Marching ahead with Confidence...

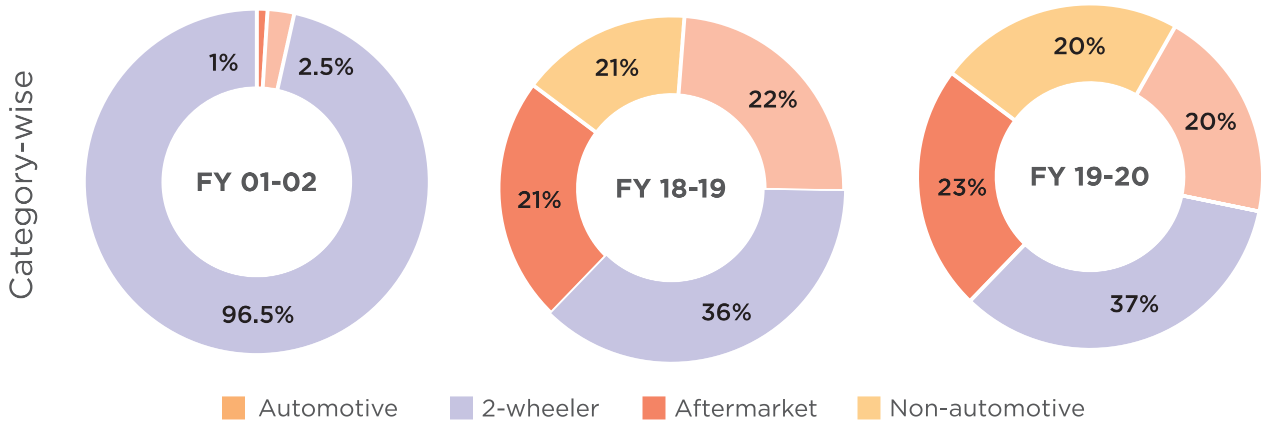
PHOENIX

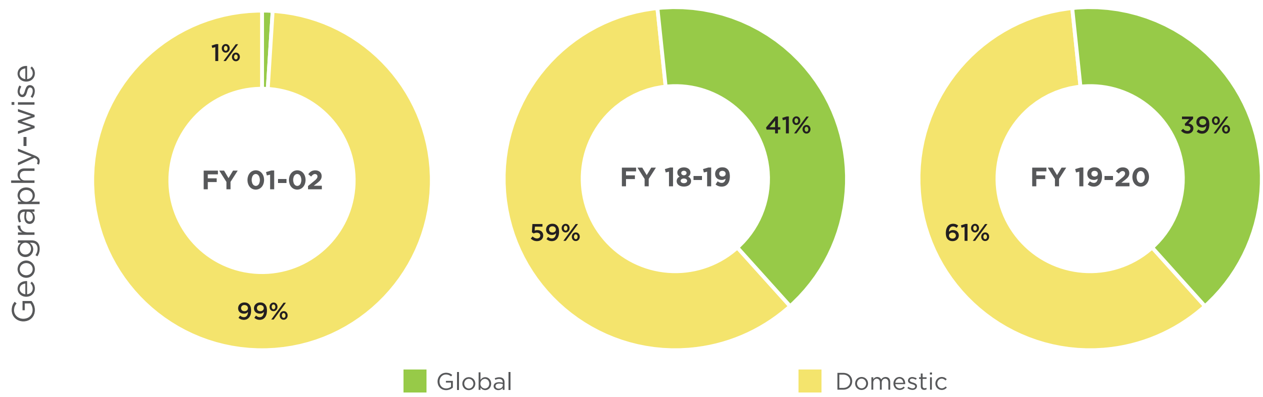
WESCON CONTROLS

Suprajit Engineering Limited

Thirty Fifth Annual Report 2019 - 2020

SEGMENTAL AND GEOGRAPHIC SYNERGIES





GROUP FINANCIAL HIGHLIGHTS AND KEY INDICATORS

₹ in Million

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross Income	2270	2663	3792	4612	5107	6006	6718	10504	12954	14546	15899	15628
Profit After Tax (PAT)	90	222	333	398	471	508	503	803	1137	1385	1338	1040
Equity and Reserves	546	702	969	1292	1667	2047	2408	4476	5242	6549	7751	8538
ROE%	15.49	33.89	39.84	35.22	31.85	27.36	22.58	20.90	25.49	23.49	18.71	12.77
Asset Turnover Ratio (Net assets)	3.25	3.81	4.37	4.58	4.29	3.94	4.00	4.69	4.04	3.56	3.86	3.36
Debt Equity Ratio (Term debt)	0.46	0.39	0.44	0.30	0.27	0.27	0.38	0.26	0.47	0.26	0.21	0.16
Current Ratio	1.24	1.30	1.59	1.50	1.57	1.60	1.85	1.81	1.61	1.53	1.65	1.47
Operational EBIDTA %	13.22	17.28	16.18	15.51	15.69	16.01	14.90	16.20	16.55	16.53	14.64	13.99
ROCE %	20.27	17.21	26.31	39.28	36.11	35.94	32.84	29.99	23.62	26.90	22.80	17.11
Book Value of shares (₹)	4.54	5.85	8.07	10.76	13.89	17.05	20.06	25.96	36.81	46.82	55.41	61.04
EPS (₹)	0.74	1.84	2.77	3.31	3.92	4.23	4.19	6.11	8.13	9.90	9.57	7.43
Pay out Ratio (%)	25.72	27.32	20.19	23.12	22.13	27.99	30.27	31.36	20.35	23.19	22.23	23.43

**Pay out ratio on standalone basis
* subject to shareholders approval.

K. Ajith Kumar Rai
Founder and Chairman

Marching ahead with Confidence...

My dear Shareholder,

I have pleasure in sharing with you the performance of Suprajit for the year 2019-20. The enclosed reports and financial statements provide you with detailed and relevant information.

Last year posed significant challenges, largely due to the slowdown in the automotive industry, the transition from BS IV to BS VI, ending with the global pandemic Covid-19. The automotive industry contracted by 14.83%, against which your Company had a flat year, with an operationally satisfactory performance, despite a significant pressure on margins during the year.

The year gone by should be considered as a year of consolidation and restructuring of the group businesses in preparation for the future. Some of the significant events across the group were:

- The Domestic Cable Division (DCD) established its greenfield cable plant at Narsapura, Bangalore and consolidated its position further as the leader, both in OE and aftermarket, in India.
- Phoenix Lamps Division (PLD) concluded the purchase and integration of India Halogen Assets of Osram at Chennai successfully, to de-risk its footprints geographically. PLD has also signed a long term buy-back agreement with Osram and started deliveries.
- Consolidated Trifa and Luxlite warehouses into one larger facility under a single CEO, thereby streamlining our European operations of PLD.
- At Wescon, we regrouped and refocussed the Company with organisational changes to focus on growth and profitability under the new CEO, with clear plans to energise the SENA strategy.
- Suprajit Europe (SEU), under the de-risk Brexit plan, set up an owned warehouse at Koper, Slovenia. The capacity at Suprajit Automotive Limited was increased by setting up a brand new plant at Doddaballapura to meet increasing new business.
- The Group's cable capacity at 300 mn cable / year and lamps capacity at 110 mn / year, are amongst the top capacities in the world.

The above events led to certain provisioning and write off at various companies of the group. Despite this, the operational performance has been in line with the previous year.

CURRENT YEAR:

The current year should be seen as a year of the Covid – 19 pandemic, with unprecedented lockdowns and business disruptions worldwide. The outlook remains very uncertain with no cure or vaccine in the near term. We are on a protracted battle with the virus, with continued localised lockdowns due to the expected resurgence of the virus. In view of this, it is not possible to give any guidance on the outcome of the current year.

This will possibly be the toughest year in the history of your Company. However, it is reassuring to see Team Suprajit is fully energised and charging ahead, taking multiple steps across the group to minimise the Covid impact by streamlining operations, reducing costs, improving efficiencies and keeping capex at a minimum. With significant cash balances and undrawn credit facilities from the Banks, liquidity will not be an issue as we take on our war against Covid-19.

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

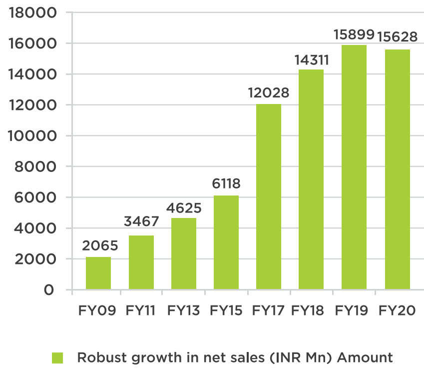
With warm personal regards,

Yours sincerely,

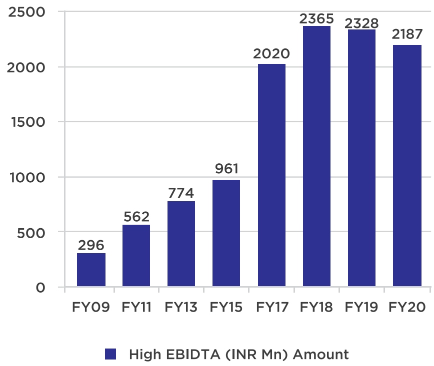
K. Ajith Kumar Rai
Founder and Chairman

ROBUST FINANCIALS (GROUP)

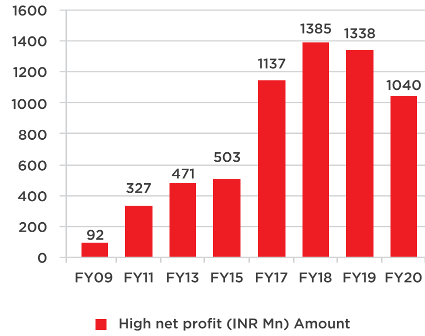
Robust growth in net sales



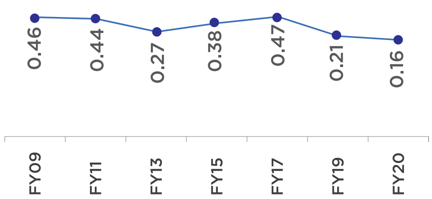
High EBIDTA



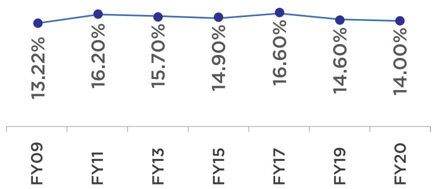
Net profit



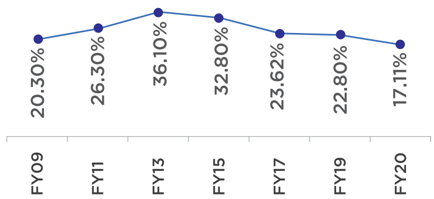
Low Long Term Liabilities / Equity Ratio



High EBIDTA Margins

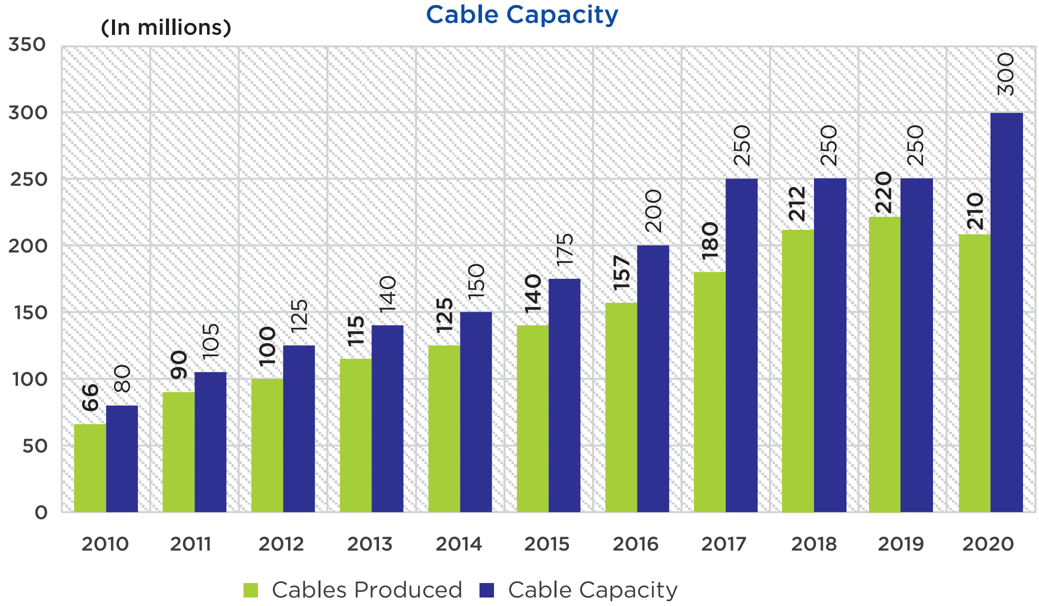


Resulting in Exceptional ROCE



CAPACITIES

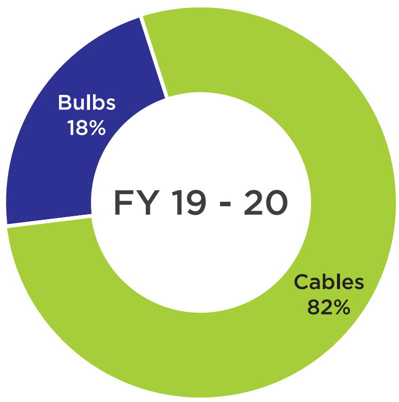
Cable Capacity



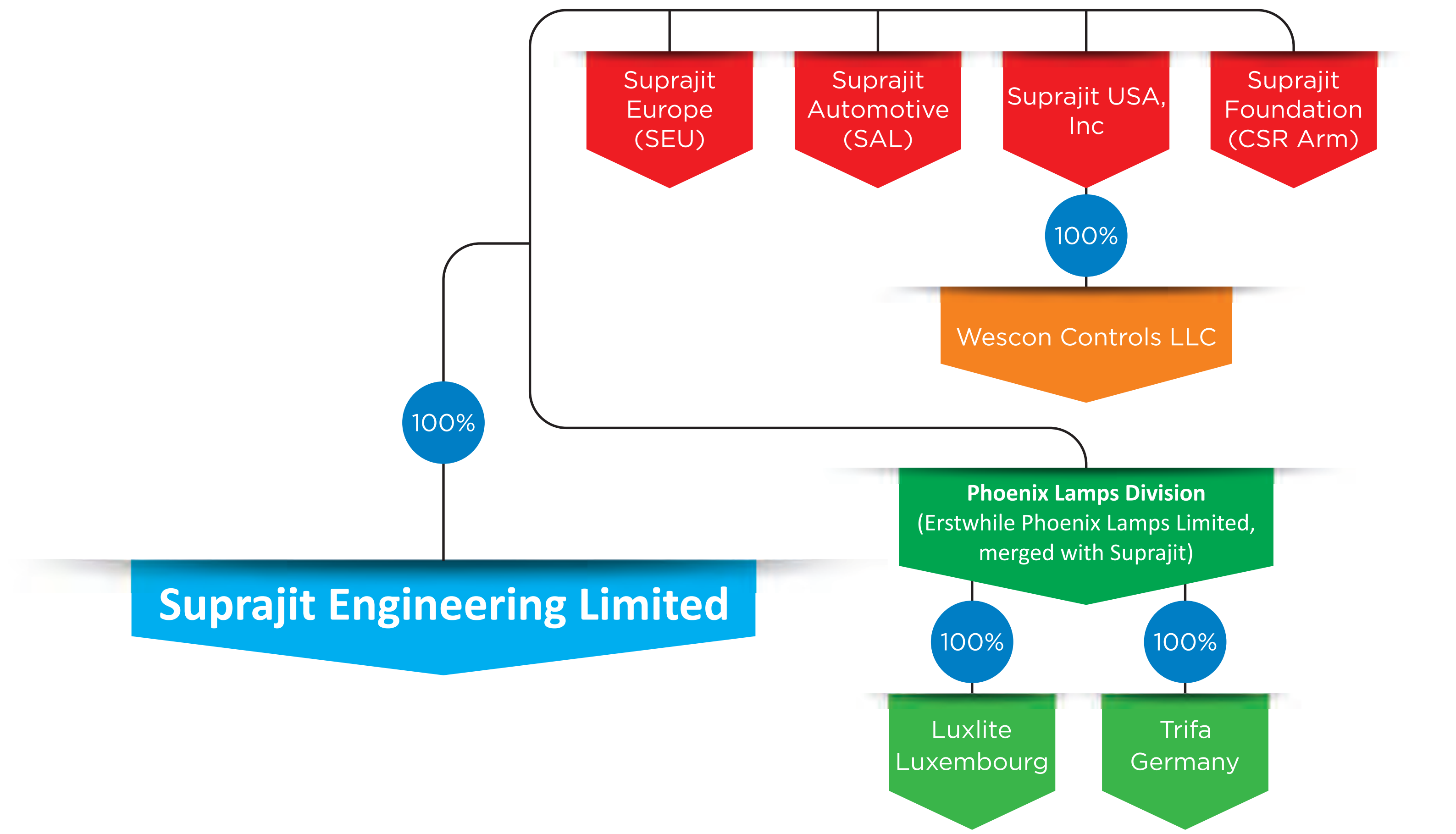
Capacity

Cables	300 million
Bulbs	110 million

Revenue Split



SUPRAJIT GROUP STRUCTURE



Key milestones in our journey

1985

Commencement of operations

1985-95

Two new cable plants in Bangalore

1996-2005

- Listing of shares in NSE and BSE
- India's largest cable marker
- **Acquisition of Shah Concabs – 4W cable competitor**
- Plants in Bangalore, Manesar and Chakan
- 'Enterprise of the State' award by KSFC

2006-10

- New plants in Pantnagar, Haridwar and Manesar
- 100% EOU for non-automotive cables in Bangalore
- Best 'Enterprise of the State' Award by Karnataka State
- Twin Awards by CNBC / ICICI / CRISIL- SME of the year & Auto Ancillary of the year
- **Acquisition of CTP Gills Cables, one of the oldest cable companies with marquee global customers - now renamed as Suprajit Europe**

2011-20

- Consolidating position as established global mechanical cable marker; diversifying and de-risking revenue profile
- New plant at SAL, Bangalore and Pathredi
- **Acquisition of Speedo cable business (4W business) of Pricol**
- **Acquisition of Phoenix Lamps Limited**
- **Acquisition of Wescon Controls, Wichita, USA**
- Launched two new plants in Chennai and Sanand
- Launched capex of ₹ 100 crores to expand cable capacity to 300 million with 2 new plants
- Acquisition of Osram Karnai Plant (Halogen Bulbs division)

- **6 acquisitions – 4 in cable space / 2 in Halogen bulbs space**
- **Proven track record of integration**
- **Strong organic growth**

AWARDS AND RECOGNITIONS

Customer awards and recognitions

- Volkswagen –
  ‘A’ Grade Supplier Award,
  Quality Performance Award
- Honda Motor Cycles and Scooters – Quality and Delivery Achievement Award
- General Motors -
  Supplier Quality Excellence Award (3 years in a row)
- John Deere – Accelerated Global Sourcing Award
- Brose Key Supplier Award
- Bajaj Auto Limited –
  TPM Excellence Award
- Tata Motors –
  Green Card for ‘0’ PPM
- Hero MotoCorp Limited –
  Direct Online Supply (DOL) Award
- Bajaj Auto Limited -
  Quality Consistency Gold Award
- Yamaha - Cost Reduction & VA/VE activity award
- A grade excellence Award
- TVS, Bajaj and Mahindra – various Awards
- And many more….

Other Awards

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

STRATEGY – 3 BRANDS

Suprajit Engineering
Automotive Cables

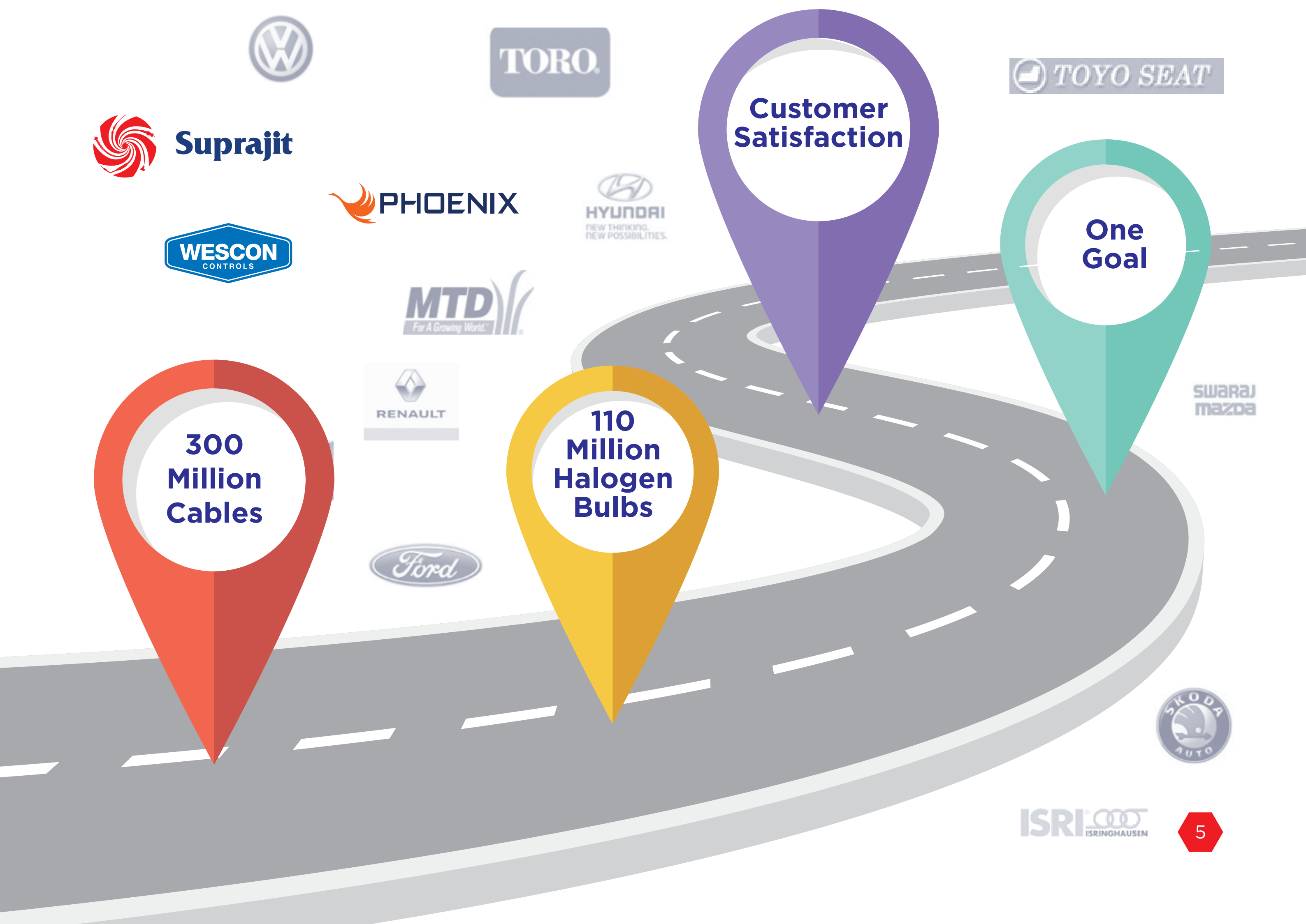
- 15 manufacturing facilities in India including EOU for non-automotive
- SAL – EOU facility for automotive
- SEU - Tech Centre in Tamworth, UK
- SEK – Owned Warehouse in Koper, Slovenia
- Over 35 years of expertise in cables

Phoenix Lamps
Halogen Lamps

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

Wescon Controls
Non-Automotive cables

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



BEST-IN-CLASS FACILITIES IATF16949 PLANTS

World-class manufacturing with operations IATF 16949 certified

Global standards in manufacturing, testing and quality assurance

Vertical process integration for key processes and optimized supply chain

PRODUCT RANGE

Top Management Speaks

MOHAN N S
Managing Director &
Group CEO

FY'20 presented its own set of unique challenges.

As we set a strong foundation in acquiring businesses and integrating them into the "Suprajit way", a way of frugal manufacturing with focus on customer service and growing profitably, while we keep growing organically in our traditional businesses.

The focus for the year were to streamline and improve our overseas entities. At Wescon, we launched the "Operation Catalyst" and with the Wescon team taking the lead and supported by a few of their colleagues from India, we worked on inventory reduction, facility transformation (Re-organizing the shopfloor), Business process mapping, Supply chain optimization and enhanced customer contact.

At SEU, we established and started to serve the customers out of Slovenia at Köper and de-risked the Brexit angst of our customers.

Closing down of our office and warehouse at Annweiller, opening of office at Haunstein and consolidating the warehousing activity of Trifa along with that of Luxlite was a key exercise involving right sizing at Trifa. Luxlite warehouse was expanded to accommodate the Trifa stocks and bringing in synergies and cost efficiencies at Trifa and Luxlite combine.

Our Domestic markets continued to be our backbone support in these times. Tight cost management, new initiatives to enhance productivities and sheer persistent efforts of striving "to do the best", day over day as a part of our rhythm helped us during the tough market conditions of change over from BS IV to BS VI and other affecting factors in the Indian automotive industry.

Our efforts to build a strong brand both as Phoenix Lamps and as Suprajit gave us a pole position in the Indian aftermarket.

Acquiring the Osram plant at Chennai and seamlessly operating it to the delight of Osram was a highlight by our acquisition team. The erstwhile Osram plant management team has been fully integrated into the "Suprajit way" of management.

With "remote management" being a way of life, our "Daily Management calls" across India and weekly management calls with the overseas entities focusing on operations, cash management, health & safety of our employees have taken strong roots in the way we operate.

Our efforts to become a "Technology driven Company" has started to take shape with patents being filed and building a strong grounds up team focused on innovation.

I am confident that despite the challenges that we face due to COVID-19, we, as "Team Suprajit" are strong to weather this storm and come out of it stronger than before.

AKHILESH RAI
Director & CSO
(Chief Strategy Officer)

This year, we successfully delivered three strategic initiatives; Suprajit Europe Koper started delivering to our European customers and supported strong growth in our automotive cable exports, the re-alignment of Wescon in our global cable strategy, and the acquisition of Osram's assets in Chennai through Phoenix Lamps followed by 100%+ delivery to Osram India and Osram Global.

Globally, with sentiments to de-risk China and weak global competition, Suprajit will pursue growth in the Americas and Europe aggressively, both in cables and lighting. Domestically, with new product launches through STC, we have opened horizontal product revenue streams that must be captured.

The onset of Covid has shifted strategic focus to internal controls, digitization for productivity, and development of operational excellence. Any acquisitions will be eyed with conservative caution with our usual focus on synergies, scale and technology.

MEDAPPA GOWDA J
Group CFO

The effective cash management system across the Suprajit Group, both in domestic and overseas entities, optimal debt structure with minimal cost, overseas debt management, efficient capital allocation and treasury management, effective foreign currency management with prudent hedging policies are playing major role in maintaining healthy key financial ratios over the years, which continue to be our strength and primary objective.

The availability of capital out of internal accruals and banking facilities remain intact with enough cash reserves, un-utilized bank facilities and strong liquidity position, make Company comfortable in meeting its financial obligations under Covid-19 scenario. Multiple Banking arrangements and long-standing cordial relationship with well-known Indian Public, Private sector Banks and foreign Banks, is an added advantage to the Company. The renowned rating agencies namely, CRISIL, ICRA and India Rating, have re-affirmed the rating already assigned for Company's Long-Term borrowing (AA Stable) and Short Terms borrowing (A1+), which reinforces our prudent financial management under the current situation.

Transparent and ethical business practices and timely disclosure of information to the public has increased the confidence level of investors. We have established a strong governance system across Indian and overseas locations to ensure statutory compliance requirements met on time. Robust management information system evolved over the years with effective internal control systems and good risk management practices are the backbone of the Organization.

NARAYANSHANKAR K.
COO
Domestic Cable Division

The performance of the Domestic Cable Division team was marked by rhythm in daily management, focus in cost control and dynamic resource management from day one and on each day of the year. These result-oriented activities were also very significant learning during the year for the team.

The year that has gone by, had challenges from all the fronts. The OE market pressure on growth, the aspirations of the customers for reduced prices, mounting competition which made us to work on fundamentals. .The focus of the team was to retain market share, grow wherever possible, ensure customer satisfaction at all times and dynamic input cost management. The goal was to improve operational performance, to control costs and improve profitability.

The company identified high performing staff and improved their skill and attitude through well-designed training in all the units throughout the year. Knowledge sharing for improvements was very fast and dynamic & several cross-functional teams worked on various projects for cost control and other improvements. The team was well motivated, focused, and willing to walk the extra mile to achieve the company goals.

In the year to come, the team will work on Lean and TPM principles and contribute to operational excellence, besides continuing the present practice of focus on company key objectives .

AKHILESH GOEL
COO
Phoenix Lamps Division

The Domestic aftermarket sales continue to do better than market and led to increase in our market share. This year too we continued our efforts on geographical reach expansion of products & added a few new customers.

Product basket has been expanded by developing additional Halogen products & we will continue efforts to add few more products. This year we have launched retrofit LED Solution in Indian After Market.

We continued our focus on various initiatives like quality improvement through “Q” Challenge as well as low cost automations for productivity improvement through “C” Challenge. “Operation – GV (Gyan-Vigyan)” (wherein knowledge & Science of Lamp Making process to be documented) has been completed in NSEZ Plant & Launched in A1 Plant too.

During the year, PLDC (Phoenix Lamps Division, Chennai) was operationally integrated with Phoenix Lamps Division.

Emergence of COVID-19 situation and lockdown throughout India has impacted the business. However, effective measures are being taken to minimize the impact.

PRAVEEN RAO
Vice President
Sales & Marketing

Industry witnessed a negative growth across all Automotive segments, however, Suprajit continued to register wins on the new business front. Suprajit expanded its presence through new platforms at Tata Motors , Ford and Ashok Leyland for Parking Brake Cables, Hood Release cable and Gear Shift Cable etc.

In the EV segment a complete package comprising Cables, 3W-Gear Shift Mechanism, Combination Braking and Brake Shoes, Instrument Clusters and Retrofittable-LED was unveiled. Some of these products are in an advanced stage of discussions and implementation with some key OEMs.

In the Independent Aftermarket trade both brands - Suprajit in Cables and Phoenix in Halogen Bulbs maintained its leadership position by registering a 15% growth. In continuation of our Brand Phoenix rejuvenation, a new identity and smart packaging was unveiled to the market. This new identity brings in freshness, dynamism and promising value to the discerning customer.

Suprajit participated actively in Auto shows at Auto Expo India, APPEX- Las Vegas USA, Auto shows at Egypt, Bangladesh and Brazil. Our presence at these shows were well received and we expect this to expand and grow the customer base in months and years ahead.

BADARINARAYANA H R
Associate Vice President, HR

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

This year we have been successful in further strengthening HR system and process across the organization. Our workforce is rightly aligned to the organization goals and objectives to meet customer expectations. The ethical, professional and employee friendly culture of the organization are the key drivers for talent retention and healthy attrition.

“Suprajit Learning Centre” has been created to channelize various learning and development initiatives for the employees at different levels including “Chairman Club Members” to upgrade skill and competencies. Special focus was given on employee cost reduction and management. HR situation was normal and peaceful in all the units. Company has acquired one more unit near Chennai under Phoenix Lamps division. Steps have been taken on people transition and alignment to Suprajit’s organizational culture.

With the onset of pandemic situation, as a business partner, HR team is quite competent and equipped to handle interesting and challenging situation in people management domain for the upcoming year.

ASHUTOSH RAI
Head - Suprajit Tech Centre

We continue relentlessly to strengthen our Engineering and Design capabilities in product and process technology. On the product side, focus has been on upgrading our current products, developing allied products and new innovations to meet customer needs. We have expanded our product portfolio into new and innovative products, with our initiative to build IP resulting in applying for multiple patents. On the process side, shop-floor productivity was enhanced with new machinery and new manufacturing processes were also introduced.

With electronic content in vehicles increasing year on year, and customers looking for reliable and cost conscious domestic suppliers, there is a big opportunity and demand for Suprajit to build and assimilate expertise in electronic and mechatronic systems.

Peter Greensmith
CEO - Suprajit Europe Ltd (SEU) and Suprajit Automotive Ltd (SAL)

Many new projects were launched on time during 2019-20 with volume ramp ups taking off in the second half of the year. Thus, the scene was set for 2020-21 to be a record growth year for automotive cables.

A new warehouse was established in Koper, Slovenia, as a branch of SEU. Intended both as an answer to customer Brexit concerns and to provide space for the anticipated growth, SEK made its first sales in October 2019. By March 2020, 30% of all SEU's sales were being serviced through SEK. Moreover, both BMW and VW group placed major future contracts based on shipments through Koper, confirming the initiative as an effective marketing tool.

A commensurate expansion at the manufacturing plant SAL in Bangalore saw the total capacity almost double through an ambitious investment project executed by the local team at the same time as achieving the multiple launches.

From March 2020 the global pandemic postponed all the anticipated growth, and while we have continued to win future business, SEU / SEK / SAL will stay committed to growing our portfolio in Europe.

FRANK KLINKERT
Managing Director
Luxlite

One of the key activity has been putting together Trifa's warehouse with the warehouse of Luxlite in Luxemburg and bringing in the synergies between Trifa and Luxlite. With this, we have started to set a platform to achieve better cost efficiencies. With the harmonizing of the software, we believe that we will continually improve our service, increase the speed of the deliveries and lower the costs. Starting January, all the deliveries were handled from the new warehouse.

Covid-19 had been and is still a big challenge for us, as the aftermarket, which is our market, suffered a lot. Despite the stock situation in Luxemburg we were flexible enough to handle the situation and fulfilled all the orders across various countries.

Next steps will be further improvement on the logistic side, rationalize packaging as well as the product range, further reorganize the logistics and optimize deliveries.

We are re-energizing the sales team to be more active in the market, but also to research new products to enlarge our range and de-risk our current business.

STEVE FRICKER
CEO - SENA & Wescon Controls LLC

Wescon experienced significant change in 2019-20. Starting in the fall, we kicked off “Operation Catalyst” to accelerate the completion of the Wichita facility transformation and effectively transform the operations supporting manufacturing. With the assistance of key personnel from India, we have streamlined processes and procedures that have significantly reduced inventory levels and improved on time delivery. In addition, we have added a new director of sales, late in the fiscal year, to accelerate our revenue growth in adjacent markets and South America.

In 2020-21, the momentum created by “Operation Catalyst” continues. The focus this year is on growing the top line. The effect of COVID-19 upon our customer base has created a slow start to 2020-21. In addition, our plant in Bangalore was shut down for several weeks and our Juarez facility was forced to run at less than peak capacity. However, we are actively quoting several new opportunities in the US market.

CORPORATE SOCIAL RESPONSIBILITY

Major Projects : Renovation of about 40 Anganawadis in and around Bommasandra Indl .Area, Narasapura Industrial Area, Bommanahalli, etc. / Distribution of Dry ration kits during Covid-19 / Distribution of bench and desks to various Government schools / Mid-day meal program at Sukrupa - a school for economically backward students, Scholarship program for economically backward students, etc.

BOARD OF DIRECTORS

K Ajith Kumar Rai
Executive Chairman

N S Mohan
Managing Director & Group CEO

Akhilesh Rai
Director & Chief Strategy Officer
(w.e.f. June 12, 2020)

Ian Williamson
Director

B S Patil, IAS (Retd.)
Director (Up to February 02, 2020)

Suresh Shetty
Director

Dr. (Ms.) Supriya A Rai
Director

M Lakshminarayan
Director

Ms. Bharati Rao
Director

Harish Hassan Visweswara
Director (w.e.f. June 12, 2020)

CFO & COMPANY SECRETARY
Medappa Gowda J

STATUTORY AUDITORS
Messrs S R Batliboi & Associates LLP,
Chartered Accountants

INTERNAL AUDITORS
Messrs K S Aiyar & Co.
Chartered Accountants

Messrs R G N Price & Co
Chartered Accountants

SECRETARIAL AUDITOR
Parameshwar G Bhat
Company Secretary

COST AUDITORS
Messrs G N V Associates
Cost Accountants

REGISTERED OFFICE
Plot No. 100 & 101, Bommasandra Industrial Area
Bangalore – 560 099.
Phone : +91-80-43421100
Fax : +91-80-27833279
E-mail : info@suprajit.com
investors@suprajit.com

PLANTS AT :
Karnataka - 7 Plants
Chakan (Maharashtra) - 1 Plant
Vapi and Sanand (Gujarat) - 2 Plants
Manesar (Haryana) - 1 Plant
Pathredi, Bhiwadi (Rajasthan) - 1 Plant
Haridwar and Pantnagar (Uttarakhand) - 2 Plants
Chennai (Tamilnadu) - 2 Plants
Noida (Uttar Pradesh) - 2 Plants

WHOLLY OWNED SUBSIDIARIES:
Suprajit Automotive Private Limited, India
Suprajit Europe Limited, U.K.
Suprajit USA INC, U.S.A.
Wescon Controls LLC, U.S.A.
Luxlite Lamps SARL, Luxembourg
TRIFA LAMPS GERMANY, GmbH

STOCK EXCHANGES
BSE Ltd [BSE]
National Stock Exchange [NSE]

REGISTRAR AND SHARE TRANSFER AGENT
Integrated Registry Management Services
Private Limited
No. 30, Ramana Residency,
4th Cross, Sampige Road,
Malleswaram, Bangalore – 560 003
Phone: +91-80-23460815-18
Fax: +91-80-23460819
E-mail : irg@integratedindia.in

BANKERS
State Bank of India
Citi Bank N.A.
HSBC Limited
Syndicate Bank (Canara Bank)
ICICI Bank Limited
Corporation Bank (Union Bank)
Axis Bank Limited

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SUPRAJIT ENGINEERING LIMITED
CIN: L29199KA1985PLC006934
Registered & Corporate Office: No. 100 & 101, Bommasandra Industrial Area, Bengaluru-560 099
Telephone: +91-80-4342 1100, Fax: +91-80-2783 3279
Website: www.suprajit.com, Email: info@suprajit.com

NOTICE OF THE THIRTY FIFTH ANNUAL GENERAL MEETING

Notice is hereby given that the 35th (Thirty Fifth) Annual General Meeting (AGM) of the Members of Suprajit Engineering Limited ("the Company") will be held on Saturday, September 26, 2020, at 2.30 p.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company which include Audited standalone and consolidated Balance Sheet as at March 31, 2020, the standalone and consolidated Statement of Profit and Loss including the Statement of other Comprehensive Income and Cash Flow of the Company as on that date together with the Auditors' Report thereon and Report of the Board of Directors.
2. To appoint Mr. K. Ajith Kumar Rai (holding DIN: 01160327), Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To confirm the payment of First Interim Dividend of Re. 0.75 (75%) and Second Interim Dividend of Re. 1.00 (100%) and confirm the same as Final Dividend for the financial year 2019-20.

SPECIAL BUSINESS

4. **To appoint Mr. Akhilesh Rai (holding DIN:07982469) as Director of the Company:**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 of the Companies Act, 2013 and the Rules made there under and other applicable laws, if any, Mr. Akhilesh Rai (holding DIN: 07982469), who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 12, 2020 and who holds office until the date of this AGM in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Director of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company and / or Mr. Medappa Gowda J, Chief Financial Officer & Company Secretary be and are hereby severally authorized to do such acts, deeds, things as may be required to give effect to the above Resolution also to take necessary steps to file necessary returns with the Registrar of Companies and comply with other formalities, if any as may be required pursuant to the provisions of the Companies Act, 2013 or such other applicable Regulations."

