

September 4, 2024  
SEL/SEC/ 2024-2025/48**Ref: 532509**  
**BSE Limited**  
**Department of Corporate Services**  
**P. J. Towers, 25th Floor, Dalal Street,**  
**Mumbai- 400 001****Ref: SUPRAJIT**  
**National Stock Exchange of India Ltd.**  
**Exchange Plaza, C-1, Block-G,**  
**Bandra Kurla Complex, Bandra (E)**  
**Mumbai- 400 051**

Dear Sirs,

**Sub: Submission of Annual Report of the Company for the Financial Year 2023-24 pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).**

In terms of Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report for the financial year 2023-24 along with the Notice of the Annual General Meeting, sent through electronic mode to shareholders of the Company whose e-mail addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent.

The Annual Report of the Company is also available on the website of the Company at [www.suprajit.com](http://www.suprajit.com)

Kindly take this into your record and treat this as compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

**For Suprajit Engineering Limited****Medappa Gowda. J**  
**CFO & Company Secretary**

Encl: as above



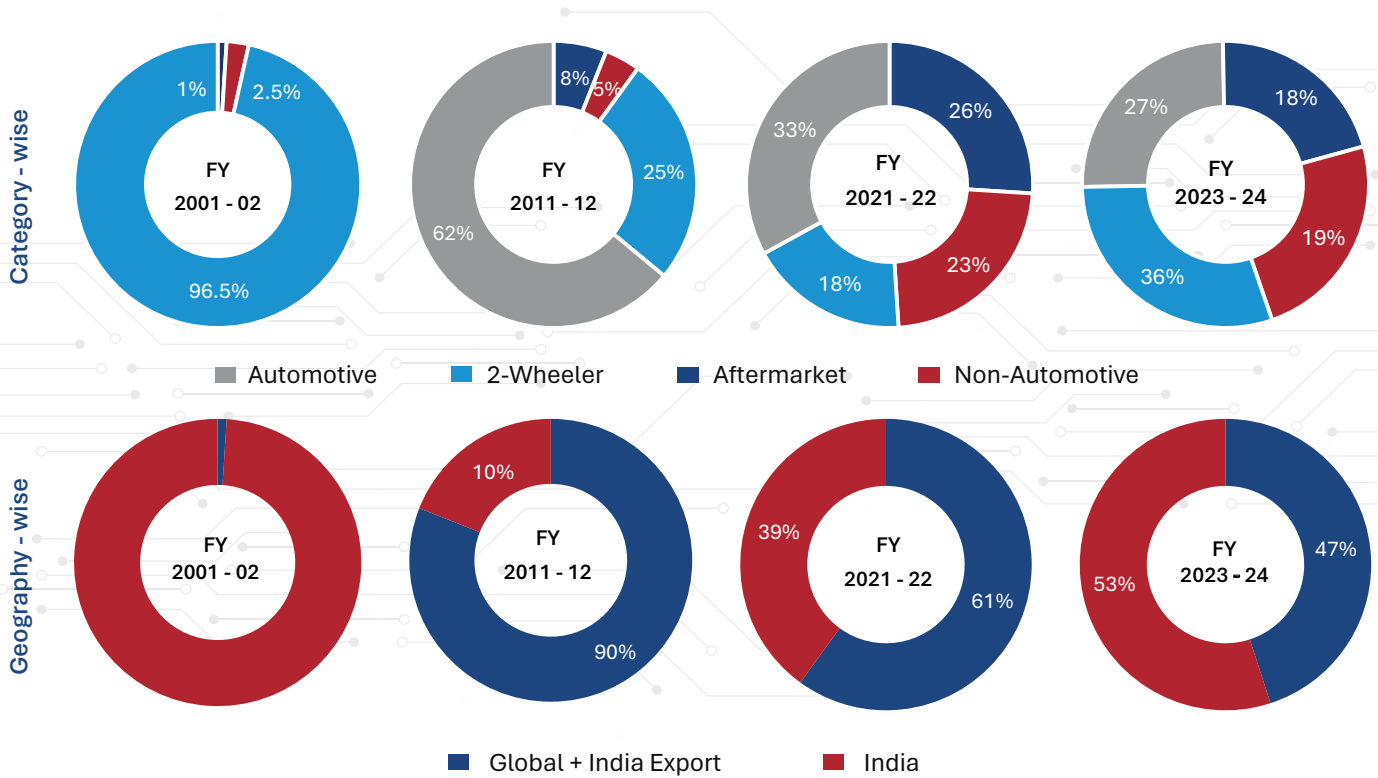
39<sup>th</sup> Year

# ANNUAL REPORT

*Driving Innovation*

2024

# SEGMENTAL AND GEOGRAPHIC SYNERGIES



## GROUP FINANCIAL HIGHLIGHTS AND KEY INDICATORS

₹ in Million

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross Income	2663	3792	4612	5107	6006	6718	10504	12954	14546	15899	15628	16409	18405	27524	28959
Profit after tax (PAT)	222	333	398	471	508	503	803	1137	1385	1338	1040	1427	1731	1521	1673
Equity and Reserves	702	969	1292	1667	2047	2408	4476	5242	6549	7751	8538	9897	10840	12245	13622
ROE%	33.89	39.84	35.22	31.85	27.36	22.58	20.90	25.49	23.49	18.71	12.77	15.48	16.69	13.18	12.93
Asset Turnover Ratio (Net assets)	3.81	4.37	4.58	4.29	3.94	4.00	4.69	4.04	3.56	3.86	3.36	3.79	4.27	4.51	4.63
Debt Equity Ratio (Term debt)	0.39	0.44	0.30	0.27	0.27	0.38	0.26	0.47	0.26	0.21	0.16	0.09	0.03	0.27	0.21
Current Ratio	1.30	1.59	1.50	1.57	1.60	1.85	1.81	1.61	1.53	1.65	1.47	1.76	2.02	1.92	1.87
Operational EBITDA %	17.28	16.18	15.51	15.69	16.01	14.90	16.20	16.55	16.53	14.64	13.99	14.43	14.12	11.58	11.25
ROCE %	41.73	46.81	44.69	37.81	37.12	31.47	29.55	29.08	26.94	23.46	17.92	18.51	18.98	16.79	#14.36
Book Value of shares (Rs.)	5.85	8.07	10.76	13.89	17.05	20.06	25.96	36.81	46.82	55.41	61.04	70.76	78.33	88.48	98.38
EPS (Rs.)	1.84	2.77	3.31	3.92	4.23	4.19	6.11	8.13	9.90	9.57	7.43	10.20	12.49	10.99	12.08
Pay out Ratio (%) to PAT **	27.32	20.19	23.12	22.13	27.99	30.27	31.36	20.35	23.19	22.23	23.43	17.75	24.62	17.04	14.67

\* \*Pay out ratio on standalone basis\* subject to shareholder's approval.

# Reducing total other income from EBIT and considering only long-term loan.



**K. Ajith Kumar Rai**  
Founder and Chairman

**“MARCHING  
AHEAD WITH  
CONFIDENCE”**

## **My Dear Shareholder,**

I am pleased to share with you the performance of Suprajit for the year 2023-24. The enclosed reports and financial statements provide you with detailed and relevant information.

Global uncertainty continued with geopolitical conflicts, inflationary trends, and higher interest rates during the last year. Disruptions in the supply chain due to issues related to the Suez and Panama Canals added to the problems. Overall, the global automotive growth remained muted. Team Suprajit managed these challenges well to clock a satisfactory performance.

**Suprajit Controls Division (SCD)** had a flat year due to the above-mentioned challenges. The division also faced significant issues relating to wage increases, particularly in Mexico, special import duties on certain Chinese imports, cross-currency impacts, and a significant downtrend in the non-automotive segment. Operationally, SCD plants performed well and have won significant new contracts in the automotive segment. It is expected that in the medium term, with increased business and further restructuring, SCD will perform better. During the year, the China plant was relocated.

**The Domestic Cable Division (DCD)** performed well, although the aftermarket business was muted. The division is additionally focusing on “beyond cable” projects, including CBS, latch assembly, actuators, etc., which would add to the growth of this division in the coming years. An industrial property was purchased during the year, with land measuring 1,75,000 sq. ft. located at Jigani Industrial Area.

**Phoenix Lamps Division (PLD)** had a turnaround year. PLD’s focus on the aftermarket, both domestic and overseas, as a ‘Last Man Standing’ strategy yielded positive results with growth in revenues as well as a significant improvement in margins. With the completion of restructuring at Trifa/Luxlite, PLD is on a clear path to grow the business profitably.



**Suprajit Electronics Division (SED)**, the new division of your Company, performed commendably during the first full year of operation. Sales of the division grew strongly through the year, with margins clocking double digits during the last quarter. Deliveries of actuators, digital clusters, and throttle position controls to marquee EV/ICE 2/3 wheelers continue to be robust, with a strong pipeline of new orders.

**Suprajit Technology Centre (STC)** - Automotive electronics, actuators, and braking products form the core product development areas of STC. New contracts have been won for these products for your Company due to excellent efforts by STC on multiple projects. STC continues to work closely with customers on new projects. Plans are being finalized to set up a larger premise to house the growing STC teams.

**Current Year:**

While the global uncertainties continue, the business through SCD is expected to grow with new contract wins in the automotive sector. The non-automotive part of the business is expected to have a challenging year. Global customers' plans to derisk specific geographies/countries are bringing in additional contracts for your Company. In line with the strategy to offer customers onshore, close-shore, and low-cost operations, your Company announced the acquisition of Stahlschmidt Group of Companies (SCS) out of insolvency proceedings in Germany. This acquisition will make your Company one of the top two cable makers in the world and a preferred cable solutions provider to every global major in the automotive/non-automotive world.

DCD will continue to pursue beyond cables projects with a strong focus on strengthening its core cable business in both OEM and aftermarket segments, to ensure robust business growth and profitability. PLD will continue to strengthen its presence in the domestic OE and aftermarket. It will also strengthen its focus on the global aftermarket business through Luxlite. PLD is expected to perform well. SED is expected to grow profitably during its second full year of operation, with new customers and product launches during the year.

The capital expenditure is estimated at Rs. 1800 million, covering the entire group.

The next few years, while challenging, will be exciting for all of us at Suprajit. With solid new business wins within various divisions of the group, your Company is emerging as a well-diversified global auto component supplier with a clear customer focus. Team Suprajit is working tirelessly to meet customer expectations and global challenges. As we consolidate our core cable business, we are emerging as a strong 'beyond cables' company, further derisking the business and growing it profitably.

I am confident that Team Suprajit will continue to deliver value to all our stakeholders, including our valued shareholders.

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

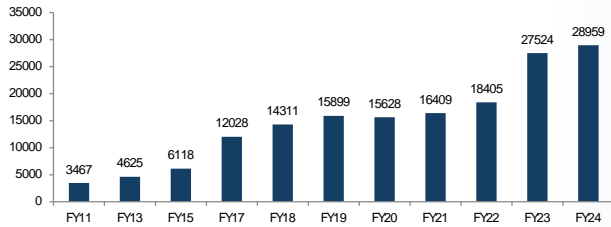
With warm personal regards,

Yours sincerely,



K. Ajith Kumar Rai,  
Chairman.

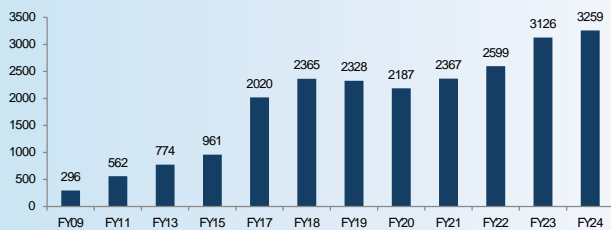
# GROUP FINANCIALS



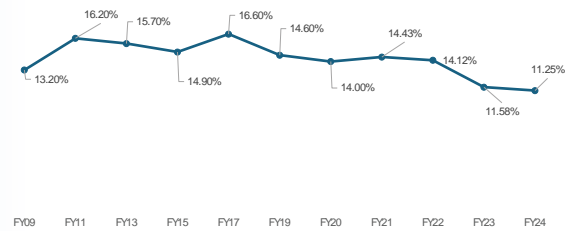
Growth in net sales (INR Mn)



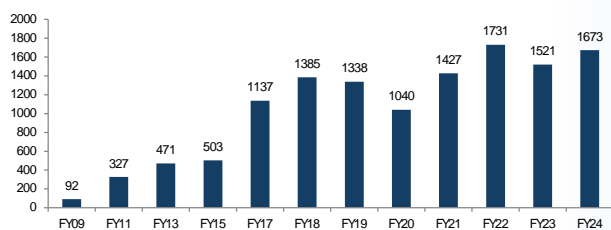
Long Term Liabilities / Equity Year



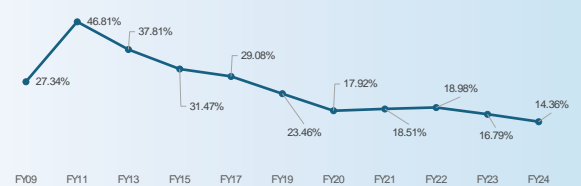
EBITDA (INR Mn)



EBITDA Margins

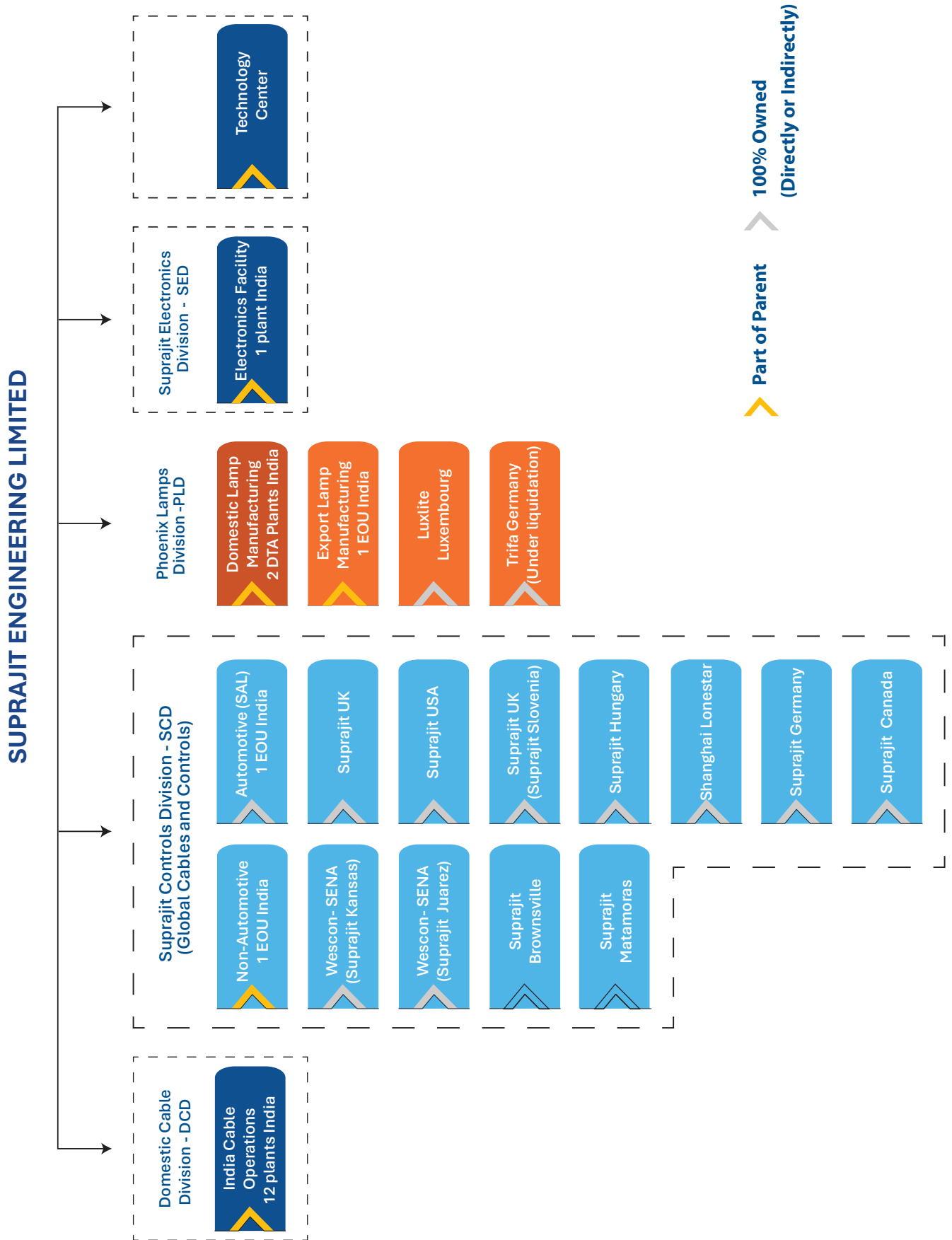


Net profit (INR Mn)



Return on Capital Employed (ROCE) %

# SUPRAJIT GROUP



# KEY MILESTONES IN OUR JOURNEY



- Consolidating position as a Leader in Global Mechanical Cable Maker.
- New plant at SAL, Bangalore and Pathredi
- Acquisition of Speedo Cable Business (PV) of Pricol
- Acquisition of Phoenix Lamps Limited
- Acquisition of Wescon Controls, Wichita, USA.
- Launched two new plants in Chennai and Sanand
- Establishment of Suprajit Technology Centre (STC)
- Acquisition of Osram Karnai Plant (Phoenix Division)
- Acquisition of Cable Division (LDC) of Kongsberg Automotive
- Inauguration of Suprajit Electronics Division and Experience Centre.
- Establishment of Suprajit Germany & Suprajit Canada.
- Signed an agreement to acquire the business of Stahlschmidt Cable Systems, Germany (SCS).

