.		
- Demand promissory note and letter of continuity.		
	296.66	**159.92**

23. TRADE PAYABLES

₹ in Millions

	31-Mar-19	31-Mar-18
Dues to Micro and Small Enterprises (Refer Note 36)	3.99	4.87
Dues to Others	68.29	101.51
	72.28	**106.38**

24. OTHER FINANCIAL LIABILITIES

₹ in Millions

	31-Mar-19	31-Mar-18
Current maturities of long term borrowings	29.95	-
Interest accrued but not due on borrowings	0.65	0.76
Payable for capital purchases	38.25	-
Payable to related parties (ESAR Payable)	4.33	-
Employee benefits payable	22.15	7.32
	95.33	**8.08**

25. OTHER CURRENT LIABILITIES

₹ in Millions

	31-Mar-19	31-Mar-18
Statutory dues payable	2.57	2.34
	2.57	**2.34**

26 .CURRENT TAX LIABILITIES

₹ in Millions

	31-Mar-19	31-Mar-18
Provision for income tax [Net of tax payments]	9.70	11.06
	9.70	**11.06**

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

27. REVENUE FROM OPERATIONS

₹ in Millions

	31-Mar-19	31-Mar-18
Sale of products (Gross)		
Finished goods (Automotive Cables and Components)	1,441.44	1,112.72
	1,441.44	**1,112.72**
Other Operating Income		
Sale of scrap	4.67	2.54
Income on export entitlement	31.27	13.94
	1,477.38	**1,129.19**

28. OTHER INCOME

₹ in Millions

	31-Mar-19	31-Mar-18
Interest income on deposits	0.21	0.21
Fair value gain on investments at FVTPL	9.33	3.07
Net gain on foreign currency fluctuations (net)	116.80	27.96
Miscellaneous income	0.19	0.97
Government Grant (Refer Note 21)	6.13	1.72
Gain on sale of investments	2.43	-
Bad debts recovered	0.11	-
	135.20	**33.93**

29. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

₹ in Millions

	31-Mar-19	31-Mar-18
Opening Stock	86.88	58.94
Add: Purchases	799.83	567.65
Less: Closing Stock	131.22	86.88
	755.50	**539.70**

30. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Millions

	31-Mar-19	31-Mar-18
(i) Changes in inventories of Finished Goods		
Opening inventory	92.73	105.89
Closing inventory	111.22	92.73
	(18.49)	**13.17**
(ii) Changes in Work in progress :		
Opening inventory	9.41	1.74
Closing inventory	16.09	9.41
	(6.68)	**(7.68)**
Net (Increase)/ Decrease	**(25.17)**	**5.49**

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SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

31. EMPLOYEE BENEFITS EXPENSE

₹ in Millions

	31-Mar-19	31-Mar-18
Salaries, wages and Bonus	76.47	69.58
Contribution to Provident and other funds	7.76	6.91
Gratuity expense (Refer Note 37)	0.34	1.18
Staff Welfare expenses	12.27	10.58
Expense on Employee stock appreciation rights (Refer Note-46)	4.33	-
	101.17	**88.25**

32. FINANCE COSTS

₹ in Millions

	31-Mar-19	31-Mar-18
Interest on Term Loans	1.76	0.31
Interest on Working Capital Loans	14.77	13.24
Other borrowing cost	1.13	0.24
Interest others	0.08	-
	17.74	**13.79**

33. OTHER EXPENSES

₹ in Millions

	31-Mar-19	31-Mar-18
Sub-contracting expenses	138.64	80.85
Stores and Consumables	19.06	13.18
Packing Material	33.22	30.48
Power and fuel	21.34	17.83
Rates and taxes	1.15	2.56
Insurance charges	1.72	2.70
Repairs and maintenances		
-Buildings	0.03	0.46
-Machinery	10.14	5.83
-Tools & Others	10.32	6.73
Professional and consultancy charges	1.21	1.14
Payment to auditors		
-Statutory Audit Fees (excluding GST)	0.61	0.55
-Other matters	-	-
-Reimbursement of expenses	0.05	0.04
Security charges	2.17	2.08
Bank charges	1.26	1.43
Communication costs	0.41	0.36
Travelling and conveyance	2.15	1.97
Freight outward and Warehousing charges	93.27	70.67
Printing and stationery	1.03	1.16
Commission on Export Sales	50.34	35.70
Rent	3.88	-
Bad Debts Written Off	-	0.02
Net Loss on disposal of property, plant and equipment	0.07	0.23
Corporate social responsibility expenses(Refer Note - 41)	3.36	2.52
Research & Development expense (Refer Note - 38)	0.02	-
Miscellaneous expenses	0.83	1.27
	396.29	**279.72**