5. **To appoint Mr. Akhilesh Rai (holding DIN: 07982469) as Whole Time Director and Chief Strategy Officer:**

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

   "RESOLVED THAT pursuant to Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013, the consent of the Members of the Company be and is hereby accorded to appoint Mr. Akhilesh Rai (holding DIN: 07982469), as a Whole Time Director and to designate him as Director and Chief Strategy Officer of the Company for a period of 5 (Five) years with effect from June 12, 2020, on the following terms and conditions:

   a. **BASIC SALARY:** ₹ 2,08,340/- (Rupees Two Lakhs Eight Thousand Three Hundred Forty only) per month.
   b. **HOUSE RENT ALLOWANCE:** ₹ 97,460/- (Rupees Ninety Seven Thousand Four Hundred Sixty only) per month.
   c. **CONVEYANCE ALLOWANCE:** ₹ 97,460/- (Rupees Ninety Seven Thousand Four Hundred Sixty only) per month. Fuel Expenses up to ₹ 11,250/- (Rupees Eleven Thousand Two Hundred Fifty only) per month will be reimbursed.
   d. **ANNUAL VARIABLE PAY:** He is eligible to receive a performance based variable pay of ₹ 15,20,100/- (Rupees Fifteen Lakhs Twenty Thousand One Hundred only) per annum, which is subject to the Group results of growth in operational revenue and profitability (EBITDA) levels for every year as assessed and recommended by the Nomination and Remuneration Committee of the Board of Directors and as approved by the Board from time to time.
   e. **LEAVE TRAVEL ALLOWANCE:** Expenses for self and family for travel anywhere in India on leave will be reimbursed once a year subject to a ceiling of ₹ 15,000/- (Rupees Fifteen Thousand only) per annum.
   f. **MEDICAL ALLOWANCE:** Medical expenses incurred in respect of self and spouse will be reimbursed to the extent of ₹ 15,000/- (Rupees Fifteen Thousand only) per annum. He will be covered under Medical and Personal Accident Insurance policies taken by the Company.
   g. **PENSION ALLOWANCE:** Pension Allowance up to ₹ 15,000/- (Rupees Fifteen Thousand only) per annum.
   h. **EDUCATION ALLOWANCE:** Education allowance up to ₹ 15,000/- (Rupees Fifteen Thousand only) per annum.
   i. **ANNUAL BONUS:** 20% of basic salary i.e. ₹ 5,00,004/- (Rupees Five Lakhs Four only) per annum.
   j. **PROVIDENT FUND:** Contribution of 13% of the basic salary i.e. ₹ 3,24,996/- (Rupees Three Lakhs Twenty Four Thousand Nine Hundred Ninety Six only) by the appointee to the Provident Fund with contribution by the Company as per the Statutory Requirement.
   k. **GRATUITY:** The gratuity payable will be ₹ 1,20,252/- (Rupees One Lakh Twenty Thousand Two Hundred Fifty Two only) per annum.
   l. **WASHING ALLOWANCE:** He is eligible for Washing allowance of ₹ 600/- (Rupees Six Hundred only) per annum.

m. REIMBURSEMENT OF BUSINESS EXPENSES: Reimbursement of actual conveyance, reasonable travel, entertainment expenses incurred for the purpose of the business of the Company.

n. ANNUAL REVISION IN THE SALARY, IF ANY: Annual revision in the salary, if any shall be decided by the Nomination and Remuneration Committee of Board of Directors based upon Company's performance and personal performance measured against agreed objectives for the year as decided by the Board from time to time, subject to the condition that the overall remuneration shall not exceed the limits specified under the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

o. He will not be paid any sitting fees for attending Meetings of the Board of Directors or Committees thereof.

p. He is liable to retire by rotation.

RESOLVED FURTHER THAT subject to the approval of the Members in General Meeting and pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, the aforesaid remuneration be paid as a minimum remuneration notwithstanding that in any financial year during the tenure of his appointment the Company makes no profit or its profits are inadequate.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or Mr. Medappa Gowda J, Chief Financial Officer & Company Secretary, be and are hereby severally authorized to do such acts, deeds, things as may be required to give effect to the above said Resolution also to take necessary steps to file necessary returns with the Registrar of Companies and comply with other formalities, if any as may be required pursuant to the provisions of Companies Act, 2013 or such other applicable Regulations."

6. To appoint of Mr. Harish Hassan Visweswara (holding DIN: 08742808) as an Independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 of the Companies Act, 2013 and the Rules made there under and other applicable laws, if any, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Harish Hassan Visweswara (holding DIN: 08742808), who was appointed as an Additional Director of the Company by the Board of Directors on June12, 2020 and who holds office until the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Director and Independent Director of the Company, not liable to retire by rotation, for a period of Five (5) years up to June 11, 2025 with effect from June 12, 2020.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or Mr. Medappa Gowda J, Chief Financial Officer & Company Secretary, be and are hereby severally authorized to do such acts, deeds, things as may be required to give effect to the above said Resolution also to take necessary steps to file necessary returns with the Registrar of Companies and comply with other formalities, if any as may be required pursuant to the provisions of Companies Act, 2013 or such other Regulations."

7. To pay fees or compensation exceeding fifty percent (50%) of the total remuneration payable to all the Non-Executive Directors to Mr. Harish Hassan Visweswara (DIN: 08742808):

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

"RESOLVED THAT pursuant to Regulation 17 (6) (a) and (ca) and other applicable Regulation(s), if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Provisions(s), if any, of the Companies Act, 2013 and Rules made thereunder, the consent of the Members of the Company be and is hereby accorded to pay fees or compensation, if any to Mr. Harish Hassan Visweswara (DIN: 08742808), Non- Executive Director, exceeding fifty percent (50%) of the total annual remuneration payable to all Non-Executive Directors during the Financial Year 2020-21.

RESOLVED FURTHER THAT Mr. K. Ajith Kumar Rai, Chairman, Mr. Mohan Srinivasan Nagamangala, Managing Director & Group CEO and Mr. Medappa Gowda J, Chief Financial Officer & Company Secretary, be and are hereby severally authorized to do such acts, deeds, things as may be required to give effect to the above said Resolution also to take necessary steps to file necessary returns with the Registrar of Companies and comply with other formalities, if any as may be required pursuant to the provisions of Companies Act, 2013 or such other Regulations."

8. To ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors of the Company for the financial year 2020-21:

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), the remuneration payable to Messrs G N V and Associates, Cost Accountants, Bangalore, Cost Auditors, appointed by the Board of Directors based on the recommendation of the Audit Committee of the Company to conduct audit of the cost records for the financial year 2020-21 at a remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, at actuals, be and is hereby ratified.

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

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

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

Place : Bengaluru
Date : June 12, 2020

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020 ("MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conference (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. A Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.

3. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

4. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

5. Since the AGM being held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

6. In line with the Ministry of Corporate Affairs (MCA) Circular dated April 13, 2020, the Notice of the AGM has been uploaded on the website of the Company at www.suprajit.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e.,www.evotingindia.com.

7. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

8. Pursuant to MCA Circular dated April 08, 2020, the facility to appoint Proxy to attend and cast vote for the Members is not available for this AGM. However, in pursuance of Section 113 of the Companies Act, 2013, representatives of the Body Corporates can attend the AGM through VC / OAVM and cast their votes through e-voting.

9. The Members can join the AGM in the VC / OAVM mode, 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Members on first-come-first-served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first-come-first-served basis.

10. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board Resolution / authorization letter to the Company OR upload on the e-voting portal.

11. The Register of Members of the Company will remain closed from September 20, 2020 to September 26, 2020 (both days inclusive).

12. First Interim Dividend of ₹ 0.75 (75%) declared on February 01, 2020 and Second Interim Dividend of ₹ 1.00 (100%) declared on March 03, 2020 by the Board of Directors have been paid to those Members, whose names appeared on the Company's Register of Members / Beneficial Owners Position as per the records of the depositories as on February 14, 2020 and March 17, 2020 respectively. (Record Dates).

13. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through depository participants. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). ISIN Code No. INE399C01030. All Shareholders holding Shares in physical form are requested to make use of this facility.

14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

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

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

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

16. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Integrated Registry Management Services Private Limited / Depositories.

17. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection electronically by the Members during normal business hours (9.00 A.M. to 5.00 P.M.) on all working days except Saturdays and Sundays, up to the conclusion of AGM of the Company.

18. Members seeking any information with regard to the Annual Accounts, are requested to write to the Company at investors@suprajit.com at an early date, so as to enable the Management to keep the information ready at the Meeting.

19. Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at www.suprajit.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL at www.evotingindia.com.

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

The particulars of unpaid / unclaimed Dividend etc. are available on the Company's website at www.suprajit.com (http://www.suprajit.com/reports_category/unclaimed-dividends/) which is in compliance with the Investor Education and Protection Fund (Uploading of Information Regarding Unpaid And Unclaimed Amounts Lying With Companies) Rules, 2012.

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

FY	Year of declaration	Type of Dividend	Dividend per share (Re.)	Date of declaration	Due date for transfer
2012-13	2013	Final	0.40	31-Jul-13	5-Sep-20
2013-14	2014	Interim	0.45	31-Jan-14	8-Mar-21
2013-14	2014	Final	0.50	31-Jul-14	5-Sep-21
2014-15	2015	Interim	0.45	3-Feb-15	10-Mar-22
2014-15	2015	Final	0.50	19-Sep-15	25-Oct-22
2015-16	2016	Interim	0.50	9-Feb-15	16-Mar-23
2015-16	2016	Final	0.55	24-Sep-16	30-Oct-23
2016-17	2017	Interim	0.50	13-Feb-17	21-Mar-24
2016-17	2017	Final	0.60	11-Nov-17	18-Dec-24
2017-18	2018	Interim	0.60	12-Feb-18	20- Mar-25
2017-18	2018	Final	0.80	14-Aug-18	19- Sept-25
2018-19	2019	Interim	0.70	11-Feb-19	19-Mar-26
2018-19	2019	Final	0.85	10-Aug-19	15-Sept-26
2019-20	2020	Interim	0.75	01-Feb-20	08-Mar-27
2019-20	2020	Interim	1.00	03-Mar-20	10-Apr-27

21. Mr. Parameshwar G. Bhat, Practising Company Secretary (Membership No. FCS-8860), Bengaluru has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within 48 (Forty Eight) hours from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses who are not in the employment of the Company and make his report of the votes cast in favour or against and shall submit to the Chairman of the Meeting.

22. The results of the Annual General Meeting shall be declared within 48 (Forty Eight) hours from the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website (www.suprajit.com) and on the website of CDSL and shall be communicated to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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

Voting through Electronic means:

24. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

25. The voting period begins on Tuesday, September 22, 2020 and ends on Friday, September 25, 2020. During this period, the Members whose names appear in the Register of Members / list of Beneficial Owners as on September 19, 2020 i.e. the date prior to the commencement of Book Closure date, are entitled to vote on the Resolutions set forth in this Notice. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on "Shareholders" module.

(iii) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI / EASIEST** e-services, you can log-in at https://www.cdslindia.com from **Login** - **My**easi using your login credentials. Once you successfully log-in to CDSL's **EASI / EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for Suprajit on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) Company (investors@suprajit.com) / RTA (irg@integrated.com).

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to Company (investors@suprajit.com) / RTA (irg@integrated.com).

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders / members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder / members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at (company email id). These queries will be replied to by the company.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xviii) Note for Non - Individual Shareholders and Custodians

- Non-Individual Shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@suprajit.com(designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

  If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

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

A. Mr. K.Ajith Kumar Rai - Executive Chairman

B.E. (Mech. Engg): National Institute of Engineering University of Mysore M.A.Sc. (Ind. Engg.): Dalhousie University, Halifax - Novascotia, Canada.

After completing his Masters, Ajith Rai returned to India and set-up first generation enterprise - SUPRAJIT Engineering, a small scale unit to manufacture Automotive Control Cables.

Today, Suprajit Engineering Limited is amongst top 500 listed companies in India. Suprajit acquired Phoenix Lamps Limited (Now merged with Suprajit), making halogen bulbs; Wescon Controls, a Wichita, Kansas, USA, based non-automotive cable maker, and more recently India Halogen assets of OSRAM.. Suprajit's rapid growth has been achieved both by organic capacity expansion and six strategic acquisitions through its journey. In the process, it now has five 100% owned subsidiaries - Wescon controls - USA and Suprajit Europe - UK (cable business), Luxlite - Luxembourg and Trifa - Germany (Halogen business) and Suprajit Automotive India. The group's annual cable capacity at 300 million, lamps annual capacity at 110 million are amongst top 2 / 3 in the world, with 20 plants in India and overseas and 7000+ workforce.

As a first generation technocrat entrepreneur, the first cable plant was conceptualized, planned and executed by Ajith Rai. In the past 30+ years, he gained comprehensive experience and in-depth exposure in management by setting up new plants, getting new customers, developing suppliers, building the team, and working closely with all stakeholders. He also gained hands on experience in M& A and setting up of International businesses.

He is the member of American Institute of Industrial Engineers, CII, ACMA, and an active Rotarian. He is involved in many CSR initiatives through Suprajit Foundation. Married to Supriya, a practicing Dental Surgeon and they have 3 sons.

B. Mr. Akhilesh Rai - Director& Chief Strategy Officer

Masters in Business Administration - From London Business School, UK

Bachelors in Electrical Engineering (Minor in Economics) - From Purdue University, USA

Background at Suprajit (10 years):

Group CSO: Lead Negotiation of BBA, APA and executed smooth handover of Osram Chennai Assets including extraction of SAP and integration into Phoenix. Leading Project Catalyst at Wescon, reducing inventory significantly, increasing operational efficiency and improving long term EBITDA margins. Started Controls team for ensuring internal controls and best-in-class systems. Running initiatives for digitization and Suprajit Learning Center for online employee training and skills management. Developing operational excellence through training and Leading Chairman's Club, a select group of 100 high performers, through training initiatives, personal performance reviews and supporting accelerated growth where necessary.

Head IT: Implemented Oracle's Material Resource Planning (MRP) module. Worked with board on acquisition integration, target diligences, financial audit requirements and technology strategy. Lead branding for Annual reports, market campaigns, TV & social media, Websites, etc. Pioneered use of Electronic Document Interchange (EDI). Co-ordinated multi-geography teams to sync customer ERPs across 25+ plants of BMW, VW, Nissan, ISRI, HBPO. Migrated UK plant to Oracle ERP. Established ERP back-office for Europe operation. Led HR team in implementation of multi-location HR, Payroll & Attendance System, resulting in 80% reduction in payroll processing time. Setup Disaster Recovery Systems and virtualized servers on AWS.

Background Outside Suprajit (3 years):

Grant Thornton: Supported Sell side teams on acquisition projects

Kushers: Built global platform for design and distribution of extremely custom gifts

Yagna: Developed network architecture automation solutions for Cisco Products

Varaha: Designed and developed mobile management system for mobile devices

C. Mr. Harish Hassan Visweswara - Independent Director

Bachelor of Engineering (Mechanical) (UVCE Bengaluru)

Post Graduate Diploma in Management (IIM Kolkata)

Advanced Management Program from Harvard Business School

Education

Has been a distinguished student with top academic results in his education. He was the X ranker in the State in X standard, IV Ranker in the University in Engineering and on the Honour Roll at IIM Kolkata (Top 5). He was part of the first batch of the dedicated Advanced Senior Leadership Program conducted by Oxford University Said Business School for Grant Thornton International.

Areas of Focus

Over 30 years' experience in Consulting, Corporate Governance, Corporate Finance, Investment Banking and Strategy.

Sector experience

Has a wide range of experience in Private and Public Sectors covering a wide range of sectors including technology, real estate, hospitality, pharmaceuticals, engineering, petrochemicals etc.

Professional affiliations and memberships

Past President of Bangalore Chamber of Commerce and Industry, Founder Member and on the Board of Governors, of Center for Sustainable Development, Member Board of Management Studies at T A Pai Management Institute (TAPMI), Director, Harvard Business School Alumni Association, Member iSPRIT Policy Team on Startup India engaged with RBI, SEBI MCA etc. Member of the Manufacturing Task Force of Govt of Karnataka in 2015. Presently part of the Working Group of Software Product Development Fund of Ministry of Electronics and Information Technology.

Presentations and publications

Very active speaker and is widely quoted in the press and TV. Addressed several public forums and has written articles on management, policy and industry.

Previous work Experience

Worked with Grant Thornton India as Senior Partner and part of National Leadership Team for 14 years. Earlier to this, he was with A F Ferguson & Co. and HSBC for 5 years each and other well-known private sector Companies. Currently, he is Managing Partner at Ecube Investment Advisors.

Additional information:

Name	Mr. K. Ajith Kumar Rai	Mr. Akhilesh Rai	Mr. Harish Hasaan Visweswara
Age	62 years	33 years	57 years
Date of Appointment	May 24, 1985	June 12, 2020	June 12, 2020
Relationship between Directors *inter-se*	Promoter and spouse of Dr. Supriya A. Rai, Director	Son of Mr. K. Ajith Kumar Rai, Chairman and Supriya A. Rai, Director	NIL
Names of listed entities in which the person holds the directorship	NIL	NIL	NIL
Membership of Committees of the Board of other listed entity	NA	NA	NA
No. of Shares held in the Company	38,16,897	12,07,948	Nil

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

Item Nos. 4 & 5:

Based on the recommendations of the Nomination and Remuneration Committee, the Board at its Meeting held on June 12, 2020 had appointed Mr. Akhilesh Rai as an Additional Director of the Company with effect from June 12, 2020.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, the Additional Director appointed by the Board will hold office up to the date of the ensuing Annual General Meeting. Hence, the approval of the Members of the Company is required to appoint Mr. Akhilesh Rai as Director of the Company. Brief background is exhibited separately.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board has also had appointed Mr. Akhilesh Rai as a Whole Time Director of the Company and designated him as Director and Chief Strategy Officer for a period of five years commencing from June 12, 2020 and fixed remuneration payable to him, which is subject to approval of Members of the Company.

In this connection, the Board recommends the resolution as set out in Item nos. 4&5 for the approval of the Members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made there under for the appointment of Mr. Akhilesh Rai as a Whole Time Director for a period of five years commencing from June 12, 2020. The terms and conditions of his appointment are set out in the Resolution.

Except Mr. Akhilesh Rai, Mr. K. Ajith Kumar Rai, Executive Chairman and Dr. Supriya A. Rai, Director, none of the Directors or Key Managerial Personnel are concerned or interested financially or otherwise, in the said Resolutions.

Item No. 6:

Based on the recommendation of the Nomination and Remuneration Committee, Board of Directors of the Company at its Meeting held on June 12, 2020 have appointed Mr. Harish Hassan Visweswara as an Additional Director (Independent Director) of the Company with effect from June 12, 2020.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Additional Director appointed by the Board will hold office up to the date of the ensuing Annual General Meeting. Hence, the approval of the Members of the Company is required to appoint Mr. Harish Hassan Visweswara as Director and Independent Director of the Company for a period of five (5) years up to June 11, 2025. He fulfills the conditions for independence specified in the Act, the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other laws / regulations for the time being in force, to the extent applicable to the Company. Brief profile and other details have been provided in the notes.

In this connection, the Board recommends the Resolution as set out in item no. 6 for the approval of the Members of the Company.

Except Mr. Harish Hassan Visweswara, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested financially or otherwise, in the said Resolution.

Item No.7:

Mr. Harish Hassan Visweswara, Non-Executive Director has over 30 years of diversified experience in Investment Banking, Mergers& Acquisition, Corporate Finance, Strategy, etc. Considering his experience and proficiency, the Company may avail professional services from Mr. Harish Hassan Visweswara in his capacity other than as Director. In addition to sitting fees and commission, Mr. Harish Hassan Visweswara will be entitled to professional fees, if any, as agreed subject to overall limits prescribed under the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015.

As per the requirement of Regulation 17 (6) (a) and (ca) SEBI (LODR) Regulations, 2015, if any fees and compensation payable to single Non-Executive Director exceeds fifty percent (50%) of the total remuneration payable to all the Non-Executive Directors, the same shall require approval of Shareholders by way of a Special Resolution.

In this connection, the Board recommends the Resolutions as set out in item no. 7 for the approval of the Members of the Company.

Except Mr. Harish Hassan Visweswara, Non-Executive Director, no other Directors, Key Managerial Personnel or their relatives is concerned or interested financially or otherwise, in the said Resolution.

Item No.8:

The Board on the recommendation of Audit Committee had appointed Messrs G N V and Associates, as the Cost Auditors of the Company for the financial year 2020-21 and fixed a remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses at actuals.

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

Hence, your Board recommends the Ordinary Resolution as set out in item no. 7 for the approval of the Members. None of the Directors, Key Managerial Personnel of the Company or their relatives, is concerned or interested financially or otherwise, in the said Resolution.

By Order of the Board

For **Suprajit Engineering Limited**

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

Place : Bengaluru
Date : June 12, 2020

BOARD'S REPORT

Your Directors have pleasure in presenting their Thirty Fifth (35th) Annual Report and the Audited Financial Statements for the financial year ended March 31, 2020 together with the Independent Auditor's Report.

STANDALONE AND CONSOLIDATED FINANCIAL RESULTS:

₹ in Million

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Total Income	10,962.30	10,891.66	15,852.16	16,278.95
Profit before exceptional items and tax expense	1,757.88	1,738.90	1,603.01	2,052.21
Less: Exceptional items	(259.92)	-	(274.38)	-
Profit before tax expense	1,497.96	1,738.90	1,328.63	2,052.21
Less: Provision for taxation	(337.51)	(603.91)	(362.33)	(733.20)
Profit after tax before prior period adjustment	1,160.45	1,134.99	966.30	1,319.01
Add: Reversal of Current Tax inrelation to prior year	72.87	13.24	73.35	18.93
Profit after tax	1,233.32	1,148.23	1,039.65	1,337.94
Add: Surplus from last year	1,748.75	1,598.96	1,897.30	1,723.59
Add: Other Comprehensive income	(2.90)	(7.77)	(2.47)	(8.85)
Add: Net change in fair value of Hedging instrument	-	-	(6.13)	(2.44)
Profit available for appropriation after adjustments prior period taxes	2,979.17	2,739.42	2,928.35	3,050.24
APPROPRIATIONS:				
1. Final dividend [March 31, 2019: ₹ 0.85 (March 31, 2018 : ₹ 0.80) per Share]	118.89	111.90	118.89	111.90
2. First Interim dividend [₹ 0.75 (March 31, 2019 ₹ 0.70) per share]	104.90	97.91	104.90	97.91
3. Second Interim dividend [₹ 1.00 (March 31, 2019 - ₹ Nil) per share]	139.87	-	139.87	-
4. Tax on Dividend	62.48	30.86	74.75	43.13
5. Transfer to General Reserve	750.00	750.00	750.00	900.00
6. Balance carried to Balance Sheet	1,803.03	1,748.75	1,739.94	1,897.30

TRANSFER TO RESERVES

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

DIVIDEND:

Two Interim Dividends were declared and paid during the financial year under report. The first interim dividend of ₹ 0.75 per Share of ₹ 1/- each (75%) was paid on February 18, 2020 and the second interim dividend of ₹ 1.00 per Share (100%) was paid on March 18, 2020. After careful review, your Directors have confirmed the two interim dividends as the final for the year. The total outgo, considering the two interim dividends, including taxation, will be ₹ 288.95 Million against ₹ 255.23 Million last year, an increase of 13.21%.

PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED (RETIRED) DURING THE FINACIAL YEAR ENDED MARCH 31, 2020:

During the financial year, Mr. Suresh Shetty and Mr. Ian Williamson, Independent Directors of the Company, whose first term as Independent Directors of the Company had completed on February 02, 2020, have been re-appointed as Independent Directors of the Company for a second term up to March 31, 2023. Mr. B.S Patil, Independent Director of the Company has retired from the Directorship upon completion of his term of appointment of Five (5) years on February 02, 2020.

The composition of the Board of Directors of the Company as on March 31, 2020 is as below:

1	Mr. Kula Ajith Kumar Rai - Executive Chairman
2	Mr. Mohan N.S - Managing Director
3	Mr. Ian Williamson - Independent Director
4	Mr. Suresh Shetty - Independent Director
5	Mrs. Supriya Ajith Rai - Non Executive Director
6	Mr. M. Lakshminarayan - Independent Director
7	Mrs. Bharati Rao - Independent Director

The Board of Directors of the Company at its meeting held on June 12, 2020 has appointed Mr. Akhilesh Rai and Mr. Harish Hassan Visweswara as Additional Directors of the Company. The Notice convening the AGM sets out the details of their appointment.

SHARE CAPITAL:

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

As on March 31, 2020, the Authorized Share Capital of the Company was ₹ 850,000,000/- (Rupees Eight fifty Million) and the Paid up Share Capital was ₹ 139,872,473/- (Rupees One Thirty Nine Million Eight Hundred Seventy Two Thousand Four Hundred Seventy Three Only).

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

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

CHANGE IN NATURE OF BUSINESS:

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

OPERATIONS - MANAGEMENT DISCUSSION AND ANALYSIS:

The Indian Automotive industry recorded a negative growth of 14.83% during the year. Your Company, on a standalone basis, recorded an operational income of ₹ 10,709.46 Million during the financial year 2019-20 as against ₹ 10,584.94 Million during the financial year 2018-19. The Profit for the year was ₹ 1,233.32 Million during the financial year 2019-20 as against the Profit of ₹ 1,148.23 Million during the financial year 2018-19. The consolidated group operational income was ₹ 15,628.32 Million for the financial year 2019-20 as against ₹ 15,899 Million for the financial year 2018-19. The consolidated Profit for the year was ₹ 1,039.65 Million during the financial year 2019-20 as against ₹ 1,337.94 Million during the financial year 2018-19. During the year, the Company has critically reviewed its investments in subsidiaries and the investments are restated as a prudent measure.

The year saw a significant drop in the sales in all the segments of automotive industry. The outbreak of COVID-19 during the last quarter of the year further accelerated the slowdown in sales. Unavailability of credit in the market and uncertainty of change over from BS-IV to BS-VI have also added in the deceleration of automotive business. During the year, the group's cable capacity was enhanced from 250 Million to 300 Million cables / year.

DOMESTIC CABLE DIVISION (DCD):

Your Company's new Greenfield plant at Narsapura started commercial production in Q2 of 2019-20. The overall operational performance of the division was much ahead of Industry with good performance in both OEM and aftermarket, despite difficult market conditions.

PHOENIX LAMPS DIVISION (PLD):

PLD had a muted year largely due to reduced exports to the subsidiaries and de-growth in domestic business.

Your Company concluded the acquisition of India Halogen Assets of Osram with a buyback agreement from Messrs Osram India Private Limited on 4th October, 2019. This Karnai plant (erstwhile owned by Osram), is now part of Phoenix Lamps Division. The transfer was completed smoothly and the plant has started delivering in line with the buyback agreement with Osram and it will supply to other customers.

With this acquisition, Suprajit's Halogen Bulb's annual capacity has increased from 87 Million to about 110 million.

WHOLLY OWNED SUBSIDIARIES:

The consolidated sales of all the subsidiaries were ₹ 4,918.86 Million against ₹ 5,314.06 Million previous financial year. The EBIDTA was ₹ 259.67 Million against ₹ 614.35 Million previous financial year. The Profit/(Loss) Before Tax was ₹ (154.87) Million against ₹ 313.31 Million previous financial year. The Profit/(Loss) After Tax was ₹ (193.67) Million against ₹ 189.71 Million previous financial year.

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

The sales were ₹ 1,677.30 Million against ₹ 1,760.17 Million previous year. The EBIDTA was ₹ 333.24 Million against ₹ 496.23 Million previous year. The Profit Before Tax was ₹ 228.80 Million against ₹ 455.09 Million previous year. The Profit After Tax was ₹ 178.56 Million against ₹ 333.46 Million previous year.

Suprajit Automotive Private Limited (SAL) and Suprajit Europe (SEU), the wholly owned subsidiaries of your Company, are focused on automotive business. The performance during the year has been satisfactory. The new plant at the Doddaballapur Industrial Area has started commercial production in December 2019.

During the year, Suprajit Europe has set up an additional owned warehouse at Koper, Slovenia, to serve the Mainland European customers better and to derisk any negative fallout of Brexit. This warehouse is now fully functional.

Suprajit USA Inc (Wescon Controls LLC):

Suprajit USA Inc (Wescon Controls LLC) 100% owned subsidiary of your Company continues its focus on non-automotive business. The sales were ₹ 2,654.05 Million against ₹ 2,862.69 Million previous year. The EBIDTA was ₹ 139.87 Million against ₹ 256.30 Million previous year. The Profit/(Loss) Before Tax was ₹ (334.58) Million against ₹ 8.47 Million previous year. The Profit/(Loss) After Tax was ₹ (310.81) Million against ₹ 6.65 Million previous year. Certain one-time cost has been accounted during the year, leading to lower profits.

Wescon has taken new initiatives to drive the costs down, increase the productivity and get additional business in the non-automotive market. The SENA strategy has been refocused by the new CEO in close interaction with group management. This is expected to yield better results in the coming years.

Trifa and Luxlite:

Trifa and Luxlite, the 100% owned subsidiaries of PLD too had a challenging year. The combined sales to ₹ 1,198.69 Million (€ 15.21 Million) against ₹ 1,480.36 Million (€ 18.29 Million) previous financial year. The EBIDTA was ₹ (125.74) Million (€ (1.60) Million) against ₹ (41.41) Million (€ (0.51) Million) previous financial year.

To improve the performance of these subsidiaries, a restructuring exercise was undertaken during the year. Instead of two separate warehouses, a single large warehouse in Luxlite has been created. Trifa's operations at Annweiler has been scaled down significantly to just a sales office with both operations managed by a single CEO. Additionally, certain onetime costs relating to inventories, manpower reduction, relocation, etc., have been accounted during the year, leading to higher losses. These internal strategic changes, along with the focus on additional customers are expected to yield satisfactory results in the coming years.

The performance of these subsidiaries combined with PLD, will give a true picture as they are only marketing arms, which has been reasonable under the circumstances.

CURRENT YEAR OUTLOOK AND COVID-19 IMPACT:

With the outbreak of COVID-19, the entire global scenario and business outlook has changed since the last quarter of last year. COVID pandemic has created huge economic recession across the world. Many countries have declared lockdowns, leading to cessation of economic activities. India started lockdown from March 24, 2020 and it continues with certain relaxation. This has led to significant breakdown of economic activities in India as well. With no cure insight, the threat for longer term continued economic weakness can be expected. Resurgence of virus can also be expected till such time a vaccine is found which will add to the uncertainty of economic recovery.

Such breakdown in economy and disruption of lives of billions of people is unseen and unheard in our lifetimes.

Under these circumstances it is difficult to assess the economic activity for the near term. The automotive industry's prospects are equally uncertain. The year is expected to be a very challenging and most difficult period faced by your Company. It is essential to preserve cash and be frugal in all our activities with minimized capital expenditure. Your Company is taking every step to minimize the negative impact of COVID-19. With an excellent team in place, clearly focused on optimizing costs and improving performance, your Company is confident of facing these uncertainties and emerge as a stronger Company. Added to this, the cash in hand will ensure continued longer term sustenance of the Company.

SALIENT FEATURE OF FINANCIAL STATEMENT OF SUBSIDIARIES

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

CREDIT RATING:

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

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

FRAUD REPORTED BY THE AUDITORS DURING THE FINANCIAL YEAR:

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

DEPOSITS:

Your Company has not invited / accepted / renewed any deposits from public as defined under the provisions of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly the Company had no deposits as on March 31, 2020.

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

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

EXTRACT OF THE ANNUAL RETURN:

The extract of the annual return in Form MGT-9 is enclosed as a part of this report in compliance with Section 134 (3) of the Companies Act, 2013 as **Annexure - 2**.

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

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

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

All related party transactions which were entered into during the financial year were on at arm's length basis and were in the ordinary course of business and with the omnibus approval of the Audit Committee. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the financial year, 5 (Five) Meetings were held on May 27, 2019, August 10, 2019, November 11, 2019, February 01, 2020 and March 03, 2020.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

ii. the selected accounting policies were applied consistently and the judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profits of the Company for the year ended on that date;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the annual accounts have been prepared on a 'going concern' basis;

v. adequate system of internal financial controls has been laid down and the said system is operating effectively; and

vi. proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and are operating effectively.

CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT:

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

The Business Responsibility Report as required to be annexed to this report is annexed as **Annexure-4**.

DIVIDEND DISTRIBUTION POLICY:

The Company has a Dividend Distribution Policy in place, which is available on the website of the Company at www.suprajit.com (http://www.suprajit.com/investors/compliance/policies-codes/) and also annexed as **Annexure-5.**

RISK MANAGEMENT POLICY:

The Company has Risk Management Policy in place. With effect from April 01, 2019, the Company has constituted Risk Management Committee to oversee in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) / SUPRAJIT FOUNDATION:

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

During the year, the Company has paid ₹ 29.13 Million and Suprajit Automotive has paid ₹ 4.89 Million to Suprajit Foundation towards the various projects undertaken by Suprajit Foundation. The detailed activities of Suprajit Foundation have been provided in **Annexure-6** to this report. The copy of the CSR Policy is available on the website of the Company at www.suprajit.com (http://suprajit.com/investors/compliance/policies-codes/).

The Company has been active in CSR activities through Suprajit Foundation and has undertaken various projects in the areas of Education, Healthcare and Rural Development since 2011.

Your Directors take this opportunity to thank the honorary Trustees of the Foundation, who continue to devote their valuable time and energy in planning, directing, monitoring and reviewing its activities.

DETAILS OF EMPLOYEES STOCK BENEFIT SCHEMES:

The Shareholders of the Company have approved 'SEL Employee Stock Appreciation Rights Plan 2017' ("ESAR 2017") at the 32nd Annual General Meeting of the Company held on November 11, 2017. The Company, through Nomination and Remuneration Committee, has taken necessary steps to implement the same during the year. Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014 is enclosed as **Annexure -7.**

CONSERVATION OF ENERGY:

Conservation of energy is one of the highest priority measures directly supervised by the senior management of the Company. As and when new plants are getting added by the Company, the management ensures that various measures like rainwater harvesting, STP, water usage control, planting of trees, discarding of old gen-sets and minimum usage of lighting power during day time are well adopted from day one.

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

a) The Company has installed 100 kWp solar capacity as the first pilot project in the year 2016, to assess the use of solar energy for the operational requirements of the Company. The Company will monitor the performance of this project and based on the success, will consider deploying such projects at various units.

b) Various plants have started using LED lamp to reduce power consumption.

c) Additional facilities have been fitted with Automatic Water Level Controllers along with the water pumps which are used for pumping water to the storage tanks.

d) Electrical systems in all the new plants have been provided with individual controls so that the user can select particular fan, light etc., depending upon requirement at that particular point of time. This avoids indiscriminate bulk selection of electrical systems.

e) Additional facilities, Shop floors having roofing sheets with thermal vents on top of the roofing sheets (circulating fans operating with wind) in order to reduce the heat effect in summer and also to reduce usage of electrically operated fans in the shop floor.

f) Rain water harvesting has been modified to properly channelize the rain water into earth in manner bore well gets adequate water for its re-generation.

g) Efforts made to improve power factors by installing additional active capacitors

h) Continuous efforts in reduction of power load by replacing DC drive to AC drive.

i) Compressor room temperature reduction for reducing maintenance cost.

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

a) Research and Development (R&D):

1. The Company has set up a centralized Suprajit Tech Centre (STC) at Bengaluru. STC has Engineers for R&D, testing and validation teams to products as per customers' requirements. The Group also has tech centers at Tamworth, U.K (Suprajit Europe Limited) and Wichita, USA (Wescon).

2. The Company has product & process patents, which are deployed commercially. The Company's R&D has developed many specialized cables, lamps and other products for Customers as per the end user requirements. This is being successfully deployed by the customer with significant cost savings.

3. Development cells in respective units have been upgraded with more Engineers and latest equipment.

4. The Company has developed many types of equipment and automation specialized for cable and lamps with significant energy savings and increased productivity.

5. "Product Life Cycle Management"-software has been implemented to enhance standardization of new product launch and change management.

6. Launch of RGL and C program to enhance robustness, geometry tolerances and life of the halogen bulbs, has led to significant improvements in quality, cost and productivity at Phoenix Lamps Division.

b) Expenditure on Research and Development:

₹ in Million

Particulars	2019-20	2018-19
Salaries, Wages & Bonus	24.59	18.53
Cost of materials consumed	2.43	2.72
Other expenses	4.62	2.64
Total	**31.64**	**23.89**

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

1) The Company has not imported any technology during the financial year.

2) The Company has developed innovative and path-breaking products and processes for both lamps and Cables for which patents are pending.

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

GREEN INITIATIVES:

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

FOREIGN EXCHANGE EARNINGS AND OUTFLOW:

The Company earned ₹ 1,469.60 Million and expended ₹ 1,303.48 Million during the financial year under review.

INDUSTRIAL RELATIONS:

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

DECLARATION BY THE INDEPENDENT DIRECTORS:

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

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

BOARD EVALUATION:

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

FAMILIARISATION PROGRAMMES OF INDEPENDENT DIRECTORS:

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

NOMINATION AND REMUNERATION POLICY:

Your Company has adopted a Nomination and Remuneration Policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under the provisions of Section 178(3) of the Companies Act, 2013. The Policy is available at the website of the Company at www.suprajit.com (http://suprajit.com/investors/compliance/policies-codes/).

COMPOSITION OF AUDIT COMMITTEE:

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

Mr. Suresh Shetty - Chairman

Mr. Ian Williamson - Member

Mr. K.Ajith Kumar Rai - Member

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

AUDITORS:

i. Statutory Auditors:

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

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

ii. Cost Auditors:

Messrs G N V Associates, Cost Accountants, Bengaluru had been appointed as the Cost Auditors of your Company for the financial year 2019-20.

iii. Secretarial Auditor:

The Board has appointed Mr. Parameshwar G. Bhat, a Practising Company Secretary (Membership No.FCS-8860), Bengaluru as the Secretarial Auditor as per the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019-20. The Secretarial Audit Report issued by him is enclosed as "**Annexure-8"** to this Report.

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

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors. The Statutory Auditors have expressed an unmodified opinion in the audit reports in respect of the Audited standalone and consolidated Financial Statements for the financial year ended March 31, 2020.

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

REGULATORY / COURT ORDERS:

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

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (HSE):

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

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

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

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

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

Summary of sexual harassment complaints received and disposed off during the financial year 2019-20:

No. of complaints received: NIL

No. of complaints disposed off: NA

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars, which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **"Annexure -9".**

SECRETARIAL STANDARDS

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

CAUTIONARY NOTE:

Management Discussion and Analysis forming part of this Report is in compliance with Corporate Governance Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges and such statements may be "forward looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets / currency fluctuations in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : June 12, 2020

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

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

(a) THE BOARD OF DIRECTORS AND THE MEETINGS ATTENDED BY RESPECTIVE DIRECTORS DURING THE YEAR 2019-20 AS UNDER:

Name of the Director	Category	*Inter-se* relationship	Board Meetings held	Board Meetings Attended	Attended Last AGM
Mr. K Ajith Kumar Rai	Promoter and Executive Director	Spouse of Dr. Supriya Rai	5	5	Yes
Mr. Mohan N.S	Executive Director	NIL	5	5	Yes
Mr. B. S. Patil*	Independent	NIL	5	4	Yes
Dr. Supriya A Rai	Promoter - Non Executive	Spouse of Mr. K Ajith Kumar Rai	5	5	Yes
Mr. Ian Williamson	Independent	Nil	5	5	Yes
Mr. Suresh Shetty	Independent	Nil	5	4	No
Mr. M. Lakshminarayan	Independent	Nil	5	3	No
Mrs. Bharati Rao	Independent	Nil	5	4	No

* Mr. B.S. Patil, Independent Director retired on February 02, 2020.