 **2011-24**

- 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, marquee global customers – now renamed as Suprajit Europe

 **2006-10**

**1996-2005**

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

**1985-95** 

- Two new cable plants in Bangalore

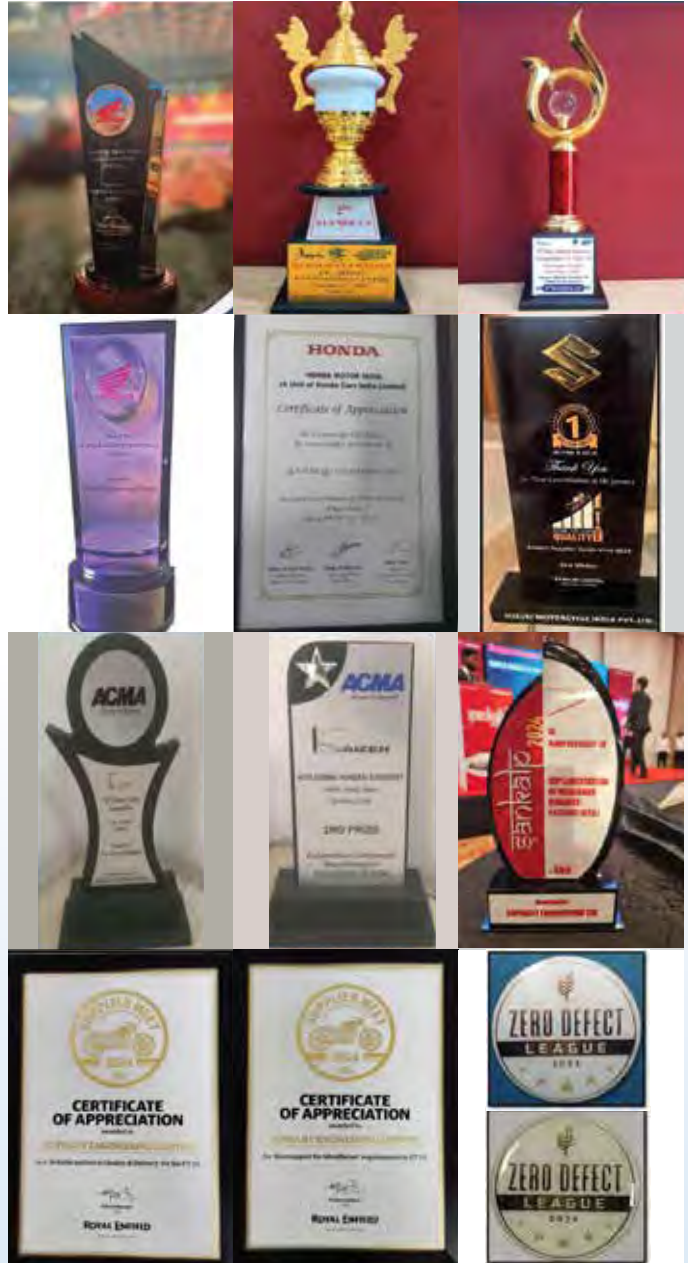
 **1985**

- Commencement of operations

# AWARDS AND RECOGNITIONS

## Recent Recognitions

- ▶ Royal Enfield - Reliable Partner In Quality & Delivery And Best Support For Aftermarket
- ▶ Ashok Leyland - Consistent Quality
- ▶ Tafe - Zero Defect League Quality Award
- ▶ Skoda - Best Practices In Sustainability
- ▶ Tata - Best Practices In Sustainability
- ▶ Aisin - Valuable Contribution – Quality Month
- ▶ Suzuki - Valuable Contribution – Quality Month
- ▶ Honda - Best Delivery & Costing Award
- ▶ BAJAJ AUTO BAVA Kaizen Competitions - 2nd Runner Up In Efficient Material Transfer” In Bava Vendor Cluster
- ▶ BAJAJ AUTO BAVA Kaizen Competitions - 2nd Runner Up In Polythene Waste Reduction” In Bava Vendor Cluster
- ▶ Honda - Suprajit Has Won The Prestigious Award For Spare Parts | Cost Competitiveness!
- ▶ Mahindra - Suprajit Has Won The Award For Branded Packaging.
- ▶ ACMA - KAIZEN Award U2





# TECHNOLOGY AND PRODUCT RANGE



**Control Cables**



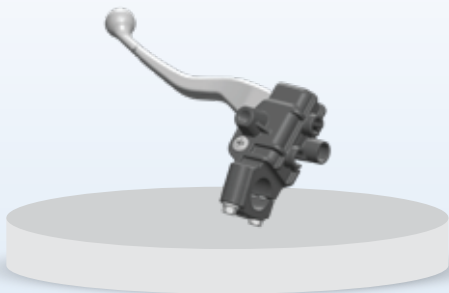
**Halogen and LED Bulbs**



**Electro-Mechanical Actuators**



**Digital Clusters**



**Combined Braking Systems**



**Throttle Position Systems**



**Complete Braking Systems**



**Friction Products**

# LEADERSHIP



**K. Ajith Kumar Rai**  
Chairman, Founder Suprajit Group  
39 years of building Suprajit



**Mohan N.S.**  
CEO, MD Suprajit Group  
11 years with Suprajit  
29 years with Bosch, Visteon, ZF



**Akhilesh Rai**  
Director & Chief Strategy Officer,  
Suprajit Group 13 years with Suprajit  
MBA London Business School



**Jim Ryan**  
President Suprajit SCD  
31 years of Global Cable  
Experience (Teleflex,  
Kongsberg, Leggett & Platt)



**Narayan Shankar K**  
COO, Suprajit DCD  
36 years with Suprajit



**Medappa Gowda J.**  
CFO & CS  
Suprajit Group  
28 years with Suprajit



**Akhilesh Goel**  
COO Phoenix PLD  
9 years with Suprajit 33+ years  
experience including Phillips.



**Praveen Rao**  
COO - SED Suprajit SED  
6 years with Suprajit  
21+ years at Tier 1 Automotives.



**Ashutosh Rai**  
CTO Suprajit Tech Center  
10 years with Suprajit  
27 patents granted



**Neil Collis**  
Managing Director  
Suprajit Europe Ltd.  
26 Years Automotive Experience  
4 Years with Suprajit



**Gopal Doraiswamy**  
VP Sales SCD  
8 years with Suprajit  
21 years Tier I Automotive



**Saliha Krich**  
MD, Luxlite Lamp 9 years with,  
Suprajit 12+ years experience  
with Automotive Lamps



## MOHAN N S

Managing Director & Group CEO

Your Company has successfully planted the flag as a major global player in the “Light duty Cable” industry with a clear and focused strategy to have an international presence and this has been noticed by all the major global OEMs and Tier1 players. This was clearly demonstrated by the faith that some of the Global OEMs reposed in us during our recent acquisition of SCS, Germany.

The mantra of “De-risk and Diversify” continue to guide the traditional products and markets and our various divisions having their goals like “Beyond Cables and Beyond two wheelers”, “Beyond Halogen”, “Beyond India”.

Traditional parts of our business like the Domestic and export cable division, Halogen bulb business continue to have clear operational focus to keep the operational hygiene and customer focus. The Domestic cable division continued its insatiable quest to win many awards from multiple customers indicating its strong leadership position. In the Phoenix lamps division, expanded Aftermarket operations was accompanied by the near completeness of the res-structuring exercise at Trifa-Luxlite.

New ventures like Electronics have made a positive impact in the minds of customers by delivering innovative and quality products within short lead times and winning accolades from the customers. Newly added international operations in Mexico, Hungary and China continue with their restructuring and streamlining and shows positive trends despite economic head winds of raised tariffs, rising labour rates. The cross-border “Max teams” formed to share the best practices across various functional domains has started to yield positive results.

Strategic moves like “One Suprajit” to move onto a single ERP, single product life cycle platform will be a key differentiator moving forward in building synergies. Enhanced awareness of Climatic changes and hence our responsibilities as a global corporate citizen has seized us and we are implementing multiple actions to bring down our carbon foot print. With multiple patents awarded and being filed for and a growing team of young, talented innovators, we are growing to become a “Technology and Solutions provider” in the Industry. Corporate Governance continues to be a clear focus as we acquire and assimilate multiple legal entities across the globe to ensure that the “Suprajit Way” and cadence is adhered to, while respecting the local laws too.

The company marches ahead with confidence despite economic, technological and geo-political challenges with single minded purpose of being relevant to all our stakeholders.



## AKHILESH RAI

Director & CSO  
(Chief Strategy Officer)

Suprajit Electronics Division sustained its strong growth, completing audits with two major global OEMs. First global supplies to passenger vehicle OEMs will start via SCD in FY25.

We seized an exciting acquisition opportunity with SCS in Germany, supported by significant customer backing. Despite the complexity of their insolvency, we see immense synergy opportunities and are actively integrating and restructuring the business under SCD.

The streamlining of Suprajit Controls Division (SCD) operations has improved its bottom line, but challenges persist. Strong acceptance of Suprajit in North America is highlighted by two record contract wins with OEM clients that were previously small customers.

Additionally, our One Suprajit initiative is advancing rapidly. One PLM and One ERP will go live in FY25, offering significant opportunities to enhance collaboration, reduce costs, and achieve better standardization.

Our focus now is on delivering our fully indigenous technology for actuation, electronics, and braking to global customers.



## MEDAPPA GOWDA J

Group CFO &  
Company Secretary

During the year transition and integration of KA-LDC entities with Suprajit Group practices was completed successfully. The Cash Management, funding the business with competitive rates planned cash management system, treasury management, balanced hedging policies implemented across group entities.

We have multiple Legal entities spread across various countries and geographies. We have robust accounting, ERP and MIS and IT support systems to manage and support operations across entities. The challenge is also managing and supporting operations located in various locations in various states of India. The Plant and entities are managed independently by respective management teams with corporate guidance and support. The model adopted by the group is successful and brings independence to all management levels and encourages them to take decisions appropriately on time avoids delay in implementing projects and carry out the operations to support the customers on time as per the plans with Corporate support for framing the policies.

The focus on legal and other compliances which are complex considering presence of entities and units located in multiple states in India and also across multiple geographies is always the priority. The Capital allocation and effective utilization funds with a target return on investment with a reasonable pay back period are part and parcel of Corporate polices to meet the investors expectation.

The corporate governance and compliance systems across the Group strengthening year on year with best practices in a with changing compliance and regulatory environments. We have structured disclosure system to keep the stakeholders and investors are well informed.

The transparent and ethical business practices reward the investors with regular returns by way of an appropriate profit distribution system through dividends are the always adopted while framing Corporate policies of the Company. The Company is committed to maintaining effective connect and relationship with stakeholders, Banks, Financial institutions, customers, employees across India and also globally.



## JAMES GERARD RYAN

President - SCD

The Suprajit Controls Division Team (SCD) pivoted this past year from integration / turnaround of LDC and placed greater emphasis on the markets and customers for growth. Significant operational improvements within LDC were somewhat offset by negative non-operational market and legacy KA issue effects, however. Additionally, a negative decision on a tariff by U.S. CBP caused negative impacts to North American costs. The acquired business is now fully integrated and operationally sound with the tariff decision in appeal. Expected growth in the new fiscal year for both revenues and profit.

The pivot to growth has resulted in record new business wins for SCD, as measured in both total cumulative annual revenues as well as a single business award size. The unique value proposition SCD has been able to provide customers via its global manufacturing, distribution and service footprint has been a key to the success. Full service from concept through launch, to end of production service and aftermarket, with local attention and global low cost manufacture has proven value to customers.

The operational work within the fiscal year included the relocation of the China facility. Construction and relocation to a newer, larger and more efficient facility was completed in December. The new facility and strengthened team now have a solid platform for growth. China is a vast opportunity for SCD and growth within the market will be a key emphasis in the coming year.

Other operational improvements were made throughout the division including restructuring of the organization for various roles including Program Management, key leadership adjustments, internalization of third party warehouse / distribution, as well as investments in upgraded equipment and automation. These efforts are contributing to improved business performance, competitiveness and growth.



## NARAYAN SHANKAR K

COO  
Domestic Cable Division

The domestic cable division continued the second year by crossing ₹ 1000 Cr, despite some units of the division moving out to other divisions. The Benchmark of revenue growth is a challenge and is achieved. The focus of the division continues to be on “Customer first, Quality must & Continual improvements.” Our managers focus on these principles when any decision is made resulting in a common goal in all the units.

From last year, our units have started manufacturing several products innovated by our STC. We are in line with the “Beyond Cables” strategy of the company and every unit is looking for new products. Some of the products manufactured are CBS, Parking brake Levers, Brake shoes, Mirrors, mechanical braking systems and many more products. The challenges of “beyond Cables” revolves on new manufacturing setups with best manufacturing methods thus create a big market for our home-innovated products. Our units will do everything necessary to meet the challenge and get customer goodwill.

Our Focus continues on Automation, Process improvement and Employee involvement through TPM Practice as a part of daily life to face future challenges.

DCD will continue with its traditional products and new products with a clear focus on “Customers and grow profitably”.





## ASHUTOSH RAI

Chief Technology Officer

Every year is a year of transformation at Suprajit. Our customers now view Suprajit as a strong engineering company with strong core competencies and the ability to solve real world engineering problems.

We are in the enviable position of having abundant avenues of growth in our product portfolio, most of which are requested by our customer. As Suprajit, it is important that we stay focused on being the gold standard supplier for a limited and carefully selected set of products and build deep expertise and fundamental knowledge in these areas.

This approach will result in customers relying on Suprajit to solve more complex problems and to design and manufacture bigger and more complex sub-systems.



## AKHILESH GOEL

COO, Phoenix Lamps Division

During the year 2023-24 Phoenix Lamps Division achieved good overall growth in Indian After Market Segment as well as Group Exports. Halogen bulbs sales in OE segment continue to de-grow because of LED penetration, we continued efforts to fill in the void by adding OLM customers and increasing after market share. Also, this year as well we continue to work on expansion into new Geography & added new customers.

2023-24 had been good because prices of Krypton, Xenon & some commodities worldwide have started coming down after peaking last year, however constant focus on VA/VE and productivity improvement projects by team has made Phoenix to grow profitably.

In 2023-24 our retrofit 2W Led sale remained consistent and we also launched LED for PV in AFM. Like last year, this year also major focus had been to localize the parts, which has been achieved successfully.

Few other achievements include commissioning of seeder gear box assembly line, product listing on e-commerce platforms (Amazon), OEM supplies from PLD Chennai, machines manufacturing for cable division. On ESG compliance we have been successful in qualifying Eco Vadis assessment and received silver medal. As part of continual improvement there has been continued focus on various initiatives like quality improvement through monthly management reviews as well as low-cost automations for productivity improvement. To remain competitive in the market, teams across all units of Phoenix Lamps Division are continuously working on cost optimization with enhanced focus on alternate materials usage, alternate supplier's introduction, waste reduction and mobilizing internal R&D resources to prioritize material validation and product performance enhancement.



## PRAVEEN RAO

COO - SED

In its maiden full year operations Suprajit Electronics Division recorded a revenue of ₹ 102 Cr. registering good growth over a low base with modest margins.

Key Products that got launched include Digital and Semi Digital Clusters, Sensors, Actuators and USB catering to customers in both ICE and the emerging EV segment. Exports also received a fillip through orders for drivers for seating systems and for Lighting applications.

Suprajit Electronics Division being an integrated solution provider all under one roof is a preferred partner for many OEMs both in India and overseas.

Capacity expansion in SMT & Assembly lines is on the anvil to cater to the growing 2w and 3w Indian markets besides export of displays, sensors and actuators to the US market.

The outlook looks positive and upbeat, and the team is gearing up the growth path with discerning products .



## NEIL COLLIS

Managing Director Suprajit Europe Ltd.

The automotive market in Europe was again a challenge as we saw large OEM's react to supply chain issues and our own supply chain was significantly affected by the Red Sea crisis in the last quarter. During this time our ability to react and our agile team ensured that we were able to maintain all customer demand whilst building on our strong customer relationships.

We have seen a very successful year in winning new business with large Automotive customers in targeted cable applications and we are now seeing opportunities beyond cables in the Off Highway sector. This is an area where we will be focusing our efforts in the coming year and look forward to utilise Suprajit's strength in product development and global presence.

As we now complete two years since the acquisition of the Light Duty Cable division from KA we are seeing very encouraging signs of improvement in the plant in Siofok, Hungary. The team has taken on the challenge and have worked incredibly well together to delivery real results. This is a journey that is set to continue into and through the coming year.

In Summary, as we move forward into the next year the targets are clear and the team locally are well motivated to succeed as we expand our product and customer base.



## GOPAL DORAISWAMY

VP – Sales & Business Development  
Suprajit Controls Division

- **Strong Customer Relationships & Acquisitions Fuel Growth:** Our relentless focus on customer relationships since acquiring LDC, combined with SAL's world-class operations, delivered record new business wins in the automotive segment for FY2024. These contracts' position us for significant growth in the coming years. Leading global OEMs continued to entrust Suprajit as a key supplier of critical components for their top-selling vehicles.

- **Navigating Market Dynamics:** Despite fluctuations due to delayed EV adoption in developed markets, we achieved stable growth. In the booming China market, particularly for EVs, our Lone Star operations are building strategic partnerships with leading Chinese Tier-1 suppliers and OEMs to leverage Suprajit Group's global capabilities.

- **Diversifying Revenue Streams:** Macroeconomic factors have led to significant decline in off-highway demand since 2022. Our proactive sales and engineering teams are creating new applications and customer segments for non-cable products like electronic sensors and multifunction displays. This focus aims to diversify revenue streams in North America, Europe, and South America.

- **Exciting FY2025 Outlook:** The global Sales team will continue to expand customer relationships, plan to secure additional major long-term contracts, and introduce innovative new product offerings across Suprajit Controls Division.



## SALIHA KRICH

Managing Director, Luxlite Lamp

*“Embrace change, and you will be ready for anything that comes your way”.*

Y2024 was the year of change for Luxlite-Trifa with significant growth.

We successfully achieved restructuring of our Operations in Europe:

- Trifa liquidation
- One re-structured legal entity: LUXLITE LAMP.

All these changes will allow us to refocus on two essential points: meet Customer needs and the optimization of operational resources. Maintaining Customer Loyalty is essential here to overcome the recession in the European aftermarket segment that becomes very competitive with the development of LED.

The international expansion of Trifa brand is a strategic priority for Luxlite Lamp. Trifa is a recognized brand in the automotive bulb sector. All marketing efforts are deployed to strengthen our presence in the global market.

A complete range of bulbs is essential to gain market share over our competitors. The launch of new “premium” products such as +150% or LED retrofit is a key Opportunity for Luxlite.

Luxlite's development will continue to be based on two essential axis: Customer Loyalty and penetration into new geographical markets.



## DEEPAK MANGALORE

Vice President - HR

As we expand globally and transition towards becoming a tech-driven organization of the future, we are dedicated to building a skilled and engaged talent pool to support this evolution. We are actively implementing numerous organizational development initiatives to create a workplace that embodies our employee value proposition of an inclusive culture, entrepreneurial spirit, and innovation excellence.

The fiscal year 2023-24 has been a transformative period for Suprajit from a people perspective. We have embarked on a journey towards leadership and cultural transformation by introducing our Employee Vision, which includes our Employee Vision statement, Value Proposition, and Core Values. This initiative aims to instill a sense of purpose, pride, and unity within the Suprajit global team while enhancing our talent development and engagement strategies.

In response to employee feedback, we have implemented a comprehensive employee wellness engagement framework focused on four dimensions of wellness: physical, mental, emotional, and social. These holistic health initiatives align seamlessly with our broader ESG (Environmental, Social, and Governance) commitments. Our primary goal is to identify and address workplace factors impacting holistic health and burnout, ultimately improving employee performance and overall organizational productivity.

Our talent philosophy centers on enabling our employees to reach their full potential by acquiring competencies and advancing their careers at Suprajit. We have launched the Talent Acceleration and Succession Charter (TASC) to identify high-potential employees early on and accelerate their development through a Performance and Potential Assessment using the 9 Box matrix. Additionally, we are identifying successors for key roles to ensure smooth transitions. In the coming years, our top talents will undergo a structured development program to expedite their growth.

In essence our people practices will continue to strengthen our employee Vision: “At Suprajit a passionate team creates an inclusive workplace and drive innovation”.