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

34 Earnings Per Share (EPS) ₹ in Millions

In compliance of Accounting Standard - 20 on "Earnings Per Share", the calculation of Earning Per Share (Basic and Diluted) is as under:

Particulars	Year Ended on 31.03.2019	Year Ended on 31.03.2018
Net Profit after taxation (Rs.)	244.16	144.77
Weighted Number of average shares outstanding	1.99	1.99
Paid-up equity share capital [Face Value Rs. 10/-Per Share]	19.90	19.90
Basic and Diluted Earnings per share (Rs.)	122.69	72.75

35 Commitment and Contingencies

₹ in Millions

Particulars	Year Ended on 31.03.2019	Year Ended on 31.03.2018
a) Contingent Liability		
On account of -		
- Income Tax matters	-	0.42
- Excise duty matters (including penalty and interest)*	3.89	3.88
- Service Tax matters (including penalty and interest)*	9.51	6.56
b) Capital commitments		
- Capital commitments(the company has commitment related to Constrution of Building , installation of Property , Plant and Equipment and Moulding Tools)	64.63	1.73

The Company has disclosed all possible contingent liabilities and commitments. Necessary provisions have been made in the books of accounts for the year in respect of all known liabilities.

The expected timing of the outflow of economic benefits cannot be determined. No reimbursements are expected.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions pending at various forums/authorities.

* Wherever penalty and interest is included in demand notice.

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Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

36 Details of dues to Micro, Small and Medium Enterprises Development Act, 2006(MSMED) ₹ in Millions

Particulars	As at 31st March 2019 (Rs.)	As at 31st March 2018 (Rs.)
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of 31st March 2019		
i) Principal Amount Due	3.91	4.87
ii) Interest payable under MSMED Act, 2006	0.08	-
Total	3.99	4.87
ii) The amount of interest paid by the Company in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year ended March 31, 2019.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
v) 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 Micro Small and Medium Enterprise Development Act, 2006.	-	-

Note:

The above information has been furnished to the extent such parties have been identified by the Company, which has been relied upon by the auditors.

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HARIBHAKTI & CO. LLP ★ CHARTERED ACCOUNTANTS BENGALURU

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

37 EMPLOYEE BENEFITS

Defined Contribution Plan:

During the year, the Company has recognised the following amounts in the statement of profit and loss -

₹ in Millions

	Year Ended on 31.03.2019	Year Ended on 31.03.2018
Provident Fund Contributions	5.48	4.69
Employers Contribution to ESIC	2.26	2.22
Labour Welfare Fund	0.02	0.02
	7.76	**6.93**

Defined Benefit Plan:

The Company has a defined benefit gratuity plan for its employees. Every employee who has completed five years of service gets a gratuity on departure at 15 days of basic last drawn salary for each completed year of service. The following table summarises the components of net benefit expenses and the funded status for the plan:

The following summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet.

₹ in Millions

	Year Ended on 31.03.2019	Year Ended on 31.03.2018
Change in projected benefit obligations		
Obligations at beginning of the year	10.26	8.48
Service cost	1.13	0.97
Interest cost	0.79	0.65
Benefits settled	(0.29)	(0.04)
Transfer in/(out) (net) *	(1.00)	-
Actuarial (gain) /loss	1.36	0.21
Obligations at end of the year	**12.25**	**10.26**
Change in plan assets		
Plan assets at beginning of the year, at fair value	6.38	5.51
Interest income	0.58	0.44
Actuarial gain /(loss)	(0.15)	(0.03)
Contributions	2.49	0.50
Benefits settled	(0.29)	(0.04)
Plan assets at end of the year	**9.01**	**6.38**
Present value of defined benefit obligation at the end of the year	12.25	10.26
Fair value of plan assets at the end of the year	9.01	6.38
Net liability/(asset) recognised in the balance sheet	**3.23**	**3.88**
Expenses recognised in statement of profit and loss		
Service cost	1.13	0.97
Interest cost (net)	0.79	0.65
Interest Income (net)	(0.58)	(0.44)
Transfer in/(out) (net) *	(1.00)	-
Net gratuity cost	**0.34**	**1.18**
Re-measurement gains / (losses) in OCI		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	1.06	-
Actuarial (gain) / loss due to financial assumption changes	(0.27)	(0.37)
Actuarial (gain) / loss due to experience adjustments	0.57	0.58
Return on plan assets (greater)/less than discount rate	0.15	0.03
Total expenses/(Gain) routed through OCI	**1.51**	**0.24**

* Transfer represents employees of company are transferred from and to holding Company, Suprajit Engineering Ltd.