Skills / Expertise / Competencies of the Board of Directors:

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

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

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

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

Certificate from Practising Company Secretary:

A Certificate from Mr. Vijayakrishna K. T., Practising Company Secretary, Bengaluru confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is enclosed as **Annexure-10**.

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

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. The Board of Directors duly met 5 (Five) times during the year on:

1. May 27, 2019
2. August 10, 2019
3. November 11, 2019
4. February 01, 2020
5. March 03, 2020

3. OUTSIDE DIRECTORSHIPS / COMMITTEE POSITIONS AS ON MARCH 31, 2020:

Name of the Directors	Listed Companies	Name of the Listed Entity and category	No. of Unlisted Public Companies	Chairperson / Membership of Committees
Mr. K Ajith Kumar Rai	Nil	NA	Nil	Nil
Mr. Mohan N.S.	Nil	NA	Nil	Nil
Dr. Supriya A Rai	Nil	NA	Nil	Nil
Mr. Ian Williamson	Nil	NA	Nil	Nil
Mr. Suresh Shetty	Nil	NA	Nil	Nil
Mr. M. Lakshminarayan	7	1. ASM Technologies Limited 2. Wabco India Limited 3. Kirloskar Oil Engines Limited 4. Rane (Madras) Limited 5. Wendt India Limited 6. TVS Electronics Limited *Independent Director in all Companies	1	Chairperson - 2 Member - 9
Mrs. Bharati Rao	3	1. Can Fin Homes Limited 2. Neuland Laboratories Limited *Independent Director in all Companies	5	Chairperson - Nil Member - 8

Notes:

a. *Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.*

b. *Chairpersonship / Membership in the Audit and Stakeholders' Relationship Committee of listed and Un-listed Public Companies are considered for the above purpose.*

c. *None of the Directors are neither a member in more than 10 Committees nor a chairperson in more than 5 Committees across all Companies in which he / she is a Director.*

4. AUDIT COMMITTEE:

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

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

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

The Audit Committee Meetings were held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year, the Audit Committee has met 4 (Four) times on May 27, 2019, August 10, 2019, November 11, 2019 and February 01, 2020.

The attendance details of each Member of the Committee are as below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Suresh Shetty	4	3
Mr. Ian Williamson	4	4
Mr. K. Ajith Kumar Rai	4	4

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

(a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(c) Approval of payment to the Statutory Auditors for any other services rendered by them;

(d) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval,

(e) Reviewing, with the management, the quarterly Financial results before submission to the board for approval

(f) Reviewing the statement of significant related party transactions

(g) Discussion with Internal Auditors of any significant findings

5. NOMINATION AND REMUNERATION COMMITTEE (NRC):

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

Following are the role of the Committee:

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

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

1. Mr. M. Lakshminarayan - Chairman
2. Mr. B.S. Patil - Chairman (Up to February 02, 2020)
3. Mr. Suresh Shetty - Member
4. Mr. K. Ajith Kumar Rai - Member
5. Dr. Supriya A. Rai - Member (w.e.f. February 03, 2020)

During the financial year One (1) Meeting of the Committee was held on February 01, 2020. Except Mr. M. Lakshminarayan, all the Members were present at the Meeting.

Remuneration paid / payable to Directors during the financial year 2019-20

₹ in Million

Sl. No	Name of the Director	Sitting Fees	Salary & PF	Comm-ission	Bonus	Stock Options	Total
1	Mr. K Ajith Kumar Rai*	-	22.78	26.33	-	-	49.11
2	Mr. Mohan N.S.*	-	13.45	-	5.40	-	18.85
3	Mr. B S Patil	0.11	-	0.50	-	-	0.61
4	Mr. Suresh Shetty	0.16	-	0.50	-	-	0.66
5	Mr. M. Lakshminarayan	0.09	-	0.50	-	-	0.59
6	Mrs. Bharati Rao	0.10	-	0.50	-	-	0.60
7	Dr. Supriya A Rai	Waived	-	Waived	-	-	Waived
8	Mr. Ian Williamson	Waived	-	Waived	-	-	Waived
	Total	**0.46**	**36.23**	**28.33**	**5.40**	**-**	**70.42**

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

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

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

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

The terms of Reference of the Committee are as under:

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

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company from time to time;

b. Recommend the amount of expenditure to be incurred on the activities undertaken as specified in Schedule VII of the Companies Act, 2013;

c. Monitor the Corporate Social Responsibility Policy of the Company from time to time;

d. Perform such functions as may be statutorily required by the CSR Committee;

e. Other matters as may be assigned by the Board from time to time.

One Meeting of CSR Committee was held on May 27, 2019. All the Members were present at the Meeting.

INDEPENDENT DIRECTORS' MEETING & PERFORMANCE EVALUATION:

During the year under review, the Independent Directors met on February 01, 2020, *inter- alia*, and transacted the following business:

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

Except Mr. M. Lakshminarayan, all the Independent Directors were present in the Meeting.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

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

a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.

b. Review of measures taken for effective exercise of voting rights by shareholders.

c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

During the year, the composition of the Stakeholders' Relationship Committee was as follows: Dr. Supriya A. Rai-Chairperson, Mr. K.Ajith Kumar Rai and Mr. Suresh Shetty, Members.

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

With effect from April 01, 2020, the Committee was re-constituted as under:

1. Mrs. Bharati Rao - Chairperson
2. Dr. Supriya A. Rai - Member
3. Mr. K. Ajith Kumar Rai - Member

Name and designation of Compliance Officer:

Medappa Gowda J.

CFO & Company Secretary

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

Number of shareholders' complaints received during 2019-20	Number complaints not solved to the satisfaction of shareholders	Number of pending complaints
3	NIL	NIL

8. RISK MANAGEMENT COMMITTEE:

The Company has constituted Risk Management Committee with effect from April 01, 2019. Following are the Members of the Committee of the Company:

1. Mr. M. Lakshminarayan - Chairman
2. Mr. K. Ajith Kumar Rai - Member
3. Mr. Mohan N. S - Member
4. Mr. Akhilesh Rai - Member

During the financial year, one Meeting of the Committee was held on March 03, 2020. All the Members were present at the Meeting.

9. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on March 31, 2020, who held Shares in Suprajit Engineering Limited, are as under:

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

9. GENERAL MEETINGS:

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

Year	Date	Time	Location
2016-17	11.11.2017	02.30 p.m.	No. 101, Bommasandra Industrial Area, Bengaluru - 560 099
2017-18	14.08.2018	1.00 p.m.	No. 101, Bommasandra Industrial Area, Bengaluru - 560 099
2018-19	10.08.2019	2.30 p.m.	No. 101, Bommasandra Industrial Area, Bengaluru - 560 099

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

Date of AGM	Special Resolutions
11.11.2017	Approval of SEL Employee Stock Appreciation Rights Plan 2017
	Approval of grant of ESARs to the Employees/ Directors of the Subsidiary Company(ies) / of the Company under ESAR 2017
14.08.2018	Nil
10.08.2019	Payment of remuneration in excess of ₹ 5 Crores or 2.5 % of the net profit, whichever is more to Mr. K Ajith Kumar Rai, Promoter & Executive Director of the Company.

Postal Ballot:

During the period under review, the Company has passed two (2) Special Resolutions through Postal Ballot. The Board of Directors had appointed Mr. Parameshwar G. Bhat, Practising Company Secretary, Bengaluru as the Scrutinizer to conduct the Postal Ballot process. The procedure prescribed under Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Secretarial Standard 2 and Regulation 44 of SEBI (LODR) Regulations, 2015 was followed for conduct of the Postal Ballot.

Details of Resolutions passed through Postal Ballot during the year:

Resolution for	Nature of Resolution	No. of votes cast in favour of the Resolution	No. of votes cast against the Resolution
Re-Appointment of Mr. Ian Williamson (DIN: 01805348) as an Independent Director of the Company	Special Resolution	8,57,92,848	14,382
Re- Appointment of Mr. Suresh Shetty (DIN : 00316830) as an Independent Director of the Company	Special Resolution	85,79,23,98	14,832

Further, as on the date of this report, there is no proposal of passing any Resolution through Postal Ballot during the financial year 2020-21.

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

As per the above mentioned Circular, there are "Nil" Shares in the Demat Suspense Account or Unclaimed Suspense Account. However, the Company proposes to transfer unclaimed Shares to the Suspense Account in the current year, after complying with necessary procedures as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:

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

12. OTHER DISCLOSURES:

Related party transactions:

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Details of related party transaction are disclosed along with the compliance report on Corporate Governance.

The Company continued to comply with the requirements of the Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authorities relating to the above.

Accounting Treatment:

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

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

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

₹ in Million

Fees paid to Messrs S.R Batliboi & Associates LLP for Audit and related services	7.14
Fees paid to network firms of Messrs S.R Batliboi & Associates LLP for audit of overseas entities.	2.60
Total	**9.74**

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

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

CEO and CFO Certification:

The Chief Executive Officer and Chief Financial Officer have certified to the Board of Directors, *Iinter-alia*, the accuracy of Financial Statements and adequacy of Internal Controls for the Financial Reporting purpose as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020.

Code of Conduct:

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

Whistle Blower Policy

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

13. MEANS OF COMMUNICATION:

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

14. MANDATORY / NON-MANDATORY REQUIREMENTS:

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

15. CERTIFICATE ON CORPORATE GOVERNANCE:

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

16. GENERAL SHAREHOLDER INFORMATION:

a. Thirty Fifth Annual General Meeting :

Date	Time	Venue
September 26, 2020	2.30 PM	Being conducted through VC / OAVM

b. Financial Calendar:

Financial Year	-	April 2020 to March 2021
First Quarter Results	-	In August 2020
Half Yearly Results	-	In November 2020
Third Quarter Results	-	In February 2021
Results for the year ended 31st March	-	By May 2021
Book Closure Date	-	September 20, 2020 to September 26, 2020 (both days inclusive)
Scrip Code	-	BSE-532509 / NSE-SUPRAJIT
Stock Exchange	-	BSE Limited, Mumbai National Stock Exchange of India Limited, Mumbai

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

c. Share Transfer System:

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

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

d. Dematerialization of Shares and Liquidity:

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

e. Plant Locations:

The Company has Plants located at:

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

f. Registered Office / Address for correspondence:

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

g. Shareholding Pattern as on March 31, 2020:

Category	No. of Shares held	Percentage of Share-holding
Promoters	6,23,39,220	44.57
Institutions		
Mutual Funds / UTI	87,86,761	6.28
Financial Institutions / Banks	20,272	0.01
Foreign Portfolio Investors	1,13,81,667	8.14
Insurance Companies	18,38,717	1.31
Alternative Investment Funds	21,64,883	1.55
Non-institutions		
Individuals -		
i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	2,18,99,613	15.66
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	1,29,47,608	9.26
Others		
NRI	31,51,757	2.25
Clearing Members	3,27,645	0.23
LLP	3,543	0.00
Director or Director's Relatives	10,77,392	0.77
HUF	4,99,319	0.36
Trusts	17,234	0.01
Bodies Corporate	1,34,06,917	9.59
NBFCs Registered with RBI	9,925	0.01
TOTAL	**13,98,72,473**	**100.00**

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

h. Distribution of shareholding according to size class as on March 31, 2020:

Description	Holders	% of Holders	Holding	% of Holdings
1 - 500	39,123	87.52	53,72,827	3.84
501 - 1000	2,674	5.98	19,83,661	1.42
1001 - 2000	1,148	2.57	16,97,779	1.21
2001 - 5000	956	2.14	29,59,885	2.12
5001 - 10000	392	0.88	29,51,053	2.11
10001 - 20000	209	0.47	30,48,290	2.18
20001 - 100000	114	0.26	49,10,097	3.51
100001 & ABOVE	86	0.19	11,69,48,881	83.61
Total	**44,702**	**100.00**	**13,98,72,473**	**100.00**

i. Shares held in Physical and Electronic mode as on March 31, 2020:

Category	No. of Shares	% to total shareholding
Physical	46,71,974	3.34
Demat NSDL	12,37,03,082	88.44
Demat CDSL	1,14,97,417	8.22
Total	**13,98,72,473**	**100.00**

j. Listing of Shares:

The Company's Shares are listed at:

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited (NSE)
Exchange Plaza
Bandra Kurla Complex
Bandra (East), Mumbai-400 051

l. Registrar and Share Transfer Agent:

Integrated Registry Management Services Private Limited
No. 30, Ramana Residency, 4th Cross, Sampige Road
Malleswaram, Bengaluru - 560 003
Tel: +91-80-23460815
Fax: +91-80-23460819
E-mail: irg@integratedindia.in

m. Nomination Facility:

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

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

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

n. Shareholders' Rights:

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

o. Reporting of Internal Auditors:

The Internal Auditors report to the Audit Committee.

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

Details of Commodity price risk or foreign exchange risk and hedging activities are given in notes to accounts in note no. 44 of the standalone financial statement and also refer note no. 46 of the consolidated financial statement.

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

₹ in Million

Name of the Subsidiary	As at March 31, 2020	
	Outstanding amount	Maximum balance Outstanding during the year
Suprajit Automotive Private Limited	4.61	4.61

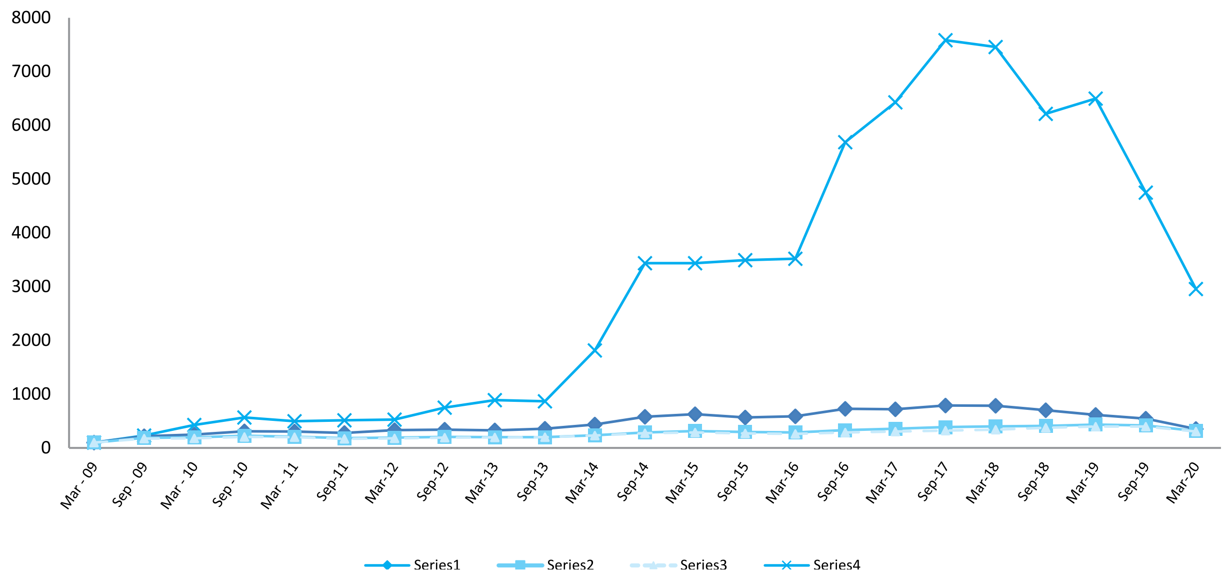
k. SHARE PRICE MOVEMENTS MARCH 2009 – MARCH 2020

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

* Notes:

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

b) Sub division of the Equity Shares of ₹5/- each into five Equity Shares of ₹1/- each and 1:1 bonus issued during March 2010.



17. MANAGEMENT DISCUSSION & ANALYSIS REPORT

a) INDUSTRY STRUCTURE AND DEVELOPMENT:

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

b) OPPORTUNITIES AND THREATS:

OPPORTUNITIES:

- Significant potential for additional business from customers who may resource from current geography to India.
- Good export potential for cables and halogen lamps in the OEM business.
- Good potential to grow in the domestic business and in the aftermarket.
- Potential to secure additional business from new models launches in the OEM segment in India and overseas.
- Potential to grow aftermarket through OLM brands as well.
- Introduction of additional products for the aftermarket.
- Strategic opportunities in inorganic space considering the COVID-19 pandemic and resultant financial difficulties for certain strategic assets.

THREATS:

- COVID-19 is a major threat which has led to economic slowdown and recession.
- COVID-19 is a continuing threat with no vaccine found leading to significant uncertainties in the market.
- Service quality and delivery issues can lead to costs and margin erosion.
- Increase in commodity prices and availability.
- Currency fluctuations.
- Labour shortages.

c) SEGMENT WISE OR PRODUCT WISE PERFORMANCE

As at 31 March 2020, the Company is engaged in manufacturing and trading of automotive cables and components & halogen lamps pre-dominantly.

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

(d) OUTLOOK:

Indian economy is expected to shrink in the current year. Global economy is also expected to shrink. This could lead to a reduction in purchase from our customers, leading to reduced sales and challenging financial performance. COVID-19 outbreak needs to be seen as a major economic destroyer leading to difficult financial performance for your Company in the current year. However, every effort is made to continue to focus on customer service, operational efficiencies and cost optimization, so that the impact for the Company is minimal for the current year. However, the medium term outlook remains positive, post COVID-19.

(e) RISKS AND CONCERNS:

The major concern for the current year is COVID-19 pandemic, leading to economic disruption and uncertainty of the future. Business outlook from the customer is not clear and hence it is difficult to estimate the overall risks and concerns at this moment.

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

(f) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

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

Employees continue to be the key for the continued success of Organization. Industrial relations have been generally harmonious in all units. Sound human resource development policies of the Company ensure that each employee grows as an individual and contributes to the performance and growth of the Company. Regular in-house training programs for employees at all levels help in this objective. While getting skilled manpower at various levels in the operations continues to be a challenge and employee turnover remained low during the year. The Company has satisfactory recruitment system in place to address every challenging requirement of the Company at all levels of the organization.

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

Standalone

Sl. No.	Key Ratios	As on March 31, 2020	As on March 31, 2019	Reason for significant changes, if any
1	Debtor Turnover Ratio	5.06	5.34	NA
2	Inventory Turnover Ratio	7.72	8.38	NA
3	Interest Coverage Ratio	14.10	12.45	NA
4	Current Ratio	1.67	1.79	NA
5	Debt Equity Ratio	0.26	0.24	NA
6	Operating Profit Margin (%)	17.73	16.88	NA
7	Net Profit Margin (%)	11.25	10.54	NA
8	Return on Networth	16.64	17.57	NA

Consolidated

Sl. No.	Key Ratios	As on March 31, 2020	As on March 31, 2019	Reason for significant changes, if any
1	Debtor Turnover Ratio	5.52	5.48	NA
2	Inventory Turnover Ratio	5.71	6.27	NA
3	Interest Coverage Ratio	8.08	9.36	NA
4	Current Ratio	1.47	1.65	NA
5	Debt Equity Ratio	0.45	0.47	NA
6	Operating Profit Margin (%)	13.99	14.64	NA
7	Net Profit Margin (%)	6.56	8.22	NA
8	Return on net worth	12.77	18.71	Refer page no. 24 of the Report

For and on behalf of the Board

K. Ajith Kumar Rai
Chairman
DIN: 01160327

Place: Bengaluru
Date : June 12, 2020

Annexure - 1

Form AOC-I

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

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

Part "A": Subsidiaries

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

Sl. No.	1	2	3	4	5	6
1	**Name of the Subsidiary**	**Suprajit Automotive Private Limited**	**Suprajit Europe Limited**	**Suprajit USA Inc**	**Luxlite Lamps SARL, Luxembourg**	**Trifa Lamps Germany Gmbh, Annweiler**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	GBP 1 GBP = 93.076	USD 1 USD = 75.3859	EURO 1 EURO = 83.0496	EURO 1 EURO = 83.0496
4	Share capital	19.90	186.00	0.07	773.22	2.19
5	Reserves & surplus	679.32	137.92	1,600.25	(767.70)	256.03
6	Total Assets	1,459.74	523.03	3,560.53	620.92	320.68
7	Total Liabilities	919.77	199.11	1,960.21	615.40	62.46
8	Investments	159.26	0	0	0	0
9	Turnover **(Note 3)**	1,366.55	1,175.12	2,654.05	975.18	699.21
10	Profit before taxation	179.91	48.00	(334.58)	(99.77)	(47.88)
11	Provision for taxation **(Note 4)**	40.72	9.51	(23.77)	1.71	0
12	Profit after taxation	139.19	38.49	(310.81)	(101.48)	(47.88)
13	Proposed Dividend	0	0	0	0	0
14	% of Shareholding	100%	100%	100%	100%	100%

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

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

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates / Joint Ventures	
1	Latest audited Balance Sheet Date	The Company has no Associates or Joint Ventures as on March 31, 2020. Hence Part "B" is not applicable to the Company
2	Shares of Associate /Joint Ventures held by the company on the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
3	Description of how there is significant influence	
4	Reason why the associate / joint venture is not consolidated	
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	
6	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

1. Names of associates or join ventures which are yet to commence operations - Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year - Nil

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

K Ajith Kumar Rai	**Mohan Srinivasan Nagamangala**	**Medappa Gowda J**
Chairman	Managing Director & Group Chief Executive Officer	Company Secretary & Chief Financial Officer

Place : Bengaluru
Date : June 12, 2020

Annexure - 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

CIN	L29199KA1985PLC006934
Registration Date	24.05.1985
Name of the Company	Suprajit Engineering Limited
Category / Sub-Category of the Company	Company limited by Shares / Non-Govt. Company
Address of the Registered office and contact details	No. 100 & 101, Bommasandra Industrial Area, Bengaluru-560 099
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru-560 003. Phone : +91-80-23460218

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl.No.	Name and Description of main products / services	NIC code of the Product / Service	% to total turnover of the company
1.	Automotive Cables	3758	77.13
2.	Automotive Lamps	274	22.87

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
1.	Suprajit Automotive Private Limited	U29299KA2004PTC035283	Subsidiary	100%	2(87) (ii)
2.	Suprajit Europe Limited	NA	Subsidiary	100%	2(87) (ii)
3.	Luxlite Lamps SARL, Luxembourg	NA	Subsidiary	100%	2(87) (ii)
4.	Trifa Lamps Germany, GMBH, Annweiler	NA	Subsidiary	100%	2(87) (ii)
5.	SUPRAJIT USA INC (Wescon Controls LLC)	NA	Subsidiary	100%	2(87) (ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	62243257	-	62243257	44.50	9187680	--	91,87,680	6.57	37.93
b) Central Govt.	-	-	-	-	-	-		-	-
c) State Govt (s)	-	-	-	-	-	-		-	-
d) Bodies Corp.	-	-	-	-	-	-		-	-
e) Banks / FI	-	-	-	-	-	-		-	-
f) Any other	-	-	-	-	53151540	-	53151540	38.00	38.00
Total shareholding of Promoter (A) (1)	**62243257**	**-**	**62243257**	**44.50**	**62339220**	**-**	**62339220**	**44.57**	**0.07**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding Promoter & Promoter Group (A)=(A)(1)+(A)(2)	**62243257**	**-**	**62243257**	**44.50**	**62339220**	**-**	**62339220**	**44.57**	**0.07**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	5668363	3200	5671563	4.05	8783561	3200	8786761	6.28	2.23
b) Banks / FI	20554	-	20554	0.01	20272	-	20272	0.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies-	-	-	-	-	1838717	-	1838717	1.31	1.31
g) FIIs	15952933	-	15952933	11.41	11381667	-	11381667	8.14	-3.27
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Alternative Investment Funds	2084865	-	2084865	1.49	2164883	-	2164883	1.55	0.06
Sub-total (B)(1):-	**23726715**	**3200**	**23729915**	**16.97**	**24189100**	**3200**	**24192300**	**17.30**	**0.33**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14084344	1013440	15097784	10.79	12393557	1013360	13406917	9.59	-1.20
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	16191321	2126195	18317516	13.10	17147151	1965414	19112565	13.66	0.56
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	13990795	1160000	15150795	10.83	14244656	1490000	15734656	11.25	0.45
c) Others (specify)									
Non Resident Indians (NRI)	2815975	320000	3135975	2.24	2951757	200000	3151757	2.25	0.01
LLP	39155	-	39155	0.03	3543	-	3543	0.00	0.003
Trusts	4074	-	4074	0	17234	-	17234	0.01	0.01
NBFC	10125	-	10125	0.00	9925	-	9925	0.01	0.00
Clearing Members	63540	-	63540	0.05	327645	-	327645	0.23	0.18
HUF	511667	-	511667	0.37	499319	-	499319	0.36	0.01
Director/Director's Relatives	1238670	330000	1568670	1.12	1077392	-	1077392	0.77	0.35
Sub-total (B)(2):-	**48949666**	**4949635**	**53899301**	**38.53**	**48672179**	**4668774**	**53340953**	**38.13**	**0.40**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**72676381**	**4952835**	**77629216**	**55.50**	**72861279**	**4671974**	**77533253**	**55.43**	**-0.07**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-					
Grand Total (A+B+C)	**134919638**	**4952835**	**139872473**	**100.00**	**135200499**	**4671974**	**139872473**	**100.00**	**-**

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumber red to total shares	%change in share holding during the year
1	K Ajith Kumar Rai	44296399	31.67	-	3816897	2.73	-	28.94
2	Supriya A Rai	14346358	10.26	-	1757835	1.26	-	9.00
3	Akhilesh Rai	1200000	0.86	-	1207948	0.86	-	-
4	Ashutosh Rai	1200500	0.86	-	1205000	0.86	-	-
5	Aashish Rai	1200000	0.86	-	1200000	0.86	-	-
6	Supriyajith Family Trust	-	-	-	53151540	38.00	-	38.00
	Total	**62243257**	**44.50**	**-**	**62339220**	**44.57**	-	0.07

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year 01.04.2019		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year 31.03.2020	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
1	K Ajith Kumar Rai	44266799	31.65	21-06-2019	40563017	Inter-se transfer	3733382	2.67
				16-08-2019	15375	Purchase	3748757	2.68
				19-08-2019	7522	Purchase	3756279	2.69
				20-08-2019	5346	Purchase	3761625	2.69
				21-08-2019	9771	Purchase	3771396	2.70
				22-08-2019	5430	Purchase	3776826	2.70
				23-08-2019	4404	Purchase	3781230	2.70
				26-08-2019	3065	Purchase	3784295	2.71
				27-08-2019	4809	Purchase	3789104	2.71
				28-08-2019	5876	Purchase	3794980	2.71
				29-08-2019	10000	Purchase	3804980	2.72
				30-08-2019	5917	Purchase	3810897	2.72
				05-09-2019	6000	Purchase	3816897	2.73
				31-03-2020	-	-	**3816897**	2.73
2	Supriya A. Rai	14346358	10.26	21-06-2019	12588523	Inter-se transfer	1757835	1.26
				31-03-2020	-	-	**1757835**	1.26
3	Akhilesh Rai	1200000	0.86	17-09-2019	1,887	Purchase	1201887	0.86
				19-03-2020	6061	Purchase	12,07,948	0.86
				31-03-2020	-	-	**1207948**	**0.86**
4	Ashutosh Rai	1200000	0.86	22-11-2019	4,500	Purchase	1205000	0.86
				31-03-2020	-	-	**1205000**	**0.86**
5	Aashish Rai	1200000	0.86	-	-		1200000	0.86
6	Supriyajith Family Trust	-	-	21-06-2019	53151540	Inter-se Transfer	53151540	38.00
				31-03-2020	-	-	**53151540**	**38.00**

(iv) Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

SI No.	NAME OF THE SHARE HOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR 01.04.2019					CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2020	
		No. of Shares	% of Total Shares of the Company	Date	Increase/ Decrease in Share Holding	Reason	No of Shares	% of Total Shares of the Company
1	SUNDARAM CLAYTON LIMITED	5,772,000	4.13	-	-	-	5,772,000	4.13
2	DSP BLACKROCK SMALL CAP FUND	5,263,015	3.76	12-04-2019	399485	Sale	4863530	3.48
				10-05-2019	233	Sale	4863297	3.48
				17-05-2019	51000	Sale	4812297	3.44
				02-08-2019	1000000	Sale	3812297	2.73
				20-09-2019	100058	Purchase	3912355	2.80
				27-09-2019	5050	Purchase	3917405	2.80
				30-09-2019	46	Purchase	3917451	2.80
				04-10-2019	2683	Purchase	3920134	2.80
				11-10-2019	2371	Purchase	3922505	2.80
				18-10-2019	3368	Purchase	3925873	2.81
				08-11-2019	300000	Purchase	4225873	3.02
				06-12-2019	62028	Purchase	4287901	3.07
				13-12-2019	1101011	Purchase	5388912	3.85
				31-03-2020	-	-	**5388912**	**3.85**
3	FIRST STATE INVESTMENTS ICVC- STEWART INVESTORS AS	4,011,396	2.87	31-05-2019	55672	Purchase	4067068	2.91
				07-06-2019	1662	Purchase	4068730	2.91
				14-06-2019	131188	Purchase	4199918	3.00
				21-06-2019	180782	Purchase	4380700	3.13
				29-06-2019	55923	Purchase	4436623	3.17
				05-07-2019	206081	Purchase	4642704	3.32
				12-07-2019	24074	Purchase	4666778	3.34
				19-07-2019	29846	Purchase	4696624	3.36
				26-07-2019	57989	Purchase	4754613	3.40
				02-08-2019	71914	Purchase	4826527	3.45
				09-08-2019	1076505	Purchase	5903032	4.22
				17-01-2020	133500	Sale	5769532	4.12
				24-01-2020	168206	Sale	5601326	4.00
				31-01-2020	94469	Sale	5506857	3.94
				07-02-2020	176621	Sale	5330236	3.81
				14-02-2020	12587	Sale	5317649	3.80
				21-02-2020	66930	Sale	5250719	3.75
				28-02-2020	5036	Sale	5245683	3.75
				31-03-2020	-	-	**5245683**	**3.75**

SI No.	NAME OF THE SHARE HOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR 01.04.2019					CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2020	
		No. of Shares	% of Total Shares of the Company	Date	Increase / Decrease in Share Holding	Reason	No. of Shares	% of Total Shares of the Company
4	**HDFC TRUSTEE COMPANY LTD. A/C HDFC MULTI-ASSET FUND**	40000	0.03	25-10-2019	40000	Purchase	80000	0.06
				01-11-2019	40000	Sale	40000	0.03
				31-01-2020	40000	Purchase	80000	0.06
				07-02-2020	25000	Purchase	105000	0.08
				06-03-2020	34000	Purchase	139000	0.10
				13-03-2020	35836	Purchase	174836	0.12
				20-03-2020	38300	Purchase	213136	0.15
				31-03-2020	**3002100**	**Purchase**	**3215236**	**2.30**
5	**TVS MOTOR COMPANY LIMITED**	2,892,000	2.07	-	-	-	2,892,000	2.07
6	**SHOBITA PUNJA**	2,052,500	1.47	-	-	-	2,052,500	1.47
7	**EMERGING SECURITIES PVT LTD**	1,900,200	1.36	-	-	-	1,900,200	1.36
8	**KULA RAMPRASAD RAI**	1,800,000	1.29	-	-	-	1,800,000	1.29
9	**BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.**	1,868,833	1.34	05-04-2019	10000	Purchase	1878833	1.34
				26-04-2019	5000	Purchase	1883833	1.35
				24-05-2019	5000	Purchase	1888833	1.35
				02-08-2019	210627	Sale	1678206	1.20
				08-11-2019	20000	Purchase	1709780	1.22
				06-12-2019	25000	Purchase	1734780	1.24
				13-12-2019	5000	Purchase	1739780	1.24
				20-12-2019	5000	Purchase	1744780	1.25
				27-12-2019	15000	Purchase	1759780	1.26
				31-12-2019	5000	Purchase	1764780	1.26
				03-01-2020	45000	Purchase	1809780	1.29
				10-01-2020	5000	Purchase	1814780	1.30
				24-01-2020	115000	Purchase	1929780	1.38
				31-01-2020	85000	Purchase	2014780	1.44
				07-02-2020	324000	Sale	1690780	1.21
				21-02-2020	25000	Purchase	1715780	1.23
				06-03-2020	35000	Purchase	1750780	1.25
				27-03-2020	20000	Purchase	1770780	1.27
				31-03-2020	**10000**	**Purchase**	**1780780**	**1.27**

SI No.	NAME OF THE SHARE HOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR 01.04.2019					CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2020	
		No. of Shares	% of Total Shares of the Company	Date	Increase / Decrease in Share Holding	Reason	No. of Shares	% of Total Shares of the Company
10	**DEEPA RANJIT RAU**	1400000	1.00	-	-	-	1400000	1.00
11	**MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND, L.**	**1,785,664**	**1.28**	07-06-2019	150779	Sale	1634885	1.17
				14-06-2019	154286	Sale	1480599	1.06
				21-06-2019	100000	Sale	1380599	0.99
				29-06-2019	39585	Sale	1341014	0.96
				05-07-2019	174537	Sale	1166477	0.83
				24-01-2020	115939	Sale	1050538	0.75
				31-01-2020	36891	Sale	1013647	0.72
				31-03-2020	-	**-**	**1013647**	**0.72**
12	**MALABAR INDIA FUND LIMITED**	1,400,817	1.00	18-10-2019	-10000	Sale	1390817	0.99
				25-10-2019	810817	Purchase	2201634	1.57
				01-11-2019	-1100817	Sale	1100817	0.79
				13-12-2019	-1100817	Sale	0	0.00
				31-03-2020	-	-	**0**	**0.00**

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. K Ajith Kumar Rai Chairman & Managing Director	4,42,96,399	31.67	38,16,897	2.73
2	Mohan Srinivasan Nagamangala Director & CEO	5,590	0.004	8,508	0.006
3	Mr. Suresh Shetty Independent Director	7,63,080	0.55	7,63,080	0.55
4	Mr. M. Lakshminarayan Independent Director	3,804	0.002	3,804	0.002
5	Mr. Ian Williamson Independent Director	-	-	-	-
6	Dr. Supriya A Rai Non Executive Director	1,43,46,358	10.26	17,57,835	1.26
7	Mrs. Bharati Rao Independent Director	-	-	-	-
8	Mr. Medappa Gowda J. CFO & Company Secretary	750	0.001	750	0.001

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment

₹ in Million

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the year				
i) Principal Amount	1,690.98	-	-	1,690.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.38	-	-	7.38
Total (i+ii+iii)	**1,698.36**	**-**	**-**	**1,698.36**
Change in Indebtedness during the financial year				
*** Addition**	1,374.33	-	-	1,374.33
*** Reduction**	(1,046.42)	-	-	(1,046.42)
Net Change	**372.91**	**-**	**-**	**372.91**
Indebtedness at the end of the financial year				
(i)Principal Amount	2016.65	-	-	2016.65
(ii)Interest due but not paid	-	-	-	-
(iii)Interest accrued but not due	9.62	-	-	9.62
Total (i+ii+iii)	**2026.27**	**-**	**-**	**2026.27**

(vi) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

₹ in Million

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Executive Chairman	MD	
		Mr. K Ajith Kumar Rai	Mr. Mohan Srinivasan Nagamangala	
1	Gross salary (a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income -tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	20.40 0.04 -	12.44 0.27 -	32.84 0.31 -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	26.33	-	26.33
5	Others Contribution to PF Bonus	 2.34 -	- 0.74 5.40	 3.08 5.40
	Total (A)	**49.11**	**18.85**	**67.96**
Ceiling as per the Act				**176.44**

B. Remuneration to other Directors :

₹ in Million

Sl. No.	Particulars of Remuneration	Mr. Suresh Shetty	Mr. Ian Williamson	Mr. M. Lakshminarayan	Mrs. Bharati Rao	Mr. B.S. Patil	Dr. Supriya A. Rai	Total Amount
1	**Independent Directors**							
	Fee for attending board/ committee meetings	0.16	Waived	0.90	0.10	0.10	-	0.46
	Commission	0.50	Waived	0.50	0.50	0.50	-	2.00
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**0.66**	Waived	**0.59**	**0.60**	**0.61**	-	**2.46**
2	**Other Non-Executive Director**							
	Fee for attending board/ committee meetings	-	-	-	-	-	Waived	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1+2)	**0.66**	Waived	**0.59**	**0.60**	**0.61**	-	**2.46**
	Total Managerial Remuneration (A+B)	**70.42**						
	Overall ceiling as per the Act	194.08						

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

₹ in Million

Sl. No.	Particulars of Remuneration	CFO & CS
1	Gross salary (a) Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	5.04
2	Stock Option	-
3	Sweat Equity	-
4	Commission :	-
	- As % of profit	-
	- Others (Bonus)	2.02
5	Others (Contribution to PF, Gratuity and Superannuation Fund)	0.29
	TOTAL	7.35

(viii) Penalties/Punishment/Compounding of offences: NIL

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place: Bengaluru
Date: June 12, 2020

Annexure - 3

Form No. AOC-2

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

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

(a) Name(s) of the related party and nature of relationship :

(b) Nature of contracts/arrangements/transactions :

(c) Duration of the contracts/arrangements/transactions :

(d) Salient terms of the contracts or arrangements or transactions including the value, if any :

(e) Justification for entering into such contracts or arrangements or transactions :

(f) Date (s) of approval by the Board :

(g) Amount paid as advances, if any :

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 :

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

Name of the Related Party	Nature of relationship	Nature of transactions	Duration of Contract	Salient terms	Amount (₹ in Million)
Suprajit Automotive Private Limited	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	29.61
Luxlite Lamps SARL, Luxembourg	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	477.54
Trifa Lamps Germany Gmbh,	Wholly Owned Subsidiary	Sales	NA	NA	46.01
Suprajit USA Inc (Wescon Controls LLC)	Wholly Owned Subsidiary (step down subsidiary)	Sales / Purchase	NA	NA	59.27

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place: Bengaluru
Date: June 12, 2020

Annexure - 4

BUSINESS RESPONSIBILITY REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L29199KA1985PLC006934
2. Name of the Company: SUPRAJIT ENGINEERING LIMITED
3. Registered address : No. 100 & 101, Bommasandra Industrial Area, Bengaluru - 560 099
4. Website: www.suprajit.com
5. E-mail id: investors@suprajit.com
6. Financial Year reported: 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise): 29301 - Automotive cables and accessories (Automotive equipment)
8. List three key products/services that the Company manufactures/provides (as in Balance Sheet): Automotive Cables, Automotive Lamps and Speedo meters
9. Total number of locations where business activity is undertaken by the Company:
   (a) Number of International Locations (Provide details of major 5): 4 (USA, U.K, Germany, Luxembourg, Mexico)
   (b) Number of National Locations: 18 Plants across India
10. Markets served by the Company - Local, State, National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY (as at March 31, 2020)

1. Paid up Capital (₹): 139.87 Millions
2. Total Turnover (₹): 10,709.46 Millions
3. Total Profit after Taxes (₹): 1,233.32 Million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2% of average net profits of the Company made during the three immediately preceding financial years. Refer to Annexure-6 in the Annual Report
5. List of activities in which expenditure in 4 above has been incurred:-
   (a) Education & Rural Development
   (b) Health care

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? : Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s): Yes. 1
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: NA

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head:

No.	Particulars	Details
1	DIN Number	01160327
2	Name	Mr. K. Ajith Kumar Rai
3	Designation	Chairman
4	Telephone Number	080- 43421100
5	E-mail	info@suprajit.com

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

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Product Lifecycle Sustainability [P2]

Principle 3: Employees Well-being [P3]

Principle 4: Stakeholder Engagement [P4]

Principle 5: Human Rights [P5]

Principle 6: Preservation of Environment [P6]

Principle 7: Responsible Advocacy [P7]

Principle 8: Inclusive Growth & Equitable Development [P8]

Principle 9: Customer Value [P9]

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

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

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

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Executive Directors of the Company periodically assess the BR Performance of the Company.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has published its first Business Responsibility Report for FY17-18 which formed part of the Annual Report. The same can be accessed at www.suprajit.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle 1

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

   Yes. The policy is applicable to only individuals working in the Company and its subsidiary.