## PASCAL BRADU

General Manager - Wescon Controls LLC

They were intensive challenges in FY24 in North America marketplace for Wescon Controls. We experienced market headwinds in the Outdoor Power Equipment (OPE) market segment where we had around 20% revenue decline, compared to FY2023. This is mainly due to the spike of customer demand increases created during COVID-19 resulting in significant high level of inventory at our customers.

We continue the efforts to promote “Beyond Cables” product to our existing customer base, as well as expand new customers. We launched new products beyond cables for a Power Take Off (PTO) switch. Tech Days, promoting products along with complete systems, were re-established after COVID-19 at our customer base, new customers have been added to power sports vehicle with start of production throughout FY25 with mechanical control cables and brake levers.

Our Supply Chain, Engineering and Production teams focused on ‘Make vs Buy’ strategy and complexity reduction have started to improve our operating cost and drive inventory reduction. In addition, our productivity and manufacturing footprint optimization have shown encouraging wins which will continue in FY25.



# ENVIRONMENT & SOCIAL INITIATIVES



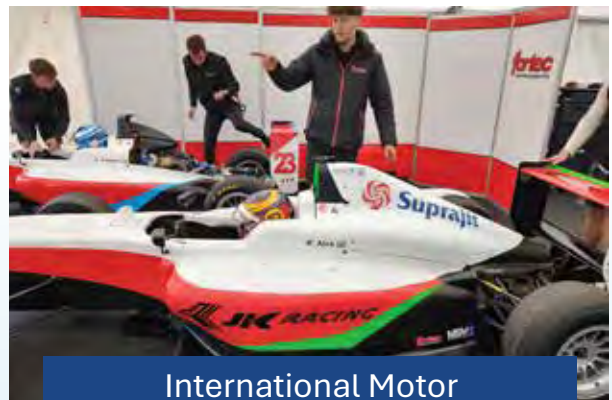
Scholarship 2023



Anganawadi Refurbication



Cancer Care Camps



International Motor Sporting by Ruhaan Alva



Activities at Government School



Support to Vittla Suprajit ITI



# ENVIRONMENT & SOCIAL INITIATIVES



Eye Care Projects



Support to Bhavan BBMP School,  
School for underprivileged



Session on Menstrual Health



Support to TB Patients



Support the English Literacy and Women  
Empowerment through OBLF Foundation



Installation of RO Unit at  
Government School



Mid Day Meal Program

## BOARD OF DIRECTORS

### K. Ajith Kumar Rai *Executive Chairman*

N S Mohan  
Managing Director & Group CEO

Akhilesh Rai  
Director & Chief Strategy Officer

Harish Hassan Visweswara  
Director

Ms. Bharati Rao  
Director

M Lakshminarayan  
Director

Dr. (Ms.) Supriya A Rai  
Director

Bhagya Chandra Rao (from April 1, 2023)  
Director

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

**CFO & COMPANY SECRETARY**  
Medappa Gowda J

**INTERNAL AUDITORS**  
Messrs Varma & Varma  
Chartered Accountants

**COST AUDITORS**  
Messrs G N V Associates  
Cost Accountants

**SECRETARIAL AUDITOR**  
Parameshwar G Bhat  
Company Secretary

Messrs R G N Price & Co  
Chartered Accountants

## COMPANY INFORMATION

### 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  
Suprajit Brownsville LLC, USA  
Suprajit Mexico S. de R.L. de C.V., Mexico  
Suprajit Hungary Kft. Hungary  
Shanghai Lone Star Cable Co. Ltd, China

### PLANTS AT:

Karnataka - 8 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 (Tamil Nadu) - 2 Plants  
Noida (Uttar Pradesh) - 2 Plants

### REGISTERED OFFICE:

Suprajit Engineering Limited  
Registered & Corporate Office:  
#100 & 101, Bommasandra Industrial Area,  
Bengaluru - 560 099  
Phone: +91-80-4342 1100 Fax: +91-80-2783 3279  
Email: info@suprajit.com  
Website: www.suprajit.com

### STOCK EXCHANGES:

BSE Ltd [BSE]  
National Stock Exchange [NSE]

### REGISTRAR AND SHARE TRANSFER AGENT:

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

### BANKERS:

State Bank of India  
Citi Bank N.A.  
HSBC Limited  
Canara Bank  
ICICI Bank Limited  
JPMorgan Chase Bank  
Axis Bank

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**SUPRAJIT ENGINEERING LIMITED**

CIN: L29199KA1985PLC006934

Registered corporate office: No. 100 &amp; 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 NINTH ANNUAL GENERAL MEETING**

Notice is hereby given that the 39th (Thirty Ninth) Annual General Meeting (AGM) of the Members of Suprajit Engineering Limited ("the Company") will be held on Thursday, September 26, 2024, at 2.30 PM. 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, 2024, 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. Akhilesh Rai (holding DIN:07982469), Director, who retires by rotation and being eligible, offers himself for re-appointment.

3. To confirm the payment of Interim Dividend of ₹ 1.10 (110%) and to declare Final Dividend of ₹ 1.40 (140%) for the financial year 2023-24.

**SPECIAL BUSINESS:**

4. To ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors of the Company for the financial year 2024-25

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 2024-25 at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, at actual, be and is hereby ratified.

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

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

**Medappa Gowda J  
Company Secretary  
Membership No.: FCS – 4111**

**Place : Bengaluru  
Date : May 29, 2024**

**NOTES**

1. Pursuant to the General Circular Nos. 20/2020, 14/2020, 17/2020, 21/2021, 19/2021, 02/2021, 02/2022, 09/2023 issued by the Ministry of Corporate Affairs ("MCA") and Circular SEBI/HO/DDHS/P/CIR/2023/0164 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. The registered office of the Company shall be deemed to be the venue for the AGM.

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

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

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



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

6. The Notice of the AGM has been uploaded on the website of the Company at [www.suprajit.com](http://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](http://www.bseindia.com) and [www.nseindia.com](http://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](http://www.evotingindia.com).

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

8. Pursuant to Circulars, the facility to appoint Proxy to attend and cast vote for the Members is not available for this AGM. However, pursuant to Section 113 of the Companies Act, 2013, representatives of the Bodies Corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

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

10. The Register of Members of the Company will remain closed from September 19, 2024 to September 26, 2024 (both days inclusive).

11. An Interim Dividend of ₹ 1.10 (110%) declared on February 14, 2024 has been paid to those Members, whose names appeared on the Company's Register of Members/ Beneficial Owners Position as per the records of the depositories as on February 26, 2024 (Record Date). Members who have not so far encashed the dividend are advised to submit their claim to the Company (Email Id: [investors@suprajit.com](mailto:investors@suprajit.com)) or RTA (Email Id: [gopi@integratedindia.in](mailto:gopi@integratedindia.in)) quoting their Folio No. /DP ID Client ID.

12. Final Dividend of ₹ 1.40 (140%) per Equity Share as recommended by the Board, if approved by the Members, will be paid to those Members whose names appear on the Register of Members of the Company/ beneficial owners as per the records of depositories as at the end of September 18, 2024.

13. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021,

SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 November 17, 2023) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

14. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

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

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

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be paid during the financial year 2024-25 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

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

Shareholders (e.g. LIC, GIC for whom Section 194 of the Act is not applicable)	-Documentary evidence that the said provisions u/s 194 are not applicable. -a declaration that it has full beneficial interest with respect to the shares owned by it along with PAN
Persons Covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	Documentary evidence that the person is covered under said Section 196 of the Act.



	<p><b>Mutual Funds:</b></p> <p>(i) Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate.</p> <p>(ii) Also a certificate that payment of / by way of dividend in respect of any securities or shares owned by it or in which it has full beneficial interest.</p>
Category - I & II Alternative Investment Funds (AIF) registered with SEBI	AIF established/incorporated in India - Self-declaration that its income is exempted under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate

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

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

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

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate

provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

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

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

The aforesaid documents, as applicable, should be received from registered e-mail ID by e-mail to Integrated Registry Management Services Pvt. Ltd at their e-mail id [gopi@integratedindia.in](mailto:gopi@integratedindia.in) / [giri@integratedindia.in](mailto:giri@integratedindia.in) or the same can be uploaded on the web link of RTA <https://www.integratedregistry.in/TaxExemptionRegistration.aspx> on or before September 18, 2024 to enable the Company to determine the appropriate TDS / withholding tax rate applicable and remit the same to the Government within the stipulated date. No communication on the tax determination/deduction received post September 18, 2024 shall be considered for payment of Dividend with the appropriate deduction / no deduction.

For withholding of taxes as mentioned above, the residential status of the shareholders will be considered as per the data available with the Company/RTA/the Depository Participants (the "DPs"). In case there is change in their status, then the shareholders are requested to update their current status with the Company/RTA/the DPs on or before September 18, 2024.

15. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through Depository Participants. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). ISIN Code No. INE399CO1030. All Shareholders holding Shares in physical form are requested to make use of this facility.

16. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4,

of which is available on the Company's website at [www.suprajit.com](http://www.suprajit.com) and on the website of the Company's Registrar and Transfer Agents, at <https://www.integratedregistry.in/KYCRegister.aspx>

Nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website [www.suprajit.com](http://www.suprajit.com). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

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

17. 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](mailto: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.

18. 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.

19. 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.

20. Members seeking any information with regard to the Financial Statements, are requested to write to the Company at [investors@suprajit.com](mailto:investors@suprajit.com) at an early date, so as to enable the Management to keep the information ready at the Meeting.

21. Notice of the AGM along with the Annual Report for the financial year 2023-24 is being sent through electronic mode to those Members whose email addresses are registered

with the Company/ Depositories, unless any member has requested for physical copy of the same. Members may note that the Notice and Annual Report will also be available on the Company's website at [www.suprajit.com](http://www.suprajit.com), websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

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

The particulars of unpaid/unclaimed Dividend etc. are available on the Company's website at [www.suprajit.com](http://www.suprajit.com) ([http://www.suprajit.com/reports\\_category/unclaimed-dividends/](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 (₹)	Date of declaration	Due date for transfer
2016-17	2017	Final	0.60	11-Nov-17	18-Dec-24
2017-18	2018	Interim	0.60	12-Feb-18	20-Mar-25
2017-18	2018	Final	0.80	14-Aug-18	19-Sept-25
2018-19	2019	Interim	0.70	11-Feb-19	19-Mar-26
2018-19	2019	Final	0.85	10-Aug-19	15-Sept-26
2019-20	2020	Interim	0.75	01-Feb-20	08-Mar-27
2019-20	2020	Interim	1.00	03-Mar-20	10-Apr-27
2020-21	2021	Interim	0.75	10-Feb-21	18-Mar-28
2021-22	2021	Final	1.00	03-Sep-21	10-Oct-28
2021-22	2022	Interim	0.90	11-Feb-22	20-Mar-29
2022-23	2022	Final	1.10	26-Sep-22	02-Nov-29
2022-23	2023	Interim	1.05	13-Feb-23	22-Mar-30
2023-24	2024	Final	1.25	25-Sep-23	01-Nov-30
2023-24	2024	Interim	1.10	14-Feb-24	23-Mar-31

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

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

24. The results of the Annual General Meeting will be declared within 2 (Two) working days from the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website ([www.suprajit.com](http://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).

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

#### **Voting through Electronic means:**

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

27. The voting period begins on Sunday, September 22, 2024 at 9.00 AM IST and ends on Wednesday September, 25 2024 at 5.00 PM IST. During this period, the Members whose names appear in the Register of Members / list of Beneficial Owners as on September 18, 2024 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.

28. 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.

29. 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.

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

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

i) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/E-voting/EvotingLogin">https://evoting.cdslindia.com/E-voting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/Ideas-DirectReg.jsp">https://eservices.nsd.com/SecureWeb/Ideas-DirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

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

(i) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

2) Click on “Shareholders” module.

3) 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.

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

5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>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.</li> </ul>
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 <ul style="list-style-type: none"> <li>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).</li> </ul>

(ii) After entering these details appropriately, click on “SUBMIT” tab.

(iii) 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.

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

(v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(vi) 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.

(vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(viii) 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.

(ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

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

(xi) 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.

#### (xii) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto:helpdesk.evoting@cdslindia.com).



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

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

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

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

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

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

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

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

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

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

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

**Mr. Akhilesh Rai – Director & Chief Strategy Officer (DIN: 07982469):**

Masters in Business Administration -

From London Business School, UK

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

Background at Suprajit (12 years):

Group CSO: Lead Acquisitions of Osram Lamp manufacturing plant and Kongsberg Automotive's LDC. Completed turnaround project at Wescon in 2019, reducing inventory significantly, increasing operational efficiency and improving long term EBITDA margins. Started Controls team for ensuring internal controls and best in class systems. Driving IS&T Technology roadmap and running productivity initiatives through digitization, data warehousing and analytics, KPI dashboards and report standardization. Mentor for Chairman's Club, mentoring a select group of 100 high performers through training initiatives, personal performance reviews and supporting accelerated growth where necessary.

**Additional information:**

Age	37
Date of Appointment as Director	June 12, 2020
Relationship between Directors <i>inter-se</i>	Son of Mr. K. Ajith Kumar Rai, Chairman and Dr Supriya A. Rai, Director
Names of listed entities in which the person holds the directorship	NIL
Membership of Committees of the Board of other listed entity	NIL
No. of Shares held in the Company	<b>12,01,766</b>
Remuneration	₹ 14.54 Million

**Statement setting out material facts under Regulation 36(5) of the Listing Regulations and Section 102 of the Companies Act, 2013:**

**Item No. 4**

It may be noted that based on the recommendation of the Audit Committee, the Board had appointed Messrs G N V and Associates, as the Cost Auditors of the Company for the financial year 2024-25 and fixed a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses at actuals. Further, in terms of the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditors requires to be ratified by the Members of the Company at the Annual General Meeting. Hence, your Board recommends the Ordinary Resolution as set out in item no. 5 for the approval of the Members.

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

**by order of the Board  
For Suprajit Engineering Limited**

**Medappa Gowda J  
Company Secretary  
Membership No.: FCS – 4111**

**Place: Bengaluru  
Date: May 29, 2024**

## BOARD'S REPORT

Your Directors have pleasure in presenting their Thirty Ninth (39th) Annual Report and the Audited Financial Statements for the financial year ended March 31, 2024 together with the Independent Auditor's Report.

### STANDALONE AND CONSOLIDATED FINANCIAL RESULTS:

₹ in Million

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Total Income	16,082.85	14,745.96	29,557.76	27,909.93
Profit before tax expense	2,903.00	2,476.79	2,277.75	2,202.40
Less: Provision for taxation	543.07	608.97	605.05	681.31
Profit after tax	2,359.93	1,867.82	1,672.70	1,521.09
Add: Surplus from last year	4,641.58	3,073.45	4,893.38	3,673.54
Less: Other Comprehensive Income	(9.38)	(2.15)	(10.95)	(3.71)
Profit available for appropriation after adjustments	6,992.13	4,939.12	6,555.13	5,190.92
<b>APPROPRIATIONS:</b>				
1. Interim dividend [₹ 1.10 (March 31, 2023: ₹ 1.05) per share]	152.29	145.31	152.29	145.31
2. Final dividend [March 31, 2023: ₹ 1.25 (March 31, 2022: ₹ 1.10) per share]	173.04	152.23	173.04	152.23
3. Balance carried to Balance Sheet	6,666.80	4,641.58	6,229.80	4,893.38

#### TRANSFER TO RESERVES

Your Board has not proposed to transfer any amounts to reserve.

#### DIVIDEND:

An Interim Dividend of ₹ 1.10 per Share of ₹ 1/- each (110%) was declared and paid during the financial year under report. After careful review, your Directors have recommended a final dividend of Re. 1.40 (140%), subject to necessary approval by the shareholders.

Total dividend outgo during the year is ₹ 325.33 million as against ₹ 297.54 million during the year 2022-23.

#### PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED DURING THE FINANCIAL YEAR ENDED MARCH 31, 2024:

During the financial year, the Company at its Board meeting held on February 14, 2024 has Re-appointed Mr. K Ajith Kumar Rai, Executive Chairman and Mr. Nagamangala Srinivasan Mohan, Managing Director and Group CEO of the Company with effect from April 1, 2024, the Requisite approvals were obtained from the Shareholders for these Re-appointments through postal ballot within the prescribe time.

In terms of the provisions of the Act and the Articles of Association of the Company, Mr. Akhilesh Rai, Director and Chief Strategy Officer of the Company, retires at the ensuing AGM and being eligible, seeks re-appointment.

The composition of the Board of Directors of the Company as on March 31, 2024 is as below:

1. Mr. K. Ajith Kumar Rai – Executive Chairman
2. Mr. Mohan N.S – Managing Director & Group CEO
3. Mr. Akhilesh Rai – Director & Chief Strategy Officer
4. Mrs. Supriya A. Rai – Non-Executive Director
5. Mr. M. Lakshminarayan – Independent Director
6. Mr. Harish Hassan Visweswara – Independent Director
7. Mrs. Bharati Rao – Independent Director
8. Mr. Bhagya Chandra Rao – Independent Director (W.e.f April 1, 2023)

#### SHARE CAPITAL:

As on March 31, 2024, the Authorized Share Capital of the Company was ₹ 850,000,000/- (Rupees Eight fifty Million) and the Paid-up Share Capital was ₹ 13,84,60,973/- (Rupees One Thirty Eight Million Four Hundred Sixty Thousand Nine Hundred Seventy Three Only).

#### DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENT 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 Sweat Equity Shares. nature of business during the financial year.

## CHANGE IN NATURE OF BUSINESS:

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

### Operations – Management Discussion and Analysis

Your Company, on a standalone basis, recorded an operational income of ₹15,367.36 million during the financial year 2023-24, compared to ₹14,310.19 million during the financial year 2022-23, reflecting a growth of 7.39%. Operational EBITDA for the year was ₹ 2,759.63 million during the financial year 2023-24, compared to ₹ 2,495.33 million during the financial year 2022-23, indicating a growth of 10.59%. The consolidated group operational income was ₹ 28,958.55 million for the financial year 2023-24, compared to ₹ 27,523.55 million for the financial year 2022-23, reflecting a growth of 5.21%. The consolidated Operational EBITDA for the year was ₹3,258.55 million during the financial year 2023-24, compared to ₹3,187.42 million during the financial year 2022-23, reflecting a growth of 2.23%.

The overall consolidated EBITDA at 11.25% and standalone operating EBITDA at 17.96% remained similar to the previous year's performance, despite the challenging business environment.

As reported last year, the business model of Suprajit has significantly changed with the acquisition of the Light Duty Cable (LDC) Division from Kongsberg and the foray into electronics. Accordingly, your Company's operations have now been regrouped into four divisions, and a brief report on each of these divisions is detailed below.

#### Suprajit Controls Division (SCD):

SCD comprises automotive and non-automotive exports from India and businesses outside of India through Unit 9/SAL/SEU/Wescon/LDC entities.