SUPRAJIT AUTOMOTIVE PRIVATE LIMITED BANGALORE

Suprajit Automotive Private Limited
NOTES TO THE FINANCIAL STATEMENTS

The major categories of plan assets of the fair value of the total plan assets are as follows

Investment with insurers	100%	100%

₹ in Millions

The principal assumptions used in determining gratuity obligations for the Companies plans are as shown below:

Particulars	Year Ended on 31.03.2019	Year Ended on 31.03.2018
Discount rate	7.78%	7.63%
Estimated rate of return on plan assets	7.78%	7.63%
Salary increase rate	10.00%	10.00%
Attrition Rate	6.00%	6.00%
Mortality rate during employment	Indian assured lives mortality 2006-2008 Ult.	

Experience adjustments

₹ in Millions

Particulars	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015
Defined Benefit Obligation	12.25	10.26	8.48	6.88	5.88
Plan Assets	9.01	6.38	5.51	4.31	3.84
Surplus / (Deficit)	(3.23)	(3.88)	(2.96)	(2.57)	(2.04)
Experience Adjustments on Plan Liabilities - (Loss)/Gain	0.57	(0.93)	0.58	(0.13)	(0.05)
Experience Adjustments on Plan Assets - (Loss)/Gain	(0.15)	(0.03)	0.02	0.05	0.10

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority,

A quantitative sensitivity analysis for significant assumption is as below:

₹ in Millions

	March 31,2019		March 31,2018	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (gratuity)				
Discount rate	(1.56)	1.90	(1.03)	1.22
Salary increase rate	1.83	(1.53)	1.14	(0.99)
Attrition Rate	(0.41)	0.49	(0.24)	0.27

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average expected remaining lifetime of the plan members is 17.95 years as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The following payments are expected contribution to the defined benefit plans in future years:

₹ in Millions

	Year Ended on 31.03.2019	Year Ended on 31.03.2018
Within next 12 months	0.37	0.49
Between 2 to 5 years	1.85	1.96
Between 5 to 10 years	4.34	2.51
	6.56	4.96

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SUPRAJIT AUTOMOTIVE PRIVATE LIMITED

Suprajit Automotive Private Limited
NOTES TO THE FINANCIAL STATEMENTS

38 Research & Development Expenditure

₹ in Millions

Particulars	Year Ended March 31,2019	Year Ended March 31,2018
Salaries Wages & Bonus	3.73	4.14
Consumption of Raw material and components	3.40	4.67
Research and Development Expenditure	0.02	-
	7.15	8.81

39 **Segment Reporting**

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

As the Company's business activity primarily falls within a single business segment i.e auto components as primary segment, thus there are no additional disclosures to be provided under Ind AS 108 - 'Operating Segments' as per Ind AS 108.

The following table shows the geographical distribution of the Company's revenue and total non current assets. All Property, Plant & Equipment are located in India.

₹ in Millions

Particulars	Year Ended March 31,2019	Year Ended March 31,2018
Revenue *		
India	155.98	163.95
Rest of world		
- North America	213.74	167.32
- United Kingdom	801.58	606.39
- South America	165.24	106.17
- Others	104.91	68.89
	1,441.44	1,112.72
Other Non current assets ** (apart from financial asset and income tax asset)		
India	16.98	5.14
	16.98	5.14

* On the basis of location of customers.

** On the basis of location of the assets.

The Company has common Property, Plant & Equipment and Capital work in progress in India for producing goods/providing services for Domestic market and Overseas markets. Hence separate figures for Property, Plant & Equipment and Capital work in progress have not been furnished.