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

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

Principle 2

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

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

   Yes. Working closely with the local and small vendors across all locations to encourage them.

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

   Not applicable.

Principle 3

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

   The Company hires contractual / casual labors. Number of such casual / contractual labors depends on the orders received by the Company from customers from time to time. Hence it is difficult to provide exact number.

3. Please indicate the Number of permanent women employees - 161
4. Please indicate the Number of permanent employees with disabilities - NIL
5. Do you have an employee association that is recognized by management - NO
6. What percentage of your permanent employees is members of this recognized employee association? - NA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

Principle 4

1. Has the company mapped its internal and external stakeholders? - Yes.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:
   All stakeholders are equally significant and no one is considered as disadvantaged, vulnerable and marginalized.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. - Not applicable

Principle 5

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

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs/ others. - It extends to the Group.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. - Not applicable.
3. Does the company identify and assess potential environmental risks? Y/N - Not applicable
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? - No such mechanism. Hence not applicable.
5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. -

   Yes. Company has installed 100 kWp solar capacity as the first pilot project in the year 2016, to assess the use of solar energy for the operational requirements of the Company. The Company will monitor the performance of this project and based on the success, will consider deploying such projects at various units.
6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? -

   Yes. The Emissions / Waste generated by the company is within the permissible limits.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. -

   The Company has not received any show cause notice as at March 31, 2020. Therefore not applicable.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   Yes the Company is a member of below mentioned associations:
    a. Confederation of Indian Industries (CII)
    b. Automotive Component Manufacturers Association (ACMA)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) - Not applicable.

Principle 8

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

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

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

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

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

   We assess the impact of our CSR initiatives on regular basis.

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

   Details of the CSR activities undertaken by Suprajit Foundation are given as Annexure 6 to the Board's Report.

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

   Not applicable.

Principle 9

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

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

   Yes. The product information is displayed on the product label to the extent required by the applicable law.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. -No.

4. Did your company carry out any consumer survey / consumer satisfaction trends? - No.

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place: Bengaluru
Date: June 12, 2020

Annexure -5

DIVIDEND DISTRIBUTION POLICY

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

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

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

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

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

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

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

a. Working Capital requirement of the Company in near future

b. Capital expenditure towards purchase / maintenance of machineries and Building

c. Acquisition / take over as part of growth plans

d. Cash required for contingencies

e. Servicing the outstanding loans, etc.

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

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

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

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

The consolidated profits earned by the Company can be retained in the business or used for the above mentioned purposes or it may be distributed to the shareholders.

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

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

REVIEW / AMENDMENT:

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

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

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place: Bengaluru
Date: June 12, 2020

Annexure - 6

Annual Report on the CSR activities pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014

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

2. Overview of projects or programs proposed to be undertaken: Various projects under the above CSR policy are undertaken through Suprajit Foundation. Some of these educational projects are undertaken by Bharatiya Vidya Bhavan, Vittala Vidya Sangha, etc. The mid-day meal program is undertaken through Akshayapatra, Rotary Indiranagar, Needy Heart Foundation, One Billionaire Literates Foundation, etc. Suprajit Foundation has received the amounts due as per the CSR policy requirements. It spends a portion of the funds received and is developing a corpus fund for the significant future projects in the area of focus as above.

3. The Composition of CSR Committee : Mr. K Ajith Kumar - Chairman
Mr. Ian Williamson - Member
Dr. Supriya A Rai - Member

4. Average net profit of the company for last three financial years : ₹ 1,428.37 Million

5. Prescribed CSR Expenditure (2% of the amount as in item 4 above) : ₹ 28.57 Million

6. Details of CSR spends during the financial year :

   a. Total amount spent for the financial year : ₹ 29.13 Million

   b. Amount unspent, if any: NIL

   c. Manner in which the amount spent during the financial year is detailed below.

7. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report - NA

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company: To discharge the duties, Members of CSR Committee visited places where implementing agencies are executing the projects, on a regular basis.

Activities of Suprajit Foundation:

Projects	2019-20 (₹ in Million)	Places and Area undertaken
Scholarships and related expenses	4.38	Various places in Karnataka
Support of English Literacy of the children of Govt. primary schools in and around Bommasandra	0.25	
School Building project	1.31	
Mid-day meal program (Akshayapatra Foundation)	0.50	
Vocational Training	0.03	
Donation to Anganawadi Project, School benches	7.86	
Total - Education & Rural Development	**14.33**	
Healthcare Projects:		
Bengaluru Hospice Trust / Karunashraya	4.50	
Dialysis consumable project	0.19	
Pulse Polio and Eye Project	2.80	
Other healthcare projects	0.60	
Total - Healthcare	**8.09**	
Miscellaneous	0.04	
Grand Total	**22.45**	

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : June 12, 2020

Annexure -7

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

A. Summary of status of SARs Granted:
The position of the existing plan is summarized as under:

I. Details of the ESAR

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

II. Option movement during the year ended March 31, 2020

Sr. No.	Particulars	No. of SARs	Weighted average exercise price
1	No. of SARs outstanding at the beginning of the year	8,48,442	257.65
2	SARs granted during the period	0	NA
3	SARs forfeited / surrendered during the year	22,619	257.65
4	SARs lapsed during the year	0	NA
5	SARs exercised during the year	0	NA
6	No. of SARs outstanding at the end of the year	8,25,751	257.65
7	No. of SARs exercisable at the end of the year	0	NA

III. Weighted Average remaining contractual life

No. of SARs outstanding	Weighted average contractual life (years) as on March 31, 2020
8,25,751	7.02

IV. Weighted average Fair Value of SARs granted during the year ended March 31, 2020

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

V. Weighted average market price of SARs exercised during the year ended March 31, 2020:

No Options granted during the year

VI. Employee wise details of SARs granted during the year ended March 31, 2020

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

VII. Method of assumptions used to estimate the fair value of SARs granted during the year ended March 31, 2020

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

The assumption used in the model is as follows:

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

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

Particulars	As on March 31, 2020
Employee option plan expense	₹ 1.61
Total Liability for the year ended March 31, 2020	₹ 52.12

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : June 12, 2020

Annexure -8

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To
The Members
SUPRAJIT ENGINEERING LIMITED
(CIN: L29199KA1985PLC006934)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SUPRAJIT ENGINEERING LIMITED (CIN: L29199KA1985PLC006934) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SUPRAJIT ENGINEERING LIMITED for the financial year ended on 31.03.2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

   e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013;

   h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   i. Circulars/Guidelines issued there under;

vi. There are no specific laws applicable to the Company pursuant to the business carried by the Company.

vii. The other general laws as may be applicable to the Company including the following:

1) Employer/Employee Related laws & Rules:

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

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

2) Environment Related Acts & Rules:

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

3) Economic/Commercial Laws & Rules:

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

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

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable during the year under review. Certain non-material findings made during the course of the audit relating to the provisions of Companies Act, Secretarial Standards, Labour Laws were addressed suitably by the Management.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

(Parameshwar G. Bhat)
FCS No.: 8860
C P No.: 11004
UDIN: F008860B000336671

Place : Bengaluru
Date : June 12, 2020

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

'Annexure'

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, GST Act.

4. Wherever required, the Company has represented about the compliances of laws, rules and regulations and happenings of events etc as applicable from time to time.

5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

(Parameshwar G. Bhat)
FCS No.: 8860
C P No.: 11004
UDIN: F008860B000336671

Place : Bengaluru
Date : June 12, 2020

Annexure -9

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

Requirements	Particulars
The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	As per note 1
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	As per note 2
The percentage increase in the median remuneration of employees in the financial year.	4.34 %
The number of permanent employees on the rolls of Company	1,720
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The net sales for the financial year ended March 31, 2020 has increased by 1.18%. The aggregate remuneration of employees excluding Chairman & Managing Director grew by (0.23%) over the previous financial year. The aggregate increase in salary for Chairman & Managing Director was 15.54% in the financial year 2019-20 over financial year 2018-19.
The key parameters for any variable component of remuneration availed by the directors.	The Directors are not eligible for any variable compensation other than Commission as per the provisions of the Act.
Affirmation that the remuneration is as per the remuneration policy of the company.	We affirm that the remuneration is as per the remuneration policy of the Company.

Notes :

1. The ratio of the remuneration of each director to the median remuneration of the employees for the financial year ending on March 31, 2020 is al follow :

Sl. No.	Name of the Directors	Ratio
1	Mr. K Ajith Kumar Rai	207.81 x
2	Mohan Srinivasan Nagamangala	79.76 x
3	Mr. Suresh Shetty	2.12 x
4	Mr. B S. Patil	2.12 x
5	Mr. M. Lakshminarayan	2.12 x
6	Mrs. Bharati Rao	2.12 x
7	Mr. Ian Williamson	0 x
8	Dr. Supriya A. Rai	0 x

2. During the year, the non-executive directors received sitting fees and commission as remuneration.

3. The Median remuneration of the employees for the financial year ends March 31, 2020 is ₹ 2,36,316/-

The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ended on March 31, 2020 is as follow : ₹ in Million

Sl. No	Name of the Director/KMP	Designation	For the year ended 31.03.2020	For the year ended 31.03.2019	% increase for ended on 31.03.2020
1	Mr. K Ajith Kumar Rai	Chairman	49.11	52.78	-6.95%
2	Mr. Mohan Srinivasan Nagamangala	Managing Director & Group CEO	18.85	17.77	6.10%
3	Mr. Suresh Shetty	Independent Director	0.50	0.50	-
4	Mr. B.S. Patil*	Independent Director	0.50	0.50	-
5	Mr. M. Lakshminarayan	Independent Director	0.50	-	-
6	Mrs. Bharati Rao	Independent Director	0.50	-	-
7	Mr. Ian Williamson	Independent Director	NA	NA	-
8	Mr. Diwakar S. Shetty**	Independent Director	-	0.50	-
9	Mr. M. Jayaram Shetty**	Independent Director	-	0.50	-
10	Dr. Supriya A. Rai	Non - Executive Director	NA	NA	-
11	Mr. Medappa Gowda J.	CFO & Company Secretary	7.35	7.56	-2.78

*Retired on February 02, 2020.

**Retired on March 31, 2019.

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

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

(i) During the financial year 2019-20, no employee received the remuneration aggregating to ₹ 10.20 Million p.a or ₹ 0.85 Million p.m, except the following

Sl. No	Employee Name	Designation	Educational Qualification	Age	Experience (in Years)	Date of joining	Remuneration (₹ in millions)	Previous Employment
1	Mr. K Ajith Kumar Rai	Chairman	B.E.M.A.Sc (Canada)	62	35	24.05.1985	49.11	Research & Teaching Assistant, Technical University of Novascotia, Canada.
2	Mr. Mohan Srinivasan Nagamangala	Managing Director & Group Chief Executive Officer	B.E (Mechanical), ICWA	58	33	05.12.2013	18.85	ZF Industrial Technology
3	Mr. Akhilesh Kumar Goel	Chief Operating Officer (Lamps Division)	BE (Mechanical), M.Sc. - Eng (Production Management)	54	30	07.10.2014	10.85	SKH Metals Division - Krishna Maruti Limited

(ii) Employed for part of the year with an average salary above 0.85 Million per month : NIL

(iii) During the financial year 2019-20, no employee received remuneration in excess of the highest-paid director.

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : June 12, 2020

Annexure -10

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Suprajit Engineering Limited having CIN L29199KA1985PLC006934 and having Registered Office at No.100 & 101, Bommasandra Industrial Area, Anekal Taluk, Bengaluru-560 099 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020, has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Kula Ajith Kumar Rai	01160327	01/04/2019
2	Mr. Mohan Srinivasa Nagamangala	01916468	13/02/2017
3	Mr. Suresh Shetty	00316830	31/01/2011
4	Dr. Supriya Ajith Rai	01756994	30/05/2014
5	Mr. Ian Williamson	01805348	23/06/2007
6	Ms. Bharati Rao	01892516	01/04/2019
7	Mr. Muthuswami Lakshminarayan	00064750	01/04/2019

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

Vijayakrishna K T
FCS No.: 1788
C P No.: 980
UDIN: F001788B000338135

Place : Bengaluru
Date : June 12, 2020

CEO & CFO CERTIFICATION

We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and certify, to the best of our knowledge and belief, that:

i. these statements present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations;

ii. these statements do not contain any materially untrue statement, or omit any material fact, or contain statements that might be misleading;

iii. no transactions entered into by the company during the year were fraudulent, illegal or violative of the Company's code of conduct and no instances of fraud took place;

iv. we accept responsibility for establishing and maintaining internal controls for financial reporting;

v. we have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and have taken steps to rectify the same, wherever found;

vi. significant changes in internal control over financial reporting, as well as changes in accounting policies, if any, have been intimated to the auditors and the Audit Committee and been disclosed in the notes to the financial statements;

For **Suprajit Engineering Ltd.**

Medappa Gowda J
Chief Financial Officer
and Company Secretary

Mohan Srinivasan Nagamangala
Managing Director and
Group Chief Executive Officer
DIN: 01916468

Place : Bengaluru
Date : June 12, 2020

DECLARATION BY CHIEF EXECUTIVE OFFICER (MANAGING DIRECTOR)

I, Mohan Srinivasan Nagamangala Managing Director & Group CEO of Suprajit Engineering Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended March 31, 2020 compliance with the code of conduct of the Company laid down for them.

Mohan Srinivasan Nagamangala
Managing Director & Group Chief Executive Officer
DIN: 01916468

Place : Bengaluru
Date : June 12, 2020

CERTIFICATE

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

To
The Members
Suprajit Engineering Limited
Bengaluru

I have examined all the relevant records of Suprajit Engineering Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2020 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

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

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Vijayakrishna K T
Practising Company Secretary
FCS-1788
CP-980
UDIN: F001788B000338102

Place : Bengaluru
Date : June 12, 2020

STANDLONE FINANCIAL STATEMENTS

OF

SUPRAJIT ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To

The Members of **Suprajit Engineering Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Suprajit Engineering Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2020, the standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to note 2(b) to the standalone Ind AS financial statements which describes the fact that the pandemic COVID-19 would cause various economic and social disruption to the Company impacting trade receivables and carrying value of other assets, supply chains, consumer demand, commodity prices, personnel available for work and access to offices. The impact may be different from that estimated as at the approval of the financial statements and the Company will continue to closely monitor any material changes to future economic conditions. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	**How our audit addressed the key audit matter**
1. Impairment assessment of Investments in Subsidiaries *(as described in Note 6(a) of the standalone Ind AS financial statements)*	
As at March 31, 2020, the carrying value of investment in wholly owned subsidiaries in the standalone Ind AS balance sheet amounts to ₹ 2,362.62 Million (net of impairment provision). As described in Note 6(a), an impairment provision of ₹ 161.97 million has been made during the year towards the carrying value of investment in subsidiaries. To assess if there is an impairment in the investment, management conducted impairment tests, annually or whenever changes in circumstances or events indicate that, the carrying amount of such investment may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The recoverable amount is estimated by calculating the value in use, basis valuation conducted by an external valuation specialist ('management's expert') factoring future business plans and such valuation report/future business plans are reviewed and approved by the Audit Committee/ Board of Directors of the Company. In view of the COVID -19 pandemic, the management has reassessed its future business plans and key assumptions as at March 31, 2020 while assessing the adequacy of impairment provision. This is a key audit matter as the testing of investment impairment is complex and involves significant judgement. The key assumptions involved in impairment tests are projected revenue growth, operating margins, discount rates and terminal growth etc.	Our audit procedures included the following: • We understood the Company's process for identification of indicators for impairment and evaluated the Company's internal controls over its impairment assessment of investment in subsidiaries. We understood the key assumptions applied by the management such as revenue growth, operating margins, discount rates and terminal growth rates in determining impairment; • In respect of the external valuation specialist engaged by the management, we obtained the valuation report from the management and assessed the independence, objectivity and competence of the management expert; • We tested the key assumptions and considered the sensitivity scenarios performed by management's expert; • We involved our valuation specialists for evaluating and testing the key assumptions and methodologies used and the computations made by the management's expert in their valuation reports; and • We assessed the disclosures made in the standalone Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

Key audit matters	How our audit addressed the key audit matter
2. Estimation of potential losses on realization of investment in Franklin Templeton Mutual Fund that were wound-up *(as described in Note 32(a) of the standalone Ind AS financial statements)*	
As at March 31, 2020, the carrying value of investment in Franklin Templeton Mutual Fund (FTMF) debts schemes in the standalone Ind AS balance sheet amounts to ₹ 979.49 million. As described in Note 32(a), FTMF has voluntarily decided to wind up six of its debt schemes effective April 23, 2020 and in this regard the Company has recognized a provision of ₹ 97.95 million on March 31, 2020 on best estimate basis towards potential loss on realization of said investment. As part of regular updates shared by FTMF with investors, it is noted that based on maturity profile of the schemes, investors would realize their investment over a period of five years and beyond and Net Asset Value (NAV) per unit will continue to be computed and declared as per the same accounting and valuation principles followed prior to April 23, 2020 without any change. Further, the fund house suspended the e-voting process required to start unwinding of the schemes after the stay Order passed by Honorable Gujarat High Court. This has blocked redemptions indefinitely and the market expectation is that investors would earn lower return. Given the background, the Company has carried out an impact assessment factoring regular updates given by FTMF, maturity profile of schemes, subsequent changes in NAV and other factors such as historical yield, expected future returns and made a provision for potential loss on realization of carrying value of investment on best estimate basis. This is a key audit matter considering the complexity and involvement of significant judgement by management.	Our audit procedures include, among others: • We obtained details of investment in FTMF as on March 31, 2020, as per the books of the Company and traced it with confirmation/statement received from FTMF. • Read the regular updates provided by FTMF to the Company post winding up of schemes and we assessed the potential implication on realization of investment. • We understood the basis and computations made by the management in estimating the potential loss on realization of investment factoring regular updates given by FTMF, maturity profile of schemes, subsequent change in NAV and other factors such as historical yield and expected future returns from the funds. • We evaluated the basis followed by the management, in estimation of uncertainty considering available information. • We assessed the classification and adequacy of the disclosures made in the standalone Ind AS financial statements.

Other Information

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with Governance for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 36(a) to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer note 19 and note 42(ii) to the standalone Ind AS financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 20213803AAAABV5630

Place of Signature: Bengaluru
Date: June 12, 2020

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

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

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

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and confirmation from banks relating to title deeds of immovable properties mortgaged with the banks, the title deeds of immovable properties are held in the name of the Company and in respect of immovable properties of land that have been taken on lease and disclosed as Right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given by the management, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans to directors including entities in which they are interested and in respect of loans and advances given, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of automobile components and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, goods and services tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, there are no dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax and cess which have not been deposited on account of any dispute, except the following:

Name of the statute	Nature of the dues	Amount (₹ in Million)	Payment under protest	Period (financial year) to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of certain expenses and benefit	0.90	0.90	2008-09	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Disallowance of certain expenses and benefit	7.96	7.96	2010-11 & 2011-12	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Disallowance of certain expenses and benefit (including interest)	1.26	1.26	2012-13	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Disallowance of certain expenses and benefit	1.39*	0.29	2015-16	Commissioner of Income Tax (Appeals)
The Finance Act, 1994	Ineligible cenvat credit availed (including interest and penalty)	0.11	-	2015-16	Customs Excise & service tax Appellate Tribunal
Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	9.51	0.51	2014-15	Joint Commissioner of Sales Tax (Appeals)

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

*the aforesaid demand amount is excluding ₹ 212.54 Million relating to advance tax payment which was not considered by the Assessing officer and hence the Company has filed necessary rectification application u/s 154 of the Income tax Act, 1961.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to bank or dues to a financial institution. The Company did not have any outstanding dues to debenture holders or government during the year.

(ix) In our opinion and according to information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments).

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 20213803AAAABV5630

Place: Bengaluru
Date: June 12, 2020

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

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

We have audited the internal financial controls over financial reporting of Suprajit Engineering Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 20213803AAAABV5630

Place: Bengaluru
Date: June 12, 2020

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

₹ in Million

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	**3**	2,495.37	2,270.59
Capital work in progress	**3**	138.36	103.58
Right-of-use assets	**5**	200.11	-
Intangible assets	**4**	21.56	31.18
Intangible assets under development	**4**	6.24	5.44
Financial assets			
Investments	**6**	3,177.73	2,524.59
Other bank balances	**11**	5.67	5.79
Loans	**12**	43.61	38.84
Income tax assets (net)		23.46	10.72
Other non-current assets	**14**	24.94	228.05
		6,137.05	**5,218.78**
Current assets			
Inventories	**7**	1,435.91	1,339.32
Financial assets			
Investments	**8**	1,788.54	1,564.65
Trade receivables	**9**	2,202.00	2,028.54
Cash and cash equivalents	**10**	210.53	177.52
Other bank balances	**11**	23.24	21.55
Loans	**12**	13.37	9.87
Other financial assets	**13**	1.98	18.58
Other current assets	**14**	175.29	145.82
		5,850.86	**5,305.85**
Total assets		**11,987.91**	**10,524.63**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**15**	139.87	139.87
Other equity	**16**	7,676.62	6,870.44
Total equity		**7,816.49**	**7,010.31**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	**17 (a)**	311.44	245.36
Lease liabilities	**17 (b)**	39.18	-
Other financial liabilities	**19**	21.60	17.37
Provisions	**20**	129.48	54.63
Deferred tax liabilities (net)	**21**	150.14	216.54
Other non-current liabilities	**22**	10.08	11.66
		661.92	**545.56**

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

₹ in Million

	Notes	As at March 31, 2020	As at March 31, 2019
Current liabilities			
Financial liabilities			
Borrowings	**17 (a)**	1,550.21	1,268.64
Lease liabilities	**17 (b)**	1.62	-
Trade payables	**18**		
Total outstanding dues of micro and small enterprises		89.08	54.09
Total outstanding dues of creditors other than micro and small enterprises		1,411.14	1,045.03
Other financial liabilities	**19**	305.86	371.25
Other current liabilities	**22**	41.02	90.01
Provisions	**20**	65.75	45.64
Current tax liabilities (net)	**21**	44.82	94.10
		3,509.50	**2,968.76**
Total liabilities		**4,171.42**	**3,514.32**
Total equity and liabilities		**11,987.91**	**10,524.63**

Corporate information and significant accounting policies (refer note 1 & 2)
The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: June 12, 2020

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

Mohan Srinivasan Nagamangala
Managing Director &
Group Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: June 12, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020

₹ in Million

		Notes	Year ended March 31, 2020	Year ended March 31, 2019
I	**Income**			
	Revenue from operations	**23**	10,709.46	10,584.94
	Other income	**24**	252.84	306.72
	Total income		**10,962.30**	**10,891.66**
II	**Expenses**			
	Cost of materials consumed	**25**	6,594.09	6,686.33
	Purchases of stock-in-trade	**26**	18.64	62.73
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	**27**	33.50	(121.35)
	Employee benefits expense	**28**	1,435.32	1,444.60
	Finance costs	**29**	134.22	151.92
	Depreciation and amortization expense	**30**	259.07	202.55
	Other expenses	**31**	729.58	725.98
	Total expenses		**9,204.42**	**9,152.76**
III	**Profit before exceptional items and tax expense (I-II)**		**1,757.88**	**1,738.90**
IV	**Exceptional items (net)**	**32**	(259.92)	-
V	**Profit before tax expense (III-IV)**		**1,497.96**	**1,738.90**
VI	**Tax expense (net):**	**33**		
	Current tax		405.64	547.85
	Deferred tax charge		(68.13)	56.06
	Current tax relating to earlier periods		(72.87)	(13.24)
	Total tax expenses		**264.64**	**590.67**
VII	**Profit for the year (V-VI)**		**1,233.32**	**1,148.23**
VIII	**Other comprehensive income ('OCI'), net of taxes**			
	Items that will not be reclassified subsequently to profit or loss:			
	Re-measurement loss on defined benefit plan		(2.90)	(7.77)
	Total other comprehensive income		**(2.90)**	**(7.77)**
IX	**Total comprehensive income for the year (VII+VIII) comprising profit and other comprehensive Income**		**1,230.42**	**1,140.46**

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020

X	**Basic and Diluted earnings per equity share [nominal value of share ₹ 1 (March 31, 2019: ₹1)]**	**34**	**8.82**	**8.21**
Corporate information and significant accounting policies		**1 & 2**		
The accompanying notes are an integral part of the standalone financial statements				

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: June 12, 2020

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

Mohan Srinivasan Nagamangala
Managing Director &
Group Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: June 12, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity share capital (refer note 15)

	No. in Million	₹ in Million
Equity shares of ₹1 each issued, subscribed and fully paid-up		
As at April 1, 2018	**139.87**	**139.87**
Issued during the year	-	-
As at March 31, 2019	**139.87**	**139.87**
Issued during the year	-	-
As at March 31, 2020	**139.87**	**139.87**

B. Other equity (refer note 16)

₹ in Million

	Attributable to equity holders of the Company						
	Reserves and surplus						Total
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Share based payments reserves	Surplus in the statement of profit & loss	
As at April 1, 2018	**5.13**	**1,861.81**	**293.70**	**2,160.83**	**-**	**1,598.96**	**5,920.43**
Add: Profit for the year	-	-	-	-	-	1,148.23	1,148.23
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	(7.77)	(7.77)
Add: Share based payments expense	-	-	-	-	50.22	-	50.22
Add / Less: Transfer to general reserve	-	-	-	750.00	-	(750.00)	-
Less: Cash dividends	-	-	-	-	-	(209.81)	(209.81)
Less: Dividend distribution tax	-	-	-	-	-	(30.86)	(30.86)
Balance as at March 31, 2019	**5.13**	**1,861.81**	**293.70**	**2,910.83**	**50.22**	**1,748.75**	**6,870.44**
Add: Profit for the year	-	-	-	-	-	1,233.32	1,233.32
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	(2.90)	(2.90)
Add: Share based payments expense	-	-	-	-	1.90	-	1.90
Add / Less: Transfer to general reserve	-	-	-	750.00	-	(750.00)	-
Less: Cash dividends	-	-	-	-	-	(363.66)	(363.66)
Less: Dividend distribution tax	-	-	-	-	-	(62.48)	(62.48)
Balance as at March 31, 2020	**5.13**	**1,861.81**	**293.70**	**3,660.83**	**52.12**	**1,803.03**	**7,676.62**

Corporate information and significant accounting policies (refer notes 1 & 2)
The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: June 12, 2020

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

Mohan Srinivasan Nagamangala
Managing Director &
Group Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: June 12, 2020

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
A	**Operating activities**		
	Profit before tax expense	1,497.96	1,738.90
	Adjustments to reconcile profit before tax expense to net cash flows:		
	Depreciation and amortization expense	259.07	202.55
	Allowance for doubtful receivables (net)	4.69	0.42
	Loss on disposal of property, plant and equipment (net)	0.51	0.08
	Fair value gain in financial instruments	(97.16)	(106.56)
	Finance cost	134.22	151.92
	Interest income	(40.66)	(1.86)
	Dividend income	(68.56)	(66.72)
	Exceptional Items	259.92	-
	Employee share based payments	1.61	45.89
	Operating profit before working capital changes	**1,951.60**	**1,964.62**
	Working capital adjustments:		
	(Increase)/decrease in inventories	(96.59)	(153.20)
	(Increase)/decrease in trade receivables	(178.15)	(90.14)
	(Increase)/decrease in loans	(7.98)	(4.16)
	(Increase)/decrease in other financial assets	16.16	(16.16)
	(Increase)/decrease in other assets	(7.04)	59.82
	Increase/(decrease) in trade payables	401.10	(227.62)
	Increase/(decrease) in other financial liabilities	(43.46)	46.86
	Increase/(decrease) in provisions	(4.16)	(2.63)
	Increase/(decrease) in other liabilities	(50.57)	(6.53)
	Cash generated from operations	**1,980.91**	**1,570.86**
	Direct taxes paid (net of refund)	(394.79)	(545.42)
	Net cash flows from operating activities	**1,586.12**	**1,025.44**
B	**Investing activities**		
	Purchase of property, plant and equipment and other intangible assets	(489.00)	(314.32)
	Proceeds from sale of property, plant and equipment	1.86	0.77
	Purchase of investments	(1,060.00)	(200.00)
	Sales of current investments	118.17	-
	Movement in deposits (net)	(1.57)	(7.14)
	Interest received	41.10	1.01
	Dividend received from subsidiary companies	68.56	66.72
	Net cash flows used in investing activities	**(1,320.88)**	**(452.96)**

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
C	**Financing activities**		
	Movement in working capital loans (net)	281.57	22.92
	Movement in long term borrowings (net)	44.10	(70.28)
	Interest paid	(131.98)	(151.13)
	Payment of lease liabilities	(1.76)	-
	Dividend paid to equity shareholders	(361.68)	(206.90)
	Dividend distribution tax	(62.48)	(30.86)
	Net cash flows used in financing activities	**(232.23)**	**(436.25)**
D	**Net increase in cash and cash equivalents (A+B+C)**	33.01	136.23
	Cash and cash equivalents at the beginning of the year	177.52	41.29
E	**Cash and cash equivalents at the end of the year (refer note 10)**	**210.53**	**177.52**
	Cash and cash equivalents as at year end comprises -		
	Cash on hand	2.03	2.98
	Balance with banks on		
	Current accounts	169.70	119.11
	EEFC accounts	38.80	55.43
	Total cash and cash equivalents	**210.53**	**177.52**

Corporate information and significant accounting policies (refer notes 1 & 2)
The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: June 12, 2020

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

Mohan Srinivasan Nagamangala
Managing Director &
Group Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: June 12, 2020

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. Corporate information

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

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

The standalone financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on June 12, 2020.

2. Significant accounting policies

(a) Basis of preparation of standalone financial statements

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

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

(b) Use of estimates, assumptions and judgments

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

Key source of estimation of uncertainty as at the date of standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The outbreak of COVID-19 pandemic and the resulting lockdown enforced from March 23, 2020 have effected Company's regular operations. The Company has made an assessment of its liquidity position for the next year and has assessed the carrying value of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future impact on the operations, the Company as on the date of approval of these standalone Ind AS financial statements has used internal and external information which are relevant in determining the expected future performance of the Company. Based on the evaluation of liquidity position and recoverability of assets and other such estimates, the Company expects the carrying amount of Assets will be recovered. The impact of COVID-19 on the Company's standalone Ind AS financial statements may differ from that estimated as on the date of approval of these standalone Ind AS financial statements.

Impairment of financial assets

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

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

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

Impairment of non-financial assets

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

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date (refer note 38(b)).

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

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

Fair Value measurement of financial instruments

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

Share-based payments (Employee Stock Appreciation Plan)

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 46.

Taxes

The Company's major tax jurisdictions is in India. Significant judgments are involved in determining the provision for income taxes and tax credits, including the amount expected to be paid or refunded (refer note 33).

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts [Refer to note 2(l)].

(c) Current versus non-current classification

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

An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

(d) Foreign currencies

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

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

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

The Company adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

(e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

(f) Revenue from contract with customer

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

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

Contract assets

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

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

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

Sale of goods

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

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

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

Variable Consideration

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

Sale of Services

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

Interest income

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

Export benefits

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

Dividend

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(g) Government grants

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

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

(h) Taxes

Current income tax

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

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

Current income tax relating to items recognized outside the standalone statement of profit or loss is recognized outside the standalone statement of profit or loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

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

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

(i) Property, plant and equipment

Property, plant and equipment and capital-work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed,

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the standalone statement of profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as specified in Schedule II to the Act except in case of certain assets wherein depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

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

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

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

(j) Intangible assets

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

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

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

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

	Useful life (years)
Software	3
Business rights	5
Patents	5

(k) Borrowing costs

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

(l) Leases

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The Company as a lessee

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

Right-of-use assets

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

	Useful lives (years)
Leasehold land	15 to 99

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

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

Lease Liabilities

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

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

The Companies lease liabilities are included in Interest-bearing loans and borrowings (refer note 17(b)).

Short-term leases and leases of low-value assets

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

The Company as a lessor

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

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

(m) Inventories

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

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- Finished goods and work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

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

(n) Impairment of non-financial assets

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

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

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

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

(o) Provisions

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

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

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

(p) Retirement and other employee benefits

Retirement benefit in the form of provident fund and employee state insurance which are defined contribution schemes. The Company has no obligation, other than the

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

contribution payable to the provident fund and employee state insurance. The Company recognizes contribution payable to the provident fund and employee state insurance scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

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

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

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

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

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

Equity-settled transactions

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

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

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

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

(r) Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

(ii) The asset's contractual cash flows represent SPPI.

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

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

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

Investment in subsidiary

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

De-recognition

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

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

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

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

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

Loans and borrowings

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

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

Financial guarantee

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

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the standalone statement of profit or loss.

Offsetting of financial instruments

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

(s) Derivative financial instruments and hedge accounting

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

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

(t) Cash and cash equivalents

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

(u) Standalone statement of cash flow

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

(v) Cash dividend to equity holders

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

(w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

(x) Earnings per share

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

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

(y) Segment reporting

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1 April 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption.

As at April 1, 2019 and March 31, 2020:

- 'Right-of-use assets' were recognised and presented separately in the balance sheet.
- Additional lease liabilities were recognised and included under 'Financial liabilities'.
- 'Other non-current assets' and 'Other current assets' related to Prepaid leasehold land rentals were derecognised.
- 'Deferred tax liabilities' decreased because of the deferred tax impact of the changes in recognised lease related assets and liabilities.

For the year ended March 31, 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets). This resulted in increases in Depreciation and Amortization Expenses of ₹ 4.84 Million.
- Rent expense included in 'Other expenses', relating to previous operating leases, decreased by ₹ 7.14 Million.
- 'Finance costs' increased by ₹ 3.56 Million relating to the interest expense on additional lease liabilities recognised.
- 'Income tax expense' decreased by ₹ 0.32 Million relating to the tax effect of these changes in expenses.
- Cash outflows from operating activities decreased by ₹ 5.32 Million and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

Effective April 1, 2019 the Company adopted Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment. The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The Company applies significant judgement in identifying uncertainties over income tax treatments. The Appendix did not have any significant impact on the standalone financial statements.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after April 1, 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

3.(i) Property, plant and equipment

₹ in Million

	Freehold Land	Leasehold land*	Buildings	Electrical installations	Plant and equipments	Dies and moulds	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Cost											
As at April 1, 2018	**183.21**	**27.04**	**1,131.63**	**138.45**	**994.90**	**28.83**	**36.90**	**19.26**	**27.14**	**19.00**	**2,606.36**
Additions	-	-	6.91	8.54	112.26	16.08	7.49	16.84	5.30	5.67	**179.09**
Disposals	-	-	-	-	(12.64)	-	-	(2.75)	(0.05)	(0.08)	**(15.52)**
As at March 31, 2019	**183.21**	**27.04**	**1,138.54**	**146.99**	**1,094.52**	**44.91**	**44.39**	**33.35**	**32.39**	**24.59**	**2,769.93**
Additions	5.18	-	67.71	16.54	125.06	24.92	5.74	6.41	15.86	5.09	**272.51**
Acquisition (refer note 45)	46.00	-	29.33	-	112.20	-	0.35	0.05	4.64	1.09	**193.66**
Disposals	-	-	-	-	(2.75)	-	(0.05)	(1.34)	(0.08)	(0.25)	**(4.47)**
As at March 31, 2020	**234.39**	**27.04**	**1,235.58**	**163.53**	**1,329.03**	**69.83**	**50.43**	**38.47**	**52.81**	**30.52**	**3,231.63**
Depreciation											
As at April 1, 2018	**-**	**-**	**88.45**	**16.84**	**186.27**	**4.51**	**5.48**	**5.42**	**6.64**	**9.30**	**322.91**
Charge for the year	-	-	45.50	9.67	116.82	2.95	3.52	3.35	4.07	5.22	**191.10**
Disposals	-	-	-	-	(12.64)	-	-	(1.90)	(0.05)	(0.08)	**(14.67)**
As at March 31, 2019	**-**	**-**	**133.95**	**26.51**	**290.45**	**7.46**	**9.00**	**6.87**	**10.66**	**14.44**	**499.34**
Charge for the year	-	-	49.01	9.24	136.58	23.78	4.04	4.74	6.31	5.42	**239.12**
Disposals	-	-	-	-	(1.18)	-	-	(0.85)	(0.03)	(0.14)	**(2.20)**
As at March 31, 2020	**-**	**-**	**182.96**	**35.75**	**425.85**	**31.24**	**13.04**	**10.76**	**16.94**	**19.72**	**736.26**
Net book value											
As at March 31, 2019	183.21	27.04	1,004.59	120.48	804.07	37.45	35.39	26.48	21.73	10.15	**2,270.59**
As at March 31, 2020	234.39	27.04	1,052.62	127.78	903.18	38.59	37.39	27.71	35.87	10.80	**2,495.37**

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

Notes:

(a) Property, plant and equipment except leasehold land is owned by the Company. The title deeds of the immovable properties are held in the name of the Company subject to charge created for borrowings as detailed in note no. 17(a).

(b) Buildings include those constructed on leasehold land as follows:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Gross block	**744.41**	**739.57**
Additions	2.07	4.84
Total gross block	**746.48**	**744.41**
Accumulated depreciation	**(84.57)**	**(55.84)**
Charge for the year	(28.91)	(28.73)
Total accumulated depreciation	**(113.48)**	**(84.57)**
Net book value	**633.00**	**659.84**

3(ii) Capital work in progress

₹ in Million

	Total
As at April 1, 2018	**19.57**
Additions	151.96
Capitalised	(67.95)
As at March 31, 2019	**103.58**
Additions	177.87
Capitalised	(143.09)
As at March 31, 2020	**138.36**

4(i) Intangible assets

₹ in Million

	Business Rights	Patents	Software	Total
Cost				
As at April 1, 2018	**13.16**	**0.28**	**9.04**	**22.48**
Additions	-	0.21	32.36	**32.57**
As at March 31, 2019	**13.16**	**0.49**	**41.40**	**55.05**
Additions	**-**	**-**	**5.46**	**5.46**
Acquisition (refer note 45)	-	-	0.14	**0.14**
Disposals	-	-	(0.14)	**(0.14)**
As at March 31, 2020	**13.16**	**0.49**	**46.86**	**60.51**
Amortization				
As at April 1, 2018	**7.52**	**0.14**	**4.76**	**12.42**
Charge for the year	3.76	0.07	7.62	**11.45**
As at March 31, 2019	**11.28**	**0.21**	**12.38**	**23.87**
Charge for the year	1.88	0.07	13.16	**15.11**
Disposals	-	-	(0.03)	**(0.03)**
As at March 31, 2020	**13.16**	**0.28**	**25.51**	**38.95**
Net book value				
As at March 31, 2019	**1.88**	**0.28**	**29.02**	**31.18**
As at March 31, 2020	**-**	**0.21**	**21.35**	**21.56**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

4(ii) Intangible assets under development

₹ in Million

	Total
As at April 1, 2018	**7.23**
Additions	-
Capitalised	(1.79)
As at March 31, 2019	**5.44**
Additions	0.80
Capitalised	-
As at March 31, 2020	**6.24**

5. Right-of-use assets

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

The Company also has certain leases of warehouse, with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Refer note 17(b) for lease liabilities.