The operational revenue remained flat with an EBITDA of 6% for the year. This was largely due to global uncertainty, geopolitical disruptions, and a general economic slowdown, along with high interest rates, significant wage increases in Mexico, special import duties for Chinese products, etc. The non-automotive business contracted this year. However, strong order wins in the automotive division across geographies are a clear silver lining for this division. Operationally, all the plants are performing satisfactorily. The year also saw the relocation of the China plant.

#### Domestic Cable Division (DCD):

DCD manufactures cables and certain new products beyond cables in India. The DCD continues to perform well with a

strong EBITDA margin. However, there was a downturn in the aftermarket business. The division is slowly gaining traction for 'Beyond Cables' products, including CBS, latch assembly, actuators, etc. An industrial property was purchased during the year, with land measuring 175,000 sq. ft. located at Jigani Industrial Area, Bengaluru.

#### Phoenix Lamps Division (PLD):

PLD manufactures halogen lamps in India for the domestic market and makes direct exports through Luxlite. This division showed a significant turnaround with improved margins despite the decrease in halogen lamp usage in the original equipment segment. This division increased its revenue and restored its double-digit margins, compared to the single digits of the previous two years. The restructuring of Trifa and Luxlite is mostly complete.

#### Suprajit Electronics Division (SED):

SED comprises the electronics facility at Doddaballapur, a new division of Suprajit. SED had an excellent first year with good quarter-on-quarter growth and a double-digit margin in Q4. The division has attracted several new customers and new projects for its range of products. Deliveries of actuators, digital clusters, and throttle position controls to marquee EV/ICE 2/3 wheelers continue to scale new highs.

#### Suprajit Technology Centre (STC):

STC is the Innovation Centre at Suprajit Group, located in Bangalore. Automotive electronics, actuators, and braking products are the core range of products of STC. With close interactions with customers, new contracts have been won, and multiple products are under evaluation. Plans are afoot to set up larger premises to house the growing STC teams. Customers are now ready to consider your Company for 'Beyond Cable' projects.

#### Current Year and Outlook for the Future:

While global uncertainties continue, the business through SCD is expected to be strong with significant new contract wins in the automotive sector. The non-automotive part of the business is expected to face challenges this year. Global customers' plans to mitigate risks in specific geographies/countries are bringing in additional contracts for your Company. In line with the strategy to offer customers onshore, nearshore, and low-cost operations, your Company announced the acquisition of the Stahlschmidt Group of Companies (SCS) from insolvency proceedings in Germany. This acquisition will make your Company one of the top two cable makers in the world and a preferred cable solutions provider to every global major in the automotive/non-automotive world.

DCD is expected to pursue every business opportunity in cable and 'Beyond Cable' businesses and perform satisfactorily for the year.

With the restructuring completed, PLD will continue to focus on the global aftermarket business through Luxlite along with domestic markets. The turnaround in margins is expected to be sustained with continued growth in this division.

After a successful first year of operation, SED will consolidate and grow during this year. The division is expected to perform satisfactorily considering the additional new contracts won recently.

The overall capex for the year, for the group, is expected to be around Rs. 1,800 million, covering all divisions.

#### **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:

<b>Instrument</b>	<b>Rating Agency</b>	<b>Rating/ Outlook</b>	<b>Remarks</b>
Long Term Debt	CRISIL	AA/Stable	Re-affirmed
Long Term Debt	ICRA	AA/Stable	Re-affirmed
Long Term Debt	India Ratings & Research	AA/Stable	Re-affirmed
Short Term	CRISIL	A1+	Re-affirmed
Short Term	ICRA	A1+	Re-affirmed
Short Term	India Ratings & Research	A1+	Re-affirmed
Term Deposit	India Ratings & Research	AA/Stable	Re-affirmed

#### **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, 2024.

#### **DISCLOSURE AS PER THE COMPANIES (ACCEPTANCE OF DEPOSITS) SECOND AMENDMENT RULES, 2015.**

The Company has not accepted any unsecured loan from the Directors of the Company and/or relatives of the Directors during the year under consideration.

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

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

#### **COPY OF ANNUAL RETURN:**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of annual return in form MGT-7 of the financial year 2023-24 on its website at [www.suprajit.com](http://www.suprajit.com).

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

During the financial year, the Company has entered into the following pursuant to the provisions of Section 186 of the Companies Act, 2013:

<b>Name of the Entity</b>	<b>Particulars of Loans, Investments or Guarantees</b>	<b>Amount in (₹ Millions)</b>
Suprajit USA, INC.	Loan of USD 10.00 Million converted at March 31, 2024 exchange rate of 1 USD = ₹ 83.3739)	833.74

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

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



There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

#### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the financial year, 4(Four) Meetings were held on May 29, 2023, August 12, 2023, November 9, 2023 and February 14, 2024.

#### **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, 2024 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**

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.

#### **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)(<http://www.suprajit.com/investors/compliance/policies-codes/>) and also annexed as **Annexure-4**.

#### **RISK MANAGEMENT POLICY:**

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

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

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)/ SUPRAJIT FOUNDATION:**

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

During the year, the Company has paid ₹ 42.54 Million and Suprajit Automotive has paid ₹ 6.54 Million towards the various projects undertaken by Company / Suprajit Foundation. Annual Report on Corporate Social Responsibility (CSR) activities provided in Annexure –5 to this report. The copy of the CSR Policy is available on the website of the Company at [www.suprajit.com](http://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.

#### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:**

As stipulated under the Listing Regulations, the Business Responsibility and Sustainability Report, describing the initiatives taken by the Company from Environmental, Social and Governance perspective is presented in a separate section, forming part of the Annual Report as **Annexure 3**.

#### **DETAILS OF EMPLOYEES STOCK BENEFIT SCHEMES:**

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

#### **CONSERVATION OF ENERGY:**

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

The following energy conservation measures were implemented during the year.

- Monitoring and regular review of power consumption, maintaining the power factor value nearby 0.99 to reduce the reactive power losses.
- Compressor retro fitting of VFD is installation completed in our Unit 2 & Unit 7 plants. We will extend this to our all-other plants in a phased manner. This will save our energy consumption.
- 400KW solar plant commissioned in Sanand Plant.
- Instead of installing a higher capacity generator Company has completed the synchronization of a 320 KVA DG and 450 KWP solar plant at our Unit 14, Vallam Plant, Chennai and completed net metering agreement with TANGEDCO.
- Planned to install higher Capacity UPS to prevent breakdowns due to power losses.
- Installed Piped Natural Gas in NCR plants. (PLD-Noida, Manesar, Pathredi plants) to reduce air pollution.
- The company is in the process of finalizing the procurement of Green energy through Group Captive power vendors. This

- Up-gradation of the machine by using VFDs (Variable Frequency Drives) and TPRs (Thyristor Power Regulators) to increase the machine's efficiency and reduction of power consumption.
- Periodical inspection and testing of DG sets and transformers have been done as per Indian electricity rule 1956 by Assistant Director Electrical Safety.
- AC drives (VFD) has been installed for high-capacity induction motors to take care of the power consumption in AC motors. In addition to that 22KW induction motor was replaced with 18 KW servo motor in molding machines

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

- a. The Company has installed 1975 kWp solar capacity. Further rooftop solar PV plants of 1189 Wp installed in FY24 in our 3 plants. With this, significant power saving achieved in these plants.
- b. Replaced all CFL/old tube lights to LED lamps/fittings, including solar streetlights.
- c. Installed high efficiency HVLS industrial ceiling fans in our Units Unit 5,7,16 and SAL sheet roof buildings to reduce the power consumption and to improve the air circulation. With this we removed many conventional ceiling and wall mount air circulators and fans which were consuming high power and improved work efficiency on the shop floor.
- d. Installation of inverter-based Air conditioner in all the plants of the Company. Proposed for installation of variable refrigerant volume (VRV) based AC in upcoming plants in 2023-24.
- e. Replacing the Air Compressors with VFD model Compressors in the Unit 5, Unit 6, Unit 12. Above 60 HP Compressors retrofit VFD's in unit 2, Unit 4, Unit 7, Unit 14 and Unit 15 in the year 2023-24.
- f. Installation of higher capacity UPS for reduction of scrap and machine breakdown hours in Unit 3, Unit 15, Unit 16 and Suprajit Automotive Pvt. Ltd. Planned for Unit 2, Unit 4, Unit 11 and Unit 14.
- g. Installation of Sequence Batch Reactors (SBR) based Sewage treatment plants (STP) in Unit 8,9,16. Proposed for other units in 2023-24.
- h. A focused effort at our Halogen bulb manufacturing facilities to reduce consumption of gases and electricity used to manufacture the bulbs.

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

##### **a) Research and Development (R&D):**

1. The Company has a centralised Technology Centre (STC) in Jigani, Bengaluru. STC has approximately 80+ Engineers working primarily on new product introduction, innovation, design, development, testing and validation.
2. The Group also has design centres in Tamworth, U.K (Suprajit Europe Limited), Suprajit Automotive Private Limited, Doddaballapur, Novi USA and Wichita, USA (Wescon) for Cables and Mechanisms. The Company has a R&D facility at the plant in the NOIDA SEZ focused on developing new types of Halogen and LED bulbs.
3. Development cells in respective units are strong, and respond to our customer needs in an efficient and quick manner.
4. “Product Life Cycle Management (PLM)” software has been implemented to enhance standardization of new product launch and change management.
5. The Company continues to add product & process patents, which are being deployed commercially.
6. The Company’s R&D has developed many specialised products beyond cables for various customers in various industries. This is being successfully deployed by the customer.
7. New areas of competence include automotive displays and electronics, braking systems, actuators and sensors. Multiple products have been added to the Company’s profile in the last year.

**b) Expenditure on Research and Development:**

(₹ in Millions)

Particulars	2023-24	2022-23
Salaries, Wages & Bonus	77.37	52.82
Cost of material consumed.	2.06	2.20
Other expenses	12.86	24.07
<b>Total</b>	<b>92.29</b>	<b>79.09</b>

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 products and processes for which patents are pending.
- 3) The Company has successfully adopted customer’s designs for new types of cables, halogen lamps and 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 ₹1,525.22 Million and expended ₹1,917.48 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 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) (<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://www.suprajit.com) (<http://www.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:

Mrs. Bharati Rao – Chairperson  
Mr. K. Ajith Kumar Rai – Member  
Mr. Harish HV – 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://www.suprajit.com) (<http://suprajit.com/investors/compliance/policies-codes/>).

### AUDITORS:

#### i. Statutory Auditors:

The Members of the Company at the 32nd (Thirty Second) Annual General Meeting of the Company held on November 11, 2017, appointed Messrs S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company for a period of 5 (Five) years and on the 37th (Thirty Seventh) Annual General Meeting the Statutory Auditors of the Company appointed for a second term of 5 (five) consecutive years i.e from conclusion of 37th Annual General Meeting till conclusion of 42nd Annual General Meeting.

#### ii. Cost Auditors:

Messrs G N V Associates, Cost Accountants, Bengaluru was appointed as the Cost Auditors of your Company for the financial year 2023-24.

#### iii. Secretarial Auditor:

The Board has appointed Mr. Parameshwar G. Bhat, a Practising Company Secretary (Membership No.FCS-8860), Bangalore, as the Secretarial Auditor as per the provisions of Section 204 of the Companies Act, 2013 for the financial year 2023-24. The Secretarial Audit Report issued by him is enclosed as “Annexure-7” to this Report.

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

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors. The Statutory Auditors have expressed an unmodified opinion in the audit reports in respect of the Audited standalone and consolidated Financial Statements for the financial year ended March 31, 2024.

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 2023-24:

No. of complaints received: NIL

#### **PARTICULARS OF EMPLOYEES:**

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

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

#### **SECRETARIAL STANDARDS:**

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

#### **CAUTIONARY NOTE:**

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

other statutes and other incidental factors.

#### **ACKNOWLEDGEMENT:**

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

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

**For and on behalf of the Board**

**K Ajith Kumar Rai**  
**Chairman**  
**(DIN: 01160327)**

**Place: Bengaluru**  
**Date: May 29, 2024**



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

### 2. BOARD OF DIRECTORS:

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

#### (a) THE BOARD OF DIRECTORS AND THE MEETINGS ATTENDED BY RESPECTIVE DIRECTORS DURING THE YEAR 2023-24 AS UNDER:

Name of the Director	Category	Inter-se relationship	Board Meetings Held	Board Meetings Attended	Attended Last AGM
Mr. K Ajith Kumar Rai	Chairman – Executive Director	Spouse of Dr. Supriya Rai	4	4	Yes
Mr. Mohan N.S.	Executive Director	NIL	4	3	Yes
Mr. Akhilesh Rai	Executive Director	Son of Mr. K. Ajith Kumar Rai & Dr. Supriya A. Rai	4	4	Yes
Dr. Supriya A. Rai	Non- Executive Director	Spouse of Mr. K Ajith Kumar Rai & Mother of Mr. Akhilesh Rai	4	4	Yes
Mr. M. Lakshminarayan	Independent	NIL	4	4	Yes
Mr. Harish Hassan Visweswara	Independent	NIL	4	4	Yes
Mrs. Bharati Rao	Independent	NIL	4	4	Yes
Mr. Bhagya Chandra Rao	Independent	NIL	4	4	Yes

#### 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, analyse the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans;
3. Business Strategy, Sales & Marketing, Management, Administration, Decision Making;
4. Knowledge about maintaining the Board and management accountability, protecting Shareholder interests, and governance practices;
5. Financial and Management skills;
6. Technical / Professional skills and specialized knowledge in relation to Company's business

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

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

**Certificate from Practising Company Secretary:**

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

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

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

1. May 29, 2023
2. August 12, 2023
3. November 9, 2023
4. February 14, 2024

**3. OUTSIDE DIRECTORSHIPS / COMMITTEE MEMBERSHIP POSITIONS AS ON MARCH 31, 2024:**

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	1	V.S.T.Tillers Tractors Ltd	Nil	Nil
Mr. Mohan N.S.	Nil	NA	Nil	Nil
Mr. Akhilesh Rai	Nil	NA	Nil	Nil
Dr. Supriya A. Rai	Nil	NA	Nil	Nil
Mr. M. Lakshminarayan	4	1. ASM Technologies Limited 2. ZF Commercial Vehicle Control Systems India Ltd 3. Sansera Engineering Limited 4. TVS Electronics Limited	Nil	Chairperson – 2 Member – 4
Mrs. Bharati Rao	1	Neuland Laboratories Limited	Nil	Chairperson – 2 Member – 2
Mr. Harish H.V	3	1. Shetron Ltd 2. The Karnataka Bank Limited 3. ADC India Communications Limited	1	Chairperson – 3 Member – 4
Mr. Bhagya Chandra Rao	3	1. Shetron Ltd 2. Disa India Ltd 3. Wendt India Ltd	NIL	Chairperson – 2 Member – 4

**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 is neither a Member in more than 10 Committees nor a Chairperson in more than 5 Committees across all the Companies in which he/she is a Director.

#### 4. AUDIT COMMITTEE:

The Company has complied with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the composition of the Audit Committee. During the financial year, the Audit Committee has met 4 (four) times on May 29, 2023, August 12, 2023, November 9, 2023 and February 14, 2024. The composition of the Audit Committee and the attendance details of each Member of the Committee are as follows:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. K. Ajith Kumar rai	4	4
Mrs. Bharati Rao	4	4
Mr. Harish H.V.	4	4

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

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

- (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 the Nomination and Remuneration Committee.

Following are the roles of the Committee:

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

During the financial year, Three (3) Meeting of the Committee was held on May 29, 2023, September 4, 2023 and February 2, 2024. all the Members were present at the Meeting.

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

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. M Lakshminarayan – Chairman	3	3
Mr. Harish H.V.– Member	3	3
Dr. Supriya A. Rai- Member	3	1

Remuneration paid/payable to Directors for the financial year 2023-24  
(₹ in Million)

Sl. No	Name of the Director	Sitting Fees	Salary & PF	Comm-ission	Bonus	Total
1	Mr. K Ajith Kumar Rai*	-	31.62	46.89	-	78.51
2	Mr. Mohan N. S.*	-	19.62	-	8.30	27.92
3	Mr. Akhilesh Rai*	-	11.93	-	2.61	14.54
4	Mr. M. Lakshminarayan	0.23	-	0.5	-	0.73
5	Mrs. Bharati Rao	0.22	-	0.5	-	0.72
6	Mr. Harish H.V	0.26	-	0.5	-	0.76
7	Mr. Bhagya Chandra Rao	0.14	-	0.5	-	0.64
8	Dr. Supriya A. Rai	Waived	-	Waived	-	Waived
	<b>Total</b>	<b>0.85</b>	<b>63.17</b>	<b>48.89</b>	<b>10.91</b>	<b>123.82</b>

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

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

Board Meeting	₹ 40,000
Audit Committee Meeting	₹ 30,000
Other Committee Meeting	₹ 20,000

## 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. Bhagya Chandra Rao and Dr. Supriya A Rai as its Members. The terms of reference of the Committee are in line with provisions of Section 135 of the Companies Act, 2013.

The terms of Reference of the Committee are as under:

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

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

One Meeting of CSR Committee was held on March 29, 2024. All the Members were present at the Meeting except Mrs. Supriya A Rai.

## INDEPENDENT DIRECTORS' MEETING & PERFORMANCE EVALUATION:

During the year under review, the Independent Directors met on March 19, 2024, inter- alia, and transacted the following business:

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

All the Independent Directors were present in the Meeting.

## 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

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

- Resolving the grievances of the Security holders of the listed entity including complaints related to transfer/transmission of Shares, non-receipt of Annual Report, non-receipt of declared Dividends, issue of new/duplicate Share Certificates, General Meetings etc.
- Review of measures taken for effective exercise of voting rights by Shareholders.

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.

The composition of the Committee is as under:

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

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

During the year 1 (One) Meeting of the Committee held on February 14, 2024 and all the Members were present at the Meeting.

#### Name and designation of Compliance Officer:

Mr. Medappa Gowda. J  
CFO & Company Secretary

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

Number of shareholders' complaints received during 2023-24	Number of complaints not solved to the satisfaction of Shareholders	Number of pending complaints
5	NIL	NIL

#### 8. RISK MANAGEMENT COMMITTEE:

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

Committee is as under:

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, Four Meetings of the Committee held on April 14, 2023, July 11, 2023, November 09, 2023 and February 2, 2024.

#### 9. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on March 31, 2024, who held Shares in Suprajit Engineering Limited, are as under:

Name of Directors	Number of Shares held
Dr. Supriya A. Rai	17,39,510
Mr. M. Lakshminarayan	3,804

#### 10. GENERAL MEETINGS:

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

Year	Date	Time	Location
2020-21	03.09.2021	2.30 p.m.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
2021-22	26.09.2022	2.30 p.m.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
2022-23	25.09.2023	2.30 p.m.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)

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

Date of AGM	Special Resolutions
26.09.2020	To pay fees or compensation exceeding fifty percent (50%) of the total remuneration payable to all the Non-Executive Directors to Mr. Harish Hassan Visweswara (DIN: 08742808).
03.09.2021	Approval for continuation of Directorship of Mr. Muthuswamy Lakshminarayan (DIN: 00064750) as an Independent Director of the Company
25.09.2023	Approval for increase in Remuneration of Mr. Ashutosh Rai and holding an Office or place of profit in the Company.