40 **Related Party Disclosures**

Name	Nature of Relationship
Suprajit Engineering Limited (SEL)	Holding Company
Suprajit Europe Limited, UK (SEU)	Fellow subsidiary
Mr. K Ajith Kumar Rai	Key Management Personnel
N.S.Mohan	Director

Disclosure of transactions and outstanding balances :

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NOTES TO THE FINANCIAL STATEMENTS

Related Party Transactions and outstanding balance

₹ in Millions

S.No	Particulars	SEL Holding Company 2018-19	SEL Holding Company 2017-18	SEU Fellow Subsidiary 2018-19	SEU Fellow Subsidiary 2017-18	Total 2018-19	Total 2017-18
1)	Sale of products	12.40	6.70	831.36	606.39	843.76	613.09
2)	Sale of export licenses	19.58	13.94	-	-	19.58	13.94
3)	Sale of Property, Plant & Equipments	0.47	-	0.01	-	-	-
4)	Purchase of Raw Materials	64.42	55.25	12.27	17.96	76.68	73.21
5)	Sub-contracting expenses	2.13	2.88	-	2.07	2.13	4.95
6)	Repairs & Maintenance - Machinery	-	-	0.22	0.26	0.22	0.26
7)	Reimbursement of expenses	2.34	0.25	-	-	2.34	0.25
8)	Professional and consultancy charges	-	1.39	-	-	-	-
9)	Purchase of Capital Asset	-	1.59	-	1.54	-	3.14
10)	Commission provided	-	-	50.34	35.70	50.34	35.70
11)	Trade Receivable	-	-	64.33	27.99	64.33	27.99
12)	Trade payable	-	-	14.83	3.96	14.83	3.96
13)	Commission payable	-	-	3.06	2.23	3.06	2.23
14)	Interim dividend paid	59.70	59.70	-	-	59.70	59.70
15)	ESAR Expenditure and Payable	4.33	-	-	-	-	-
16)	Lease rent charged	3.85	-	-	-	-	-

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. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

41 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013,Company has made contribution to Suprajit Foundation, which is engaged in the activities of eradication of hunger and malnutrition, promoting education and healthcare listed under Schedule VII of the Companies Act, 2013. The utilisation of funds contributed to Suprajit Foundation are monitored by the Committee. Such Committee is responsible for identifying new projects, monitoring the progress of ongoing projects and the amount unspent until the projects are identified are placed by Suprajit Foundation with its Bankers.

₹ in Millions

	Details of CSR expenditure are given below:	For the year ended Mar 31,2019	For the year ended Mar 31,2018
a)	Gross amount to be spent by the company during the year	3.33	2.52

		For the year ended Mar 31,2019			For the year ended Mar 31,2018		
b)	Amount spent during the year	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
	i) Construction/ acquisition of any asset	-	-	-	-	-	-
	ii) On purposes other than (i) above	3.36	-	3.36	2.52	-	2.52

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Suprajit Automotive Private Limited

42 **Financial instruments fair value measurement**

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, as below, 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

Level wise disclosure of financial instruments

₹ in Millions

Particulars	Year Ended March 31,2019	Year Ended March 31,2018	Level
Investment in mutual funds(included in current Investments)			
- Carrying value	155.22	45.90	2
- Fair Value	155.22	45.90	
Foreign exchange forward contracts			
- Carrying value	90.41	18.59	2
- Fair Value	90.41	18.59	
Interest rate and Currency SWAP			
- Carrying value	5.93	18.59	2
- Fair Value	5.93	18.59	

The management assessed that fair value of cash and cash equivalents, other bank balances, loans, short term bank deposits, trade receivables, other financial assets(except foreign currency derivative contracts), trade payables, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Derivative financial instruments - The fair value of foreign exchange forward contracts is determined using the foreign exchange spot and forward rates at the balance sheet date

Investment in Mutual funds - The fair value of mutual funds determined using net asset value based on mutual fund statement.