₹ in Million

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

6. Investments

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Investment carried at cost (unquoted equity instruments)		
6 a) Investments in equity shares of wholly owned subsidiaries		
Suprajit Automotive Private Limited, India 1,990,000 (March 31, 2019: 1,990,000) equity shares of ₹ 10 each including beneficial holding of 1 equity share.	19.90	19.90
Suprajit Europe Limited, UK 2,200,000 (March 31, 2019: 2,200,000) equity shares of GBP 1 each.	186.00	186.00
Trifa Lamps Germany, GmbH, Germany 30,000 (March 31, 2019: 30,000) equity shares of Euro 1 each. (Net of impairment on investment ₹ 54.00 Million, [March 31, 2019: ₹ Nil] (Refer Note c)	258.00	312.00
Luxlite Lamp SARL, Luxembourg 91,125 (March 31, 2019: 91,125) equity shares of Euro 100 each. (Net of impairment on investment ₹ 307.51 Million March 31, 2020, [March 31, 2019: ₹ 199.54 Million] (Refer Note b)	484.79	592.76
Suprajit USA Inc., USA 1,000 (March 31, 2019: 1,000) Common Stock of USD 21,000 each.	1,413.93	1,413.93
Total	**2,362.62**	**2,524.59**
Aggregate amount of unquoted investment in subsidiaries	2,724.13	2,724.13
Less: Aggregate amount of impairment in value of investments	(361.51)	(199.54)
Total	**2,362.62**	**2,524.59**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note:

a) Based on Networth, future operational plan, projected cash flows and valuation carried out by an external valuer, the Company had assessed the carrying value of its investment in its wholly owned subsidiaries as at March 31, 2020 and March 31, 2019.

b) Based on the financial statements of the wholly owned subsidiary namely Luxlite Lamp SARL Luxembourg as at March 31, 2020, the net worth of the subsidiary is partially eroded. The aforesaid subsidiary has incurred loss during the current year as well as in the earlier years. The Company has carried out the fair valuation of the aforesaid subsidiary as at March 31, 2020 by an independent valuer and has accordingly made a provision of ₹ 107.97 million for the year ended March 31, 2020 in addition to earlier impairment provision of ₹ 199.54 million on account of diminution in the value of its investment in the aforesaid subsidiary. The same has been disclosed under 'Exceptional item' in note 32 to the standalone financial statements.

c) Based on the financial statements of the wholly owned subsidiary namely Trifa Lamps Germany, GmbH, Germany as at March 31, 2020, the net worth of the subsidiary is partially eroded. The aforesaid subsidiary has incurred loss during the current year as well as in the earlier years. The Company has carried out the fair valuation of the aforesaid subsidiary as at March 31, 2020 has accordingly made a provision of ₹ 54.00 million on account of diminution in the value of its investment in the aforesaid subsidiary. The same has been disclosed under 'Exceptional item' in note 32 to the standalone financial statements.

Valued at fair value through profit and loss

	As at March 31, 2020			As at March 31, 2019		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
6 b) Investments in quoted mutual funds						
Quoted mutual funds (fully paid-up)						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth Plan	5,379,731	27.65	148.76	-	-	-
Franklin India Short Term Income Plan - Retail Plan - Direct - Growth Plan	70,534	4,052.25	285.82	-	-	-
Franklin India Low Duration Fund - Direct - Growth Plan	6,375,819	21.10	134.56	-	-	-
Franklin India Low Duration Fund - Growth Plan	2,189,568	20.62	45.15	-	-	-
Franklin India Dynamic Accrual Fund - Direct - Growth Plan	2,179,140	71.03	154.79	-	-	-
Franklin India Credit Risk Fund - Direct - Growth Plan	2,324,084	19.80	46.03	-	-	-
Total			**815.11**			**-**
Total Non current investment			**3,177.73**			**2,524.59**
Aggregate cost of quoted investments			**766.30**			**-**

As on March 31, 2020, the Company has an investment of ₹ 979.49 million in Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) as on said date. FTMF has voluntarily decided to wind up six of its fixed-income debt schemes effective April 23, 2020 and FTMF has communicated that NAV per unit will continue to be computed and declared as per the same accounting and valuation principles as done prior to April 23, 2020 without any change. The classification of said investment in current and non current investment is based on maturity profile provided by FTMF. Also refer note 32 to the standalone financial statements.

7. Inventories

(Valued at lower of cost and net realisable value) ₹ in Million

	As at March 31, 2020	As at March 31, 2019
Raw materials [includes goods in transit ₹147.83 Million (March 31, 2019: ₹141.54 Million)]	971.22	853.96
Work-in-progress	114.18	124.98
Finished goods	383.42	402.31
Traded goods	4.22	8.03
Less: Allowance towards slow and non-moving items	(37.13)	(49.96)
Total	**1,435.91**	**1,339.32**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

8 Investments

(Valued at fair value through profit and loss)

	As at March 31, 2020			As at March 31, 2019		
	Units	**NAV (₹)**	**₹ in Million**	**Units**	**NAV (₹)**	**₹ in Million**
Quoted mutual funds (fully paid-up)*						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth Plan	3,439,500	27.65	95.12	11,272,589	26.38	297.37
Aditya Birla Sun Life Banking & PSU Debt Fund- Growth-Direct Plan (formerly known as Aditya Birla Sun Life Treasury Optimizer Plan)	1,294,728	266.96	345.65	1,049,608	241.91	253.91
Franklin India Short term Income plan - Retail Plan - Growth	-	-	-	12,117	3,997.27	48.44
IDFC Dynamic Bond Fund-Growth-(Regular Plan)	720,861	25.18	18.15	720,861	22.34	16.10
Aditya Birla Sun Life Credit Risk Fund - Gr. DIRECT (formerly known as Aditya Birla Sun Life Corporate Bond)	190,37,233	14.71	280.06	12,123,851	14.20	172.16
Aditya Birla Sun Life Credit Risk Fund Gr. DIRECT (Segregated Portfolio - 1)	190,37,233	0.43	8.25	-	-	-
HDFC Credit risk Debt Fund - Direct - Growth	10,236,037	17.44	178.55	7,169,229	15.92	114.13
ICICI Prudential Equity Arbitrage Fund - Direct plan - Growth	4,490,155	26.98	121.15	4,490,155	25.25	113.38
Franklin India Short term Income plan - Retail Plan - Direct Growth	-	-	-	51,682	4,195.69	216.84
Franklin India Low Duration Fund - Direct - Growth Plan	1,495,562	21.10	31.56	5,182,643	22.17	114.90
Franklin India Low Duration Fund - Growth Plan	513,602	20.62	10.59	2,703,170	21.74	58.77
Franklin India Dynamic Accrual Fund - Direct - Growth Plan	354,744	71.03	25.20	2,262,836	70.11	158.65
Franklin India Credit Risk Fund - Direct - Growth Plan	96,837	19.80	1.92	-	-	-
HDFC Corporate Bond Fund - Regular Plan - Growth	2,251,847	22.91	51.60	-	-	-
ICICI Prudential Credit Risk Fund - Direct Plan - Growth	3,202,645	23.15	74.13	-	-	-
ICICI Prudential All Seasons Bond Fund - Direct Plan - Growth	4,708,675	26.66	125.54	-	-	-
SBI Credit Risk Fund Direct Growth	1,604,750	33.11	53.13	-	-	-
HDFC Floating Rate Debt Fund - Direct Plan - Growth Option	1,813,231	35.38	64.16	-	-	-
SBI Magnum Medium Duration Fund Direct Growth	3,576,686	37.90	135.55	-	-	-
HDFC Medium Term Debt Fund - Direct Plan - Growth Option	2,472,854	42.10	104.12	-	-	-
ICICI Prudential Savings Fund - Direct Plan- Growth	164,230	390.37	64.11	-	-	-
Total			**1,788.54**			**1,564.65**
Aggregate cost of quoted investments			**1,564.43**			**1,336.50**
*Refer note 6(b)						

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

9. Trade receivables

(Unsecured, carried at amortised cost)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Trade receivables from other than related parties	1,934.20	1,913.88
Receivables from related parties (refer note 40)*	267.80	114.66
Total	**2,202.00**	**2,028.54**
Break-up for security details:		
Current		
Unsecured, considered good	2,202.00	2,028.54
Unsecured, credit impaired	14.19	10.62
Total	**2,216.19**	**2,039.16**
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(14.19)	(10.62)
Total	**2,202.00**	**2,028.54**

* Includes dues from companies where directors are interested.
Refer note 40 for related party transactions.
Trade receivables are non interest bearing and are generally on terms of 0 to 270 days.

10. Cash and cash equivalents

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Current		
Cash on hand	2.03	2.98
Balance with banks on		
Current accounts	169.70	119.11
EEFC accounts	38.80	55.43
Total	**210.53**	**177.52**

11. Other bank balances

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Margin money deposits	5.67	5.79
Total	**5.67**	**5.79**
Current		
Balance with banks on deposits with remaining maturity for less than 12 months	1.09	1.38
Earmarked balances with banks being unpaid dividend accounts*	22.15	20.17
Total	**23.24**	**21.55**

*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities. The Company transferred ₹ 0.21 Million (March 31, 2019 ₹ 0.46 Million) during the year to investor education and protection fund as per the provisions of the Companies Act, 2013.

12. Loans

(Unsecured, considered good, carried at amortised cost)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposits	43.61	38.84
Total	**43.61**	**38.84**
Current		
Advances to employees	8.76	5.54
Recoverable from subsidiaries (refer note 40)	4.61	4.33
Total	**13.37**	**9.87**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

13. Other financial assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Current		
Carried at fair value through profit and loss		
Foreign currency forward contracts	-	16.16
Carried at amortised cost		
Interest receivable on bank deposits and others	1.98	2.42
Total	**1.98**	**18.58**

14. Other assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Capital advances	21.79	40.08
Prepaid leasehold land rentals	-	160.56
Balances with statutory/government authorities	2.26	27.41
Others	0.89	-
Total	**24.94**	**228.05**
Current		
Advances to suppliers	52.30	91.89
Prepaid leasehold land rentals	-	1.81
Prepaid expenses	28.61	11.94
Export benefits receivable	38.25	25.91
Balances with statutory/Government authorities	56.13	14.27
Total	**175.29**	**145.82**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

15. Equity share capital

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
850,000,000 (March 31, 2019: 850,000,000) equity shares of ₹ 1 each	850.00	850.00
Issued, subscribed and fully paid-up equity share capital		
139,872,473 (March 31, 2019: 139,872,473) equity shares of ₹ 1 each	139.87	139.87
Total	**139.87**	**139.87**

(a) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share and such amount of dividend per share as declared by the Company. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	Year ended March 31, 2020		Year ended March 31, 2019	
	No. in Million	₹ in Million	No. in Million	₹ in Million
Equity shares				
At the beginning of the year	139.87	139.87	139.87	139.87
Issued during the year	-	-	-	-
Outstanding at the end of the year	**139.87**	**139.87**	**139.87**	**139.87**

(c) Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2020		As at March 31, 2019	
	No. in Million	%	No. in Million	%
Equity shares of ₹ 1 each fully paid				
Supriyajith Family Trust	53.15	38.00%	-	-
Mr. K. Ajith Kumar Rai	3.82	2.73%	44.30	31.67%
Smt. Supriya A Rai	1.76	1.26%	14.35	10.26%

(d) Shares reserved for issue under share based payments

	As at March 31, 2020	As at March 31, 2019
Outstanding employee stock options under below schemes, granted / available for grant (refer note 45):		
Employee Stock Appreciation Rights (SEL ESAR 2017)	825,751	848,442

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31, 2020	As at March 31, 2019
Equity shares (No.)		
Equity shares allotted as fully paid-up pursuant to contract (no.)		
The Company issued 8,533,699 equity shares of ₹ 1 each to the minority shareholders of Phoenix Lamps Limited, as part of merger.	8,533,699	8,533,699

(f) The Company has neither issued any bonus shares nor bought back any shares for the period of five years immediately preceding the date as at which the Balance sheet is prepared.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

16. Other Equity

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Capital reserve		
Balance as per last financial statements	5.13	5.13
Closing balance	**5.13**	**5.13**
Capital redemption reserve		
Balance as per last financial statements	293.70	293.70
Closing balance	**293.70**	**293.70**
Securities premium		
Balance as per last financial statements	1,861.81	1,861.81
Closing balance	**1,861.81**	**1,861.81**
General reserve		
Balance as per last financial statements	2,910.83	2,160.83
Add: Transferred from 'Surplus in the statement of profit & loss'	750.00	750.00
Closing balance	**3,660.83**	**2,910.83**
Share based payments reserves		
Balance as per last financial statements	50.22	-
Add: Share based payments expense (refer note 46)	1.90	50.22
Closing balance	**52.12**	**50.22**
Surplus in the statement of profit & loss		
Balance as per last financial statements	1,748.75	1,598.96
Add: Profit for the year	1,233.32	1,148.23
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	(2.90)	(7.77)
Less: Appropriations		
First interim dividend [₹ 0.75 (March 31, 2019 ₹ 0.70) per share]	(104.90)	(97.91)
Second interim dividend [₹ 1.00 (March 31, 2019 ₹ Nil) per share]	(139.87)	-
Final dividend [March 31, 2019: ₹0.85 (March 31, 2018 : ₹0.80) per share]	(118.89)	(111.90)
Dividend distribution tax*	(62.48)	(30.86)
Transfer to general reserve	(750.00)	(750.00)
Closing balance	**1,803.03**	**1,748.75**
Total	**7,676.62**	**6,870.44**

* Indian subsidiary has declared dividend on which Dividend distribution tax was paid by the subsidiary which has been adjusted with dividend tax liability to be payable on dividend distributed by the Company pursuant to the provisions of Income Tax Act, 1961.

Summary of other equity:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Capital reserve	5.13	5.13
Capital redemption reserve	293.70	293.70
Securities premium	1,861.81	1,861.81
General reserve	3,660.83	2,910.83
Share based payments reserves	52.12	50.22
Surplus in the statement of profit & loss	1,803.03	1,748.75
	7,676.62	**6,870.44**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Distribution made and proposed ₹ in Million

	As at March 31, 2020	As at March 31, 2019
Cash dividends on equity shares declared and paid:		
First interim dividend for the year ended March 31, 2020: ₹ 0.75 per share (March 31, 2019: ₹ 0.70 per share)	104.90	97.91
Second interim dividend for the year ended March 31, 2020: ₹ 1.00 per share (March 31, 2019: ₹ Nil per share)	139.87	-
Final dividend for the year ended March 31, 2019: ₹ 0.85 per share (March 31, 2018: ₹ 0.80 per share)	118.89	111.90
Dividend distribution tax	62.48	30.86
	426.14	**240.67**
Proposed dividends on equity shares:		
Final dividend for the year ended on March 31, 2020: ₹ Nil per share (March 31, 2019: ₹ 0.85 per share)	-	118.89
Dividend distribution tax	-	24.44
	-	**143.33**
Proposed dividend on equity shares are subject to approval by shareholders at the Annual General Meeting and hence not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2019.		

Nature and purpose of reserves

16.1 Capital reserve

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

16.2 Capital redemption reserve

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

16.3 Securities premium

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

16.4 General reserve

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

16.5 Share based payments reserves

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

17. (a) Borrowings

(Carried at amortised cost)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured		
Term loans		
from banks (refer note [i] below)	-	83.33
from a financial institution (refer note [ii] below)	51.19	144.75
from banks - External Commercial Borrowing (ECB) (refer note [iii] below)	415.25	194.26
Less: Current maturities of (refer note 19):		
Secured term loans	(155.00)	(176.98)
Total	**311.44**	**245.36**
Current		
Secured (refer note [iv] below)		
Loans repayable on demand		
Working capital loans from banks	1,550.21	1,268.64
Total	**1,550.21**	**1,268.64**

(i) Term loan from bank consists of:

(a) Indian rupee term loan of ₹ Nil (March 31, 2019: ₹ 83.33 Million), for which interest was charged at agreed rate over and above MCLR and was repayable in 4 quarterly installments of ₹ 13.90 Million each, after a moratorium of nine months from the date of disbursement of loan, the loan has been paid in full in January, 2020. The loan was secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets.

(ii) Term loan from financial institution represents Indian rupee loan which carries a floating interest rate linked to Bajaj finance limited base rate. The loan is repayable in 15 quarterly installments ranging from ₹ 2.78 Million to ₹ 9.52 Million each, loan is due for repayment in full by November, 2020. The loan is secured by pari-passu first charge on the entire movable fixed assets with minimum fixed assets coverage ratio.

(iii) External commercial borrowing is the term loan of EURO 5.00 Million (₹ 415.25 Million) (March 31, 2019: EURO 2.5 Million [₹ 194.26 Million]) which carries fixed interest rate of EURIBOR plus 1.25% and is repayable by the Company in 16 quarterly installments of EURO 0.31 Million, the loan repayment starts from May 20, 2020. The loan is secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets of the Company.

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

(iv) Current borrowings represents:

(a) Working capital loans from banks are secured by current and future current assets. These facilities are also collaterally secured by pari-passu charge on entire current & future fixed assets (except certain plant and equipment on which exclusive charge has been created towards term loans) and equitable mortgage. Working capital demand loan, cash credit and overdraft is repayable on demand. These facilities carry interest in the range of 7.11% to 13.46% p.a. (March 31, 2019: 8% to 12.9% p.a.)

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

(c) Packing credit loans from banks are taken for a term not exceeding 180 days and carry interest rate of 5.25% to 6%. (March 31, 2019: 4% to 6%)

(d) Bill discounting facility is repayable over a term of 60 to 90 days with an fixed rate of interest of 9.75% p.a. (March 31, 2019: 9.75% p.a.)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

17. (b) Lease liabilities

(Carried at amortised cost)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Lease Liabilities	39.18	-
Total	**39.18**	**-**
Current		
Lease Liabilities	1.62	-
Total	**1.62**	**-**
Effective April 1, 2019, the Company has adopted IndAS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method.		

Set out below are the carrying amounts of lease liabilities recognised and the movements during the period: ₹ in Million

	As at March 31, 2020
As at April 1, 2019	-
Recognition on transaction to Ind AS 116	42.56
Additions	-
Accretion of interest	3.56
Payments	(5.32)
As at 31 March 2020	**40.80**
Current	1.62
Non-current	39.18
The effective interest rate for lease liabilities is 9.45%, with maturity in 2033	

	As at March 31, 2020	As at March 31, 2019
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	4.84	-
Interest expense on lease liabilities	3.56	-
Expense relating to short-term leases / leases of low-value assets (included in other expenses)	2.61	-
Total amount recognised in statement of profit and loss	**11.01**	**-**
The Company had total cash outflows for leases of ₹ 5.32 Million in March 31, 2020. The Company had non-cash additions to right-of-use assets of ₹ 204.95 Million and lease liabilities of ₹ 42.56 Million during the year ended March 31, 2020.		
The Company is obligated under non-cancellable lease for factory land, warehouse, office and residential space that are renewable on a periodic basis at the option of both the lessor and lessee.		

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

	As at March 31, 2020	As at March 31, 2019
Not later than one year	5.44	3.38
Later than one year and not later than five years	21.77	13.47
More than five years	43.93	16.25
Total	**71.14**	**33.10**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

18. Trade payables

(Carried at amortised cost)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Current		
Trade payables		
- Total outstanding dues of micro and small enterprises*	89.08	54.09
- Total outstanding dues of creditors other than micro and small enterprises#	1,411.14	1,045.03
Total	**1,500.22**	**1,099.12**

Terms and conditions of the above financial liabilities:

- Trade payables other than micro and small enterprises are non-interest bearing and are normally settled on 15-60 days terms.
- For explanations on the Company liquidity risk management, refer note 44.

Includes dues to related parties (refer note 40).

*The Company has amounts due to micro and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2020 and March 31, 2019. The details in respect of such dues are as follows:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier at the end of accounting year	88.52	53.27
Interest due thereon remaining unpaid to any supplier at the end of accounting year	0.14	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year	0.60	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	0.20	0.76
The amount of interest accrued and remaining unpaid at the end of accounting year	0.56	0.82
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.56	0.82

The information given above has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

19. Other financial liabilities

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
(Carried at amortised cost)		
Security deposits*	20.07	17.37
(Fair value through profit and loss)		
Provision for MTM losses on foreign currency forward contracts	1.53	-
Total	**21.60**	**17.37**
Current		
(Carried at amortised cost)		
Current maturities of long-term borrowings (refer note 17(a))	155.00	176.98
Interest accrued but not due on borrowings	9.62	7.38
Capital creditors	14.66	14.60
Employee related liabilities	63.15	111.09
Payable to directors (refer note 40)	34.56	39.73
Security deposits	0.07	0.07
Unpaid dividend	22.15	20.17
Others	0.81	1.23
(Fair value through profit and loss)		
Provision for MTM losses on foreign currency forward contracts	4.14	-
Provision for MTM losses on Interest rate swap	1.70	-
Total	**305.86**	**371.25**

*Includes security deposit received from subsidiaries for lease of freehold land (refer note 40).

20. Provisions

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Provision for employee benefits		
Gratuity (refer note 38(b))	31.53	54.63
Provision for diminution in value of investments (refer note 32(a))	97.95	-
Total	**129.48**	**54.63**
Current		
Provision for employee benefits		
Gratuity (refer note 38(b))	20.24	7.62
Compensated absences	42.31	34.82
Provision for warranties*	3.20	3.20
Total	**65.75**	**45.64**

*A provision is recognized for expected warranty claims on products sold during the year, based on past experience of level of repairs and returns. It is expected that the significant portion of these costs will be incurred within one year of the balance sheet date. Assumption used to calculate the provision for warranties are based on current sales level and current information available about warranty claims based on warranty period for all products sold. There is no additional provision made or utilised during the year.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

21. Tax liabilities

₹ in Million

	As at March 31, 2020	As at March 31, 2019
(a) Deferred tax liabilities (net)		
Deferred tax liabilities		
Property, plant and equipment and Intangible assets	146.10	211.44
Fair valuation of financial instruments	61.06	75.99
(A)	**207.16**	**287.43**
Deferred tax assets		
Expenditure allowable for tax purposes when paid	1.99	28.80
Provision for diminution in value of investments	24.65	-
Provision for doubtful debts and advances	3.57	3.71
Provision for employee benefits	26.81	38.38
(B)	**57.02**	**70.89**
Net deferred tax liabilities (A-B)	**150.14**	**216.54**
(b) Current tax liabilities (net)		
Provision for income tax (net of advance tax and tax deducted at source)*	44.82	94.10
Total	**44.82**	**94.10**

*represents tax payable for current year and provision made in respect of uncertain tax positions.

22. Other liabilities

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Government grants*	10.08	11.66
Total	**10.08**	**11.66**
Current		
Advances from customers	4.48	11.14
Government grants*	1.69	7.39
Unearned income	-	12.74
Statutory dues	34.85	58.74
Total	**41.02**	**90.01**

*Government grants received includes grant received in nature of customs duty exemption on import of certain property, plant and equipment and deferred income on packing credit loans taken from banks at concessional rate of interest. There are no unfulfilled conditions or contingencies attached to these grants.

₹ in Million

	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	19.05	20.36
Add: Received during the year	5.33	21.27
Less: Transferred to the standalone statement of profit and loss (refer note 24)	(12.61)	(22.58)
Closing balance	**11.77**	**19.05**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

23. Revenue from operations

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	10,661.16	10,515.05
Sale of services (processing charges)	4.50	7.70
Other operating revenue	43.80	62.19
Total	**10,709.46**	**10,584.94**
Disaggregated revenue information based on customer geographical location		
India	9,515.40	9,253.40
USA	319.36	309.44
Rest of the world	874.70	1,022.10
Total	**10,709.46**	**10,584.94**

24. Other income

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on		
Bank deposits	0.06	0.09
Income tax refund	39.06	-
Others	1.54	1.77
Dividend income	68.56	66.72
Gain on investments carried at fair value through profit or loss*	97.16	106.56
Government grant income	28.01	52.44
Exchange differences (net)**	4.96	62.79
Other non-operating income	13.49	16.35
Total	**252.84**	**306.72**

*Total net gain on fair value changes include ₹ 5.01 Million (March 31, 2019 ₹ Nil) as net gain on sale of investments.

**Includes mark to market gain / (loss) on foreign currency forward contracts.

25. Cost of materials consumed

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the beginning of the year	853.96	802.13
Add: Purchases	6,711.35	6,738.16
Less: Inventories at the end of the year	(971.22)	(853.96)
Cost of materials consumed	**6,594.09**	**6,686.33**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

26. Purchases of stock-in-trade

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Auto lamps	1.57	35.61
Stop and tail lamps	11.26	14.88
Others	5.81	12.24
Total	**18.64**	**62.73**

27. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year		
Finished goods	383.42	402.31
Stock-in-trade	4.22	8.03
Work-in-progress	114.18	124.98
Total (A)	**501.82**	**535.32**
Inventories at the beginning of the year		
Finished goods	402.31	295.28
Stock-in-trade	8.03	14.34
Work-in-progress	124.98	104.34
Total (B)	**535.32**	**413.96**
Net change in inventories of finished goods, work-in-progress and stock-in-trade (B-A)	**33.50**	**(121.35)**

28. Employee benefits expense

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	1,313.33	1,282.40
Contribution to provident and other funds (refer note 38(a))	70.34	66.23
Employee share based payments (refer note 46)	1.61	45.89
Staff welfare expenses	50.04	50.08
Total	**1,435.32**	**1,444.60**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

29. Finance cost

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on		
Borrowings	108.64	143.30
Lease liabilities (refer note 17 (b))	3.56	-
Others	5.32	5.76
Exchange fluctuation on foreign currency borrowings, net (to the extent regarded as borrowing cost)	14.30	-
Loan processing and other charges	2.40	2.86
Total	**134.22**	**151.92**

30. Depreciation and amortization expense

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 3)	239.12	191.10
Depreciation of right-of-use assets (refer note 5)	4.84	-
Amortization of intangible assets (refer note 4)	15.11	11.45
Total	**259.07**	**202.55**

31. Other expenses

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Power and fuel	180.47	183.88
Rent	2.61	9.45
Repairs and maintenance		
Buildings	9.61	6.67
Machinery	49.49	50.70
Others	56.56	60.31
Insurance	17.26	17.84
Rates and taxes	12.03	6.06
Travelling and conveyance	79.75	72.92
Legal and professional fees	49.68	42.45
Payment to auditors [refer note (i) below]	7.14	7.09
Freight and forwarding charges	137.88	144.31
Advertisement and sales promotion	15.51	26.38
Sales commission	3.19	5.26
Directors' sitting fees and commission	2.46	2.72
Allowance for doubtful receivables (net)	4.69	0.42
Printing and stationery	9.78	9.31
Security expenses	32.30	28.02
Communication expenses	9.36	9.03
Loss on disposal of property, plant and equipment (net)	0.51	0.08
Research & development expenses	4.62	2.64
CSR expenditure [refer note (ii) below]	29.13	24.87
Miscellaneous expenses	15.55	15.57
Total	**729.58**	**725.98**

(i) Payment to auditors (excluding Goods and Services Tax)

₹ in Million

As auditor	Year ended March 31, 2020	Year ended March 31, 2019
Audit fee	2.80	3.55
Limited review fee	3.20	2.60
Certification Fee	0.46	0.21
Reimbursement of expenses	0.68	0.73
Total	**7.14**	**7.09**

(ii) Details of CSR expenditure

As per Section 135 of the Company's Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. The Company has made contribution to Suprajit foundation. Suprajit Foundation is engaged in the activities of eradication of hunger, malnutrition, promoting education and healthcare.

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

₹ in Million

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year.		28.57	24.30
Total		**28.57**	**24.30**
b) Amount spent during the year ended March 31, 2020:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	29.13	-	29.13
c) Amount spent during the year ended March 31, 2019:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	24.87	-	24.87
d) Refer note 40 (b) for details of contribution to Suprajit foundation in relation with CSR expenditure.			

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

32. Exceptional items (net)

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Provision for diminution in value of investments (refer note a)	97.95	-
Provision for impairment of investment in subsidiaries (refer note b)	161.97	-
	259.92	**-**

(a) As on March 31, 2020, the Company has an investment of ₹ 979.49 Million in Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) as on said date. FTMF has voluntarily decided to wind up six of its fixed-income debt schemes effective April 23, 2020 and FTMF has communicated that NAV per unit will continue to be computed and declared as per the same accounting and valuation principles as done prior to April 23, 2020 without any change. The Company has made an assessment and made a provision of ₹ 97.95 Million on a best estimate basis, factoring regular updates given by FTMF, maturity profile of schemes and other factors such as historical yield, expected future returns from the underlying investments made by the funds etc.

(b) The Company has carried out the annual impairment exercise for the year ended March 31, 2020 in respect of investment in its subsidiaries and basis valuation carried out by an external specialist for Luxlite Lamp SARL and by Company for Trifa Lamps Germany GmbH, the Company has made impairment provision of ₹ 107.97 Million towards investment in Luxlite Lamp SARL and ₹ 54.00 Million towards investment in Trifa Lamps Germany GmbH.

33. Tax expense (net)

Income tax expense in the standalone statement of profit and loss consist of the following:

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	405.64	547.85
Deferred tax charge	(68.13)	56.06
Current tax relating to earlier periods	(72.87)	(13.24)
Total	**264.64**	**590.67**

Reconciliation of tax to the amount computed by applying the statutory income tax rate to the income before tax is summarized below:

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax expense		**1,497.96**	**1,738.90**
Applicable tax rates in India*		25.17%	34.94%
Computed tax charge	**(A)**	**377.01**	**607.57**
Components of tax expense			
Tax effect of exempt income		(15.03)	(26.59)
Current tax relating to earlier periods		(72.87)	(13.24)
Opening deferred tax reversal due to change in tax rate*		(57.75)	-
Others		33.28	22.93
Total adjustments	**(B)**	**(112.37)**	**(16.90)**
Total tax expense	**(A+B)**	**264.64**	**590.67**

*The Company has exercised the option of availing the lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from AY 2020-21, thereby lowering the tax rate from 34.944% to 25.168% effective April 01, 2019. Accordingly, the Company has provided for income taxes for the year ended March 31, 2020 and re-measured the accumulated balance of deferred tax liabilities as at March 31, 2019, based on the rate prescribed under the aforesaid Section. The resultant impact has been taken through the statement of profit and loss. The re-measurement of accumulated deferred tax liabilities has resulted in a one-time additional deferred tax credit of ₹ 57.75 Million for the year ended March 31, 2020.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

34. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Computation of basic and diluted EPS:	Year ended March 31, 2020	Year ended March 31, 2019
Nominal value per equity share (₹ per share)	1	1
Profit attributable to equity shareholders (₹ in Million)	1,233.32	1,148.23
Weighted average number of equity shares (No. in Million)*	139.87	139.87
Earnings per share basic and diluted (₹ per share)**	8.82	8.21

* There are no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements

** Employee stock appreciation outstanding as at March 31, 2020 and March 31, 2019 are anti-dilutive and accordingly have not been considered for the purpose of computing dilutive EPS for the year ended March 31, 2020 and March 31, 2019.

35. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 117.87 Million (March 31, 2019: ₹ 105.20 Million).

36. Contingent liabilities

₹ in Million

		As at March 31, 2020	As at March 31, 2019
(a)	**Claims against Company not acknowledge as debts***		
	Income tax demands**	1.39	2.44
	Value Added Tax/Central Sales Tax demands	9.51	2.17
	Excise duty/service tax demand	0.11	1.14
	Others	7.57	6.80
	(A)	**18.58**	**12.55**
(b)	**Others**		
	Bonds executed in favour of customs authority	15.00	15.00
	Bank guarantees (furnished to tax authorities)	1.58	0.80
	Corporate guarantees (issued on behalf of subsidiaries to their bankers towards credit facilities)	2,261.58	2,120.38
	Others	5.59	4.90
	(B)	**2,283.75**	**2,141.08**
Total	**(A+B)**	**2,302.33**	**2,153.63**

*These demands are disputed by the Company and the Company has filed appeals against these orders with various appellate authorities. The management is confident that the demands raised by the Officers of the respective departments are not tenable under the respective statutory provisions. Pending outcome of the aforesaid matters under litigation, no provision has been made in the books of account towards these demands. The Company does not expect any material adverse effect in respect of the above contingent liabilities.

** Net of tax provision made for pending litigations.

(c) The Company has issued comfort letter to provide continued financial support to its subsidiary Luxlite Lamp SARL.

(d) The Company does not have any commitments as at balance sheet date except as disclosed in note 35.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

37. The Company has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Company is in the process of carrying out transfer pricing study for the year ended March 31, 2020 in this regard, to comply with the requirements of the Income Tax Act, 1961. The Management of the Company, is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the standalone Ind AS financial statements, particularly on account of tax expense and that of provision for taxation.

38. Employee benefit plans

(a)	**Defined contribution plans**
	The Company makes contributions to Provident Fund, Employee State Insurance scheme contributions which are defined contribution plan for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company has recognised the following amounts towards the defined contribution plans in the statement of profit and loss:

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Employers contribution to Provident Fund	44.55	39.59
Employers contribution to Employee State Insurance	7.95	10.83

(b)	**Defined benefit plans**
	Gratuity
	The Company offers gratuity benefits to employees, a defined benefit plan, gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.
	The following tables summarize the components of net benefit expense recognized in the standalone statement of profit and loss and the funded status and amounts recognized in the standalone Balance Sheet.

Disclosure as per Ind AS 19

₹ in Million

	March 31, 2020	March 31, 2019
A. Change in defined benefit obligation		
Obligations at beginning of the year	176.94	145.20
Service cost	13.72	12.51
Interest cost	11.90	11.11
Benefits settled	(5.42)	(3.73)
Transfer in	-	1.05
Transfer out	-	(0.05)
Actuarial loss (through OCI)	1.90	10.85
Obligations at end of the year (Gross)	**199.04**	**176.94**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

		March 31, 2020	March 31, 2019
B.	**Change in plan assets**		
	Plan assets at beginning of the year, at fair value	114.69	95.63
	Expected return on plan assets	8.67	7.89
	Contributions	30.00	16.00
	Benefits settled	(5.42)	(3.73)
	Actuarial gain / (loss) (through OCI)	0.73	(1.10)
	Admin expenses / Taxes paid from plan assets	(1.40)	-
	Plan assets at the end of the year	**147.27**	**114.69**
	Present value of defined benefit obligation at the end of the year	(199.04)	(176.94)
	Fair value of plan assets at the end of the year	147.27	114.69
C.	**Net liability recognised in the standalone balance sheet**	**(51.77)**	**(62.25)**

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
D.	**Expenses recognised in the standalone statement of profit and loss:**		
	Service cost	13.72	12.51
	Interest cost	11.90	11.11
	Expected return on plan assets	(8.67)	(7.89)
	Administrative Expenses/Taxes/Insurance Cost/ Exchange Rate cost	1.40	-
	Net gratuity cost	**18.35**	**15.73**

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
E.	**Re-measurement (gain) / loss in OCI**		
	Actuarial (gain) / loss due to demographic assumption changes in Defined Benefit Obligation (DBO)	-	2.98
	Actuarial (gain) / loss due to financial assumption changes in DBO	(4.82)	(1.82)
	Actuarial (gain) / loss due to experience on DBO	6.72	9.69
	Return on plan assets (greater) / less than discount rate	(0.73)	1.10
	Total Actuarial (Gain) / loss included in OCI	**1.17**	**11.95**

F.	**Actual return on plan assets**	**9.40**	**6.79**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

		Year ended March 31, 2020	Year ended March 31, 2019
G.	**Assumptions**		
	Discount rate	6.83%	7.75%
	Estimated rate of return on plan assets	6.83%	7.75%
	Salary increase rate (refer note K (i))	2% for first year, 8% second year & 9% thereafter	10.00%
	Attrition Rate	9.73% upto age 40 from Age 40-45 7.3%, Age 45-50 4.87%, Age 50-55 2.43%, Age 55 & above 1.22%.	9.73% upto age 35 from Age 35-40 9.12%, Age 40-45 6.08%, Age 45-50 3.04%, Age 50 & above 1.52%.
	Retirement age	58 years	58 years
	Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ult.

₹ in Million

		March 31, 2020	March 31, 2019
H.	**Pay-outs to the plan assets**		
	Within one year	20.24	7.62
	After one year but not more than five years	48.07	45.41
	After five years	66.27	64.09
		134.58	**117.12**

I.	**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**		
	Investment with insurer	100%	100%

J. A quantitative sensitivity analysis for significant assumption is as below (refer note K (ii) below) ₹ in Million

		Year ended March 31, 2020		Year ended March 31, 2019	
		1% increase	1% decrease	1% increase	1% decrease
	Effect of change in discount rate	(13.45)	15.56	(13.08)	15.24
	Effect of change in salary growth	14.88	(13.11)	14.63	(12.80)
	Effect of change in attrition rate	(2.42)	2.75	(3.02)	3.44

K.	**Notes**
(i)	The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.
(ii)	The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.
(iii)	The weighted average duration of the defined benefit obligation at the end of the reporting period is 11.75 years (March 31, 2019: 13.31 years).

39. Segment reporting

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40. Related party transactions

A. Related parties under Ind AS 24 and Companies Act, 2013

Related party relationship	Name of the related party	
Subsidiaries (Direct):	Suprajit Automotive Private Limited, India ('Suprajit Automotive')	
	Suprajit Europe Limited, U.K. ('Suprajit Europe')	
	Suprajit USA Inc., USA ('Suprajit USA')	
	Luxlite Lamp SARL, Luxembourg ('Luxlite Lamp')	
	Trifa Lamps Germany GmbH, Germany ('Trifa Lamps')	
Subsidiaries (Indirect):	Wescon Controls LLC ('Wescon')	
Key Management Personnel (KMP) of the Company:	Mr. K Ajith Kumar Rai	Chairman w.e.f. April 01, 2019. (Chairman and Managing Director upto March 31, 2019).
	Mr. Mohan Srinivasan Nagamangala	Managing Director & Group Chief Executive Officer w.e.f. April 01, 2019. (Director and Chief Executive Officer upto March 31, 2019).
	Mr. Medappa Gowda J	Chief Financial Officer and Company Secretary
	Mr. Diwakar S. Shetty	Independent Director (upto March 31, 2019)
	Mr. Ian Williamson	Independent Director
	Mr. B.S.Patil, IAS (Retd)	Independent Director (upto February 02, 2020)
	Mr. Suresh Shetty	Independent Director
	Mr . M Jayarama Shetty	Independent Director (upto March 31, 2019)
	Mrs. Dr. Supriya A Rai	Non-Executive Director
	Mrs. Bharathi Rao	Independent Director (w.e.f. April 01, 2019)
	Mr. M. Lakshminarayan	Independent Director (w.e.f. April 01, 2019)
Relatives of KMP:	Mr. Akhilesh Rai	
	Mr. Ashutosh Rai	
	Mr. Ashok Kumar Rai	
Enterprises in which directors / shareholders have significant influence	Suprajit Foundation	
	Supriyajith Family Trust	

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

B. Details of transactions entered into with related parties are as given below:

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products and services		
Subsidiaries		
Suprajit Automotive	24.92	66.55
Luxlite Lamp	477.54	407.92
Trifa Lamps	46.01	236.57
Wescon	58.74	44.21
	607.21	**755.25**
Sale of Property, plant and equipment		
Subsidiaries		
Suprajit Automotive	1.30	-
	1.30	**-**
Lease Rent Received		
Subsidiaries		
Suprajit Automotive	5.13	3.85
	5.13	**3.85**
Lease deposit received		
Subsidiaries		
Suprajit Automotive	-	1.00
	-	**1.00**
Dividend income		
Subsidiaries		
Suprajit Automotive	59.70	59.70
Suprajit Europe	8.86	7.02
	68.56	**66.72**
Purchase of materials		
Subsidiaries		
Suprajit Automotive	4.69	12.40
Luxlite Lamp	-	2.06
Wescon	0.53	0.89
	5.22	**15.35**
Purchase of duty licenses		
Subsidiaries		
Suprajit Automotive	35.94	19.58
	35.94	**19.58**
Purchase of Property, plant and equipment		
Subsidiaries		
Suprajit Automotive	0.06	0.47
	0.06	**0.47**
Allowance for impairment in value of investments		
Subsidiaries		
Luxlite Lamps	107.97	-
Trifa Lamps	54.00	-
	161.97	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

B. Details of transactions entered into with related parties are as given below (cont..):

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Salary and perquisites:*		
KMP		
Mr. K Ajith Kumar Rai	49.11	52.78
Mr. Mohan Srinivasan Nagamangala	18.85	17.77
Mr. Medappa Gowda J	7.35	7.56
Relatives of KMP		
Mr. Akhilesh Rai	6.66	3.02
Mr. Ashutosh Rai	2.14	1.82
	84.11	**82.95**
Independent Directors remuneration (Commission and Sitting fee)		
Mr. B.S.Patil	0.61	0.67
Mr. Diwakar S. Shetty	-	0.67
Mr. M Jayarama Shetty	-	0.73
Mr. Suresh Shetty	0.66	0.66
Mrs. Bharathi Rao	0.60	-
Mr. M. Lakshminarayan	0.59	-
	2.46	**2.73**

*As the liabilities for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the KMP and relatives of KMP is not ascertainable and, therefore, not included above. Also during the FY 2018-19 the Company granted stock appreciation rights to some of its directors and KMP. Since such rights are not tradeable, no perquisite or benefit is immediately conferred upon the employee by such grant of rights, and accordingly the said rights has not been considered as remuneration.