#### Postal Ballot:

During the period under review, the Company had passed two (2) Resolutions through Postal Ballot for Re-appointment of Mr. K. Ajith Kumar Rai (DIN: 01160327) As Executive Chairman of the Company and Mr. Mohan Srinivasan Nagamangala (DIN: 01916468) as Managing Director and Group CEO with effect from April 1, 2024. 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.

#### 11. 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.

## 12. 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: medappa.gowda@suprajit.com.

## 13. 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.

### Accounting Treatment:

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

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

Below are the details of fees paid (on a consolidated basis) by the Company and its subsidiaries namely 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	11.33
Fees paid to network firms of Messrs S.R. Batliboi & Associates LLP for audit of overseas entities.	3.39
<b>Total</b>	<b>14.72</b>

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

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

### Senior management:

Name of the Senior Management Personnel	Designation
Mohan N.S.	Group CEO, MD Suprajit Group
Akhilesh Rai	Director and Chief Strategy Officer
Medappa Gowda J.	Group CFO & Company Secretary
Narayanshankar K.	COO, Suprajit DCD
Akhilesh Goel	COO, Phoenix PLD
Praveen Rao	COO, Suprajit SED
Ashutosh Rai	CTO Suprajit Tech Center

*There was no change in senior management personnel during the year 2023-24*

### CEO and CFO Certification:

The Chief Executive Officer and Chief Financial Officer have certified to the Board of Directors, inter alia, the accuracy of Financial Statements and adequacy of Internal Controls for the Financial Reporting purpose as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024.

### Code of Conduct:

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

### Whistle Blower Policy:

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

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

#### 14. MEANS OF COMMUNICATION:

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

#### 15. 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.

#### 16. 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.

#### 17. GENERAL SHAREHOLDER INFORMATION:

a. Thirty Ninth Annual General Meeting:

Date	Time	Venue
September, 26, 2024	2.30 PM	Being conducted through VC/OAVM

#### b. Financial Calendar:

Financial Year	-	April 2024 to March 2025
First Quarter Results	-	In August 2024
Half Yearly Results	-	In November 2024
Third Quarter Results	-	In February 2025
Results for the year ended 31st March	-	By May 2025
Book Closure Date	-	September, 19 2024 to September, 26 2024 (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. As per Circular dated November 3, 2021 SEBI has issued Standardized, simplified and common norms for processing investor service request by RTAs and norms for furnishing PAN, KYC details and Nomination. Shareholders are requested to contact our RTA for more details.

#### d. Dematerialization of Shares and Liquidity:

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

#### e. Plant Locations:

The Company has Plants located at:

Bangalore - Karnataka	-	8 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](mailto:investors@suprajit.com) / [info@suprajit.com](mailto:info@suprajit.com)

#### g. Shareholding Pattern as on March 31, 2024:

Category	No. of Shares held	Percentage of Shareholding
<b>Promoters</b>	6,17,74,277	44.61
<b>Institutions</b>		
Mutual Funds/ UTI	2,33,92,062	16.89
Financial Institutions /Banks	560	0.00
Venture capital Funds		
Foreign Portfolio Investors	66,33,423	4.79
Insurance Companies	1,16,881	0.08
Alternative Investment Funds	7,30,081	0.53
NBFCs registered with RBI	8,046	0.01
<b>Non-institutions</b>		
Directors and their relatives (excluding independent directors and nominee directors)	10,493	0.01
Investor Education and Protection Fund (IEPF)	1,37,529	0.10
<b>Individuals -</b>		
i. Individual shareholders holding nominal share capital up to ` 2 lakh	2,34,11,681	16.91
ii. Individual shareholders holding nominal share capital in excess of ` 2 lakh	1,30,19,446	9.40
Non Resident Indians (NRIs)	41,67,944	3.01
Bodies Corporate	50,48,795	3.65
<b>Others</b>		
Clearing Members	6,288	0.00
Trusts	3,467	0.00
<b>TOTAL</b>	<b>13,84,60,973</b>	<b>100.00</b>

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, 2024:

Description	Holders	% of Holders	Holding	% of Holdings
1 - 500	62909	90.31	53,31,787	3.62
501 - 1000	3124	4.48	24,79,437	1.71
1001 - 2000	1672	2.40	28,36,144	1.75
2001 - 5000	1040	1.49	33,12,819	2.40
5001 - 10000	459	0.66	33,96,016	2.45
10001 - 20000	223	0.32	36,38,229	2.37
20001 - 100000	146	0.21	63,67,010	4.36
100001 & ABOVE	86	0.12	11,10,31,152	81.36
<b>Total</b>	<b>69,659</b>	<b>100.00</b>	<b>13,84,60,973</b>	<b>100.00</b>

#### i. Shares held in Physical and Electronic mode as on March 31, 2024:

Category	No. of Shares	% to total Shareholding
Physical	13,29,206	0.96
Demat- NSDL	12,59,22,241	90.94
Demat -CDSL	1,12,09,526	8.10
<b>Total</b>	<b>13,84,60,973</b>	<b>100</b>

#### 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

BandraKurlaComplex

Bandra (East), Mumbai-400 051

#### k. Registrar and Share Transfer Agent:

Integrated Registry Management Services Private Limited No. 30, Ramana Residency, 4th Cross, Sampige Road

Malleswaram, Bangalore - 560 003

Tel: +91-80-23460815

Fax: +91-80-23460819

E-mail: irg@integratedindia.in

**i. 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.

**m. Shareholders' Rights:**

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

**n. Reporting of Internal Auditors:**

The Internal Auditors report to the Audit Committee.

**o. 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.

**p. 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, 2024	
	Outstanding Amount	Maximum balance Outstanding during the year
Suprajit Automotive Private Limited	Nil	Nil
Suprajit USA Inc.	1250.61	1250.61

**q. List of Credit Ratings obtained by the Company: Details are provided in the Directors Report.**

**r. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

(₹ in Million)

Name of Material Subsidiary(s)	Date and Place of incorporation	Name & Date of appointment of the statutory auditors
Suprajit USA Inc.	July 19, 2016, Delaware	Forvis LLP, September 9, 2016

s. The Company has complied with all the mandatory requirement of corporate governance norms as specified in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

t. The Company has formulated a Policy on Subsidiary & Material Subsidiary Company and has placed it on the website of the Company at [https://suprajit.com/wp-content/uploads/2018/08/8.1.16\\_Policy-on-Material-Subsidiary\\_0.pdf](https://suprajit.com/wp-content/uploads/2018/08/8.1.16_Policy-on-Material-Subsidiary_0.pdf)

u. The Board has accepted all the recommendation of the Committees of the Board which is mandatorily required, in the relevant financial year.

v. The Company has complied with all the requirements specified in Regulation 17 to 27 and disseminate the information under a separate section on the website, as required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

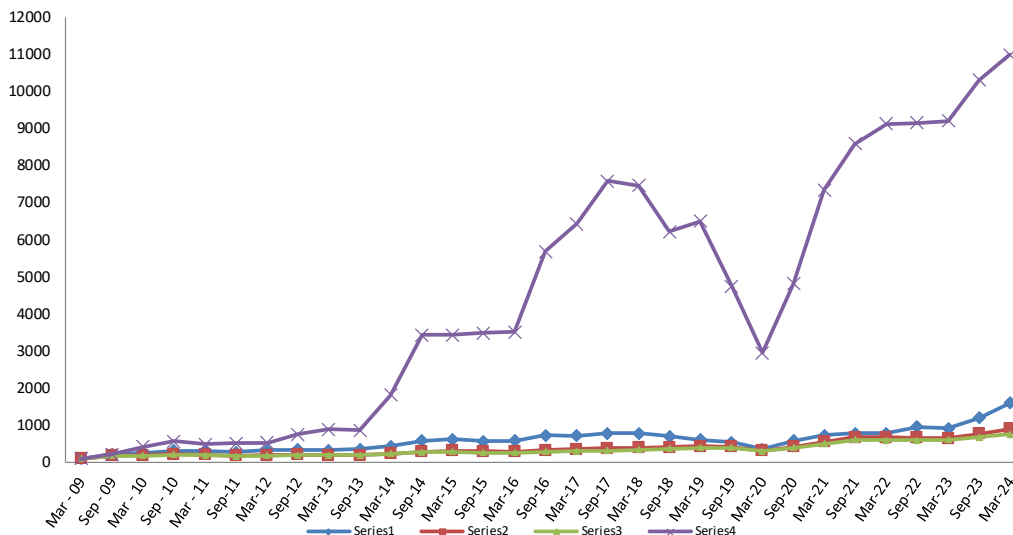
w. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: Details are provided in the Directors Report.

## X. SHARE PRICE MOVEMENTS FROM 2009 - 2024

Period	BSE - Auto Index		S&P BSE 500		BSE – SENSEX		Share Price*	
	Closing	Indexed	Closing	Indexed	Closing	Indexed	Closing	Indexed
Mar - 09	3,062	100	3,524	100	9,709	100	3.75	100
Sep - 09	6,664	218	6,553	186	17,127	176	8.60	229
Mar - 10	7,671	251	6,920	196	17,528	181	16.05	428
Sep - 10	9,528	311	7,984	227	20,069	207	21.25	567
Mar - 11	9,291	303	7,437	211	19,445	200	18.65	497
Sep-11	8,498	278	6,386	181	16,454	169	19.25	513
Mar-12	10,135	331	6,760	192	17,404	179	19.75	527
Sep-12	10,413	340	7,207	205	18,763	193	28.20	752
Mar-13	9,994	326	7,085	201	18,836	194	33.40	891
Sep-13	10,997	359	7,020	199	19,380	200	32.50	867
Mar-14	13,280	434	8,295	235	22,386	231	67.95	1,812
Sep-14	17,747	580	10,173	289	26,631	274	128.85	3,436
Mar-15	19,259	629	11,049	314	27,957	288	128.80	3,435
Sep-15	17,391	568	10,498	298	26,155	269	131.00	3,493
Mar-16	18,002	588	10,185	289	25,342	261	132.00	3,520
Sep-16	22,232	726	11,701	332	27,866	287	213.3	5,688
Mar-17	22,013	719	12,632	359	29,621	305	241.00	6,427
Sep-17	24,180	790	13,611	386	31,284	322	284.40	7,584
Mar-18	24,057	786	14,126	401	32,969	340	279.60	7,456
Sep-18	21,477	701	14,446	410	36,227	373	233.00	6,213
Mar-19	18,825	615	15,305	434	38,673	398	243.75	6,500
Sep-19	16,762	547	14,810	420	38,667	398	178.10	4,749
Mar-20	10,746	351	11,098	315	29,468	304	110.80	2,955
Sep-20	17,876	584	14,851	421	38,068	392	180.25	4,807
Mar-21	22,252	727	19,602	556	49,509	510	275.40	7,344
Sep-21	23,865	779	23,937	679	59,126	609	321.90	8,584
Mar-22	24,049	785	23,695	672	58,568	603	342.00	9,120
Sep-22	29,177	953	23,642	671	57,426	592	343.20	9,152
Mar-23	28,246	923	23,160	657	58,991	608	344.95	9,199
Sep-23	36,629	1196	27,408	778	65,828.41	678	386.40	10,304
Mar-24	49,142	1605	32,043	909	73,651.35	759	411.70	10,979

\* Price indexed for:

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





## 18. 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. The company also exports to many countries for original fitment as well as in the aftermarket. The new Electronics division which was formed last year has shown good profitable growth and gained good traction in the EV space and making inroads into the ICE market too. Post the acquisition of Kongsberg Automotive's "Light Duty Cable division", your Company has been able to synergise the LASER focused efforts of cross-pollinating best practices in the Light duty mechanical cables area worldwide through the "Max teams", which is a set of function focused cross-border teams set up to share the best practices across the "Suprajit Group". Commercialization of products generated out of Suprajit Technology Centre has gained traction both in Mechanical products like the Combined Brake system, Mechanical Disc brake system and with electronics products like Digital speedometers, Sensors, and actuators. Your company, with its strong belief in "De-risk and Diversify" strategy, is now in a much better position compared to its peers due to its diverse presence across geographies, products, customers, and segments. Focus continues to Optimise, streamline and assimilate the acquired entities with a focused attention on cost optimization across all business divisions, introduction of new products, which will help Company to enhance the value proposition to the customers and the industry and be perceived as a "Technology and a Solution provider".

### b) OPPORTUNITIES AND THREATS:

#### OPPORTUNITIES:

1. The mantra of positioning the manufacturing plants as "On-Shore, Near-Shore and Off-Shore" facilities for the US and EU markets provides varied risk-reward proposition to our customers.
2. Move towards protectionism and raising of trade barriers in USA and in EU region is an opportunity for our various plants across the globe.
3. The current trend in the Global Industry of a "China + 1" strategy and in some cases going local in procurement from companies which are multilocation, spread across the globe.
4. Your Company is recognised by the OEMs and the Tier 1 players globally, as a preferred cable and control system provider with global R&D and manufacturing footprint.

5. Reducing capacities world over for the Halogen Bulbs and vacated by some of the bigger players provides your Company to expand into these territories and grow the market share in a dwindling market.
6. Good export potential for cables and halogen lamps in the OEM business.
7. Good potential to grow in the domestic business and in the aftermarket.
8. Your company is positioned to provide subsystems and mechanisms along with the Cables.
9. Potential to grow aftermarket through OLM brands as well.
10. Introduction of additional products for the aftermarket.
11. Your company has partnered with many EV players, both with existing customers and with new entrants and is being viewed as a "Technology Provider".
12. Added capability of "Electronics and Mechatronics" products into the product portfolio.

#### THREATS:

1. War in Ukraine continues to be major threat which has led to economic slowdown and uncertainties, particularly in the EU.
2. The "red-sea" and the "Panama Canal" problems have raised the freight and container costs and added to the supply chain uncertainties.
3. High inflation and high interest rates can slow down the world economy significantly.
4. Hence, the service quality and delivery issues can lead to costs and margin erosion.
5. Unpredictable and unstable situation in commodity prices and availability. innovative functioning in these vehicles with the Cables.
6. Currency fluctuations.
7. Labour shortages and increasing in labour costs in countries like India, China, Mexico, and Hungary.
8. LED replacing the Halogen Bulbs continues to be a threat in the OE head lamp segment.
9. Electrical and Electronics could pose a threat to the fit and form of the current Cable requirements and will need more

### **c) SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

As of March 31, 2024, the Company is engaged in manufacturing and trading of automotive cables and components, Non-Automotive Cables and Components, Halogen lamps, LED Drop-in solutions, Digital and Mechanical instrument clusters, mechatronic products like “Seat latch”, “Steering locks”, “Head rest mechanism” etc.

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

### **(d) OUTLOOK:**

The business outlook from the customer continues to be unclear and hence it is difficult to estimate at this moment. The continued war in Ukraine, uncertainties in the Red sea area, the conflict in the Mid-eastern region, rising inflation and interest rates in USA are contributing to the uncertainties globally, while the move from ICE (Internal combustion engine) to EV is moving at a rapid pace in India with many emerging new players despite the uncertainty of the FAME subsidies. Alternate power trains like CNG, Hybrids with technological innovations accompanying with it proves to be challenging the hegemony of pure play, “Battery Operated Electric vehicles (BEVs)”. Climatic changes is a recognized factor in the business outlook with greater uncertainties in the weather patterns across the globe. Your company is ready to take any increased volumes, escalating commodity prices, controlling costs through TPM activities and facing new emerging technologies with new products from the Technology Center by engaging both traditional players and the new players in the marketplace.

### **(e) RISKS AND CONCERNS:**

The major concerns for the current year are the continued war in Ukraine and Gaza leading to economic disruption, the major shipping routes being held to ransom, continued rumblings in the South China sea, high interest rates and high inflation in large parts of the world economy, political uncertainties with many democratic nations going in for elections. This is compounded by uncertainties due to rapid advent and progress of Electric vehicles and alternate power trains across sectors, be it Automotive, farm or agriculture.

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

### **f) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

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

The Company’s internal control systems are further supplemented by an extensive program of internal audit by a firm of Chartered Accountants and periodic review by the Management. The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and for maintaining accountability of assets. Over and above these, an Internal Controls department that was formed to ensure roll out of “Standard Operating Procedures”, has been addressing the points raised by the Internal auditors to strengthen the overall systems, controls, and processes. Standardisation of systems, processes and controls is an ongoing exercise across all the entities within your Company group.

### **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. A Chairman Club continues to identify, nurture, train and fast-track high caliber employees.

Continuous learning, training, upskilling, and building the team spirit continues and regular in-house training programs for employees at all levels help in these objectives. One of the “Max Teams” formed with cross-border involvement is focused on “Human resources” and is engaged in sharing the best practices across all your facilities. 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**

Particulars	March 31, 2024	March 31, 2023	Reason for variance
Current ratio	2.33	2.44	-
Debt- Equity Ratio	0.21	0.23	-
Debt Service Coverage ratio	7.88	6.39	-
Return on Equity ratio	19.64	18.31	-
Inventory Turnover ratio	5.00	4.79	-
Trade Receivable Turnover Ratio	5.35	5.31	-
Trade Payable Turnover Ratio	7.04	7.11	-
Net Capital Turnover Ratio	2.76	2.66	-
Net Profit ratio	15.36	13.05	-
Return on Capital Employed	19.60	19.02	-
Return on Investment	8.08	6.12	Refer Note: a

Note: a) Increase in interest rate on loan to subsidiary and yield on investment in mutual funds.

**Consolidated**

Particulars	March 31, 2024	March 31, 2023	Reason for variance
Current ratio	1.87	1.92	-
Debt- Equity Ratio	0.52	0.59	-
Debt Service Coverage ratio	2.24	2.50	-
Return on Equity ratio	12.93	13.18	-
Inventory Turnover ratio	3.66	3.92	-
Trade Receivable Turnover Ratio	5.91	7.26	-
Trade Payable Turnover Ratio	6.05	7.64	-
Net Capital Turnover Ratio	3.73	3.69	-
Net Profit ratio	5.78	5.53	-
Return on Capital Employed	14.80	16.79	-
Return on Investment	10.57	4.57	Refer Note: a

Note: a) Increase in interest rate on loan to subsidiary and yield on investment in mutual funds.