Categories of financial instruments

₹ in Millions

Particulars	Year Ended March 31,2019		Year Ended March 31,2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Loans	4.40	4.40	3.26	3.26
Trade receivables	220.09	220.09	155.77	155.77
Cash and cash equivalents	20.34	20.34	9.45	9.45
Bank balances other than cash and cash equivalents	1.59	1.59	1.49	1.49
Total financial assets at amortised cost (A)	**246.42**	**246.42**	**169.97**	**169.97**
Measured at fair value through othercomprehensive income (B)				
Measured at fair value through profit and loss (C)				
Current Investments	155.22	155.22	45.90	45.90
Other financial assets	96.34	96.34	18.60	18.60
Total financial assets (A+B+C)	**251.56**	**251.56**	**64.49**	**64.49**
Financial liabilities				
Measured at amortised cost				
Non current Borrowings	209.66	209.66	-	-
Current Borrowings	296.66	296.66	159.92	159.92
Trade payables	68.29	68.29	101.51	101.51
Other financial liabilities	95.33	95.33	8.08	8.08
Total financial liabilities carried at amortised cost	**669.93**	**669.93**	**269.52**	**269.52**

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SUPRAJIT AUTOMOTIVE PRIVATE LIMITED ★ BANGALORE

Suprajit Automotive Private Limited
NOTES TO THE FINANCIAL STATEMENTS

43 **Financial risk management objectives and policies**

The Company Board of Directors responsible for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The Company's activities expose it to the following risks:

a) Credit risk

b) Liquidity risk

c) Market risk

a) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments 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.

i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market condition as well as forward looking estimates at the end of each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in note 10.

ii) Financial instrument and cash deposit

Credit risk is limited as the Company generally invest in deposits with banks .Investments primarily include investments in liquid mutual fund units.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans/internal accruals.

Liquidity exposure as at March 31, 2019

₹ in Millions

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	0.88	-	3.52	4.40
Trade receivables	220.09	-	-	220.09
Cash and cash equivalents	20.34	-	-	20.34
Bank balances other than cash and cash equivalents	1.59	-	-	1.59
Current Investments	155.22	-	-	155.22
Other financial Assets	50.63	45.71	-	96.34
Total financial assets	**448.75**	**45.71**	**3.52**	**497.98**
Financial liabilities				
Non current Borrowings	-	209.66	-	
Current Borrowings	296.66	-	-	296.66
Trade payables	68.29	-	-	68.29
Other financial liabilities	95.33	-	-	95.33
Total financial liabilities	**460.28**	**-**	**-**	**460.28**

Liquidity exposure as at March 31, 2018

₹ in Millions

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	0.74	-	2.52	3.26
Trade receivables	155.77	-	-	155.77
Cash and cash equivalents	9.25	-	-	9.25
Bank balances other than cash and cash equivalents	1.49	-	-	1.49
Current Investments	45.90	-	-	45.90
Other financial Assets	2.43	16.16	-	18.59
Total financial assets	**215.58**	**16.16**	**2.52**	**234.26**
Financial liabilities				
Non current Borrowings	-			
Current Borrowings	159.72	-	-	159.72
Trade payables	106.38	-	-	106.38
Other financial liabilities	8.08	-	-	8.08
Total financial liabilities	**274.18**	**-**	**-**	**274.18**

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c) 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 two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligations with floating interest rates, hence, is not exposed to any significant interest rate risk.

Interest rate Sensitivity	Year Ended March 31,2019		Year Ended March 31,2018	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(5.36)	5.36	(1.60)	1.60

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 exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The company manage foreign currency exposures by undertaking forward contract on forecast basis. The board monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company. The company is exposed to EUR, GBP and USD currency risk.

Foreign Currency Sensitivity

A reasonably possible sensitivity of the Indian Rupee against Foreign currencies at March 31 would have affected the measurement of foreign forward exchange contract designated as cash flow hedges and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. Impact of hedging, if any has not been considered here. A 1% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rate.

	Year Ended March 31,2019		Year Ended March 31,2018	
Foreign currency receivables (Net of payables and borrowings)- INR		4.76		14.30
	5% increase	5% decrease	5% increase	5% decrease
Impact on PBT	0.24	(0.24)	0.72	(0.72)

44 Capital management

The Company's objective is to maintain a strong capital base to ensure sustained growth in business. The Capital Management focuses to maintain an optimal structure that balances growth and maximizes shareholder value. The Company is predominantly equity financed. Further, the Company has sufficient cash, cash equivalents, current investments and financial assets which are liquid to meet the debts.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

₹ in Millions

	Year Ended March 31,2019	Year Ended March 31,2018
Non-current borrowings	209.66	-
Current maturities of non-current borrowings	29.95	-
Current borrowings	296.66	159.92
Less: Cash and cash equivalents	20.34	9.46
Less: Other bank balances	1.59	1.49
	514.33	**148.98**
Equity share capital	19.90	19.90
Other equity	611.67	440.55
Total capital	**631.57**	**460.45**
Gearing ratio	**0.81**	**0.32**

i) Equity includes all capital and reserves of the Company that are managed as capital.