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Dividend Paid		
Enterprises in which directors/ shareholders have significant influence		
Supriyajith Family Trust	138.19	-
KMP		
Mr. K Ajith Kumar Rai	9.85	66.44
Mr. Mohan Srinivasan Nagamangala	0.02	0.01
Mr. Medappa Gowda J^	-	-
Mrs. Supriya Rai	4.57	21.52
Mr. Diwakar S. Shetty	-	0.03
Mr. Suresh Shetty	1.98	1.14
Mr. M Jayarama Shetty	-	0.56
Mr. M. Lakshminarayan	0.01	-
Relatives of KMP		
Mr. Akhilesh Rai	3.12	1.80
Mr. Ashutosh Rai	3.13	1.80
	160.87	**93.30**
^ Rounded off		
Technician charges		
Subsidiaries		
Luxlite Lamp	-	1.21
	-	**1.21**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

B. Details of transactions entered into with related parties are as given below (cont..):

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Reimbursements of expenses to		
Subsidiaries		
Suprajit Automotive	-	0.68
Trifa Lamps	-	0.18
Luxlite Lamp	0.92	0.15
KMP		
Mr. K Ajith Kumar Rai	1.46	1.64
Mr. Mohan Srinivasan Nagamangala	0.44	0.65
Mr. Medappa Gowda J	0.31	0.18
Relatives of KMP		
Mr. Akhilesh Rai	0.77	0.13
Mr. Ashutosh Rai	0.24	0.15
	4.14	**3.76**
Interest paid on deposits		
Relatives of KMP		
Mr. Ashok Kumar Rai	-	0.07
	-	**0.07**
CSR expenditure (Contributed to)		
Suprajit Foundation (refer note 31(ii))	29.13	24.87
	29.13	**24.87**
Recovery of expenses from		
Subsidiaries		
Suprajit Automotive	4.63	1.66
Luxlite Lamp	0.60	0.85
Trifa Lamps	0.20	0.04
	5.43	**2.55**
Deposits repaid		
Relatives of KMP		
Mr. Ashok Kumar Rai	-	2.00
	-	**2.00**

C. Balances outstanding as at year ends:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Investment in shares		
Subsidiaries		
Suprajit Automotive	19.90	19.90
Suprajit Europe	186.00	186.00
Suprajit USA	1,413.93	1,413.93
Luxlite Lamp	792.30	792.30
Trifa Lamps	312.00	312.00
	2,724.13	**2,724.13**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

C. Balances outstanding as at year ends (cont..):

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Allowance for impairment in value of investments		
Subsidiaries		
Luxlite Lamps	307.51	199.54
Trifa Lamps	54.00	-
	361.51	**199.54**
Recoverable from subsidiaries		
Subsidiaries		
Suprajit Automotive	0.28	4.33
	0.28	**4.33**
Trade receivables		
Subsidiaries		
Wescon	0.15	0.05
Luxlite Lamp	267.65	78.57
Trifa Lamps	-	36.04
	267.80	**114.66**
Lease deposit payable		
Subsidiaries		
Suprajit Automotive	1.00	1.00
	1.00	**1.00**
Trade payables		
Subsidiaries		
Wescon	-	0.02
	-	**0.02**
Payable to KMP / Relatives of KMP		
KMP		
Mr. K Ajith Kumar Rai	26.33	33.32
Mr. Mohan Srinivasan Nagamangala	6.23	4.41
Mr. Medappa Gowda J	1.99	1.88
Mr. Diwakar S. Shetty	-	0.50
Mr. B.S.Patil, IAS (Retd)	0.50	0.50
Mr. Suresh Shetty	0.50	0.50
Mr. M Jayarama Shetty	-	0.50
Mrs. Bharathi Rao	0.50	-
Mr. M. Lakshminarayan	0.50	-
Relatives of KMP		
Mr. Ashuthosh Rai	0.15	0.12
Mr. Akhilesh Rai	1.28	-
	37.98	**41.73**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

C. Balances outstanding as at year ends (cont..):

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Corporate guarantees (refer note 36)		
Suprajit Europe [GBP - Nil (March 31, 2019 - GBP 0.5 million)]	-	45.24
Suprajit USA [USD 30 million (March 31, 2019 - USD 30 million)]	2,261.58	2,075.14
	2,261.58	**2,120.38**
Also refer note 36(c) for comfort letter given to subsidiary.		

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2020 except for impairment of Luxlite Lamp and Trifa Lamps, the Company has not recorded any impairment of assets relating to amounts owed by related parties (March 31, 2019: Nil). 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. Operating lease as lessor

The company has entered into lease agreement with subsidiary for the lease of vacant land. The total rental income for the year under non-cancellable operating leases amounted to ₹ 5.13 Million (March 31, 2019 ₹ 3.85 Million).

The future minimum lease receivable under non-cancellable operating leases are as follows:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Not later than one year	5.13	5.32
Later than one year and not later than five years	29.41	17.62
More than five years	247.21	292.95
Total	**281.75**	**315.89**

42. (i) Fair value

The carrying value of financial instruments by categories is as follows:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Financial assets measured at amortized cost		
Recoverable from subsidiaries*	4.61	4.33
Trade receivables*	2,202.00	2,028.54
Security deposits	43.61	38.84
Advances to employees*	8.76	5.54
Interest receivable on bank deposit and others*	1.98	2.42
Financial assets measured at fair value through profit and loss		
Investment in mutual funds	2,603.65	1,564.65
Foreign currency forward contracts	-	16.16
	4,864.61	**3,660.48**
Cash and cash equivalents and other balances with banks#		
Cash on hand	2.03	2.98
Balance with banks in current accounts	169.70	119.11
Balance with banks in EEFC accounts	38.80	55.43
Balance with banks in deposit accounts	6.76	7.17
Earmarked balances with banks being unpaid dividend accounts	22.15	20.17
	239.44	**204.86**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

42. (i) Fair value (contd...)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Financial liabilities measured at amortized cost*		
Borrowings	2,016.65	1,690.98
Lease liabilities	40.80	-
Trade payables	1,500.22	1,099.12
Employee related liabilities	63.15	111.09
Interest accrued but not due on borrowings	9.62	7.38
Capital creditors	14.66	14.60
Payable to directors	34.56	39.73
Security deposits	20.14	17.44
Unpaid dividend	22.15	20.17
Others	0.81	1.23
Financial liabilities measured at fair value through profit and loss		
Provision for MTM losses on foreign currency forward contract	5.67	-
Provision for MTM losses on Interest rate swap	1.70	-
	3,730.13	**3,001.74**

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. # These accounts are considered to be highly liquid/ liquid and the carrying amount of these are considered to be the same as their fair value.

42. (ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

₹ in Million

	Level 1	Level 2	Level 3	Total
	March 31, 2020			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	2,603.65	-	-	2,603.65
Total financial assets measured at fair value	**2,603.65**	**-**	**-**	**2,603.65**
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on foreign currency forward contract	-	5.67	-	5.67
Provision for MTM losses on Interest rate swap	-	1.70	-	1.70
Total financial liabilities measured at fair value	**-**	**7.37**	**-**	**7.37**

	Level 1	Level 2	Level 3	Total
	March 31, 2019			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	1,564.65	-	-	1,564.65
Foreign currency forward contracts	-	16.16	-	16.16
Total financial assets measured at fair value	**1,564.65**	**16.16**		**1,580.81**
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on foreign currency forward contract	-	-	-	-
Provision for MTM losses on Interest rate swap	-	-	-	-
Total financial liabilities measured at fair value	**-**	**-**	**-**	**-**

There have been no transfer between Level 1, Level 2 and Level 3 during the year ended March 31, 2020 and March 31, 2019.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

42. (iii) Valuation technique used to determine fair value

a) The Company holds derivative financial instruments such as foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Hence, the valuation is considered Level 2 by the management.

b) The Company enters into contracts with financial institutions in nature of interest rate swap, the fair value of which is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data, therefore, are classified with in Level 2 of the valuation hierarchy.

c) The Company has investment in quoted mutual funds these investments other than investment in subsidiaries are carried at fair value through profit and loss using quoted prices in active markets and accordingly classified with in Level 1 of the valuation hierarchy.

43. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to ensure sustained growth in the business and to maximise the shareholders value.

₹ in Million

		As at March 31, 2020	As at March 31, 2019
A.	**Total equity attributable to the share holders of the Company (Capital)**	**7,816.49**	**7,010.31**
B.	**Borrowings**		
	Non-current borrowings	311.44	245.36
	Current borrowings	1,550.21	1,268.64
	Current maturities of non-current borrowings	155.00	176.98
	Lease Liabilities	40.80	-
	Less: Cash and cash equivalents	(210.53)	(177.52)
	Less: Current investments (limited to the extent of borrowings)	(1,788.54)	(1,513.46)
	Net debt	**58.38**	**-**
C.	**Total capital and net debt (A+B)**	**7,874.87**	**7,010.31**
D.	**Gearing ratio (B/C)**	**1%**	**0%**

(i) The Company is predominantly equity financed as evident from the capital structure table above. Further the Company has sufficient cash and cash equivalents, current investments and financial assets which are liquid to meet the debts.

(ii) In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current year.

44. Financial risk management

Objective and policies:

The Company's principal financial liabilities comprise borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit and loss investments and derivative financial instruments.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2020.

(i) (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate due to change in the market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates.

The Company enters into contracts with financial institutions in nature of interest rate swap, to mitigate the risk of changes in interest rates in respect of its borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's profit before tax due to change in the interest rate/ fair value of financial liabilities are as disclosed below:

₹ in Million

	As at March 31, 2020		As at March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Effect of profit before tax expense	(20.78)	20.78	(17.07)	17.07

(i) (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign operations and foreign currency revenues and expenses . The Company has exposures to United States Dollars ('USD'), Great Britain Pound ('GBP'), Euro ('EUR') and other currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its trade receivables.

Below is the summary of unhedged foreign currency exposure of Company's financial assets and liabilities.

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
USD	1.61	1.75	119.89	119.27
EUR	3.37	0.98	279.71	75.99
GBP	0.07	0.15	6.24	13.60
Total			**405.84**	**208.86**
Financial liabilities				
USD	0.98	1.74	74.02	121.83
EUR	11.29	2.88	937.72	223.71
GBP^	-	-	0.13	0.04
Others	1.89	0.74	20.33	7.59
Total			**1,032.20**	**353.17**
Net financial assets			**(626.36)**	**(144.31)**
^ Rounded off				

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these transactions are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Forward contracts outstanding are as below: ₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
EUR*	0.41	0.98	33.88	75.76
EUR**	4.00	1.60	342.63	124.32

* towards foreign currency receivables.
** towards highly probable foreign currency sales.

Sensitivity analysis

Every 1% appreciation or depreciation of the respective foreign currencies compared to functional currency of the Company would cause the profit before tax in proportion to revenue to increase or decrease respectively by 0.05% (March 31, 2019: 0.01%).

(i) (c) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of automotive cables & lamps and therefore require a continuous supply of below said products. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Commodity price sensitivity

The following table shows the effect of price changes in below said products: ₹ in Million

	As at March 31, 2020		As at March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax				
Steel wire	(12.95)	12.95	(14.99)	14.99
Cable components	(38.42)	38.42	(38.31)	38.31
Glass tube	(2.28)	2.28	(2.16)	2.16
Lamp components	(12.28)	12.28	(11.40)	11.40

(ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

a. Trade receivables

Credit risk is managed by each business unit as per the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

b. Credit risk exposure

The Company's credit period generally ranges from 0-270 days. The credit risk exposure of the Company is as below:

₹ in Million

		As at March 31, 2020	As at March 31, 2019
Trade receivables	**(A)**	2,216.19	2,039.16
Impairment allowance (allowance for bad and doubtful debts)			
Balance as per last financial statements		10.62	10.72
Add: Charge for the year		4.69	0.42
Less: Utilised during the year		(1.12)	(0.52)
Closing balance	**(B)**	**14.19**	**10.62**
Total	**(A + B)**	**2,202.00**	**2,028.54**

The Company evaluates the concentration of risk with respect to trade receivables as low, since majority of its customers are reputed automobile companies and are spread across multiple geographies.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

c. Financial instruments and cash deposits

Credit risk is limited, as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investment primarily includes investment in liquid mutual fund units. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents, investment in mutual funds and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents and deposits is as below:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Cash on hand	2.03	2.98
Balance with banks	209.59	175.92
Investment in mutual funds	1,788.54	1,564.65
	2,000.16	**1,743.55**

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

₹ in Million

	On demand	1-180 days	180-365 days	> 365 days	Total
March 31, 2020					
Non-current borrowings	-	-	-	311.44	311.44
Current borrowings	1,550.21	-	-	-	1,550.21
Lease liabilities*	-	5.44	5.44	60.26	71.14
Trade payables	-	1,500.22	-	-	1,500.22
Other financial liabilities	22.15	217.92	65.79	21.60	327.46
Total	**1,572.36**	**1,723.58**	**71.23**	**393.30**	**3,760.47**
March 31, 2019					
Non-current borrowings	-	-	-	245.36	245.36
Current borrowings	1,268.64	-	-	-	1,268.64
Trade payables	-	1,099.12	-	-	1,099.12
Other financial liabilities	20.17	262.59	88.49	17.37	388.62
Total	**1,288.81**	**1,361.71**	**88.49**	**262.73**	**3,001.74**
*Includes future cash outflow toward estimated interest on lease liabilities.					

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

45. On June 03, 2019 the Company entered into an asset purchase agreement to acquire Halogen bulb manufacturing unit of Osram Lighting Private Limited situated near Chennai, Tamil Nadu. All the conditions precedent to the said acquisition were completed by October 03, 2019 and effective from October 04, 2019, the said unit commenced its operation as a part of Phoenix lamp division of the Company. The acquisition increased Company's Halogen bulb manufacturing capacity and further de-risked business. The Company evaluated the transaction as per the requirements of Ind AS-103 Business Combinations and carried out Purchase price allocation (PPA) through an external valuer. Considering that the valuation as per aforesaid PPA is not materially different from the transaction value as per asset purchase agreement, the Company has recorded the transaction at transaction values for assets and liabilities as set out below.

₹ in Million

Assets	
Property, plant and equipment*	193.66
Intangible assets	0.14
Other non-current assets	2.46
Inventories	84.54
Loans (current)	0.76
Other current assets	1.69
Total (A)	**283.25**
Liabilities	
Liability for employee benefits	(4.76)
Total (B)	**(4.76)**
Total Consideration (A-B)	**278.49**

*The Company additionally incurred ₹ 9.14 Million as stamp duty charges on registration of Freehold Land and Building acquired from Osram Lighting Private Limited.

46. Employee Stock Appreciation Rights ('ESAR') (Equity Settled):

Employee Stock Appreciation Rights Plan – 2017 (the ESAR 2017 Plan): Effective June 26, 2018, the Company instituted the ESAR 2017 plan. The Board of directors of the Company and shareholders approved the ESAR 2017 plan at its meeting held on September 13, 2017 and November 11, 2017 respectively. The ESAR 2017 Plan provides for the issue of stock appreciation rights (SARs) to certain employees of the Company and its subsidiaries.

The ESAR 2017 Plan is administered by the Nomination and Remuneration Committee. As per the ESAR 2017 Plan, the stock appreciation rights are granted at the exercise price of ₹ 1 /-. The equity shares covered under these stock appreciation rights vest over five years from the date of grant. The exercise period is five years from the respective date of vesting.

The movement in the rights under the ESAR 2017 plan for the year ended March 31, 2020 is set out below:

	Year ended March 31, 2020	Year ended March 31, 2019
The ESAR 2017 Plan	**No. of stock appreciation rights**	
SARs Outstanding at the beginning of the year	8,48,442	-
SARs Granted during the period	-	8,83,440
SARs Forfeited / Surrendered during the year	22,691	34,998
SARs Lapsed during the year	-	-
SARs Exercised during the year	-	-
SARs Outstanding at the end of the year	**8,25,751**	**8,48,442**
SARs exercisable at the end of the year	-	-

The stock appreciation rights outstanding on March 31, 2020 has the weighted average remaining contractual life of 7.02 years (March 31, 2019 8.02 years).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The weighted average fair value of stock appreciation rights granted during the previous year was ₹ 128.14. The Black - Scholes valuation model has been used for computing the weighted fair value considering the following inputs:

	Input Values
Weighted average share price on the date of Grant (₹)	257.65
Exercise Price (₹)	1
Expected Volatility*	35.79%
Life of rights granted in years	1-5 Years
Average risk free interest rate	7.92
Dividend Yield	0.54

* The expected volatility was determined based on historical volatility data

Total Employee Compensation Cost pertaining to the ESAR 2017 plan during the year is ₹ 1.61 Million (net of reversal of ₹ 23.87 Million recognised as cost in previous year and reversed in current year, since no longer required) (March 31, 2019 of ₹ 45.89 Million), net of cross charge to subsidiary.

Employee-wise details of ESAR's granted during the year ended March 31, 2020 and March 31, 2019 to:

Senior managerial personal

Name of the employee	March 31, 2020	March 31, 2019
Mr. Mohan Srinivasan Nagamangala	-	1,15,385
Mr. Narayan Shankar	-	61,538
Mr. Medappa Gowda J	-	48,077
Mr. Akhilesh Goel	-	38,462

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: June 12, 2020

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

Mohan Srinivasan Nagamangala
Managing Director &
Group Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: June 12, 2020

Suprajit

CONSOLIDATED FINANCIAL STATEMENTS

OF

SUPRAJIT ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of **Suprajit Engineering Limited**

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Suprajit Engineering Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to note 2(c) to the consolidated Ind AS financial statements which describes the fact that the pandemic COVID-19 would cause various economic and social disruption to the Group impacting trade receivables and carrying value of other assets, supply chains, consumer demand, commodity prices, personnel available for work and access to offices. The impact may be different from that estimated as at the approval of the financial statements and the Group will continue to closely monitor any material changes to future economic conditions. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
1. Impairment assessment of Goodwill *(as described in Note 4 of the consolidated Ind AS financial statements)*	
As at March 31, 2020, the total goodwill recognized in the consolidated balance sheet amounts to ₹ 1,374.75 Million (net of impairment) pertaining to two acquired entities which are separate cash generating units ('CGUs') i.e. Wescon Controls LLC and Luxlite Lamp SARL. As described in Note 4, an impairment of ₹ 165.85 Million has been made during the year towards the carrying value of goodwill. To assess if there is an impairment in the goodwill, the management conducts impairment tests at CGU level to which the goodwill is attributable, annually or whenever changes in circumstances or events indicate that, the carrying amount of such goodwill may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The recoverable amount of the CGU is estimated by calculating the value in use of the CGU to which goodwill is attributable, basis valuation conducted by an external valuation specialist ('management's expert') factoring future business plans and such valuation reports / future business plans which are reviewed and approved by the Audit Committee / Board of Directors of the Company. In view of the COVID -19 pandemic, the management has reassessed its future business plans and key assumptions as at March 31, 2020 while assessing the adequacy of impairment provision. This is a key audit matter as the testing of goodwill impairment is complex and involves significant judgement. The key assumptions involved in impairment tests are projected revenue growth, operating margins, discount rates and terminal growth.	Our audit procedures included the following: • We evaluated the Group's internal controls over its annual impairment assessment and key assumptions applied such as revenue growth, operating margins, discount rates and terminal growth rates; • In respect of the external valuation specialist engaged by the Group, we obtained the valuation report from the management and assessed the independence, objectivity and competence of the management expert; • We tested the key assumptions and considered the sensitivity scenarios performed by management's expert; • We involved our valuation specialists for evaluating and testing the key assumptions and methodologies used and the computations made by the management's expert in their valuation reports; and • We assessed the disclosures made in the consolidated Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters	How our audit addressed the key audit matter
2. Estimation of potential losses on realization of investment in Franklin Templeton Mutual Fund that were wound-up *(as described in Note 35(a) of the consolidated Ind AS financial statements)*	
As at March 31, 2020, the carrying value of investment in Franklin Templeton Mutual Fund (FTMF) debts schemes in the consolidated Ind AS balance sheet amounts to ₹ 1,085.28 Million. As described in Note 35(a), FTMF has voluntarily decided to wind up six of its debt schemes effective April 23, 2020 and in this regard the Group has recognized a provision of ₹ 108.53 Million on March 31, 2020 on best estimate basis towards potential loss on realization of said investment. As part of regular updates shared by FTMF with investors, it is noted that based on maturity profile of the schemes, investors would realize their investment over a period of five years and beyond and Net Asset Value (NAV) per unit will continue to be computed and declared as per the same accounting and valuation principles followed prior to April 23, 2020 without any change. Further, the fund house suspended the e-voting process required to start unwinding of the schemes after the stay Order passed by Honorable Gujarat High Court. This has blocked redemptions indefinitely and the market expectation is that investors would earn lower return. Given the background, the Group has carried out an impact assessment factoring regular updates given by FTMF, maturity profile of schemes, subsequent changes in NAV and other factors such as historical yield, expected future returns and made a provision for potential loss on realization of carrying value of investment on best estimate basis. This is a key audit matter considering the complexity and involvement of significant judgement by management.	Our audit procedures included, the following: • We obtained details of investment in FTMF as on March 31, 2020, as per the books of the Group and traced it with confirmation / statement received from FTMF. • Read the regular updates provided by FTMF to the Group post winding up of schemes and we assessed the potential implication on realization of investment. • We understood the basis and computations made by the management in estimating the potential loss on realization of investment factoring regular updates given by FTMF, maturity profile of schemes, subsequent change in NAV and other factors such as historical yield and expected future returns from the funds. • We evaluated the basis followed by the management, in estimation of uncertainty considering available information. • We assessed the classification and adequacy of the disclosures made in the consolidated Ind AS financial statements.

Other Information

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the companies included in the Group are also responsible for overseeing the financial reporting process.

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of six subsidiaries, whose Ind AS financial statements include total assets (before consolidation adjustments) of ₹ 6,392.90 Million as at March 31, 2020, and total revenues (before consolidation adjustments) of ₹ 6,875.26 Million and net cash inflows of ₹ 136.47 Million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

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

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who is appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company, incorporated in India, refer to our separate Report in "Annexure" to this report;

(g) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer note 39(a) to the consolidated Ind AS financial statements;

   ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer note 21 and note 44(ii) to the consolidated Ind AS financial statements in respect of such items as it relates to the Group;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary Company, incorporated in India during the year ended March 31, 2020.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 20213803AAAABV5630

Place of Signature: Bengaluru
Date: June 12, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMTED

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

In conjunction with our audit of the consolidated Ind AS financial statements of Suprajit Engineering Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Suprajit Engineering Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

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

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMTED

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such subsidiary company incorporated in India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004

per Rajeev Kumar

Partner

Membership Number: 213803

UDIN: 20213803AAAABV5630

Place of Signature: Bengaluru

Date: June 12, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

₹ in Million

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,503.54	3,057.01
Capital work in progress	3	145.49	266.37
Right-of-use assets	6	262.22	-
Goodwill	4	1,374.75	1,418.35
Other intangible assets	5	993.94	1,057.77
Intangible assets under development	5	6.24	5.44
Financial assets			
Investments	8	889.70	-
Other bank balances	11	5.67	5.79
Loans	12	54.50	45.95
Other financial assets	13	-	45.71
Income tax assets (net)	14	47.65	29.50
Deferred tax asset (net)	15	-	0.32
Other non-current assets	16	37.46	249.71
		7,321.16	**6,181.92**
Current assets			
Inventories	7	2,762.00	2,709.78
Financial assets			
Investments	8	1,873.19	1,719.87
Trade receivables	9	2,750.03	2,915.65
Cash and cash equivalents	10	611.77	442.29
Other bank balances	11	24.15	23.14
Loans	12	10.01	6.41
Other financial assets	13	57.74	68.97
Other current assets	16	395.11	404.23
		8,484.00	**8,290.34**
Total assets		**15,805.16**	**14,472.26**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	139.87	139.87
Other equity	18	8,397.81	7,610.86
Total equity		**8,537.68**	**7,750.73**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19 (a)	660.21	973.80
Lease liabilities	19 (b)	59.15	-
Other financial liabilities	21	31.11	16.98

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

₹ in Million

	Notes	As at March 31, 2020	As at March 31, 2019
Provisions	**21**	152.08	68.91
Deferred tax liabilities (net)	**24**	562.74	634.61
Other non-current liabilities	**25**	13.44	14.83
		1,478.73	**1,709.13**
Current liabilities			
Financial liabilities			
Borrowings	**19 (a)**	2,452.92	2,007.60
Lease liabilities	**19 (b)**	43.91	-
Trade payables	**20**		
Total outstanding dues of micro and small enterprises		96.46	58.08
Total outstanding dues of creditors other than micro and small enterprises		2,043.65	1,693.15
Other financial liabilities	**21**	901.72	921.30
Other current liabilities	**25**	72.46	111.66
Provisions	**22**	117.95	101.99
Current tax liabilities (net)	**23**	59.68	118.62
		5,788.75	**5,012.40**
Total liabilities		**7,267.48**	**6,721.53**
Total equity and liabilities		**15,805.16**	**14,472.26**

Corporate information and significant accounting policies (refer note 1 & 2)
The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: June 12, 2020

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

Mohan Srinivasan Nagamangala
Managing Director &
Group Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: June 12, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

		Notes	Year ended March 31, 2020	Year ended March 31, 2019
I	**Income**			
	Revenue from operations	**26**	15,628.32	15,899.00
	Other income	**27**	223.84	379.95
	Total income		**15,852.16**	**16,278.95**
II	**Expenses**			
	Cost of materials consumed	**28**	8,564.97	8,801.24
	Purchases of stock-in-trade	**29**	526.24	608.97
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	**30**	59.33	(262.04)
	Employee benefits expense	**31**	2,926.91	3,036.78
	Finance costs	**32**	226.57	245.54
	Depreciation and amortization expense	**33**	581.26	409.97
	Other expenses	**34**	1,363.87	1,386.28
	Total expenses		**14,249.15**	**14,226.74**
III	**Profit before exceptional items and tax expense (I-II)**		**1,603.01**	**2,052.21**
IV	**Exceptional items (net)**	**35**	(274.38)	-
V	**Profit before tax expense (III-IV)**		**1,328.63**	**2,052.21**
VI	**Tax expense (net):**	**36**		
	Current tax		467.00	650.95
	Deferred tax charge/ (credit)		(104.67)	82.25
	Current tax relating to earlier periods		(73.35)	(18.93)
	Total tax expenses		**288.98**	**714.27**
VII	**Profit for the year (V-VI)**		**1,039.65**	**1,337.94**
VIII	**Other comprehensive income ('OCI'), net of taxes**			
	Items that will not be reclassified subsequently to profit or loss:			
	Re-measurement loss on defined benefit plan		(2.47)	(8.85)
	Items that will be reclassified subsequently to profit or loss:			
	Net exchange differences on translation of foreign operations		192.41	77.80
	Net change in fair value of Hedging instrument		(6.13)	(2.44)
	Total other comprehensive income		**183.81**	**66.51**
IX	**Total comprehensive income for the year (VII+VIII) comprising profit and other comprehensive Income**		**1,223.46**	**1,404.45**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

X	**Basic and Diluted earnings per equity share [nominal value of share ₹ 1 (March 31, 2019: ₹ 1)]**	**37**	7.43	9.57
Corporate information and significant accounting policies		**1 & 2**		
The accompanying notes are an integral part of the consolidated financial statements				

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: June 12, 2020

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

Mohan Srinivasan Nagamangala
Managing Director &
Group Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: June 12, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity share capital (refer note 17)

	No. in Million	₹ in Million
Equity shares of ₹1 each issued, subscribed and fully paid-up		
As at April 1, 2018	**139.87**	**139.87**
Issued during the year	-	-
As at March 31, 2019	**139.87**	**139.87**
Issued during the year	-	-
As at March 31, 2020	**139.87**	**139.87**

B. Other equity (refer note 18)

₹ in Million

	Attributable to equity holders of the Company							
	Reserves and surplus						OCI	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserves	Surplus in the statement of profit & loss	Foreign currency translation reserve	
As at April 1, 2018	**5.13**	**293.70**	**1,861.81**	**2,418.33**	**-**	**1,723.59**	**106.57**	**6,409.13**
Add: Profit for the year	-	-	-	-	-	1,337.94	-	1,337.94
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	(8.85)	-	(8.85)
Less: Net change in fair value of Hedging instrument (net of tax)	-	-	-	-	-	(2.44)	-	(2.44)
Add: Share based payments expense	-	-	-	-	50.22	-	-	50.22
Add / Less: Transfer to general reserve	-	-	-	900.00	-	(900.00)	-	-
Less: Cash dividends	-	-	-	-	-	(209.81)	-	(209.81)
Less: Dividend distribution tax	**-**	**-**	**-**	**-**	-	(43.13)	-	(43.13)
Add: Net exchange differences on translation of foreign operations	-	-	-	-	-	-	77.80	77.80
Balance as at March 31, 2019	**5.13**	**293.70**	**1,861.81**	**3,318.33**	**50.22**	**1,897.30**	**184.37**	**7,610.86**
Add: Profit for the year	-	-	-	-	-	1,039.65	-	1,039.65
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	(2.47)	-	(2.47)
Less: Net change in fair value of Hedging instrument (net of tax)	-	-	-	-	-	(6.13)	-	(6.13)
Add: Share based payments expense	-	-	-	-	1.90	-	-	1.90

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

	Attributable to equity holders of the Company							
	Reserves and surplus						OCI	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserves	Surplus in the statement of profit & loss	Foreign currency translation reserve	
Add / Less: Transfer to general reserve	-	-	-	750.00	-	(750.00)	-	-
Less: Cash dividends	-	-	-	-	-	(363.66)	-	(363.66)
Less: Dividend distribution tax	-	-	-	-	-	(74.75)	-	(74.75)
Add: Net exchange differences on translation of foreign operations	-	-	-	-	-	-	192.41	192.41
Balance as at March 31, 2020	**5.13**	**293.70**	**1,861.81**	**4,068.33**	**52.12**	**1,739.94**	**376.78**	**8,397.81**

Corporate information and significant accounting policies (refer notes 1 & 2)
The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: June 12, 2020

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

Mohan Srinivasan Nagamangala
Managing Director &
Group Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: June 12, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
A	**Operating activities**		
	Profit before tax expense	1,328.63	2,052.21
	Adjustments to reconcile profit before tax expense to net cash flows:		
	Depreciation and amortization expense	581.26	409.97
	Allowance for doubtful receivables (net)	20.58	2.77
	Loss on disposal of property, plant and equipment (net)	1.32	2.01
	Liabilities no longer required written back	(0.45)	(0.31)
	Fair value gain in financial instruments	(101.19)	(118.32)
	Finance cost	226.57	245.54
	Interest income	(40.85)	(2.08)
	Employee share based payments	1.90	50.22
	Exceptional Items	274.38	-
	Net foreign exchange difference	2.52	9.02
	Operating profit before working capital changes	**2,294.67**	**2,651.03**
	Working capital adjustments:		
	(Increase) / decrease in inventories	19.68	(323.02)
	(Increase) / decrease in trade receivables	200.11	(15.91)
	(Increase) / decrease in loans	(11.68)	(4.30)
	(Increase) / decrease in other financial assets	56.50	(106.05)
	(Increase) / decrease in other assets	42.61	(22.76)
	Increase / (decrease) in trade payables	326.33	(71.14)
	Increase / (decrease) in other financial liabilities	(80.24)	34.22
	Increase / (decrease) in provisions	(15.14)	6.45
	Increase / (decrease) in other liabilities	(42.14)	(23.64)
	Cash generated from operations	**2,790.70**	**2,124.88**
	Direct taxes paid (net of refund)	(470.39)	(677.37)
	Net cash flows from operating activities	**2,320.31**	**1,447.51**
B	**Investing activities**		
	Purchase of property, plant and equipment and other intangible assets	(669.51)	(589.70)
	Proceeds from sale of property, plant and equipment	5.59	2.62
	Purchase of investments	(1,060.00)	(347.56)
	Sales of current investments	118.17	50.00
	Movement in deposits (net)	(0.89)	(6.78)
	Interest received	41.29	1.22
	Net cash flows used in investing activities	**(1,565.35)**	**(890.20)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
C	**Financing activities**		
	Movement in working capital loans (net)	400.58	261.50
	Movement in long term borrowings (net)	(286.63)	(184.26)
	Interest paid	(226.64)	(244.98)
	Payment of lease liabilities	(57.63)	-
	Dividend paid to equity shareholders	(361.68)	(206.90)
	Dividend distribution tax	(74.75)	(43.13)
	Net cash flows used in financing activities	**(606.75)**	**(417.77)**
D	**Net increase in cash and cash equivalents (A+B+C)**	**148.21**	**139.54**
	Net foreign exchange difference on cash and cash equivalents	21.27	1.28
	Cash and cash equivalents at the beginning of the year	442.29	301.47
E	**Cash and cash equivalents at the end of the year (refer note 10)**	**611.77**	**442.29**
	Cash and cash equivalents as at year end comprises -		
	Cash on hand	2.14	3.30
	Balance with banks on		
	Current accounts	549.36	381.06
	EEFC accounts	60.27	57.93
	Total cash and cash equivalents	**611.77**	**442.29**

Corporate information and significant accounting policies (refer notes 1 & 2)
The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: June 12, 2020

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

Mohan Srinivasan Nagamangala
Managing Director &
Group Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: June 12, 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. Corporate information

The consolidated financial statements comprise financial statements of Suprajit Engineering Limited ('SEL' or 'the Company' or 'the Holding Company') and its subsidiaries (collectively, 'the Group'). SEL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange in India. The registered office of the Holding Company is situated at No. 100 & 101, Bommasandra Industrial Area, Bengaluru - 560 099.

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on June 12, 2020.

2. Significant accounting policies

(a) Basis of preparation of Consolidated financial statements

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

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

(b) Basis of consolidation

The consolidated financial statements for the year ended March 31, 2020 comprise the financial statements of Suprajit Engineering Limited and its subsidiaries (collectively referred to as "the Group").

Following subsidiaries have been considered in the preparation of the consolidated financial statements:

Name of entity	Relationship	Country of Incorporation	% of Ownership Interest March 31, 2020	% of Ownership Interest March 31, 2019
Suprajit Automotive Private Limited	Subsidiary	India	100%	100%
Suprajit Europe Limited	Subsidiary	United Kingdom	100%	100%
Suprajit USA Inc.	Subsidiary	USA	100%	100%
Trifa Lamps, Germany GmbH	Subsidiary	Germany	100%	100%
Luxlite Lamp SARL	Subsidiary	Luxembourg	100%	100%
Wescon Controls LLC	Subsidiary of Suprajit USA Inc	USA	100%	100%

All the above subsidiaries are under the same management. Suprajit USA Inc. is an investment company holding Wescon Controls LLC and all other subsidiaries are engaged in the same principle activities as the holding company.

Control exists when the parent has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent, to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

i. Combine like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the date on which the investment in the subsidiaries were made, is recognized as 'Goodwill' being an intangible asset in the consolidated financial statements and is tested for an impairment on an annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Company, it is recognized as 'Capital Reserve' and shown in 'Other Equity', in the consolidated financial statements. The 'Goodwill/ Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

iii. Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant & equipment are eliminated in full).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group.

(c) Use of estimates, assumptions and judgements

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

Key source of estimation of uncertainty as at the date of consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The outbreak of COVID-19 pandemic and the resulting lockdown enforced from March 23, 2020 have effected Group's regular operations. The Group has made an assessment of its liquidity position for the next year and has assessed the carrying value of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future impact on the operations, the Group as on the date of approval of these consolidated Ind AS financial statements has used internal and external information which are relevant in determining the expected future performance of the Group. Based on the evaluation of liquidity position and recoverability of assets and other such estimates, the Group expects the carrying amount of Assets will be recovered. The impact of COVID-19 on the Group's consolidated Ind AS financial statements may differ from that estimated as on the date of approval of these consolidated Ind AS financial statements.

Impairment of financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in note 2(p).

Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by external valuation experts and in certain cases by management internally (refer note 4 and 5).

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date (Refer note 41).

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

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

Fair Value measurement of financial instruments

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

Share-based payments (Employee Stock Appreciation Plan)

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

Taxes

The Group's two major tax jurisdictions are India and the United States, though the Group also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes and tax credits including the amount expected to be paid or refunded. Also refer note 2(j) and note 36.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts [Refer to note 2(n)].

(d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

(e) Business combination and goodwill

The Group accounts for its business combinations using acquisition method of accounting. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually as at March 31 or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in the consolidated statement of profit and loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

(f) Foreign currencies

The Consolidated financial statements are presented in Indian Rupee (₹), which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the Company and its Indian subsidiaries is Indian Rupee whereas the functional currency of foreign subsidiaries is the currency of their countries of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the consolidated balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the consolidated statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the consolidated balance sheet date. Statement of profit and loss have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the consolidated statement of changes in equity.

The Group adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

(g) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

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

(h) Revenue from contract with customer

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

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

Contract assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

Sale of goods

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

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

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

Variable Consideration

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

Sale of Services

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

Interest income

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

Export benefits

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

Dividend

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

(i) Government grants

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

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the consolidated statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

(j) Taxes on income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

Current income tax relating to items recognized outside the consolidated statement of profit or loss is recognized outside the consolidated statement of profit or loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

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

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

(k) Property, plant and equipment

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

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as specified in Schedule II to the Act except in case of certain assets wherein depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

	Useful lives (years)
Buildings - Factory	10 to 30
Buildings - Others	60
Electrical installations	21
Plant and equipments	5 to 30
Dies and moulds	5
Furniture and fixtures	10 and 15
Office equipments	3 to 10
Vehicles	5 and 10
Computers	3 and 6

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

Effective April 01, 2019 the Group has revised the useful life of Dies and moulds based on the technical evaluation. The previously applied useful life was 15 years and revised useful life is 5 years. The depreciation expense in consolidated statement of profit and loss for the year ended March 31, 2020 is higher by ₹ 26.51 million consequent to the change in useful life.