**For and on behalf of the Board**

**K. Ajith Kumar Rai**

**Chairman**

**DIN: 01160327**

**Place: Bengaluru**

**Date: May 29, 2024**

### 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 Rs 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	Wescon Controls LLC	Trifa Lamps Germany GmbH, Annweiler	Luxlite Lamps SARRL, Luxembourg
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	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	USD	USD	EURO	EURO
			1 GBP = 105.2935	1 USD = 83.3739	1 USD = 83.3739	1 EURO = 90.2178	1 EURO = 90.2178
4	Share capital	19.90	186.00	0.07	0	2.19	773.22
5	Reserves & surplus	1486.95	231.40	297.05	1982.41	286.96	(684.94)
6	Total Assets	2200.55	588.01	5078.11	2399.00	289.15	702.10
7	Total Liabilities	693.70	170.61	4780.99	416.59	0	613.82
8	Investments	-	-	-	-	-	-
9	Turnover (Note 3)	2008.88	1831.12	0	2976.98	6.76	1243.91
10	Profit before taxation	474.15	16.45	(144.79)	(315.01)	43.69	301.32
11	Provision for taxation (Note 4)	113.95	14.06	(3.92)	(104.92)	0	0.48
12	Profit after taxation	360.20	2.39	(140.87)	(210.09)	43.69	300.84
13	Proposed Dividend	0	0	0	0	0	0
14	% of Shareholding	100%	100%	100%	100%	100%	100%

Sl. No.		7	8	9	10
1	Name of the subsidiary	Shanghai Lone Star Cable Co., Ltd.	Suprajit Hungary Kft.	Suprajit Mexico S de RL de CV	Suprajit Brownsville, LLC
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	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	CNY	HUF	MXN	USD
		1 CNY = 11.5346	1 HUF = 0.2280	1 MXN = 5.0305	1 USD = 83.3739
4	Share capital	49.14	0.68	0.19	424.77
5	Reserves & surplus	414.01	363.34	324.84	(66.74)
6	Total Assets	1042.41	1060.48	1033.46	1917.51
7	Total Liabilities	579.25	696.46	708.43	1559.47
8	Investments	-	-	-	-
9	Turnover (Note 3)	1007.38	2067.03	1892.10	4469.00
10	Profit before taxation	(41.73)	(82.77)	136.70	(500.51)
11	Provision for taxation (Note 4)	(12.51)	18.65	29.01	1.34
12	Profit after taxation	(29.22)	(101.42)	107.69	(501.85)
13	Proposed Dividend	0	0	0	0
14	% of Shareholding	100%	100%	100%	100%

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

- Names of subsidiaries which are yet to commence operations – Nil
- Names of subsidiaries which have been liquidated or sold during the year – Nil
- Considered only Revenue from Operations (Net) as per section 2(91) of the Companies Act, 2013.
- Includes Tax expense and deferred tax
- The figures in the audited consolidated financial statements of the subsidiary are in Rs. 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, 2024 .  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	Networth attributable to Shareholding as per latest audited Balance Sheet	
6	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

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

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

**K Ajith Kumar Rai**  
 Chairman

**Mohan Srinivasan Nagamangala**  
 Managing Director & Group Chief Executive Officer

**Medappa Gowda J**  
 Company Secretary & Chief Financial Officer

Place : Bengaluru

Date : May 29, 2024



### 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 ₹)
Suprajit Automotive Private Limited	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	8.40
Luxlite Lamps SARL, Luxembourg	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	550.35
Suprajit USA Inc. (Wescon Controls LLC)	Wholly Owned Subsidiary (step down subsidiary)	Sales / Purchase	NA	NA	62.49
Suprajit Europe Limited	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	0.23
Suprajit Brownsville LLC	Wholly Owned Subsidiary (step down subsidiary)	Sales / Purchase	NA	NA	0.11
Suprajit Hungary Kft	Wholly Owned Subsidiary (step down subsidiary)	Sales / Purchase	NA	NA	0.03

For and on behalf of the Board

**K Ajith Kumar Rai**  
Chairman  
(DIN: 01160327)

Place: Bengaluru  
Date: May 29, 2024

## Business Responsibility and Sustainability Report

Annexure - 3

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L29199KA1985PLC006934
2.	Name of the Listed Entity	Suprajit Engineering Limited
3.	Year of Incorporation	1985
4.	Registered Office Address	#100 & 101, Bommasandra Industrial Area, Bengaluru - 560 099
5.	Corporate Address	#100 & 101, Bommasandra Industrial Area, Bengaluru - 560 099
6.	E - mail id	investors@suprajit.com
7.	Telephone	+91 80 - 43421100
8.	Website	www.suprajit.com
9.	Financial year for which reporting is being done	1st April 2023 - 31st March 2024
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. (BSE) and National Stock Exchange (NSE)
11.	Paid up Capital (INR)	INR 13,84,60,973
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Medappa Gowda J Designation: CFO & Company Secretary Contact: +91 80 -43421100 Email: medappa.gowda@suprajit.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report made on a standalone basis .
14.	Name of assurance provider	N/A
15.	Type of assurance provider	N/A

#### II. Products / Services - As on 31st March, 2024

##### 16. Details of business activities (accounting for 90% of the Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Automotive components	Manufacturing of Automotive cables, Halogen Lamps, Speedometers, and other automotive components	100%

##### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1.	Automotive Cables, Automotive Lamps and Speedometers	29301	100%

### III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	19	-	19
International*	-	-	

\*International market is covered through our subsidiary companies.

19. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States and Union Territories )	28 States and 8 UT
International (No. of Countries)	11

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribution is 9.32% of the total turnover of the entity on a standalone basis.

c. A brief on types of customers

As a global leader in the automotive cables and halogen bulb industry, Suprajit Engineering Limited serves both domestic and international customers with optimal product development and manufacturing solutions. Driven by the quest for excellence, it is well recognized as a “Value for Money Supplier” to customers across the spectrum and the single-minded goal of “Customer Satisfaction.

### IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	984	906	92%	78	8%
2.	*Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	984	906	92%	78	8%
.						
4.	Permanent (F)	769	688	89%	81	11%
5.	*Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	769	688	89%	81	11%

**Note:** \*The company is engaging temporary employees across manufacturing locations based on the requirement/volume of production from time to time since volume is frequently changing considering the OEM orders, market fluctuation throughout the year.”

b) Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY-ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	1	100%	0	0%
2.	*Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	1	1	0%	0	0%
<b>DIFFERENTLY-ABLED WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	*Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25
Key Management Personnel	1	0	0

22. Turnover rate for permanent employees and workers

	Turnover rate FY 2023-24			Turnover rate FY 2022-23			Turnover rate FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7%	1.5%	8.5%	11%	2%	13%	13%	4%	17%
Permanent Workers	0.70%	0%	0.70%	2%	0%	2%	3%	0%	3%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary/ Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Suprajit Automotive Private Limited	subsidiary	100%	No
2	Suprajit Europe Limited	subsidiary	100%	No
3	Suprajit USA INC	subsidiary	100%	No
4	*Wescon Controls LLC	subsidiary	100%	No
5	Luxlite Lamps SARL, Luxembourg	subsidiary	100%	No
6	Trifa Lamps Germany, GmbH	subsidiary	100%	No
7	*Suprajit Brownsville LLC	subsidiary	100%	No
8	*Suprajit Mexico S. de R.L. de C.V	subsidiary	100%	No
9	*Suprajit Hungary Kft.	subsidiary	100%	No
10	*Shanghai Lone Star Cable Co. Ltd	subsidiary	100%	No

\*Indirect Holding (step down subsidiary) of Suprajit Engineering Limited

## VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes  
 (ii) Turnover (in Rs.) - Rs. 1,536.74 Crores (FY 2023-24)  
 (iii) Net worth (in Rs.)- Rs. 13,035.24 Crores (FY 2023-24)

## VII. Transparency and Disclosures Compliances

25. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)		FY 2023-24			FY 2022-23		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes*	<a href="https://suprajit.com/investors/contact-details/">https://suprajit.com/investors/contact-details/</a>	-	-	-	-	-	-
Investors (other than shareholder)	Yes**	<a href="https://suprajit.com/investors/contact-details/">https://suprajit.com/investors/contact-details/</a>	-	-	-	-	-	-
Shareholders	Yes**	<a href="https://suprajit.com/investors/contact-details/">https://suprajit.com/investors/contact-details/</a>	5	0	-	9	0	-
Employees and workers	Yes***	Available on Suprajit intranet	-	-	-	-	-	-
Customers	Yes****	<a href="https://suprajit.com/investors/contact-details/">https://suprajit.com/investors/contact-details/</a>	-	-	-	-	-	-
Value Chain Partners	Yes*	<a href="https://suprajit.com/investors/contact-details/">https://suprajit.com/investors/contact-details/</a>	-	-	-	-	-	-

\*No complaints have been received from communities, value chain partners and investors during FY 2022-23 and FY 2023-24. Complaints / Grievances from Communities / Value Chain Partners are addressed by concerned departments on a case-to-case basis.

\*\*The Company has appointed Registrar and Share Transfer Agent (RTA) Integrated Registry Management Services Private Limited to look into the grievances/complaints of the shareholders. In addition to it the Company has designated email ID investors@suprajit.com, where the shareholders can send their grievances / complaints. The said grievances/complaints are received directly by the Company are forwarded to RTA promptly to take necessary actions to resolve the same.

\*\*\*The details of grievance redressal mechanism for employees and workers are provided in Principle 3, point No. 6

\*\*\*\* The various mechanisms in place to receive and respond to consumer complaints and feedback are Customer helpline number/Toll-free number, on website of the Company.

Policies & grievance redressal mechanism are accessible on <https://suprajit.com/investors/compliance/policies-codes/>



## 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format :

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying The risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Consumption	Risk	Energy costs are important part of our operation expenses.	This is managed through forecasting of potential regulatory impacts on our costs and initiating mitigation action to reduce this through our operational performance, including energy efficiency investment, long term price modelling and energy procurement and renewable electricity targets.	Negative impact
2	Training & Skill Development of employees	Opportunity	Employees are our biggest strengths and the ever-evolving technology and customer requirements, requires employees with right skills & regular trainings.	We follow industry best human resource practices to attract, develop, deploy talent. The Company organizes several technical and behavioral trainings for employees to upskill and make them be ready for any challenge they face.	Positive impact
3.	Social Responsibility	Opportunity	Organization align its operations with ethical principles, contribute positively to society, and enhance its reputation as a responsible corporate citizen. By integrating social responsibility initiatives into its practices, the company can address societal needs, mitigate environmental impacts, and promote sustainable development, thereby creating long-term value for both the business and the community.		Positive impact
4.	Sustainable procurement and sourcing	Opportunity	Company allows for the integration of ethical and environmentally friendly practices, ensuring compliance with regulations, reducing environmental impact, and enhancing the company's reputation as a responsible corporate citizen.		Positive impact
5.	Reduce carbon footprint	Opportunity	Reducing carbon footprint is essential for mitigating climate change impacts and complying with environmental regulations. It also presents a chance to enhance operational efficiency, reduce costs, and improve the company's reputation as a sustainable and responsible business.	By adopting sustainable practices such as implementing energy-efficient technologies, optimizing transportation logistics, and sourcing renewable materials can effectively reduce the carbon footprint. Additionally, investing in promoting employee awareness and engagement on environmental issues can further mitigate the company's environmental impact.	Positive impact

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

We have implemented following policies towards adopting National Guidelines on Responsible Business Conduct (NGRBC):

<b>Principle P1:</b> <ul style="list-style-type: none"> <li>● Transparency &amp; Accountability</li> <li>● Code of Conduct &amp; Work Ethics Policy</li> <li>● Business Responsibility Policy</li> <li>● Whistle Blower Policy</li> </ul>	<b>Principle P2:</b> <ul style="list-style-type: none"> <li>● Product Responsibility</li> <li>● Quality Policy</li> <li>● Safety Health and Environmental (SHE) Policy</li> <li>● Sustainable Procurement Policy</li> </ul>	<b>Principle P3:</b> <ul style="list-style-type: none"> <li>● Employee Development</li> <li>● Non-Discrimination and Sexual Harassment Redressal Policy</li> </ul>
<b>Principle P4:</b> <ul style="list-style-type: none"> <li>● Stakeholder Engagement</li> <li>● Policy on Corporate Social Responsibility (CSR)</li> </ul>	<b>Principle P5:</b> <ul style="list-style-type: none"> <li>● Human Rights</li> <li>● Non-Discrimination and Sexual Harassment Redressal Policy</li> </ul>	<b>Principle P6:</b> <ul style="list-style-type: none"> <li>● Environment Principle</li> <li>● Safety Health and Environmental (SHE) Policy</li> </ul>
<b>Principle P7:</b> <ul style="list-style-type: none"> <li>● Public Advocacy</li> <li>● Policy on Corporate Social Responsibility (CSR)</li> </ul>	<b>Principle P8:</b> <ul style="list-style-type: none"> <li>● Inclusive Growth</li> <li>● Policy on Corporate Social Responsibility (CSR)</li> </ul>	<b>Principle P9:</b> <ul style="list-style-type: none"> <li>● Customer Value</li> <li>● IT Policies &amp; Procedure</li> <li>● Customer complaint Procedure</li> </ul>

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link* of the Policies, if available	<a href="https://suprajit.com/investors/compliance/policies-codes/">https://suprajit.com/investors/compliance/policies-codes/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N

<p>4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</p>	<p>All the Policies has been made as per the National Guidelines on Responsible Business Conduct, 2019 released by the Ministry of Corporate Affairs.</p>
<p>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</p>	<p>Our strategies, business model and operations are based on environment protection, employee safety and customer satisfaction.</p>
<p>6. Performance of the entity against the specific commitments, goals and targets along -with reasons in case the same are not met.</p>	<p>Not Applicable</p>
<p><b>Governance, leadership, and oversight</b></p>	
<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</p>	<p>The message from our Managing Director&amp; Group CEO has been included at the beginning of this reportAs we reflect on this year’s Business Responsibility and Sustainability Report (BRSR), it is clear that our journey towards sustainability has been marked by significant progress and challenges. Our efforts in reducing waste, conserving resources and enhancing employee well-being have yielded measurable positive impacts. However, we recognize that there are still areas for improvement, particularly in further integrating sustainable practices across all operations. Our targets moving forward include deepening our engagement with local communities, advancing our Corporate Social Responsibility (CSR) initiatives in education, healthcare and rural development, and continuously refining our strategies to mitigate environmental, social, and governance risks. This report serves not only as a record of our achievements but also as a roadmap for our ongoing commitment to building a more resilient and responsible organization.</p> <p>- Mohan NS MD and Group CEO</p>
<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p>	<p>Implementation and oversight of the Business Responsibility Policies and the decision making on sustainability related issues is the responsibility of the Corporate Social Responsibility (CSR) Committee of the Board of Directors, which comprises of following</p>
<p>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p>	<p>members as on March 31, 2024: Mr. Kula Ajith Kumar Rai - Chairman, Mr. Bhagya Chandra Rao - Member, and Mrs. Supriya Rai – Member</p>

**Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The review has been done by Corporate Social Responsibility Committee and Managing Director & Group CEO.									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Suprajit Complies with all statutory requirements that are relevant to the principles and in the event of any non-compliances the Board looks into and rectifies the issues. The Company has implemented Compliance Management tool with Ricago for Monitoring the applicable statutory compliances.									Annually								

**Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

No, the assessment / evaluation of the working of its policies is being done internally as part of the business operating policies and procedures.

**If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	All the Principles are covered by polices								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership.” While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

**PRINCIPLE 1**  
**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

We have introduced an online Learning Management System (LMS), by mapping the learning curve of every individual to inculcate the culture of continuous learning and growth in our people.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	All principles	100%
Key Managerial Personnel	1	All principles	100%
Employees other than BoD and KMPs	Ongoing	The principles relevant to their work area	100%
Workers	Ongoing	The principles relevant to their work area	100%

2. Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

No fine[s] / penalties / punishment / award / compounding fees / settlement amount were paid in any proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, The Code of Conduct for Board of Directors & Senior Management covers the concerns regarding anti-corruption or anti-bribery policy. The policies are accessible at <https://suprajit.com/investors/compliance/policies-codes/>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

No disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption against any of the Directors/KMPs/employees/Workers.

6. Details of complaints with regard to conflict of interest:

No complaint was received with regard to conflict of interest of the Directors, KMPs or any other employee.



7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format.

	<b>Current Financial Year 2023-24</b>	<b>Previous Financial Year 2022-23</b>
Number of days of accounts payables	51.84	59.00

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

<b>Parameters</b>	<b>Metrics</b>	<b>Current Financial Year 2023-24</b>	<b>Previous Financial Year 2022-23</b>
Concentration of purchase	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of sales	a. Sales to dealers / distributors as % of total sales	14.65%	15.87%
	b. Number of dealers / distributors to whom sales are made	572	565
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	5.37%	5.18%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.03%	0.05%
	b. Sales (Sales to related parties / Total Sales)	3.99%	4.19%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	98.99%	97.21%
	d. Investments (Investments in related parties / Total Investments made)	63.55	66.76

## Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programs held	Topics/Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programs
Nil	Nil	Nil

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, The Company has mandatory Code of Conduct for the Board Members and Senior management personnel of the Company. The code of conduct is available on the website of the Company under the policies section.

## PRINCIPLE 2

### Businesses should provide goods and services in a manner that is sustainable and safe.

#### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2023-24	Previous Financial Year 2022-23	Details of improvements in environmental and Social aspects
R&D	-	-	-
Capex	3%	-	-

The company has worked on the Emission reduction activities, reduction in energy consumption, increasing the share of RE in operations along with working on conservation of water in its operations. Thus the company has specifically invested in improving its ESG performance.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. We have a Supplier Code of Conduct which details all the ethical, environmental, and social aspects which the suppliers need to comply with.

- b. If yes, what percentage of inputs were sourced sustainably?

55%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Most of our products are recyclable in nature. For warranty cases we take back our products for safe disposal.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the Company. All the plastic waste operation is disposed through authorized recycler as per Plastic waste management rules.

## Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Suprajit has not conducted any life cycle assessment of the product till date.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Boundary for which the Life Cycle Perspective / Assessment was conducted	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
No recycled / reused material are used for production.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Indicate input material	Recycled or re-used input material to total material					
	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials
Nil	Nil

### PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	906	906	100%	906	100%	NA	NA	NA	NA	NA	NA
Female	78	78	100%	78	100%	78	100%	NA	NA	78	100%
Total	984	984	100%	984	100%	78	100%	NA	NA	984	100%
<b>Other than Permanent employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	688	688	100%	688	100%	NA	NA	NA	NA	NA	NA
Female	81	81	100%	81	100%	81	100%	NA	NA	78	100%
Total	769	769	100%	769	100%	81	100%	NA	NA	984	100%
<b>Other than Permanent workers</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.14%	Not Calculated

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total Employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	100%	100%	Y	100%	100%	Y
Other - Pls. specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the offices and the outlets are accessible with elevators and ramps for persons with disabilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the entity does have a Non-Discrimination and Sexual Harassment Redressal Policy as per the Rights of Persons with Disabilities Act, 2016. The policy is part of HR manual and accessible on the intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%



6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
<b>Permanent Workers</b>	<p>Any employee facing any sort of harassment or discrimination or under apprehension of facing such harassment/discrimination should immediately report it with one or more witnesses to the HR Manager/Unit Head/Equivalent. The following procedure is in place adopted for resolution:</p> <ul style="list-style-type: none"> <li>• A Complaints Committee is in place.</li> <li>• Complaint procedure is time bound.</li> <li>• Confidentiality of the complaint procedure is maintained.</li> <li>• Complainants or witnesses is not victimized or discriminated against while dealing with complaints.</li> <li>• Any person aggrieved shall prefer a complaint before the Complaints Committee within 15 days from the date of occurrence of the alleged incident.</li> <li>• If the complainant feels that he/she cannot disclose her identity for any particular reason the complainant shall address the complaint to the head of the organization and hand over the same in person or in a sealed cover.</li> <li>• The Complaints Committee shall take immediate necessary action to cause an inquiry to be made discreetly or hold an inquiry, if necessary.</li> </ul> <p><b>Penalties:</b></p> <ul style="list-style-type: none"> <li>• Where any such harassment / discrimination amounts to a specific offence under the Indian Penal Code or under any other law, SEL shall initiate appropriate action in accordance with law by making a complaint with the appropriate authority.</li> <li>• Where such conduct amounts to misconduct in employment as defined by the relevant service rules, appropriate disciplinary action up to and including dismissal will be taken.</li> <li>• In the event of a false accusation the employee claiming to be a victim of discrimination, he/she will be liable for disciplinary action.</li> </ul>
<b>Other than Permanent Workers</b>	
<b>Permanent Employees</b>	
<b>Other than Permanent employees</b>	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total Employees/ Workers in respective Category (A)	No. of employees / workers in respective category who are part of association / union (B)	% (B/A)	Total Employees / Workers in respective Category (A)	No. of employees / workers in respective category who are part of association / union (B)	% (B/A)
<b>Permanent Employees</b>						
-Male	906	0	0%	1030	0	0%
-Female	78	0	0%	62	0	0%
<b>Permanent Workers</b>						
-Male	688	0	0%	643	0	0%
-Female	81	0	0%	88	0	0%

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/ A)	No. (C)	% (C/ A)		No. (E)	% (E/ D)	No. (F)	% (F/ D)
<b>Employees</b>										
Male	906	906	100%	752	83%	1,030	1,030	100%	821	80%
Female	78	78	100%	62	79%	62	62	100%	48	77%
Total	1,169	1,169	100%	814	83%	1,092	1,092	100%	869	80%
<b>Workers</b>										
Male	688	688	100%	571	83%	643	643	100%	517	80%
Female	81	81	100%	64	79%	88	88	100%	69	78%
Total	769	769	100%	635	81%	731	731	100%	586	80%

9. Details of performance and Career development reviews of employees:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	906	906	100%	1,030	1,030	100%
Female	78	78	100%	62	62	100%
Total	984	984	100%	1,092	1,092	100%
<b>Workers</b>						
Male	688	688	100%	643	643	100%
Female	81	81	100%	88	88	100%
Total	769	769	100%	731	731	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes. All plants are covered.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company has a "Occupational Health and Safety Policy" to lay down the systems and procedures for identifying work safety, health, and related hazards. The policy provides for:

Identification and eliminate of hazard and minimize the OH&S risks through eliminating hazards, prevention of injury, accidents, and ill health.

Consultation and participation of workers and worker's representatives in safety committees to continually Improve the OH&S management system performance.

Ensure Health and Safety of Visitors, Customers, and contractors at our premises

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the employees can report the work-related hazards to the Business Manager and they are trained to remove themselves from risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No).

Yes. all employees have access to a range of health and wellness benefits, such as medical insurance and accident insurance for both the employee and their immediate family.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers		
Total recordable work-related injuries	Employees	-	-
	Workers		
No. of fatalities	Employees	-	-
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Induction training is provided to all new joiner's on health and safety at workplace. Also, employees are provided training at regular intervals to ensure a safe and healthy workplace. We also conduct safety audits every month.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour / Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Any other type of complaint	0	0	0	0	0	0

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable as no safety-related incidents has happened and on significant risks / concerns has arisen from assessments of health & safety practices and working conditions.

## Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of  
(A) Employees (Y/N): No  
(B) Workers (Y/N): No
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that all statutory dues are deducted and deposited by the value chain partners, emphasizing the importance of adherence to support business responsibility principles and ideals of transparency and accountability.

- Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total number of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	-	-	-	-
Workers	-	-	-	-

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No):

Yes

- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Suppliers are evaluated for health and safety working condition practices. Each of the suppliers signs the Code of conduct of the company.
Working conditions	Suppliers are evaluated for health and safety working condition practices. Each of the suppliers signs the Code of conduct of the company.

- Provide details of any corrective actions taken or underway to address significant risk / concerns arising from assessment of health and safety practices and working conditions of value chain partners.

During the vendor selection process, we will assess Health and Safety working conditions and Environmental Legal requirements of suppliers.

## PRINCIPLE 4

**Businesses should respect the interests of and be responsive to all its stakeholders.**

### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Key Stakeholders are identified on the basis of the material influence they have on the Company or on how they are materially influenced by the Company's corporate decisions and the consequences of those decisions

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	"Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other "	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	N	Customer & Distributor Meetings, Customer Feedback, Website, Product Catalogues	Ongoing	Customer satisfaction, product quality, product safety,
Employees	N	Notice Boards, Website, Employee Survey feedback, Annual Performance Review, Meetings, Trainings	Ongoing	Working condition, Employee performance, Employee Satisfaction
Shareholders	N	AGM, Investor meets, Investor Grievance redressal mechanism, press release	Ongoing	Business Strategies and Performance
Regulatory Authorities	N	Regulatory Filings, communication to stock Exchange and SEBI	Ongoing	Legal Compliance
Media	N	Press Releases, Social Media Platforms, Media interactions	Ongoing	Information dissemination, communicating company's perspective
Community	Y, Underprivileged communities	Corporate Social responsibility initiatives	Ongoing	Social welfare

## Leadership Indicator

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The plant managers and unit heads of the company inform to the Company Secretary of their requirement and feedback. The Company Secretary mediate between the stakeholders and the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, Suprajit regularly communicates and collaborates with its key stakeholders, allowing them to work on their ESG topics and share transparent updates. They also conduct periodical evaluations to update policies based on regulations and stakeholder feedback.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups:

Please refer to the following link for information about the Company's community work: <https://suprajit.com/suprajit-foundation/>



## PRINCIPLE 5

### Businesses should respect and promote human rights Essential Indicators.

#### Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of / employees workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	984	769	100%	1,092	1,092	100%
Other than permanent	-	-	-	-	-	-
Total Employees	984	769	100%	1,092	1,092	100%
<b>Workers</b>						
Permanent	769	769	100%	731	731	100%
Other than permanent	-	-	-	-	-	-
Total Employees	769	769	100%	731	731	100%

2. Details of minimum wages paid to employees, in the following format:

Category	Total (A)	FY 2023 -24				FY 2022 -23				
		Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B / A)	No. (C)	%(C / A)		No. (E)	%(E / D)	No.(F)	% (F / D)
<b>Employees</b>										
<i>Permanent</i>										
Male	906	0	0%	906	100%	1,030	0	0%	1,030	100%
Female	78	0	0%	78	100%	62	0	0%	62	100%
<i>Other than Permanent</i>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<i>Permanent</i>										
Male	688	0	0%	688	100%	643	0	0%	643	100%
Female	81	0	0%	81	100%	88	0	0%	88	100%
<i>Other than Permanent</i>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in Million)	Number	Median remuneration/ salary/ wages of respective category (₹ in Million)
Board of Directors (BoD)	6	0.50	2	0.50
Key Managerial Personnel	2	9.76	0	0
Employees other than BoD and KMP	984	0.44	185	0.33
Workers	-	-	-	-

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	8%	No calculated

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Chief Human Resource Officer is the focal point for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a “Non-Discrimination and Sexual Harassment Redressal Policy” and a formal process for dealing with complaints of harassment or discrimination. The details of the grievance redressal mechanism is given under the point no. 6 under Principle 3. To prevent any adverse impact, the Company has undertaken initiatives to make the workplace safe for women, which include building employee awareness and stringent guidelines on Prevention of Sexual Harassment. Also, Whistle Blower Policy provides the mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

No Complaints have been received during the FY 2023 - 24 and FY 2022 – 23

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Whistle Blower Policy and Non-Discrimination and Sexual Harassment Redressal Policy provides the mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No. We are studying this requirement, and we are finding the most relevant clauses to be included in the agreements. However, we have Supplier Code of Conduct which contains human rights requirements.

10. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable as no significant risks / concerns has arisen from the assessments.

### Leadership Indicator

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints:

Suprajit Strive to comply the basic human rights in all its operations and incorporated with the code

2. Details of the scope and coverage of any Human rights due-diligence conducted.:

Human rights due diligence is yet to be conducted. We are planning to take it up in the coming years.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?:

Yes

4. Details on assessment of value chain partners

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.:

Not Applicable

## PRINCIPLE 6

**Businesses should respect and make efforts to protect and restore the environment.**

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	FY 2023-24	FY 2022-23
<b>From renewable source</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C) (Solar/Wind)	7710 GJ	1937 GJ
Total energy consumption (A+B+C)	7710 GJ	1937 GJ
<b>From non-renewable source</b>		
Total electricity consumption (D)	70750 GJ	74529 GJ
Total fuel consumption (E)	24764 GJ	24153 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	95514 GJ	98682 GJ
Total energy consumed (A+B+C+D+E+F)	103224 GJ	100619 GJ
Energy intensity per rupee of turnover (Total energy consumed / revenue from operations)	67.2 GJ/Crore of Turnover	68.2 GJ/Crore of Turnover
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	18.4 GJ/Crore of PPP adjusted Turnover	19.02 GJ/Crore of PPP adjusted Turnover
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – therelevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N. No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The operations of the company are not covered under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kiloliters)		
(i) Surface water		
(ii) Groundwater	86602	76894
(iii) Third party water*	46170	49021
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	132772	125915
Total volume of water consumption (in kiloliters)	132772	125915
Water intensity per rupee of turnover (Total water consumption / Revenue from operation)	86.4 KL/Crore of Turnover	85.4 KL/Crore of Turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	23.7 KL/Crore of PPP adjusted Turnover	23.8 KL/Crore of PPP adjusted Turnover
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

\*Municipal Water

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N. No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. Provide the following details related to water discharge:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) Surface water	-	0
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment (STP Treated water)	1313	-
(v) Others		
- No treatment	0	
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	1313	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No. We do not have ZLD as our operations are not water intensive. STP has been set up in Units where the treated water is used for gardening purposes. One Unit is handing over the used water to GIDC pipeline in accordance to the State Govt Guidelines. One Unit is handing over the STP water to Govt approved CETP pipelines thus abiding by the State Pollution Control Board norms. All other Units have in house STP facilities Thus there is no external discharge outside the plant boundary.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY2022-23
NOx	mg/Nm3	27.9	8.9
Sox	mg/Nm3	9.6	3.1
Particulate matter (PM)	mg/Nm3	38.1	22.6
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric ton of CO<sub>2</sub> equivalent</i>	1658	1795
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric ton of CO<sub>2</sub> equivalent</i>	16174	16769
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	<i>Metric ton of CO<sub>2</sub> Equivalent / Crores of Turnover</i>	11.6	12.6
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		3.2	3.6
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the sustainability consultants “Sustainability Actions Private Limited” has done assessment of the above calculations.



8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company has taken steps to reduce their GHG Emissions. This includes :

1. Installation of Roof top Solar panels of 3164 KWp Capacity
2. Auto power cut-off machinery and equipment during idle time
3. Compressor retro fitting of VFD installation completed in our 2 Units to reduce Energy Consumption
4. Installation of PNG at NCR Plants to reduce Scope 1 Emissions
5. The process of finalizing the procurement of Green energy through Group Captive power vendors. To start with we finalized for Karnataka Units
6. Machine upgradation using VFDs (Variable Frequency Drives) and TPRs (Thyristor Power Regulators) to increase the machine's efficiency and reduction of power consumption
7. AC drives (VFD) has been installed for high-capacity induction motors to reduce power consumption. Also in addition to that 22KW induction motor was replaced with 18 KW servo motor in molding machines
8. Replacement of normal Air Compressors with VFD model Compressors in the 3 Units to improve Energy Efficiency.
9. Installation of high efficiency HVLS industrial ceiling fans in our 3 Units sheet roof buildings to reduce the Energy consumption
10. Replacement of all CFL/old tube lights to LED lamps/fittings, including solar streetlights.

9. Provide details related to waste management by the entity, in the following format

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric ton)</b>		
Plastic waste (A)	114.7	68.6
E-waste (B)	0.5	1.7
Bio-medical waste (C)	0.0	0.2
Construction and demolition waste (D)	0.0	0.0
Battery waste (E)	0.2	1.1
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)- Used Oil	3.5	0.0
Oil soaked Cotton waste (H)	1.6	0.9
Zinc (I)	4.4	0.0
Paint Sludge (J)	0.6	1.8
Total Other Hazardous Waste (G+H+I+J)	14.1	2.7
Other Non-hazardous waste generated if any. (K) - Paper	5.6	
Steel (L)	279.0	
Wood (M)	68.1	
Corrugated Box (N)	179.7	
Organic waste (O)	17.3	
Other Metal Waste (P)	21.7	
Other Glass Waste (Q)	130.8	
Total Other Non-Hazardous Waste (K+L+M+N+O+P+Q)	702.2	798.2*
Total (A+B + C + D + E + F + G + H + I + J + K + L + M + N + O + P)	827.7	872.4

\* Bifurcation of Other Non-hazardous waste is not available for the FY22-23

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric ton)		
Category of waste – Plastics / E-Waste / Battery / Zinc / Paper / Steel / Corrugated Box / Other Metal Waste / Glass Waste		
(i) Recycled	726.6	869.5
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	726.6	869.5
For each category of waste generated, total waste disposed by nature of disposal method (in metric ton)		
Category of waste		
(i) Incineration (Bio Medical Waste / Used Oil / Wood)	73.3	1.1
(ii) Landfilling (Paint sludge / Organic Waste)	17.9	1.8
(iii) Other disposal operations	-	-
Total	91.2	2.9

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N. No independent assessment/ evaluation/assurance has been carried out by an external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We adhere to strict environment compliances and effectively dispose the hazardous waste generated through authorized dealers and our non-hazardous waste is re-used and recycled. The following are waste management practices established :

1. Segregation of waste at source with colour coded bins
2. Separate storage locations for hazardous and non-hazardous waste.
3. Maintained quantity register for generation and disposal inline with the hazardous waste management guidelines.
4. Adherence to Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The entity's operations/offices are not in or around ecologically sensitive areas.

12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No projects have been undertaken by the entity requiring environmental impact assessments of projects in the current financial year.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with all applicable environmental laws / regulations / guidelines in India.

#### Leadership Indicator

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- i. Name of the area Not Applicable
- ii. Nature of operations Not Applicable
- iii. Water withdrawal, consumption and discharge in the following format Not Applicable

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)	-	-
i) Surface water	-	-
ii) Groundwater	-	-
iii) Third party water	-	-
iv) Seawater / desalinated water	-	-
v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-

Parameter	FY 2023-24	FY 2022-23
Water intensity per rupee of turnover (Water consumed / Turnover)	-	-
Water intensity (Optional)- the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)	-	-
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify	-	-
level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify	-	-
level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify	-	-
level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – Not Applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency. Not Applicable

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The company does not have any plants around ecologically sensitive areas

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr.NO	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Maintaining the power factor value nearby 0.99	Periodic monitoring and regular review of power consumption	Reduction of the Reactive power losses
2	Synchronisation of DG with Solar	Instead of installing a higher capacity generator, we have completed the synchronization of a 320 KVA DG and 450 KWP solar plant in Unit 14	Reduced power consumption
3	Installation of higher capacity UPS	Higher capacity UPS prevents Breakdowns due to power losses. Thus reducing the Rejections/Scrap	Rejection / Scrap Reduction
4	Efficient preventive maintenance measures for DG and transformers	Periodic maintenance is carried out to avoid unwanted breakdowns	Increased efficiency
5	STP projects	Installation of Sequence Batch Reactors (SBR) based Sewage treatment plants (STP) for water treatment and reuse	Reduced water consumption
6	Solar energy usage	Solar Energy used for power consumption	Reduction of CO2 emissions (Scope 2)

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. The Company has business continuity and disaster management plan in place. This plan includes strategies for identifying potential risks, maintaining critical operations, facilitating quick recovery processes, data backup and recovery, alternative communication methods, and designated response teams. The Company has risk management committee of the board who periodically reviews the risks measures and advise on the action as deemed necessary.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The company has a supplier code of conduct which clearly mentions about Environmental protection. All the suppliers adhere to this by acknowledging the code of conduct. Additionally, Supplier Assessment Audits are in place to check the supplier adherence.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts: 50%

## PRINCIPLE 7

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Suprajit Limited affiliates with 3 trade and industry chambers/associates.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industries (CII)	National
2	Automotive Component Manufacturers Association (ACMA)	National
3	Bangalore Chamber of Industry and Commerce (BCIC)	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable, as no adverse orders from regulatory authorities has been received.

### Leadership Indicator

S.No	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually, Half Yearly, Quarterly, Others Please specify)	Web Link, if available
<b>Not Applicable</b>					

## PRINCIPLE 8

**Businesses should promote inclusive growth and equitable development.**

We have taken a holistic approach towards the development of the deprived groups of the society and implement CSR programmes through external agencies. The various CSR projects are firstly reviewed internally, approved by the management is regularly reviewed by the CSR committee. Our Corporate Social Responsibility (CSR) Policy outlines our commitment to promote inclusive growth and equitable development. We endeavor to make CSR a key business process for sustainable development and undertake various activities such as promoting education, healthcare, and rural development.



## Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

No Projects have been undertaken which require Social Impact Assessments (SIA) as per the applicable laws in the current financial year.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

There was no project involving R&R during the FY 2022-23 or 2023-24.

3. Describe the mechanisms to receive and redress grievances of the community.

No complaints have been received from communities during FY 2022-23 and 2023-24. Complaints / Grievances from communities are addressed by concerned departments on a case-to-case basis.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	72%	70%
Sourced directly from within India	66%	60%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage

Location	FY 2023-24	FY 2022-23
Rural	-	-
Semi-Urban	6%	-
Urban	25%	-
Metropolitan	69%	-

### Leadership Indicator

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)

S.No	Details of negative social impact identified	Corrective actions taken
1	NIL	NIL

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.No	State	Aspirational District	Amount spent (In INR)
1	NIL	NIL	NIL

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):

No

(b) From which marginalized /vulnerable groups do you procure?