ii) Debt is defined as long and short term borrowings as described in Note 18 & 22

45 Taxation

The Company has established a comprehensive system of maintenance of information and documents are required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

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46 Share Based payments

Employee stock Appreciation Rights :

Under the 'Suprait Engineering Limited Employee stock Appreciation Rights Plan 2017' (SEL ESAR - 2017),which includes stock options, stock appreciation rights the holding company, at its discretion, may grant rights to purchase common stock to certain employees of the Company. Such stock appreciation rights typically vest one year but not later than five years from the grant date, have an life of up to 9 years. The fair value of share appreciation rights is estimated at the date of grant using the Black-Scholes-Merton ("BSM") pricing model, taking into account the terms and conditions upon which the share appreciation rights were granted. This model takes into consideration the following inputs that are required to compute the fair value of a stock option: 1) the exercise price of the option, 2) the fair market value of the underlying share, 3) the expected term of the rights, 4) the expected volatility of the price of the underlying share, 5) the expected dividend yield of the underlying share, and 6) the risk-free interest rate over the expected term of the option.

Expected volatilities under the BSM model are based on historic volatility, adjusted for any expected changes to future volatility due to publically available information. The volatility is calculated considering the daily volatility of National Stock Exchange of India Ltd. (NSE) over a period prior to the date of grant corresponding with the expected life of the options . The expected term of the stock appreciation rights granted is the period of time for which the company expects the rights to be live. The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for government securities.

The expenses recognized for stock options during the year are shown in the following table:

	March 31, 2019	March 31, 2018
Expenses arising from equity-settled share-based payment transactions	4.33	-
Total	4.33	-

Suprajit Engineering Limited (SEL) ("the Holding company") cross charges the Company the amount of expense incurred as per IND AS 102 - towards stock based expense.

The relevant details of the scheme and the grant are as below.

Vesting period	1 - 5 years
Exercise period	5 years
Expected life	6.53 years
Exercise price	Rs. 1

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share rights during the year:

Amount in Rupees

Particulars	2018-19		2017-18	
	No. of Options	Weighted average exercise price per stock option (Rs.)	No. of Options	Weighted average exercise price per stock option (Rs.)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	74,988	1	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/lapsed during the year	-	-	-	-
Outstanding at the end of the	74,988	1	-	
Options exercisable at the end of the year	-	-	-	-

The weighted average fair value of options granted during the year is Rs 247.98.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	31-Mar-19
Risk Free Interest Rate	7.92%
Expected Life (in years)	6.53
Expected Volatility	35.79
Dividend Yield	0.54
Exercise Price	1
Price of underlying share in market at the time of the option grant	257.65

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₹ in Millions

47 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's Ind AS financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019:

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified IndAS 116, Leases. IndAS 116 will replace the existing leases Standard, IndAS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IndAS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

• Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or•An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under IndAS 17 immediately before the date of initial application.

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessess and lessors to make more extensive disclosures than INDAS 17. There is no impact on the amendment on the company's financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 - Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.Effective date for application of this amendment is annual period beginning on or after April 1, 2019.The Company does not have any material impact on account of this amendment.

Amendment to Ind AS 19 - plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.Effective date for application of this amendment is annual period beginning on or after April 1, 2019. .The Company does not have any material impact on account of this amendment.

48 The Honourable Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the company has provided an amount of Rs 0.09 million as provision for month of March 2019, however, the complete impact is not ascertainable and consequently no other effect has been given in the accounts.

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49 The comparative financial information as at and for the year ended March 31, 2018 have been compiled after making necessary Ind AS adjustments to the audited financial statements prepared under previous GAAP to give a true and fair view in accordance with Ind AS.

50 The Previous year figures have been regrouped/reclassified wherever necessary to make them comparable with the current year's classification/disclosure.

As per our report of even date

For Haribhakti & Co.LLP
Chartered Accountants
ICAI FRN.No.103523W/W100048

Gaurav Poddar
Partner
M. No. 063847

Place: Bengaluru
Date: May 27, 2019

For and on behalf of the Board of Directors

K Ajith Kumar Rai
Chairman
DIN : 01160327

Mohan N. S
Director
DIN: 01916468

Place: Bengaluru
Date: May 27, 2019