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

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

(l) Intangible assets

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

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the consolidated statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

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

	Useful life (years)
Software	3
Business rights	5
Patents	5
Customer relationship	10
Non-compete agreement	1
Trade marks	10

Effective April 01, 2019 the Group has revised the useful life of Customer relationship and Trade marks. The previously applied useful life was 13 years for customer relationship and Indefinite life for Trademarks and revised useful life is 10 years for both customer relationship and Trade marks. The amortisation expense in consolidated statement of profit and loss for the year ended March 31, 2020 is higher by ₹ 45.69 Million consequent to aforesaid change in useful life.

(m) Borrowing costs

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

(n) Leases

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

The Group as a lessee

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

Right-of-use assets

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

	Useful life (years)
Leasehold land	15 to 99
Buildings	1 to 4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

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

Lease Liabilities

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

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

The Group's lease liabilities are included in Interest-bearing loans and borrowings (refer note 19(b)).

Short-term leases and leases of low-value assets

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

(o) Inventories

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

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

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

(p) Impairment of non-financial assets

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

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

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

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

(q) Provisions

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

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

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

(r) Retirement and other employee benefits

Retirement benefit in the form of provident funds and employee state insurance which are defined contribution schemes. The Group has no obligation, other than the contribution payable to the provident fund and employee state insurance. The Group recognizes contribution payable to the provident fund scheme and employee state insurance scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

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

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

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

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

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

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model (refer note 47).

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

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

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

(t) Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

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

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

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

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

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

(ii) The asset's contractual cash flows represent SPPI.

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

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

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

De-recognition

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

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

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

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

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

Financial liabilities

Initial recognition and measurement

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Subsequent measurement

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

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

Loans and borrowings

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

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

Financial guarantee

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

De-recognition

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

Offsetting of financial instruments

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

(u) Derivative financial instruments and hedge accounting

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

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

(v) Cash and cash equivalents

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

(w) Consolidated statement of cash flow

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

(x) Cash dividend to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(y) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

(z) Earnings per share

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

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

(aa) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as the chief operating decision maker.

The Group has identified a single business segment being manufacturing and selling of automotive and other components. This being a single segment no additional segment disclosure has been made for the business segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

The Group's operations are categorized geographically as (a) India (b) United States of Americas ('USA') (c) Rest of the world. 'Rest of the world' comprises the Group's operations in the 'United Kingdom', 'Germany' and 'Luxembourg'. Customer relationships are driven based on customer domicile.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 *Leases*

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1 April 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption.

As at April 1, 2019 and March 31, 2020:

- 'Right-of-use assets' were recognised and presented separately in the balance sheet.
- Additional lease liabilities were recognised and included under 'Financial liabilities'.
- 'Other non-current assets' and 'Other current assets' related to Prepaid leasehold land rentals were derecognised.
- 'Deferred tax liabilities' decreased because of the deferred tax impact of the changes in recognised lease related assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

For the year ended March 31, 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets). This resulted in increases in Depreciation and Amortization Expenses of ₹ 56.96 Million.
- Rent expense included in 'Other expenses', relating to previous operating leases, decreased ₹ 62.35 Million.
- 'Finance costs' increased ₹ 8.42 Million relating to the interest expense on additional lease liabilities recognised.
- 'Income tax expense' decreased by ₹ 0.37 Million relating to the tax effect of these changes in expenses.
- Cash outflows from operating activities decreased by ₹ 66.05 Million and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

Effective April 1, 2019 the Group adopted Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment. The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. The Appendix did not have any significant impact on the consolidated Ind AS financial statements.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after April 1, 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

3.(i) Property, plant and equipment

₹ in Million

	Freehold Land	Leasehold land*	Buildings	Electrical installations	Plant and equipments	Dies and moulds	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Cost											
As at April 1, 2018	**230.05**	**27.74**	**1,365.76**	**148.84**	**1,490.39**	**47.13**	**42.46**	**24.15**	**101.47**	**21.80**	**3,499.79**
Additions	-	-	51.63	9.91	176.36	23.96	11.57	19.95	24.21	5.85	**323.44**
Disposals	-	-	-	-	(13.37)	-	-	(4.03)	(4.14)	(0.08)	**(21.62)**
On account of restatement	-	-	1.22	-	22.75	-	(0.16)	0.11	3.78	-	**27.70**
As at March 31, 2019	**230.05**	**27.74**	**1,418.61**	**158.75**	**1,676.13**	**71.09**	**53.87**	**40.18**	**125.32**	**27.57**	**3,829.31**
Additions	5.18	-	277.08	51.99	176.57	28.52	7.80	9.51	28.16	5.38	**590.19**
Acquisition (refer note 48)	46.00	-	29.33	-	112.20	-	0.35	0.05	4.64	1.09	**193.66**
Disposals	-	-	-	-	(5.48)	-	(0.05)	(3.75)	(3.98)	(2.48)	**(15.74)**
On account of restatement	-	-	20.00	-	39.31	-	0.31	0.46	8.18	-	**68.26**
As at March 31, 2020	**281.23**	**27.74**	**1,745.02**	**210.74**	**1,998.73**	**99.61**	**62.28**	**46.45**	**162.32**	**31.56**	**4,665.68**
Depreciation											
As at April 1, 2018	**-**	**0.70**	**108.92**	**18.15**	**284.05**	**8.26**	**6.34**	**7.33**	**32.07**	**10.68**	**476.50**
Charge for the year	-	-	61.21	10.37	190.66	5.13	4.92	5.64	23.40	6.60	**307.93**
Disposals	-	-	-	-	(12.77)	-	-	(2.12)	(2.02)	(0.08)	**(16.99)**
On account of restatement	-	-	0.63	-	3.62	-	(0.16)	(0.01)	0.78	-	**4.86**
As at March 31, 2019	**-**	**0.70**	**170.76**	**28.52**	**465.56**	**13.39**	**11.10**	**10.84**	**54.23**	**17.20**	**772.30**
Charge for the year	-	-	69.70	10.66	210.15	37.16	5.39	6.80	26.00	5.67	**371.53**
Disposals	-	-	-	-	(2.75)	-	-	(2.04)	(1.78)	(2.38)	**(8.95)**
On account of restatement	-	-	3.29	-	18.06	-	0.26	0.42	5.23	-	**27.26**
As at March 31, 2020	**-**	**0.70**	**243.75**	**39.18**	**691.02**	**50.55**	**16.75**	**16.02**	**83.68**	**20.49**	**1,162.14**
Net book value											
As at March 31, 2019	**230.05**	**27.04**	**1,247.85**	**130.23**	**1,210.57**	**57.70**	**42.77**	**29.34**	**71.09**	**10.37**	**3,057.01**
As at March 31, 2020	**281.23**	**27.04**	**1,501.27**	**171.56**	**1,307.71**	**49.06**	**45.53**	**30.43**	**78.64**	**11.07**	**3,503.54**

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

Notes:

(a) Property, plant and equipment except leasehold land and assets capitalised under finance lease arrangement is owned by the Group. The title deeds of the immovable properties are held in the name of the Group companies subject to charge created for borrowings as detailed in note 19(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

Notes (cont..)

(b) Buildings include those constructed on leasehold land as follows:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Gross block	**744.41**	**739.57**
Additions	2.07	4.84
Total gross block	**746.48**	**744.41**
Accumulated depreciation	**(84.57)**	**(55.84)**
Charge for the year	(28.91)	(28.73)
Total accumulated depreciation	**(113.48)**	**(84.57)**
Net book value	**633.00**	**659.84**

3(ii) Capital work in progress

₹ in Million

	Total
As at April 1, 2018	**25.33**
Additions	394.08
Capitalised	(153.04)
As at March 31, 2019	**266.37**
Additions	295.33
Capitalised	(416.21)
As at March 31, 2020	**145.49**

4 Goodwill

Following is the movement of carrying value of Goodwill:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Carrying value as per last financial statement	1,418.35	1,357.72
On account of restatement	122.25	60.63
Goodwill impairment of Wescon Controls LLC	(165.85)	-
Closing balance	**1,374.75**	**1,418.35**

Below is the Cash Generating Unit ('CGU') wise break-up of goodwill:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Wescon Controls LLC	1,110.98	1,171.57
Luxlite Lamps SARL, Luxembourg ('Luxlite Lamps')	263.77	246.78
Total	**1,374.75**	**1,418.35**

Goodwill impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis as at March 31. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the management. An average of the range of each assumption used is mentioned below:

	As at March 31, 2020	As at March 31, 2019
Growth rate	(9.6%) to 24.9%	7% to 9%
Operating margins	9.3% to 17.7%	11.6% to 20.8%
Discount rate	15.1% to 17%	12.2% to 13%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of operations and cash flows.

Based on the above assessment, the recoverable value of Wescon Controls LLC at CGU level is USD 37.2 Million (₹ 2804.36 Million) and there has been impairment of goodwill amounting to USD 2.1 Million (₹ 165.85 Million) (March 31, 2019: ₹ Nil) in relation to Wescon Controls LLC and such impairment is on account of decline in operations. The aforesaid impairment has been reflected as 'exceptional item' (refer note 35 (b)).

As at March 31, 2020, the Group assessed the carrying value of Luxlite Lamps at its CGU level, based on future operational plan, projected cash flows and valuation carried out by an external valuer. Considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill as at March 31, 2020 is appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

5 (i) Other intangible assets

₹ in Million

	Business rights	Patents	Software	Customer relationship	Non-compete agreement	Trade marks	Total
Cost							
As at April 1, 2018	**13.16**	**0.28**	**11.16**	**1,087.50**	**10.41**	**92.36**	**1,214.87**
Additions	-	0.21	33.02	-	-	-	**33.23**
On account of restatement	-	-	(0.17)	68.54	0.66	5.86	**74.89**
As at March 31, 2019	**13.16**	**0.49**	**44.01**	**1,156.04**	**11.07**	**98.22**	**1,322.99**
Additions	-	-	5.46	-	-	-	**5.46**
Acquisition (refer note 48)	-	-	0.14	-	-	-	**0.14**
Disposals	-	-	(0.15)	-	-	-	**(0.15)**
On account of restatement	-	-	0.10	103.72	0.99	8.82	**113.63**
As at March 31, 2020	**13.16**	**0.49**	**49.56**	**1,259.76**	**12.06**	**107.04**	**1,442.07**
Amortization							
As at April 1, 2018	**7.52**	**0.14**	**6.24**	**130.99**	**10.41**	**-**	**155.30**
Charge for the year	3.76	0.07	8.48	89.73	-	-	**102.04**
On account of restatement	-	-	(0.13)	7.35	0.66	-	**7.88**
As at March 31, 2019	**11.28**	**0.21**	**14.59**	**228.07**	**11.07**	**-**	**265.22**
Charge for the year	1.88	0.07	14.13	126.63	-	10.06	**152.77**
Disposals	-	-	(0.03)	-	-	-	**(0.03)**
On account of restatement	-	-	0.08	28.46	0.99	0.64	**30.17**
As at March 31, 2020	**13.16**	**0.28**	**28.77**	**383.16**	**12.06**	**10.70**	**448.13**
Net book value							
As at March 31, 2019	**1.88**	**0.28**	**29.42**	**927.97**	**-**	**98.22**	**1,057.77**
As at March 31, 2020	**-**	**0.21**	**20.79**	**876.60**	**-**	**96.34**	**993.94**

5(ii) Intangible assets under development

₹ in Million

	Total
As at April 1, 2018	**7.23**
Additions	-
Capitalised	(1.79)
As at March 31, 2019	**5.44**
Additions	0.80
Capitalised	-
As at March 31, 2020	**6.24**

6. Right-of-use assets

The Group has lease contracts for leasehold land, prepaid leasehold land rentals, factory premises and office space. Leases generally have lease terms between 1 and 99 years.

The Group also has certain leases of warehouse, with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Refer note 19(b) for lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

	Buildings	Leasehold land	Total
As at April 1, 2019	-	-	-
Recognition on transition to Ind AS 116	81.70	204.95	286.65
Additions	32.53	-	32.53
As at March 31, 2020	**114.23**	**204.95**	**319.18**
Accumulated depreciation			
As at April 1, 2019	-	-	-
Depreciation expense	52.12	4.84	56.96
As at March 31, 2020	**52.12**	**4.84**	**56.96**
Net book value as at March 31, 2020	**62.11**	**200.11**	**262.22**

7. Inventories

(Valued at lower of cost and net realisable value)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Raw materials [includes goods in transit ₹ 271.74 Million (March 31, 2019: ₹ 183.31 Million)]	1,633.08	1,531.77
Work-in-progress	172.19	173.36
Finished goods	767.46	835.08
Traded goods	327.79	279.78
Less: Allowance towards slow and non-moving items	(138.52)	(110.21)
Total	**2,762.00**	**2,709.78**

8. Investments

(Valued at fair value through profit and loss)

Non-current	As at March 31, 2020			As at March 31, 2019		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth Plan	6,602,372	27.65	182.57	-	-	-
Franklin India Short Term Income Plan - Retail Plan - Direct - Growth Plan	70,534	4,052.25	285.81	-	-	-
Franklin India Low Duration Fund - Direct - Growth Plan	8,308,818	21.10	175.35	-	-	-
Franklin India Low Duration Fund - Growth Plan	2,189,568	20.62	45.15	-	-	-
Franklin India Dynamic Accrual Fund - Direct - Growth Plan	2,179,140	71.03	154.79	-	-	-
Franklin India Credit Risk Fund - Direct - Growth Plan	2,324,084	19.80	46.03	-	-	-
			889.70			**-**
Aggregate cost of quoted investments			**837.30**			

As on March 31, 2020, the Group has an investment of ₹ 1085.28 Million in Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) as on said date. FTMF has voluntarily decided to wind up six of its fixed-income debt schemes effective April 23, 2020 and FTMF has communicated that NAV per unit will continue to be computed and declared as per the same accounting and valuation principles as done prior to April 23, 2020 without any change. The classification of said investment in current and non current investment is based on maturity profile provided by FTMF. Also refer note 35 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

8. Investments (cont…)

(Valued at fair value through profit and loss)

Current	As at March 31, 2020			As at March 31, 2019		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth Plan	4,221,188	27.65	116.74	13,276,918	26.38	350.25
Aditya Birla Sun Life Banking & PSU Debt Fund- Growth-Direct Plan (formerly known as Aditya Birla Sun Life Treasury Optimizer Plan)	1,294,728	266.96	345.65	1,049,608	241.91	253.91
Franklin India Short term Income plan - Retail Plan - Growth	-	-	-	12,117	3,997.27	48.43
IDFC Dynamic Bond Fund-Growth-(Regular Plan)	720,861	25.18	18.15	720,861	22.34	16.10
Aditya Birla Sun Life Credit Risk Fund - Gr. DIRECT (formerly known as Aditya Birla Sun Life Corporate Bond)	19,037,233	14.71	280.05	12,123,851	14.20	172.16
Aditya Birla Sun Life Credit Risk Fund Gr. DIRECT (Segregated Portfolio - 1)	19,037,233	0.43	8.25	-	-	-
HDFC Credit risk Debt Fund - Direct - Growth	10,236,037	17.44	178.55	7,169,229	15.92	114.13
ICICI Prudential Equity Arbitrage Fund - Direct plan - Growth	4,490,155	26.98	121.15	4,490,155	25.25	113.38
Franklin India Short term Income plans - Retail Plan - Direct Growth	-	-	-	51,682	4,195.69	216.84
Franklin India Low Duration Fund - Direct - Growth Plan	1,948,982	21.10	41.13	7,569,061	22.17	167.81
Franklin India Low Duration Fund - Growth Plan	513,602	20.62	10.59	2,703,170	21.74	58.77
Franklin India Dynamic Accrual Fund - Direct - Growth Plan	354,744	71.03	25.20	2,262,836	70.11	158.65
HDFC Floating Rate Debt fund - Direct Plan - Wholesale Option - Growth option	2,567,564	35.38	90.85	754,332	32.70	24.67
ICICI Prudential Savings Fund - Direct Plan - Growth	232,819	390.37	90.89	68,589	361.17	24.77
Franklin India Credit Risk Fund - Direct - Growth Plan	96,837	19.80	1.92	-	-	-
HDFC Corporate Bond Fund - Regular Plan	2,251,847	22.91	51.60	-	-	-
ICICI Prudential Credit Risk Fund - Direct Plan - Growth	3,202,645	23.15	74.13	-	-	-
ICICI Prudential All Seasons Bond Fund - Direct Plan - Growth	4,708,675	26.66	125.54	-	-	-
SBI Credit Risk Fund Direct Growth	1,604,750	33.11	53.13	-	-	-
SBI Magnum Medium Duration Fund Direct Growth	3,576,686	37.90	135.55	-	-	-
HDFC Medium Term Debt Fund - Direct Plan - Growth Option	2,472,854	42.10	104.12	-	-	-
Total			**1,873.19**			**1,719.87**
Aggregate cost of quoted investments			**1,633.43**			**1,476.50**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

9. Trade receivables

(Unsecured, carried at amortised cost)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Trade receivables	2,750.03	2,915.65
Total	**2,750.03**	**2,915.65**
Break-up for security details:		
Current		
Unsecured, considered good	2,750.03	2,915.65
Trade receivables - credit impaired	23.52	13.84
Total	**2,773.55**	**2,929.49**
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(23.52)	(13.84)
Total	**2,750.03**	**2,915.65**

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

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Further, there are no trade or other receivables which are due from firms or private companies in which any director is a partner, a director or a member.

10. Cash and cash equivalents

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Current		
Cash on hand	2.14	3.30
Balance with banks on		
Current accounts	549.36	381.06
EEFC accounts	60.27	57.93
Total	**611.77**	**442.29**

11. Other bank balances

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Margin money deposits	5.67	5.79
Total	**5.67**	**5.79**
Current		
Balance with banks on deposits with remaining maturity for less than 12 months	2.00	2.97
Earmarked balances with banks being unpaid dividend accounts*	22.15	20.17
Total	**24.15**	**23.14**

*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities. The Company transferred ₹ 0.21 Million (March 31, 2019 ₹ 0.46 Million) during the year to investor education and protection fund as per the provisions of the Companies Act, 2013.

12. Loans

(Unsecured, considered good, carried at amortised cost)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposits	54.50	45.95
Total	**54.50**	**45.95**
Current		
Advances to employees	10.01	6.41
Total	**10.01**	**6.41**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

13. Other financial assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Carried at fair value through profit and loss		
Foreign currency forward contracts	-	45.71
Total	**-**	**45.71**
Current		
Carried at fair value through profit and loss		
Foreign currency forward contracts	55.69	66.79
Carried at fair value through other comprehensive income		
Interest rate swap	-	(0.31)
Carried at amortized cost		
Interest receivable on bank deposits and others	2.05	2.49
Total	**57.74**	**68.97**

14. Income tax assets (net)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Advance income-tax, including paid under protest (net of provision for taxation)	47.65	29.50
Total	**47.65**	**29.50**

15. Deferred tax asset (net)

₹ in Million

Non-current	As at March 31, 2020	As at March 31, 2019
Deferred tax:		
Other timing differences	-	0.32
Total	**-**	**0.32**

16. Other assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Capital advances	27.33	52.86
Prepaid leasehold land rentals	-	160.56
Balances with statutory / Government authorities	6.18	31.61
Others	3.95	4.68
Total	**37.46**	**249.71**
Current		
Advances to suppliers	64.52	111.95
Prepaid leasehold land rentals	-	1.81
Prepaid expenses	70.48	64.78
Export benefits receivable	58.23	42.70
Balances with statutory / Government authorities	196.36	182.55
Government grant	5.52	-
Others	-	0.44
Total	**395.11**	**404.23**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

17. Equity share capital

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
850,000,000 (March 31, 2019: 850,000,000) equity shares of ₹ 1 each	850.00	850.00
Issued, subscribed and fully paid-up equity share capital		
139,872,473 (March 31, 2019: 139,872,473) equity shares of ₹ 1 each	139.87	139.87
Total	**139.87**	**139.87**

(a) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share and such amount of dividend per share as declared by the Company. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2020		As at March 31, 2019	
	No. in Million	₹ in Million	No. in Million	₹ in Million
Equity shares				
At the beginning of the year	139.87	139.87	139.87	139.87
Issued during the year	-	-	-	-
Outstanding at the end of the year	**139.87**	**139.87**	**139.87**	**139.87**

(c) Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2020		As at March 31, 2019	
	No. in Million	%	No. in Million	%
Equity shares of ₹ 1 each fully paid				
Supriyajith Family Trust	53.15	38.00%	-	-
Mr. K. Ajith Kumar Rai	3.82	2.73%	44.30	31.67%
Smt. Supriya A Rai	1.76	1.26%	14.35	10.26%

(d) Shares reserved for issue under share based payments

	As at March 31, 2020	As at March 31, 2019
Outstanding employee stock options under below schemes, granted / available for grant (refer note 47):		
Employee Stock Appreciation Rights (SEL ESAR 2017)	825,751	848,442

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31, 2020	As at March 31, 2019
Equity shares (No.)		
Equity shares allotted as fully paid-up pursuant to contract (no.)		
The Company issued 8,533,699 equity shares of ₹ 1 each to the minority shareholders of Phoenix Lamps Limited, as part of merger	8,533,699	8,533,699

(f) The Company has neither issued any bonus shares nor bought back any shares for the period of five years immediately preceding the date as at which the Balance sheet is prepared.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

18. Other equity

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Capital reserve		
Balance as per last financial statements	5.13	5.13
Closing balance	**5.13**	**5.13**
Capital redemption reserve		
Balance as per last financial statements	293.70	293.70
Closing balance	**293.70**	**293.70**
Securities premium		
Balance as per last financial statements	1,861.81	1,861.81
Closing balance	**1,861.81**	**1,861.81**
General reserve		
Balance as per last financial statements	3,318.33	2,418.33
Add: Transferred from 'Surplus in the statement of profit & loss'	750.00	900.00
Closing balance	**4,068.33**	**3,318.33**
Share based payments reserves		
Balance as per last financial statements	50.22	-
Add: Share based payments expense (refer note 47)	1.90	50.22
Closing balance	**52.12**	**50.22**
Surplus in the statement of profit & loss		
Balance as per last financial statements	1,897.30	1,723.59
Add: Profit for the year	1,039.65	1,337.94
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	(2.47)	(8.85)
Less: Net change in fair value of Hedging instrument	(6.13)	(2.44)
Less: Appropriations		
First interim dividend [₹ 0.75 (March 31, 2019 ₹ 0.70) per share]	(104.90)	(97.91)
Second interim dividend [₹1.00 (March 31, 2019 ₹ Nil) per share]	(139.87)	-
Final dividend [March 31, 2019: ₹ 0.85 (March 31, 2018 : ₹ 0.80) per share]	(118.89)	(111.90)
Dividend distribution tax	(74.75)	(43.13)
Transfer to general reserve	(750.00)	(900.00)
Closing balance	**1,739.94**	**1,897.30**
Foreign currency translation reserve		
Balance as per last financial statements	184.37	106.57
Add: Net exchange differences on translation of foreign operations	192.41	77.80
Closing balance	**376.78**	**184.37**
Total	**8,397.81**	**7,610.86**

Summary of other equity:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Capital reserve	5.13	5.13
Capital redemption reserve	293.70	293.70
Securities premium	1,861.81	1,861.81
General reserve	4,068.33	3,318.33
Share based payments reserves	52.12	50.22
Surplus in the statement of profit & loss	1,739.94	1,897.30
Foreign currency translation reserve	376.78	184.37
	8,397.81	**7,610.86**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Distribution made and proposed ₹ in Million

	As at March 31, 2020	As at March 31, 2019
Cash dividends on equity shares declared and paid:		
First interim dividend for the year ended March 31, 2020: ₹ 0.75 per share (March 31, 2019: ₹ 0.70 per share)	104.90	97.91
Second interim dividend for the year ended March 31, 2020: ₹ 1.00 per share (March 31, 2019: ₹ Nil per share)	139.87	-
Final dividend for the year ended March 31, 2019: ₹ 0.85 per share (March 31, 2018: ₹ 0.80 per share)	118.89	111.90
Dividend distribution tax	74.75	43.13
	438.41	**252.94**
Proposed dividends on equity shares:		
Final dividend for the year ended on March 31, 2020: ₹ Nil per share (March 31, 2019: ₹ 0.85 per share)	-	118.89
Dividend distribution tax	-	24.44
	-	**143.33**
Proposed dividend on equity shares are subject to approval by shareholders at the Annual General Meeting and hence not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2020 and March 31, 2019.		

Nature and purpose of reserves

18.1 Capital reserve

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

18.2 Capital redemption reserve

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

18.3 Securities premium

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

18.4 General reserve

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

18.5 Share based payments reserves

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

18.6 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

19. (a) Borrowings

(Carried at amortized cost)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured		
Term loans		
from banks (refer note [i] below)	884.06	1,274.04
from a financial institution (refer note [ii] below)	51.19	144.75
from banks - External Commercial Borrowing (ECB) (refer note [iii] below)	415.25	194.26
	1,350.50	**1,613.05**
Less: Current maturities of (refer note 21):		
Secured term loans other than finance lease obligation	(690.29)	(639.25)
Total	**660.21**	**973.80**
Current		
Secured (refer note [iv] below)		
Loans repayable on demand		
Working capital loan from banks and financial institutions	2,385.89	1,898.70
Unsecured (refer note [v] below)		
Working capital loan from banks and financial institutions	67.03	108.90
Total	**2,452.92**	**2,007.60**

(i) Term loan from bank consists of:

(a) Indian Rupee term loan of ₹ Nil (March 31, 2019: ₹ 83.33 Million), for which interest was charged at agreed rate over and above MCLR and was repayable in 4 quarterly installments of ₹ 13.90 Million each, after a moratorium of nine months from the date of disbursement of loan, the loan has been paid in full in January, 2020. The loan was secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets.

(b) USD 8.75 Million (₹ 659.63 Million) (March 31, 2019: USD 13.75 Million [₹ 951.11 Million]), borrowed by Suprajit USA Inc., during the year ended March 31, 2017 towards acquisition of Wescon Controls LLC, USA, the principle loan borrowed was USD 25 Million (₹ 1,683.25 Million), the term loan carried interest at Libor plus 2.30% (March 31, 2019: Libor plus 2.30% p.a), the loan is repayable on quarterly installments starting from December 31, 2017, the loan is due for repayment in full by September 30, 2021. The loan is collateralised by substantially all of the assets of the Suprajit USA Inc. and is guaranteed by the Company.

Suprajit USA Inc. has entered into an interest swap agreement to mitigate the risk of floating rate and accordingly Suprajit USA Inc. pays fixed rate of interest.

(c) Foreign currency term loan in Suprajit Automotive Private Limited (SAPL) of EURO 2.65 Million (₹ 224.43 Million) (March 31, 2019: EURO 3.03 Million [₹ 239 Million]) carries interest rate at USD-Libor-BBA plus 2% and is repayable in 16 quarterly installments of EURO 0.19 Million, the loan repayment started from November 29, 2019. The loan is secured by pari-passu charge on the present and future current assets including stocks and receivables of SAPL and first exclusive charge by way of equitable mortgage of property located at 25 & 26-A (part), KIADB industrial area, Veerapura Village, Doddaballapur, Bengaluru - 561 203 belonging to SAPL.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(ii) Term loan from financial institution represents Indian Rupee loan which carries a floating interest rate linked to Bajaj Finance Limited base rate. The loan is repayable in 15 quarterly installments ranging from ₹ 2.78 Million to ₹ 9.52 Million each, loan is due for repayment in full by November, 2020. The loan is secured by pari-passu first charge on the entire movable fixed assets with minimum fixed assets coverage ratio.

(iii) External commercial borrowing is the term loan of EURO 5.00 Million (₹ 415.25 Million) (March 31, 2019: EURO 2.5 Million [₹ 194.26 Million]) which carries interest rate of EURIBOR plus 1.25% and is repayable by the Company in 16 quarterly installments of EURO 0.31 Million, the loan repayment starts from May 20, 2020. The loan is secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets of the Company.

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

(iv) Current secured borrowings consists of:

- Working capital loans availed from banks by the Company and SAPL are secured by current and future current assets. These facilities are also collaterally secured by pari-passu charge on entire current & future fixed asset (except certain plant and equipment on which exclusive charge has been created towards term loans) and equitable mortgage. Working capital demand loan, cash credit and overdraft is repayable on demand. These facilities carry interest in the range of 7.11% to 13.46% p.a. (March 31, 2019: 8% to 12.9% p.a.) Line of credit availed by Suprajit USA Inc., expiring in August, 2020 is collateralized by substantially all of the assets of that Suprajit USA Inc., and is guaranteed by the Company with interest varying with the LIBOR rate plus 2.75%, which was 3.75% on March 31, 2020 (March 31, 2019: 5.25%).
- Foreign Currency Loans are taken from bank and carry interest rate of 1.50%.
- Packing credit loans from banks are taken for a term not exceeding 180 days and carry interest rate of 3% to 6%. (March 31, 2019: 4% to 6%)
- Bill discounting facility in the Company is repayable over a term of 60 to 90 days with a fixed interest rate of 9.75% p.a. (March 31, 2019: 9.75% p.a.)

(v) Current unsecured borrowings consists of bill discounting facility in Luxlite Lamps SARL which represents the receivables assigned to a factoring firm that does not takeover the default risk.

19. (b) Lease liabilities

(Carried at amortised cost)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Lease Liabilities	59.15	-
Total	**59.15**	**-**
Current		
Lease Liabilities	43.91	-
Total	**43.91**	**-**

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method.

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

₹ in Million

	As at March 31, 2020
As at April 1, 2019	
Recognition on transaction to Ind AS 116	128.16
Additions	32.53
Accretion of interest	8.42
Payments	(66.05)
As at 31 March 2020	**103.06**
Current	43.91
Non-current	59.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The effective interest rate for lease liabilities is 3% to 9.45%, with maturities between 2021 and 2033.

The following are the amounts recognised in profit or loss:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Depreciation expense of right-of-use assets	56.96	-
Interest expense on lease liabilities	8.42	-
Expense relating to short-term leases / leases of low-value assets (included in other expenses)	36.82	-
Total amount recognised in statement of profit and loss	**102.20**	**-**
The Group had total cash outflows for leases of ₹ 66.05 Million in March 31, 2020. The Group had non-cash additions to right-of-use assets of ₹ 319.18 Million and lease liabilities of ₹ 160.69 Million during the year ended March 31, 2020.		
The Group is obligated under non-cancellable lease for factory land and premises, warehouse, office and residential space that are renewable on a periodic basis at the option of both the lessor and lessee.		

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

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Not later than one year	77.58	51.49
Later than one year and not later than five years	45.26	39.69
More than five years	43.93	16.25
Total	**166.77**	**107.43**

20. Trade payables

(Carried at amortised cost)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Current		
Trade payables		
- Total outstanding dues of micro and small enterprises*	96.46	58.08
- Total outstanding dues of creditors other than micro and small enterprises	2,043.65	1,693.15
Total	**2,140.11**	**1,751.23**
Terms and conditions of the above financial liabilities: - Trade payables other than micro and small enterprises are non-interest bearing and are normally settled on 15-60 days terms. - For explanations on the Group's liquidity risk management (refer note 46).		
*The Group has amounts due to micro and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2020 and March 31, 2019. The details in respect of such dues are as follows:		

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier at the end of accounting year	95.82	57.18
Interest due thereon remaining unpaid to any supplier at the end of accounting year	0.14	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year	0.60	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	0.20	0.84
The amount of interest accrued and remaining unpaid at the end of accounting year	0.64	0.90
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.64	0.90
The information given above has been determined to the extent such parties have been identified on the basis of information available with the Group.		

21. Other financial liabilities

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
(Carried at amortised cost)		
Security deposits	19.29	16.98
(Fair value through profit and loss)		
Provision for MTM losses on forward contracts	11.82	-
Total	**31.11**	**16.98**
Current		
(Carried at amortised cost)		
Current maturities of long-term borrowings (refer note 19)	690.29	639.25
Interest accrued but not due on borrowings	13.63	13.70
Capital creditors	26.78	52.84
Employee related liabilities	99.01	154.31
Payable to directors (refer note 43)	34.56	39.73
Security deposits	0.07	0.07
Unpaid dividend	22.15	20.17
Others	0.81	1.23
(Fair value through profit and loss)		
Provision for MTM losses on forward contracts	4.14	-
Provision for MTM losses on Interest rate swap	1.70	-
(Fair value through other comprehensive income)		
Provision for MTM losses on Interest rate swap	8.58	-
Total	**901.72**	**921.30**

22. Provisions

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Provision for employee benefits		
Gratuity (refer note 41(b))	32.17	56.17
Others (including pension)	11.38	12.74
Provision for diminution in value of investments (refer note 35(a))	108.53	-
Total	**152.08**	**68.91**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Current		
Provision for employee benefits		
Gratuity (refer note 41(b))	21.91	9.31
Compensated absences	81.71	75.28
Others	0.36	-
Provision for warranties*	13.97	17.40
Total	**117.95**	**101.99**
*A provision is recognized for expected warranty claims on products sold during the year, based on past experience level of repairs and returns. It is expected that the significant portion of these costs will be incurred within one year of the balance sheet date. Assumption used to calculate the provision for warranties are based on current sales level and current information available about warranty claims based on warranty period for all products sold. During the year the Group has utilised the provision of ₹ 3.43 Million.		

23. Current tax liabilities (net)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Current		
Provision for income tax (net of advance tax and tax deducted at source)*	59.68	118.62
Total	**59.68**	**118.62**
*represents tax payable for current year and provision made in respect of uncertain tax positions.		

24. Deferred tax liabilities (net)

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
Property, plant and equipment and Intangible assets	618.61	656.82
Fair valuation of financial instruments	71.86	102.89
(A)	**690.47**	**759.71**
Deferred tax assets		
Expenditure allowable for tax purposes when paid	49.97	67.34
Provision for diminution in value of investments	27.31	-
Provision for doubtful debts and advances	4.02	4.33
Provision for employee benefits	36.52	48.55
On intercompany stock eliminations	9.91	4.88
(B)	**127.73**	**125.10**
Net deferred tax liabilities (A-B)	**562.74**	**634.61**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

25. Other liabilities

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Non-current		
Government grants*	13.44	14.83
Total	**13.44**	**14.83**
Current		
Advances from customers	10.20	13.10
Government grants*	7.44	8.79
Unearned income	-	12.74
Statutory dues	54.38	74.51
Others	0.44	2.52
Total	**72.46**	**111.66**

*Government grants received includes grant received in nature of customs duty exemption on import of certain property, plant and equipment and deferred income on packing credit loans taken from banks at concessional rate of interest. There are no unfulfilled conditions or contingencies attached to these grants.

₹ in Million

	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	23.62	24.64
Add: Received during the year	20.63	27.69
Less: Transferred to the consolidated statement of profit and loss (refer note 27)	(23.37)	(28.71)
Closing balance	**20.88**	**23.62**

26. Revenue from operations

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	15,539.39	15,814.51
Sale of services (processing charges)	2.74	5.77
Other operating revenue	86.19	78.72
Total	**15,628.32**	**15,899.00**

Refer note 42 for disaggregate revenue details based on customer geographical location.

27. Other income

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on		
Bank deposits	0.25	0.10
Income tax refund	39.06	-
Others	1.54	1.98
Liabilities no longer required written back	0.45	0.31
Gain on investments carried at fair value through profit or loss*	101.19	118.32
Government grant income	38.77	58.57
Exchange differences (net)**	31.91	179.22
Other non-operating income	10.67	21.45
Total	**223.84**	**379.95**

*Total net gain on fair value changes include ₹ 5.01 Million (March 31, 2019 ₹ 2.43 Million) as net gain on sale of investments.

**Includes mark to market gain / (loss) on foreign currency forward contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

28. Cost of materials consumed

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the beginning of the year	1,531.77	1,394.37
Add: Purchases	8,666.28	8,938.64
Less: Inventories at the end of the year	(1,633.08)	(1,531.77)
Cost of materials consumed	**8,564.97**	**8,801.24**

29. Purchases of stock-in-trade

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Auto lamps	509.17	581.85
Stop and tail lamps	11.26	14.88
Others	5.81	12.24
Total	**526.24**	**608.97**

30. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year		
Finished goods	767.46	835.08
Stock-in-trade	327.79	279.78
Work-in-progress	172.19	173.36
Total (A)	**1,267.44**	**1,288.22**
Inventories at the beginning of the year		
Finished goods	835.08	572.44
Stock-in-trade	279.78	296.68
Work-in-progress	173.36	145.84
Total (B)	**1,288.22**	**1,014.96**
Currency fluctuation arising on consolidation **(C)**	38.55	11.22
Net change in inventories of finished goods, work-in-progress and stock-in-trade (B-A+C)	**59.33**	**(262.04)**

31. Employee benefits expense

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	2,541.48	2,578.07
Contribution to provident and other funds (refer note 41)	312.24	334.62
Employee share based payments (refer note 47)	1.90	50.22
Staff welfare expenses	71.29	73.87
Total	**2,926.91**	**3,036.78**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

32. Finance cost

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on		
Borrowings	192.61	236.53
Lease liabilities (refer note 19 (b))	8.42	-
Others	5.50	6.15
Exchange fluctuation on foreign currency borrowings, net (to the extent regarded as borrowing cost)	17.64	-
Loan processing and other charges	2.40	2.86
Total	**226.57**	**245.54**

33. Depreciation and amortization expense

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 3)	371.53	307.93
Depreciation of right-of-use assets (refer note 6)	56.96	-
Amortization of intangible assets (refer note 5)	152.77	102.04
Total	**581.26**	**409.97**

34. Other expenses

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Power and fuel	244.91	248.25
Labour charges	13.59	5.06
Rent	36.82	94.20
Repairs and maintenance		
Buildings	27.35	24.44
Machinery	81.01	84.61
Others	107.66	107.76
Insurance	42.37	43.20
Rates and taxes	32.21	25.65
Travelling and conveyance	113.24	115.30
Legal and professional fees	120.06	77.83
Payment to auditors	21.73	17.43
Freight and forwarding charges	283.04	303.26
Advertisement and sales promotion	21.00	36.65
Sales commission	36.95	47.75
Directors' sitting fees and commission	2.46	2.72
Allowance for doubtful receivables (net)	20.58	2.77
Printing and stationery	14.04	13.46
Security expenses	34.48	30.19
Communication expenses	21.18	20.27
Loss on disposal of property, plant and equipment (net)	1.32	2.01
Research and development expenses	4.64	2.75
CSR expenditure (refer note (i) below)	34.02	28.23
Miscellaneous expenses	49.21	52.49
Total	**1,363.87**	**1,386.28**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(i) Details of CSR expenditure

As per Section 135 of the Company's Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Holding Company. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. The Group has made contribution to Suprajit Foundation. Suprajit Foundation is engaged in the activities of eradication of hunger, malnutrition, promoting education and healthcare.

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

₹ in Million

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Group during the year		33.46	27.64
Total		**33.46**	**27.64**
b) Amount spent during the year ended March 31, 2020:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction / acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	34.02	-	34.02
c) Amount spent during the year ended March 31, 2019:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction / acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	28.23	-	28.23
d) Refer note 43 (b) for details of contribution to Suprajit foundation in relation with CSR expenditure			

35. Exceptional items (net)

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Provision for diminution in value of investments (refer note a)	108.53	-
Impairment of goodwill (refer note b)	165.85	-
Total	**274.38**	**-**

(a) As on March 31, 2020, the Group has an investment of ₹ 1085.28 Million in Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) as on said date. FTMF has voluntarily decided to wind up six of its fixed-income debt schemes effective April 23, 2020 and FTMF has communicated that NAV per unit will continue to be computed and declared as per the same accounting and valuation principles as done prior to April 23, 2020 without any change. The Group has made an assessment and made a provision of ₹ 108.53 Million on a best estimate basis, factoring regular updates given by FTMF, maturity profile of schemes and other factors such as historical yield, expected future returns from the underlying investments made by the funds etc.

(b) The Group has carried out the annual impairment exercise for the year ended March 31, 2020 in respect of carrying value of Goodwill and basis valuation carried out by an external specialist, an impairment provision of ₹ 165.85 Million towards carrying value of goodwill in Wescon Controls LLC has been recorded.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

36. Tax expense (net)

Income tax expense in the consolidated statement of profit and loss consist of the following: ₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	467.00	650.95
Deferred tax charge / (credit)	(104.67)	82.25
Current tax relating to earlier periods	(73.35)	(18.93)
Total	**288.98**	**714.27**

Reconciliation of tax to the amount computed by applying the statutory income tax rate to the income before tax is summarized below: ₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Profit / (loss) before tax expense	**1,328.63**	**2,052.21**
Applicable tax rates in India*	25.17%	34.94%
Computed tax charge (A)	**334.39**	**717.04**
Components of tax expense		
Tax effect of exempt income	(15.03)	(26.59)
Current tax relating to earlier periods	(73.35)	(18.93)
Opening deferred tax reversal due to change in tax rate*	(63.93)	-
Others (includes tax effect on differential domestic / overseas tax rate)	106.90	42.75
Total adjustments (B)	**(45.41)**	**(2.77)**
Total tax expense (A+B)	**288.98**	**714.27**

*The Group has exercised the option of availing the lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from AY 2020-21, thereby lowering the tax rate from 34.944% to 25.168% effective April 01, 2019. Accordingly, Indian entities of the Group have provided for income taxes for the year ended March 31, 2020 and re-measured the accumulated balance of deferred tax liability as at March 31, 2019, based on the rate prescribed under the aforesaid Section. The resultant impact has been taken through the consolidated statement of profit and loss. The re-measurement of accumulated deferred tax liabilities as at March 31, 2019 at the revised rate, has resulted in a one time additional deferred tax credit of ₹ 63.93 million for the year ended March 31, 2020.

37. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Computation of basic and diluted EPS:	Year ended March 31, 2020	Year ended March 31, 2019
Nominal value per equity share (₹ per share)	1	1
Profit attributable to equity shareholders (₹ in Million)	1,039.65	1,337.94
Weighted average number of equity shares (No. in Million)*	139.87	139.87
Earnings per share basic and diluted (₹ per share)**	7.43	9.57

* There are no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

** Employee stock appreciation rights outstanding as at March 31, 2020 and March 31, 2019 are anti-dilutive and accordingly have not been considered for the purpose of computing dilutive EPS for the year ended March 31, 2020 and March 31, 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

38. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 121.71 Million (March 31, 2019 : ₹ 173.47 Million)

39. Contingent liabilities

₹ in Million

	As at March 31, 2020	As at March 31, 2019
(a) Claims against Group not acknowledge as debts*		
Income Tax demands**	1.39	2.44
Value Added Tax / Central Sales Tax demands	9.51	2.17
Excise Duty / Service Tax demand	13.50	14.53
Others	7.57	6.80
(A)	**31.97**	**25.94**
(b) Others		
Bonds executed in favour of customs authority	15.00	15.00
Bank guarantees (furnished to tax authorities)	0.75	0.80
Others	5.59	4.90
(B)	**21.34**	**20.70**
Total (A+B)	**53.31**	**46.64**

*These demands are disputed by the Group and the Group has filed appeals against these orders with various appellate authorities. The management is confident that the demands raised by the Officers of the respective departments are not tenable under the respective statutory provisions. Pending outcome of the aforesaid matters under litigation, no provision has been made in the books of account towards these demands. The Group does not expect any material adverse effect in respect of the above contingent liabilities.

** Net of tax provision made for pending litigations.

(c) The Group does not have any commitments as at balance sheet date except as disclosed in note 38.

40. The Group Companies has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India, as well as in the other geographies. The Group is in the process of carrying out transfer pricing study for the year ended March 31, 2020 in this regard, to comply with the requirements of the Income Tax Act, 1961 and other applicable laws in other countries. The Management of the Group, is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the consolidated Ind AS financial statements, particularly on account of tax expense and that of provision for taxation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

41. Employee benefit plans

(a) Defined contribution plans

The Group makes contributions to Provident Fund, Employee State Insurance scheme, 401(k) plan and other Social Security Schemes which are defined contribution plan for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Group has recognised the following amounts towards the defined contribution plans in the consolidated statement of profit and loss:

₹ in Million

	Year ended March 31, 2020	Year ended March 31, 2019
Employers contribution to Provident Fund	50.05	45.08
Employers contribution to Employee State Insurance	9.41	13.09
Employers contribution to 401(k) plan	29.10	30.61

(b) Defined benefit plans

Gratuity

The Group offers gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the consolidated statement of profit and loss and the funded status and amounts recognized in the Balance Sheet.

Disclosure as per Ind AS 19

₹ in Million

	March 31, 2020	March 31, 2019
A. Change in defined benefit obligation		
Obligations at beginning of the year	189.18	155.46
Service cost	15.01	13.64
Interest cost	12.73	11.90
Benefits settled	(5.65)	(4.03)
Transfer in	-	1.10
Transfer out	-	(1.10)
Actuarial loss (through OCI)	2.04	12.21
Obligations at end of the year	**213.31**	**189.18**

	March 31, 2020	March 31, 2019
B. Change in plan assets		
Plan assets at beginning of the year, at fair value	123.70	102.02
Expected return on plan assets	9.37	8.47
Contributions	32.50	18.49
Benefits settled	(5.65)	(4.03)
Actuarial gain / (loss) (through OCI)	0.81	(1.25)
Admin expenses / Taxes paid from plan assets	(1.50)	-
Plan assets at the end of the year	**159.23**	**123.70**
Present value of defined benefit obligation at the end of the year	(213.31)	(189.18)
Fair value of plan assets at the end of the year	159.23	123.70
C. Net liability recognised in the consolidated balance sheet	**(54.08)**	**(65.48)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
D.	**Expenses recognised in the consolidated statement of profit and loss:**		
	Service cost	15.01	13.64
	Interest cost	12.73	11.90
	Expected return on plan assets	(9.37)	(8.47)
	Administrative Expenses / Taxes / Insurance Cost / Exchange Rate cost	1.50	-
	Net gratuity cost	**19.87**	**17.07**

₹ in Million

		Year ended March 31, 2020	Year ended March 31, 2019
E.	**Re-measurement (gain) / loss in OCI**		
	Actuarial (gain) / loss due to demographic assumption changes in Defined Benefit Obligation (DBO)	(0.12)	4.04
	Actuarial (gain) / loss due to financial assumption changes in DBO	(5.80)	(2.09)
	Actuarial (gain) / loss due to experience on DBO	7.94	10.26
	Return on plan assets (greater) / less than discount rate	(0.81)	1.25
	Total expenses recognised through OCI	**1.21**	**13.46**

F.	**Actual return on plan assets**	**10.18**	**7.22**

		Year ended March 31, 2020	Year ended March 31, 2019
G.	**Assumptions**		
	Discount rate	6.83% to 6.85%	7.75%
	Estimated rate of return on plan assets	6.83% to 6.85%	7.75%
	Salary increase rate [refer note K (i)]	2% for first year, 8% for second year & 9% thereafter	10.00%
	Attrition Rate	9.73% upto age 40 from Age 40-45 7.3%, Age 45 -50 4.87%, Age 50-55 2.43%, Age 55 & above 1.22%.	9.73% upto age 35 from Age 35-40 9.12%, Age 40 -45 6.08%, Age 45-50 3.04%, Age 50 & above 1.52%.
	Retirement age	58 years	58 years
	Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality(2006-08) Ult.

₹ in Million

		March 31, 2020	March 31, 2019
H.	**Pay-outs to the plan assets**		
	Within one year	21.91	9.31
	After one year but not more than five years	49.78	45.94
	After five years	69.92	68.43
		141.61	**123.69**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

I.	The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
	Investment with insurer	100%	100%

J. A quantitative sensitivity analysis for significant assumption is as below (refer note K (ii) below) ₹ in Million

	Year ended March 31, 2020		Year ended March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Effect of change in discount rate	(15.19)	17.66	(14.64)	17.15
Effect of change in salary growth	16.92	(14.82)	16.46	(14.33)
Effect of change in attrition rate	(2.77)	3.16	(3.42)	3.93

K.	Notes
(i)	The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.
(ii)	The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.
(iii)	The weighted average duration of the defined benefit obligation at the end of the reporting period is 11.75 to 17.08 years (March 31, 2019: 13.31 to 17.95 years).

42. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Holding Company assesses the financial performance and position of the Group. The Chief Executive Officer has been identified as the chief operating decision maker.

The Group has identified a single business segment being manufacturing and selling of automotive and other components. This being a single segment no additional segment disclosure has been made for the business segment.

The Group's operations are categorized geographically as (a) India (b) United States of America ('USA') (c) Rest of the world. 'Rest of the world' primarily comprises the Group's operations in the 'United Kingdom', 'Germany' and 'Luxembourg'. Customer relationships are driven based on customer domicile.

Segment revenue by geographical location are as follows:* ₹ in Million

Region	As at March 31, 2020	As at March 31, 2019
Revenue from operations		
India	9,678.11	9,365.67
USA	3,340.58	3,384.26
Rest of the World	2,609.63	3,149.07
	15,628.32	**15,899.00**

* Revenue by geographic area are based on the geographical location of the customer.
No customer individually accounted for more than 10% of the total revenue of the group during the years ended March 31, 2020 and March 31, 2019.

Non-current operating assets by geographical location are as follows:** ₹ in Million

Region	As at March 31, 2020	As at March 31, 2019
India	3,359.20	2,821.25
USA	2,593.60	2,722.48
Rest of the World	333.38	261.21
	6,286.18	**5,804.94**

** Non-current operating assets includes Property, plant and equipment, Capital work in progress, Right-of-use assets, Goodwill, Other intangible assets and Intangible assets under development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

43. Related party transactions

A. Related parties under Ind AS 24 and Companies Act, 2013

Key Management Personnel (KMP) of the Group

Mr. K Ajith Kumar Rai	Chairman w.e.f. April 01, 2019. (Chairman and Managing Director upto March 31, 2019)
Mr. Mohan Srinivasan Nagamangala	Managing Director & Group Chief Executive Officer w.e.f. April 01, 2019. (Director and Chief Executive Officer upto March 31, 2019)
Mr. Medappa Gowda J	Chief Financial Officer and Company Secretary
Mr. Peter Greensmith	Managing Director of Suprajit Europe Ltd.
Mr. Frank Klinkert	Managing Director of Luxlite Lamp SARL, Luxembourg & Trifa Lamps Germany GmbH. (Managing Director w.e.f. January 1, 2019 for Trifa Lamps)
Ms. Mary Gentzsch	Managing Director of Trifa Lamps Germany, GmbH (upto December 31, 2018)
Mr. Steve Fricker	President & CFO of Wescon Controls LLC (President w.e.f. January 11, 2019)
Mr. Mike Bright	CEO & President of Wescon Controls LLC (upto November 1, 2018)
Mrs. Dr. Supriya A Rai	Non-Executive Director
Mr. Diwakar S Shetty	Independent Director (upto March 31, 2019)
Mr. B.S. Patil, IAS (Retd)	Independent Director (upto February 02, 2020)
Mr. Suresh Shetty	Independent Director
Mr. M Jayarama Shetty	Independent Director (upto March 31, 2019)
Mr. Ian Williamson	Independent Director
Mrs. Bharathi Rao	Independent Director (w.e.f. April 01, 2019)
Mr. M. Lakshminarayan	Independent Director (w.e.f. April 01, 2019)

Relatives of KMP

Mr. Akhilesh Rai

Mr. Ashutosh Rai

Mr. Ashok Kumar Rai

Enterprises in which directors / shareholders have significant influence

Suprajit Foundation

Supriyajith Family Trust

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

B. Details of transactions with key management personnel are as given below (cont..):

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Salary and perquisites:*		
KMP		
Mr. K Ajith Kumar Rai	49.11	52.78
Mr. Mohan Srinivasan Nagamangala	18.85	17.77
Mr. Medappa Gowda J	7.35	7.56
Mr. Peter Greensmith	12.28	9.69
Mr. Frank Klinkert	22.45	17.35
Mr. Steve Fricker	17.72	23.63
Ms. Mary Gentzsch	-	12.20
Mr. Mike Bright	-	16.44
Relatives of KMP		
Mr. Akhilesh Rai	6.66	3.02
Mr. Ashutosh Rai	2.14	1.82
	136.56	**162.26**
Independent Directors remuneration (Commission and Sitting fee)		
Mr. Diwakar S. Shetty	-	0.67
Mr. B.S.Patil	0.61	0.67
Mr. Suresh Shetty	0.66	0.66
Mr. M Jayarama Shetty	-	0.73
Mrs. Bharathi Rao	0.60	-
Mr. M. Lakshminarayan	0.59	-
	2.46	**2.73**

*As the liabilities for gratuity and compensated absences are provided on an actuarial basis for the Group as a whole, the amount pertaining to the KMP and relatives of KMP is not ascertainable and, therefore, not included above. Also during the FY 2018-19 the Group granted stock appreciation rights to some of its directors and KMP. Since such rights are not tradeable, no perquisite or benefit is immediately conferred upon the employee by such grant of rights, and accordingly the said rights has not been considered as remuneration.

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Dividend Paid		
Enterprises in which directors / shareholders have significant influence		
Supriyajith Family Trust	138.19	-
KMP		
Mr. K Ajith Kumar Rai	9.85	66.44
Mr. Mohan Srinivasan Nagamangala	0.02	0.01
Mr. Medappa Gowda J^	-	-
Mrs. Supriya Rai	4.57	21.52
Mr. Suresh Shetty	1.98	1.14
Mr. Diwakar S. Shetty	-	0.03
Mr. M Jayarama Shetty	-	0.56
Mr. M. Lakshminarayan	0.01	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

B. Details of transactions with key management personnel are as given below (cont..):

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Relatives of KMP		
Mr. Akhilesh Rai	3.12	1.80
Mr. Ashutosh Rai	3.13	1.80
	160.87	**93.30**
^ Rounded off		
Reimbursements of expenses to		
KMP		
Mr. K Ajith Kumar Rai	1.46	1.64
Mr. Mohan Srinivasan Nagamangala	0.44	0.65
Mr. Medappa Gowda J	0.31	0.18
Mr. Peter Greensmith	2.54	-
Mr. Steve Fricker	0.92	0.91
Mr. Frank Klinkert	6.05	-
Mr. Mike Bright	-	0.79
Relatives of KMP		
Mr. Akhilesh Rai	0.77	0.13
Mr. Ashutosh Rai	0.24	0.15
	12.73	**4.45**
Interest paid on deposits		
Relatives of KMP		
Mr. Ashok Kumar Rai	-	0.07
	-	**0.07**
Deposits repaid		
Relatives of KMP		
Mr. Ashok Kumar Rai	-	2.00
	-	**2.00**
CSR expenditure (Contributed to)		
Suprajit Foundation (refer note 34(i))	34.02	28.23
	34.02	**28.23**

C. Balances outstanding as at year end:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Payable to		
KMP		
Mr. K Ajith Kumar Rai	26.33	33.32
Mr. Mohan Srinivasan Nagamangala	6.23	4.40
Mr. Medappa Gowda J	1.99	1.88
Mr. Frank Klinkert	1.80	0.30
Mr. Diwakar S Shetty	-	0.50
Mr. B.S. Patil, IAS (Retd)	0.50	0.50
Mr. Suresh Shetty	0.50	0.50
Mr. M Jayarama Shetty	-	0.50
Mrs. Bharathi Rao	0.50	-
Mr. M. Lakshminarayan	0.50	-
Relatives of KMP		
Mr. Ashuthosh Rai	0.15	0.12
Mr. Akhilesh Rai	1.28	-
	39.78	**42.02**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

44. (i) Fair value

The carrying value of financial instruments by categories is as follows: ₹ in Million

	As at March 31, 2020	As at March 31, 2019
Financial assets measured at amortized cost		
Trade receivables*	2,750.03	2,915.65
Security deposits	54.50	45.95
Advances to employees*	10.01	6.41
Interest receivable on bank deposit and others*	2.05	2.49
Financial assets measured at fair value through profit and loss		
Investment in mutual funds	2,762.89	1,719.87
Foreign currency forward contracts	55.69	112.50
Financial assets measured at fair value through comprehensive income		
Interest rate swap	-	(0.31)
	5,635.17	**4,802.56**
Cash and cash equivalents and other balances with banks#		
Cash on hand	2.14	3.30
Balance with banks on current accounts	549.36	381.06
Balance with banks on EEFC accounts	60.27	57.93
Balance with banks on deposit accounts	7.67	8.76
Earmarked balances with banks being unpaid dividend accounts	22.15	20.17
	641.59	**471.22**
Financial liabilities measured at amortized cost*		
Borrowings	3,803.42	3,620.65
Lease liabilities	103.06	-
Trade payables	2,140.11	1,751.23
Employee related liabilities	99.01	154.31
Interest accrued but not due on borrowings	13.63	13.70
Capital creditors	26.78	52.84
Payable to directors	34.56	39.73
Security deposits	19.36	17.05
Unpaid dividend	22.15	20.17
Others	0.81	1.23
Financial liabilities measured at fair value through profit and loss		
Provision for MTM losses on forward contracts	15.96	-
Provision for MTM losses on Interest rate swap	1.70	-
Fair value through other comprehensive income		
Provision for MTM losses on Interest rate swap	8.58	-
	6,289.13	**5,670.91**

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature.

These accounts are considered to be highly liquid / liquid and the carrying amount of these are considered to be the same as their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

44. (ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities: ₹ in Million

	Level 1	Level 2	Level 3	Total
	March 31, 2020			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	2,762.89	-	-	2,762.89
Foreign currency forward contracts	55.69	-	-	55.69
Financial assets measured at fair value through other comprehensive income				
Interest rate swap	-	-	-	-
Total financial assets measured at fair value	**2,818.58**	**-**	**-**	**2,818.58**
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on foreign currency forward contract	-	15.96	-	15.96
Provision for MTM losses on Interest rate swap	-	1.70	-	1.70
Financial liabilities measured at Fair value through other comprehensive income				
Provision for MTM losses on Interest rate swap	-	8.58	-	8.58
Total financial liabilities measured at fair value	**-**	**26.24**	**-**	**26.24**

	Level 1	Level 2	Level 3	Total
	March 31, 2019			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	1,719.87	-	-	1,719.87
Foreign currency forward contracts	-	112.50	-	112.50
Financial assets measured at fair value through other comprehensive income				
Interest rate swap	-	(0.31)	-	(0.31)
Total financial assets measured at fair value	**1,719.87**	**112.19**	**-**	**1,832.06**
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on foreign currency forward contract	-	-	-	-
Provision for MTM losses on Interest rate swap	-	-	-	-
Total financial liabilities measured at fair value	**-**	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

44. (iii) Valuation technique used to determine fair value

a) The Group holds derivative financial instruments such as foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Hence, the valuation is considered Level 2 by the management.

b) The Group enters into contracts with financial institutions in nature of interest rate swap, the fair value of which is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data, therefore, are classified with in Level 2 of the valuation hierarchy.

c) The Group has investment in quoted mutual funds these investments are carried at fair valur through profit and loss using quoted prices in active markets and accordingly classified with in Level 1 of the valuation hierarchy.

45. Capital management

The primary objective of the group capital management is to ensure that it maintains a strong credit rating and capital ratios in order to ensure sustained growth in the business and to maximise the shareholder value.

₹ in Million

	As at March 31, 2020	As at March 31, 2019
A. Total equity attributable to the shareholders of the Company (Capital)	**8,537.68**	**7,750.73**
B. Borrowings		
Non-current borrowings	660.21	973.80
Current borrowings	2,452.92	2,007.60
Current maturities of non-current borrowings	690.29	639.25
Lease Liabilities	103.06	-
Less: Cash and cash equivalents	(611.77)	(442.29)
Less: Current investments	(1,873.19)	(1,719.87)
Net debt	**1,421.52**	**1,458.49**
C. Total capital and net debt (A+B)	**9,959.20**	**9,209.22**
D. Gearing ratio (B / C)	**14%**	**16%**

(i) The Group is predominantly equity financed as evident from the capital structure table above. Further the Group has sufficient cash and cash equivalents, current investments and financial assets which are liquid to meet the debts.

(ii) In order to achieve this overall objective, the Group capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current year.

46. Financial risk management

Objective and policies:

The Group's principal financial liabilities comprise borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Groups principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit and loss investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2020.

(i) (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to change in the market interest rates. The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's borrowings with floating interest rates.

The Group enters into contracts with financial institutions in nature of interest rate swap, to mitigate the risk of changes in interest rates in respect of its borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's profit before tax due to change in the interest rate / fair value of financial liabilities are as disclosed below:

₹ in Million

	Year ended March 31, 2020		Year ended March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Effect of profit before tax expense	(39.38)	39.38	(36.38)	36.38

(i) (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses. The Group has exposures to United States Dollars ('USD'), Great Britain Pound ('GBP'), Euro ('EUR') and other currencies. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and financing activities.

Group uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its trade receivables.

Below is the summary of unhedged foreign currency exposure of Group's financial assets and liabilities.

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
USD	1.94	2.58	144.74	176.06
EUR	2.55	1.42	202.98	109.04
GBP	0.07	0.15	6.24	13.60
Total			**353.96**	**298.70**
Financial liabilities				
USD	1.48	1.78	112.16	124.26
EUR	14.42	5.93	1,197.74	465.05
GBP^	-	0.12	0.13	10.89
Others	1.89	0.74	20.33	7.59
Total			**1,330.36**	**607.77**
Net financial assets			**(976.40)**	**(309.07)**
^ Rounded off				

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these transactions are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Forward contracts outstanding are as below:

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
EUR*	2.26	2.43	187.69	188.68
GBP*	0.80	0.85	74.46	76.90
USD*	0.40	-	30.15	-
EUR**	14.50	9.33	1,204.22	724.57
GBP**	4.20	3.60	390.92	325.71
USD**	2.00	-	150.77	-
Total			**2,038.21**	**1,315.86**

* towards foreign currency receivables.

** towards highly probable foreign currency sales.

The above forward contracts are taken by Group companies for the receivables from intercompany transactions. For the purpose of consolidation intercompany balances are eliminated.

Sensitivity analysis

Every 1% appreciation or depreciation in the respective foreign currencies against functional currency of the each of the group entities would cause the profit before tax in proportion to revenue to increase or decrease respectively by 0.06% (March 31, 2019: 0.03%).

(i) (c) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of automotive cables & lamps and therefore require a continuous supply of below said products. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

The following table shows the effect of price changes in below said products:

₹ in Million

	Year ended March 31, 2020		Year ended March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax				
Steel wire	(17.23)	17.23	(21.25)	21.25
Cable components	(53.45)	53.45	(52.76)	52.76
Glass tube	(2.28)	2.28	(2.16)	2.16
Lamp components	(12.69)	12.69	(11.84)	11.84

(ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

a. Trade receivables

Credit risk is managed by each business unit as per the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

b. Credit risk exposure

The Group's credit period generally ranges from 0-270 days. The credit risk exposure of the Group is as below:

₹ in Million

		As at March 31, 2020	As at March 31, 2019
Trade receivables	**(A)**	**2,773.55**	**2,929.49**
Impairment allowance (allowance for bad and doubtful debts)			
Balance as per last financial statements		13.84	11.63
Add: Charge for the year		20.58	2.77
Less: Utilised during the year		(11.32)	(0.52)
Add / Less: Exchange differences		0.42	(0.04)
Closing balance	**(B)**	**23.52**	**13.84**
Total	**(A - B)**	**2,750.03**	**2,915.65**

The Group evaluates the concentration of risk with respect to trade receivables as low, since majority of its customers are reputed automobile companies and are spread across multiple geographies.

c. Financial instruments and cash deposits

Credit risk is limited, as the Group generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investment primarily includes investment in liquid mutual fund units. Counterparty credit limits are reviewed by the Group periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents, investment in mutual funds and the cash flow that is generated from operations. The Group believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents and deposits is as below:

₹ in Million

	As at March 31, 2020	As at March 31, 2019
Cash on hand	2.14	3.30
Balance with banks	611.63	441.96
Current Investments	1,873.19	1,719.87
	2,486.96	**2,165.13**

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

₹ in Million

	On demand	0-180 days	180-365 days	> 365 days	Total
March 31, 2020					
Non-current borrowings	-	-	-	660.21	660.21
Current borrowings	2,452.92	-	-	-	2,452.92
Lease liabilities*	-	38.79	38.79	89.19	166.77
Trade payables	-	2,140.11	-	-	2,140.11
Other financial liabilities	22.15	499.02	380.55	31.11	932.83
Total	**2,475.07**	**2,677.92**	**419.34**	**780.51**	**6,352.84**
March 31, 2019					
Non-current borrowings	-	-	-	973.80	973.80
Current borrowings	2,007.60	-	-	-	2,007.60
Trade payables	-	1,751.23	-	-	1,751.23
Other financial liabilities	20.17	581.50	319.63	16.98	938.28
Total	**2,027.77**	**2,332.73**	**319.63**	**990.78**	**5,670.91**
*Includes future cash outflow toward estimated interest on lease liabilities.					

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

47. Employee Stock Appreciation Rights ('ESAR') (Equity Settled):

Employee Stock Appreciation Rights Plan - 2017 (the ESAR 2017 Plan): Effective June 26, 2018, the Group instituted the ESAR 2017 plan. The Board of directors of the Company and shareholders approved the ESAR 2017 plan at its meeting held on September 13, 2017 and November 11, 2017 respectively. The ESAR 2017 Plan provides for the issue of stock appreciation rights (SARs) to certain employees of the Company and its subsidiaries.

The ESAR 2017 Plan is administered by the Nomination and Remuneration Committee. As per the ESAR 2017 Plan, the stock appreciation rights are granted at the exercise price of ₹ 1 /-. The equity shares covered under these stock appreciation rights vest over five years from the date of grant. The exercise period is five years from the respective date of vesting.

The movement in the rights under the ESAR 2017 plan for the year ended March 31, 2020 is set out below:

	Year ended March 31, 2020	Year ended March 31, 2019
The ESAR 2017 Plan	**No. of stock appreciation rights**	
SARs Outstanding at the beginning of the year	848,442	-
SARs Granted during the period	-	883,440
SARs Forfeited / Surrendered during the year	22,691	34,998
SARs Lapsed during the year	-	-
SARs Exercised during the year	-	-
SARs Outstanding at the end of the year	**825,751**	**848,442**
SARs exercisable at the end of the year	-	-

The stock appreciation rights outstanding on March 31, 2020 has the weighted average remaining contractual life of 7.02 years (March 31, 2019 8.02 years).
The weighted average fair value of stock appreciation rights granted during the previous year was ₹ 128.14. The Black - Scholes valuation model has been used for computing the weighted fair value considering the following inputs:

	Input Values
Weighted average share price on the date of Grant (₹)	257.65
Exercise Price (₹)	1
Expected Volatility*	35.79%
Life of rights granted in years	1-5 Years
Average risk free interest rate	7.92
Dividend Yield	0.54

* The expected volatility was determined based on historical volatility data

Total Employee Compensation Cost pertaining to the ESAR 2017 plan during the year is ₹ 1.90 Million (net of reversal of ₹ 26.04 Million recognised as cost in previous year and reversed in current year, since no longer required) (March 31, 2019 of ₹ 50.22 Million).

Employee-wise details of ESAR's granted during the year ended March 31, 2020 and March 31, 2019 to:

Senior managerial personal

Name of the employee	March 31, 2020	March 31, 2019
Mr. Mohan Srinivasan Nagamangala	-	115,385
Mr. Narayan Shankar	-	61,538
Mr. Medappa Gowda J	-	48,077
Mr. Akhilesh Goel	-	38,462

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

48. On June 03, 2019 the Company entered into an asset purchase agreement to acquire Halogen bulb manufacturing unit of Osram Lighting Private Limited situated near Chennai, Tamil Nadu. All the conditions precedent to the said acquisition were completed by October 03, 2019 and effective from October 04, 2019, the said unit commenced its operation as a part of Phoenix lamp division of the Company. The acquisition increased Company's Halogen bulb manufacturing capacity and further de-risked business. The Company evaluated the transaction as per the requirements of Ind AS-103 Business Combinations and carried out Purchase price allocation (PPA) through an external valuer. Considering that the valuation as per aforesaid PPA is not materially different from the transaction value as per asset purchase agreement, the Company has recorded the transaction at transaction values for assets and liabilities as set out below:

₹ in Million

Assets	
Property, plant and equipment*	193.66
Other intangible assets	0.14
Other non-current assets	2.46
Inventories	84.54
Loans (current)	0.76
Other current assets	1.69
Total (A)	**283.25**
Liabilities	
Liability for employee benefits	(4.76)
Total (B)	**(4.76)**
Total Consideration (A-B)	**278.49**

*The Company additionally incurred ₹ 9.14 Million as stamp duty charges on registration of Freehold Land and Building acquired from Osram Lighting Private Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

49. Additional information pursuant to para 2 of General Instructions for the Preparation of Consolidated Ind AS Financial Statements:

Contribution of net assets / (liability), share of profit, share of comprehensive income in the consolidated Ind AS financial statements:

A. As at and for the year ended March 31, 2020

₹ in Million

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss - gain / (loss)		Share in other comprehensive income - gain / (loss)		Share in total comprehensive income - gain / (loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Suprajit Engineering Limited	73%	7,816.49	130%	1,233.32	(2%)	(2.90)	110%	1,230.42
Indian subsidiary								
Suprajit Automotive Private Limited	7%	699.22	15%	139.19	0%	0.43	13%	139.62
Foreign subsidiaries								
Suprajit Europe Limited	3%	323.92	4%	38.49	5%	9.16	4%	47.65
Suprajit USA Inc.*	15%	1,600.71	(33%)	(310.81)	85%	143.50	(15%)	(167.31)
Trifa Lamps Germany, GmbH	2%	258.22	(5%)	(47.88)	10%	17.29	(3%)	(30.59)
Luxlite Lamps SARL, Luxembourg	0%	5.52	(11%)	(101.48)	1%	1.76	(9%)	(99.72)
Total	**100%**	**10,704.08**	**100%**	**950.83**	**100%**	**169.24**	**100%**	**1,120.07**
Adjustments arising out of consolidation		(2,166.40)		88.82		14.57		103.39
Total		**8,537.68**		**1,039.65**		**183.81**		**1,223.46**

* Suprajit USA Inc. represents the consolidated balances of Suprajit USA Inc. and its wholly owned subsidiary i.e. Wescon Controls LLC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

B. As at and for the year ended March 31, 2019

₹ in Million

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss - gain / (loss)		Share in other comprehensive income - gain / (loss)		Share in total comprehensive income - gain / (loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Suprajit Engineering Limited	69%	7,010.31	81%	1,148.23	(12%)	(7.77)	76%	1,140.46
Indian subsidiary								
Suprajit Automotive Private Limited	6%	631.57	17%	244.16	(2%)	(1.07)	16%	243.09
Foreign subsidiaries								
Suprajit Europe Limited	3%	285.29	5%	76.52	(8%)	(5.38)	5%	71.14
Suprajit USA Inc.*	18%	1,768.02	0%	6.65	143%	95.33	7%	109.25
Trifa Lamps Germany, GmbH	3%	288.81	(1%)	(7.49)	(16%)	(10.82)	(1%)	(18.31)
Luxlite Lamps SARL, Luxembourg	1%	105.23	(3%)	(45.10)	(6%)	(3.78)	(3%)	(48.88)
Total	**100%**	**10,089.23**	**100%**	**1,422.97**	**100%**	**66.51**	**100%**	**1,496.75**
Adjustments arising out of consolidation		(2,338.50)		(85.03)		-		(92.30)
Total		**7,750.73**		**1,337.94**		**66.51**		**1,404.45**

* Suprajit USA Inc. represents the consolidated balances of Suprajit USA Inc. and its wholly owned subsidiary i.e. Wescon Controls LLC.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W / E300004

per Rajeev Kumar
Partner
Membership No.: 213803

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

Mohan Srinivasan Nagamangala
Managing Director &
Group Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: June 12, 2020

Place: Bengaluru
Date: June 12, 2020

SUPRAJIT ENGINEERING LIMITED
CIN: L29199KA1985PLC006934
Registered & Corporate Office: No. 100 & 101, Bommasandra Industrial Area, Bengaluru-560 099
Telephone: +91-80-4342 1100, Fax: +91-80- 2783 3279
Website: www.suprajit.com, Email: info@suprajit.com

June 12, 2020

Dear Shareholder,

The Ministry of Corporate Affairs, Government of India ("MCA) has, by its circular dated 21st April, 2011 announced a "Green Initiative in the Corporate Governance "by allowing paperless compliance by companies. In terms of the said circular, service of notice / documents by a Company to its shareholders required to be made under the provisions of the Companies Act, 2013 can be made through the electronic mode.

In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, audited Financial Statements, Directors' Report, Auditors' Report, postal ballots etc., henceforth to all its esteemed shareholders, including your good self, in electronic form, through e-mail. To facilitate the same, we request you to furnish your e-mail ID, quoting your folio number / DPID / Client ID to our Registrar and share Transfer Agent at the following address:

Integrated Registry Management Services Private Limited
No. 30, Ramana Residency
4th Cross, Sampige Road
Malleswaram, Bengaluru - 560 003
Phone :+91-80-23460815-18, Fax :+91-80-23460819
E-mail : irg@integratedindia.in

We are sure you would appreciate this initiative taken by the Ministry of Corporate Affairs to reduce consumption of paper and thereby, protect the environment. We expect to receive your support and co-operation in helping the Company to contribute its share to the said initiative.

Thanking you

Yours faithfully

For Suprajit Engineering Limited

Medappa Gowda J
Company Secretary

Suprajit

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ECS MANDATE FORM

Members Holding Shares in Physical Mode	Members Holding Shares in Demat Mode
Please inform **Integrated Registry Management Services Private Limited** No. 30, Ramana Residency 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003	Please inform Your DPs directly (if not done earlier)

I hereby consent to have the amount of Dividend on my Equity Shares credited through the Electronic Clearing Service (Cash Clearing) (ECS). The particulars are:

1. Folio No. / Certificate No.	
2. Name of the 1st Holder	
3. Name of the Bank	
4. Full Address of the Branch	
5. Account Number	
6. Account Type (Please tick the relevant account)	Savings / Current / Cash Credit
7. 9 Digit Code Number of the Bank appearing on the MICR cheque issued by the Bank (Please attach a photocopy of a cheque for verifying the accuracy of the Code Number)	

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

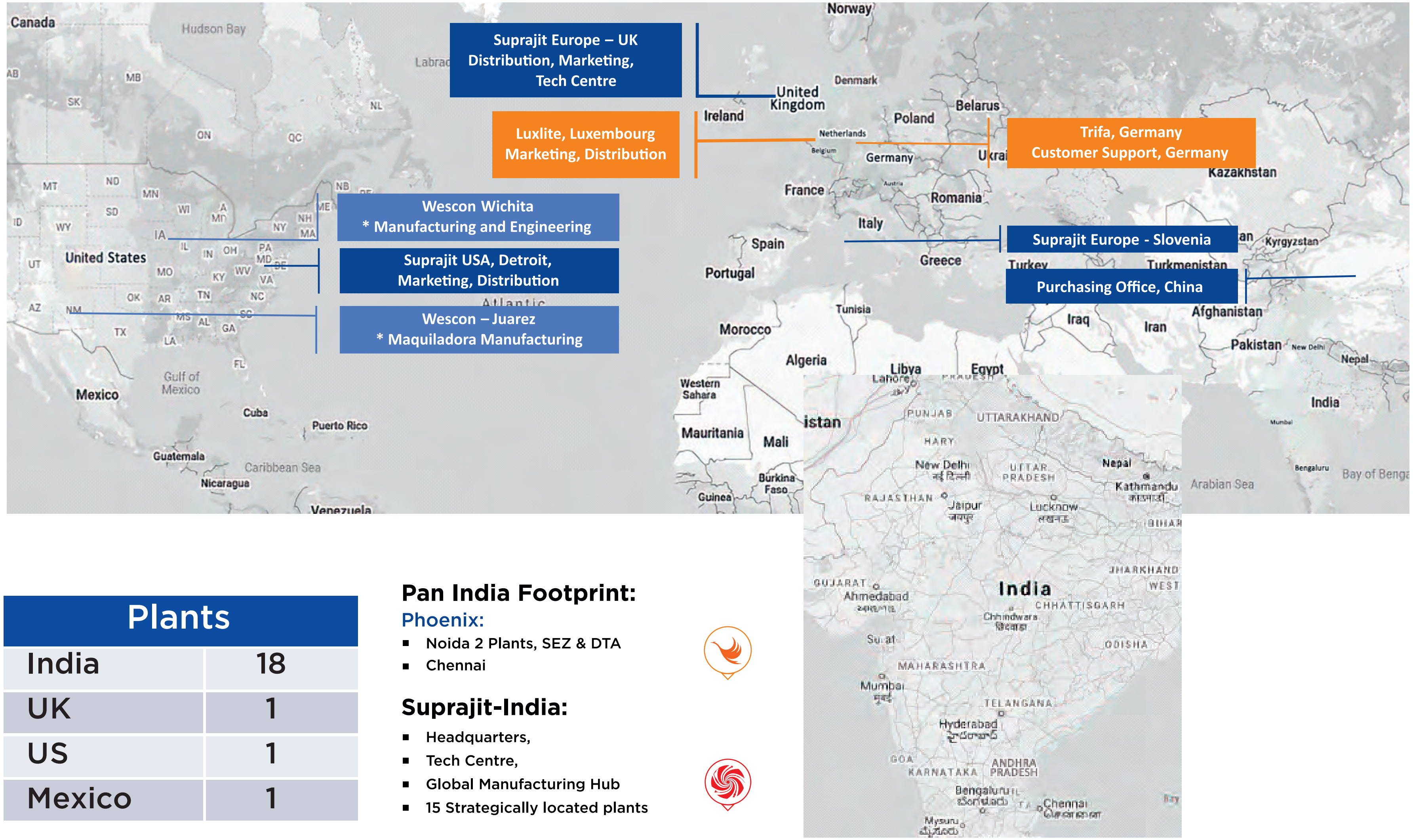
Signature of the 1st Holder as per the

Specimen signature with the Company

Name : ____________________ Address : ____________________________

Date : ____________________ ____________________________

GLOBAL FOOTPRINT



Plants	
India	18
UK	1
US	1
Mexico	1

Pan India Footprint:

Phoenix:

- Noida 2 Plants, SEZ & DTA
- Chennai

Suprajit-India:

- Headquarters,
- Tech Centre,
- Global Manufacturing Hub
- 15 Strategically located plants

SOME OF OUR KEY CUSTOMERS

Customers - automotive

Customers - 2 wheeler

Customers - Non-automotive

Customers (> US$ 3 million)

- Hero Moto Corp
- Bajaj Auto
- TVS
- Honda Group
- John Deere Group
- MTD
- Toro
- BMW
- Yamaha
- VW Group
- M&M
- Lumax
- Osram
- Ford
- Piaggio
- Renault Nissan
- Royal Enfield

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