NA

(c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S.No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	NIL	NIL	NIL	NIL

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective
NIL	NIL	NIL

6. Details of beneficiaries of CSR Projects:

Sr.NO	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	<b>EDUCATION</b>		
1	Renovation and refurbishment of Anganwadis in rural areas of Karnataka.	1000	100%
2	Donations made to support skill development program for survivors of human trafficking; and orphaned children	950	100%
3	Donations made to support meritorious students from underprivileged communities through scholarships and adoption of their educational expenses	950	95%

Sr.NO	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
4	Donations made to One Billion Literate Foundation to create a fun and engaging learning environment for government school children, focusing on foundational English and technology skills.	2000	100%
5	Sponsorship of the midday meal program for underprivileged children at a school	450	100%
6	Donations made to various institutions to support the vocational training, Industrial training and other educational activities	1400	90%
7	Miscellaneous Education related projects at Government Schools relating to school bus, solar power based smart classes, installing RO water plants, providing bench and desks, books, uniforms, etc	5500	90%
	<b>HEALTHCARE</b>		
8	Donation made to various institutions towards cancer care, dialysis expenses, etc.	3000	90%
9	Donations made towards early detection and prevention of Thalassemia disorders	10000	90%
10	Donations made to support eye care projects, eye camps, nutrition support to tuberculosis patients, identification of children with developmental disabilities, health camps to caddies etc.	2500	100%
11	Donations made for the establishment and development of an early childhood health care and education center.	100	100%
	<b>PROMOTION OF SPORTS</b>		
12	Donation made to various institutions and individuals for promotion of nationally recognised sports such as Golf, Cricket, etc.	50	90%

## PRINCIPLE 9

### Businesses should engage with and provide value to their consumers in a responsible manner

#### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Quality Management System procedure number SELI\QSP\19 is available for handling customer complaints.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	100%
Recycling and/or safe disposal	0%

3. Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Data Privacy						
Advertising						
Cyber Security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Others						

4. Details of instances of product recalls on account of safety issues: No product recall has happened on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		No Recalls
Forced recalls		No Recalls

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the company has policy “IT Policies & Procedures.” This policy is available on the intranet and accessible to all employees of the company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not Applicable

7. Provide the following information relating to data breaches:

- |   |       |
|---|-------|
| a) Number of instances of data breaches   | - NIL |
| b) Percentage of data breaches involving personally identifiable information of customers | - NA  |
| c) Impact, if any, of the data breaches   | - NIL |

### Leadership Indicator

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Suprajit has information about all the products it offers at <https://suprajit.com/>.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Suprajit products adhere to the specifications and regulatory demands of our customers, encompassing labeling and identification to ensure secure and responsible utilization, as well as end-of-life recycling and safe disposal.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. Not Applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes)

Yes, the products are fabricated, devised, and examined in accordance with the OEM customer-specific prerequisites, encompassing the obligatory standard examination essential for the merchandise.

## 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 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 into 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 / takeover as part of growth plans
- d. Cash required for contingencies
- e. Servicing the outstanding loans, etc.

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

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

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

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

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

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

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

### REVIEW / AMENDMENT:

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

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

For and on behalf of the Board

**K Ajith Kumar Rai**

Chairman

(DIN: 01160327)

Place: Bengaluru

Date : May 29,2024



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company:

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

### 2. Composition of CSR Committee:

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

3. Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company at [www.suprajit.com](http://www.suprajit.com)

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

5. a.	Average net profit of the company as per Section 135(5) (In INR million)	₹ 2,122.50
b.	Two percent of average net profit of the company as per Section 135(5) (In INR million)	₹ 42.45
c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
d.	Amount required to be set off for the financial year, if any	Nil
e.	Total CSR obligation for the financial year [ 7a + 7b - 7c ] ( In INR million)	₹ 42.45

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):  
 (b) Amount spent in Administrative Overheads:  
 (c) Amount spent on Impact Assessment, if applicable:  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] :

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

Total Amount Spent for the Financial Year (in INR Milion)	Amount Unspent (in Million)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
49.09	NIL		NIL		

(f) **Excess amount for set off, if any**

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5) (In INR million)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. **Details of Unspent CSR amount for the preceding three financial years:**

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

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes/ No**

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

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

Not Applicable

**K. AJITH KUMAR RAI**  
Chairman  
DIN: 01160327

Place: Bengaluru  
Date: May 29,2024

**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, 2024**

Sr. No.	Particulars	No. of SARs	Weighted average exercise price
1	No. of SARs outstanding at the beginning of the year	10,43,295	1
2	SARs granted during the period	0	-
3	SARs forfeited / surrendered during the year	21,016	1
4	SARs lapsed during the year	0	-
5	SARs exercised during the year	1,74,311	1
6	No. of SARs outstanding at the end of the year	8,47,968	1
7	No. of SARs exercisable at the end of the year	6,05,429	1

**III. Weighted Average remaining contractual life**

No. of SARs outstanding	Weighted average contractual life (years) as on March 31, 2024
8,47,968	4.07

**IV. Weighted average Fair Value of SARs granted during the year ended March 31, 2023**

a	Exercise price equals market price	NA
b	Exercise price is greater than market price	NA
c	Exercise price is less than market price	NA

<b>V. Weighted average market price of SARs exercised during the year ended March 31, 2024</b>	407.48
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**VI. Employee wise details of SARs granted during the year ended March 31, 2024**
**(i) Senior managerial personnel**

Name of employee	No. of SARs granted
NA	
Other employees who were granted, during the year, SARs amounting to 5% or more of the SARs granted during the year	NA
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, 2024**

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

The assumption used in the model is as follows:

Variables	Grant-1	Grant-2
	Weighted Average	
Risk-free interest Rate	7.92	6.10
Expected Life (in years)	6.41	6.41
Expected volatility	35.79	38.64
Dividend yield	0.54	0.48
Exercise Price	257.65	365.05
Price of the underlying share in market at the time of the grant of option	257.65	365.05

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

(₹ Million)

Particulars	As on March 31, 2024
Employee option plan expenses during the year	10.00
Total Liability for the year ended March 31, 2024	104

For and on behalf of the Board

**K Ajith Kumar Rai**

Chairman

(DIN: 01160327)

Place : Bengaluru

Date : May 29, 2024

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[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 31.03.2024 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 31.03.2024 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. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
  - h. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - i. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
  - k. Circulars/Guidelines issued thereunder;
- 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:**

- The Factories Act, 1948
- The Employees State Insurance (ESI) Act, 1948
- The Employees Provident Funds & Miscellaneous Provisions Act, 1952
- Contract Labour (R&A) Act, 1970
- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Maternity Benefit Act, 1961
- The Equal Remuneration Act, 1976
- The Employment Exchanges (CNV) Act, 1959
- The Karnataka Labour Welfare Fund Act, 1965
- The Apprentices Act, 1961
- The Industrial Employment Standing Orders Act, 1946
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- The Karnataka Industrial Establishments (National & Festival) Holidays Act, 1963
- The Karnataka Public Safety (Measures) Enforcement Act, 2017
- Karnataka Shops & Commercial Establishment Act, 1961

**2) Environment Related Acts & Rules:**

- The Environment Protection Act, 1986
- The Water (Prevention & Control of Pollution) Act, 1974
- The Air (Prevention & Control of Pollution) Act, 1981
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

**3) Economic / Commercial Laws & Rules:**

- The Competition Act, 2002
- The Indian Contract Act, 1872
- The Sales of Goods Act, 1930
- The Forward Contracts (Regulation) Act, 1952
- The Indian Stamp Act, 1899
- The Transfer of Property Act, 1882
- The Patents Act, 1970
- The Trade Marks Act, 1999

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. The Management addressed certain non-material findings made during the course of the audit relating to the provisions of the Companies Act, Secretarial Standards, Labour Laws suitably.

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.

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.

**(Parameshwar G. Bhat)**

FCS No.: 8860

C P No.: 11004

UDIN: F008860E00041503

Place : Bengaluru

Date : 29.05.2024

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 are 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: F008860E00041503

Place : Bengaluru

Date : 29.05.2024

**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.	2.42%
The number of permanent employees on the rolls of Company	2244
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, 2024 has increased by 7.39 %. The aggregate remuneration of employees excluding Chairman & Managing Director grew by 13.38% over the previous financial year. The aggregate increase in salary for Chairman & Managing Director was 9.47% in the financial year 2023-24 over financial year 2022-23.
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 31.03.2024 is as follow :

Sl. No.	Name of the Directors	Ratio
1	Mr. Kula Ajith Kumar Rai	257.74 x
2	Mohan Srinivasan Nagamangala	107.59 x
3	Mr. Akhilesh Rai	54.97 x
4	Mr. M. Lakshminarayan	1.64 x
5	Mrs. Bharati Rao	1.64 x
6	Mr. Harish Hassan Visweswara	1.64 x
7	Mr. Bhagya Chandra Rao	1.64 x
8	Dr. Supriya Rai	0 x

- a. During the year, the non-executive directors received sitting fees and commission as remuneration.
- b. The Median remuneration of the employees for the financial year ends March 31, 2024 is Rs. 3,05,602/-
2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ended on 31.03.2024 is as follow :

₹ in Million

Sl. No	Name of the Director/KMP	Designation	For the year ended 31.03.2024	For the year ended 31.03.2023	% increase for ended on 31.03.2024
1	Mr. K Ajith Kumar Rai	Chairman	78.51	72.01	9.03
2	Mr. Mohan Srinivasan Nagamangala	Managing Director & Group CEO	27.92	25.78	8.30
3	Akhilesh Rai	Director & CSO	14.54	9.13	59.26
4	Mr. M. Lakshminarayan	Independent Director	0.73	0.60	21.67
5	Mrs. Bharati Rao	Independent Director	0.72	0.62	16.13
6	Mr. Harish Hassan Visweswara	Independent Director	0.76	0.61	24.59
7	Mr. Bhagya Chandra Rao	Independent Director	0.64	0	-
8	Dr. Supriya A. Rai	Non – Executive Director	0	NA	-
9	Mr. Medappa Gowda J	CFO & Company Secretary	9.76	9.46	3.17

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

Information relating to employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection by the Members at the Registered Office of the Company during the business hours on all working days of the Company upto the date of the forthcoming Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary.

**For and on behalf of the Board**

**K Ajith Kumar Rai**

Chairman

(DIN: 01160327)

**Place : Bengaluru**

**Date : May 29, 2024**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
 (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SUPRAJIT ENGINEERING LIMITED having CIN: L29199KA1958PLC006934 and having registered office at No. 100 & 101, Bommasandra Industrial Area, Bangalore 560099(hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Muthuswami Lakshminarayan	00064750	01.04.2019
2	Mr. Kula Ajith Kumar Rai	01160327	01.04.2009
3	Mrs. Supriya Ajith Rai	01756994	30.05.2014
4	Mrs. Bharathi Rao	01892516	01.04.2019
5	Mr. Mohan Srinivasan Nagamangala	01916468	13.02.2017
6	Mr. Akhilesh Rai	07982469	12.06.2020
7	Mr. Harish Hassan Visweswara	08742808	12.06.2020
8	Mr. Bhagya Chandra Rao	00211127	01.04.2023

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

**Vijayakrishna K T**  
 Company Secretary  
 FCS No.: 1788  
 C P No .: 980  
 UDIN: F001788E000479375

Place : Bengaluru  
 Date : 29.05.2024

## CEO & CFO CERTIFICATION

We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 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;

**Medappa Gowda J**  
Chief Financial Officer

**Mohan Srinivasan Nagamangala**  
Chief Executive Officer  
DIN: 01916468

Place : Bengaluru  
Date : May 29, 2024

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## 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, 2024 compliance with the code of conduct of the Company laid down for them.

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

Place : Bengaluru  
Date : May 29, 2024

## 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, 2024 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.

**Vijaykrishna K T**

Practising Company Secretary  
FCS-1788  
CP-980  
UDIN: F001788F000479353

Place : Bengaluru  
Date : May 29, 2024

# **STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED**



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of Suprajit Engineering Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Suprajit Engineering Limited ("the Company"), which comprise the standalone Balance sheet as at March 31 2024, the standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income/ (Loss), the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of Material accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income/ (loss), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Investments in Subsidiaries (as described in Note 6(a) of the standalone financial statements)	
<p>As at March 31, 2024, the carrying value of investments in wholly owned subsidiaries included in the standalone balance sheet amounts to Rs. 2,601.01 million (net of impairment provision).</p> <p>To assess if there is any impairment in these investments, management conducts impairment tests annually or whenever changes in circumstances or events indicate that, the carrying amount of such investment may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value.</p> <p>The recoverable amount is estimated by calculating the value in use, basis valuation conducted by the management 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.</p> <p>This is a key audit matter as the testing of investment impairment is complex and involves significant judgement. The key assumptions included in impairment tests are projected revenue growth, operating margins, discount rates and terminal growth etc.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• We tested the key assumptions and considered the sensitivity scenarios performed by management;</li> <li>• We tested the methodologies used and the computations by the management in their valuation reports; and</li> <li>• We assessed the disclosures made in the standalone financial statements.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

### Other Information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/ (loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 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, 2020 ("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 except for the matters stated in paragraph (i)(vi) below on reporting under Rule 11(g);
- (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income/ (Loss), the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 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

## INDEPENDENT AUDITOR'S REPORT

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

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

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer note 20 and note 42(ii) to the standalone financial statements;

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

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 10 and note 49(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice

that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

c) As stated in note 17 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company has used three accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software except that, audit trail feature is not enabled for certain changes made, if any, using administrative access rights in respect of the said three accounting software, as described in note 49(vii) to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the aforesaid software where audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Rajeev Kumar**

Partner

Membership Number: 213803

Unique Document Identification Number (UDIN):  
24213803BKGWMC4004

Place of Signature: Bengaluru

Date: May 29, 2024

## ANNEXURE ‘1’ REFERRED TO IN PARAGRAPH UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

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

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

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

(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) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(iii)(a) During the year the Company has provided loans, advances in the nature of loans to other parties as follows:

Particulars (Rs. in million)	Guarantees	Loans	Advance in the nature of loans
Aggregate amount granted/ provided during the year			
Subsidiaries	-	831.63	-
Others (i.e. employees)	-	-	20.08
Balance outstanding as at balance sheet date in respect of above cases			
Subsidiaries	4,877.37	1,250.61	-
Others (i.e. employees)	-	-	12.71

Other than the above, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other party.

(b) During the year the investments made, guarantees provided and the terms and conditions of the grant of all loans, advances in the nature of loans and guarantees are not prejudicial to the Company's interest.

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

(ii)(a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024. There were no discrepancies of 10% or more in aggregate that were noted for each class of inventory in respect of such physical verification and third party confirmations.

(b) As disclosed in note 18(a) to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/ statements filed by the Company with such banks in respect of gross value of collateral security (excluding the impact of quarterly book closure adjustments) are in agreement with the books of accounts of the Company.

(c) The Company has granted loans to a subsidiary and advances in the nature of loans during the year to other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

## ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

- (e) There were no loans or advance in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act as applicable in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company. In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which provisions of section 185 of the Act are applicable.
- (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 goods and services tax, provident fund, income-tax, duty of custom, value added tax, cess and other statutory dues applicable to it though there have been slight delays in payment of employees' state insurance and tax deducted at source in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Payment under protest (Rs. in million)	Period (financial year) to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of certain expenses and benefit	0.37	0.37	2003-04	Allahabad High Court
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	Adjustment for transfer pricing and other disallowances	5.99	-	2010-11 & 2011-12	Income Tax Appellate Tribunal, Delhi
The Income Tax Act, 1961	Penalty on disallowance of certain expenses and benefit	2.43	-	2012-13	National Faceless Assessment Centre
The Income Tax Act, 1961	Disallowance of certain expenses and benefit	9.43	9.43	2015-16	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Adjustment for transfer pricing and other disallowances	21.66*	-	2016-17	Commissioner of Income Tax (Appeals)



## ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

The Income Tax Act, 1961	Disallowance of certain benefit (including interest)	16.70*	-	2017-18	Deputy Commissioner of Income Tax
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\*the aforesaid demand amounts are excluding advance tax payment of Rs. 75.01 million pertaining to financial year 2016-17 and Rs. 17.5 million pertaining to financial year 2017-18 respectively which have not been considered by the Assessing officer and hence the Company has filed necessary rectification application u/s 154 of the Income tax Act, 1961.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.
- (f) The Company has not raised loans during the year on pledge of securities held in its subsidiaries. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.



## ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 46 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an

assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 32(ii)(d) to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 32(ii)(e) to the standalone financial statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Rajeev Kumar**

Partner

Membership Number: 213803

Unique Document Identification Number (UDIN):

24213803BKGWMC4004

Place of Signature: Bengaluru

Date: May 29, 2024

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

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

We have audited the internal financial controls with reference to standalone financial statements of Suprajit Engineering Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial

statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

### Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements

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

due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 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

Unique Document Identification Number (UDIN):

24213803BKGWMC4004

Place of Signature: Bengaluru

Date: May 29, 2024

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

₹ in Million

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,648.17	2,998.84
Capital work in progress	3	45.58	201.00
Right-of-use assets	4	192.28	205.35
Intangible assets	5	393.90	37.22
Intangible assets under development	5	-	4.07
<b>Financial assets</b>			
Investments	6	2601.68	2,624.25
Loans	10	1,250.61	411.08
Other financial assets	13	58.48	57.76
Income tax assets (net)	15	96.92	22.68
Other non-current assets	14	56.14	72.82
		<b>8,343.76</b>	<b>6,635.07</b>
<b>Current assets</b>			
Inventories	7	1,883.36	1,903.58
<b>Financial assets</b>			
Investments	8	4,365.54	3,869.17
Trade receivables	9	3,004.68	2,743.11
Cash and cash equivalents	11	301.64	417.12
Other bank balances	12	30.37	67.43
Loans	10	12.71	11.79
Other financial assets	13	5.97	3.98
Other current assets	14	159.85	103.01
		<b>9,764.12</b>	<b>9,119.19</b>
<b>Total assets</b>		<b>18,107.88</b>	<b>15,754.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	138.46	138.39
Other equity	17	12,896.78	10,860.14
<b>Total equity</b>		<b>13,035.24</b>	<b>10,998.53</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18 (a)	525.00	675.00
Lease Liabilities	18 (b)	41.08	48.46
Other financial liabilities	20	28.05	32.32
Provisions	21	43.28	63.32
Deferred tax liability (net)	22 (a)	227.02	179.70
Other non current liabilities	23	16.71	19.20
		<b>881.14</b>	<b>1,018.00</b>

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

₹ in Million

	Notes	As at March 31, 2024	As at March 31, 2023
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	<b>18(a)</b>	2,118.05	1,766.95
Lease Liabilities	<b>18(b)</b>	7.23	10.10
Trade payables	<b>19</b>		
Total outstanding dues of micro and small enterprises		342.33	350.01
Total outstanding dues of creditors other than micro and small enterprises		1,185.49	1,096.23
Other financial liabilities	<b>20</b>	213.72	196.97
Other current liabilities	<b>23</b>	209.84	166.47
Provisions	<b>21</b>	94.04	81.27
Current tax liabilities (net)	<b>22 (b)</b>	20.80	69.73
		<b>4,191.50</b>	<b>3,737.73</b>
<b>Total liabilities</b>		<b>5,072.64</b>	<b>4,755.73</b>
<b>Total equity and liabilities</b>		<b>18,107.88</b>	<b>15,754.26</b>

Corporate information and material 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

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

**per Rajeev Kumar**

Partner

Membership No.: 213803

**K Ajith Kumar Rai**

Chairman

DIN: 01160327

**Mohan Srinivasan Nagamangala**

Managing Director & Group Chief

Executive Officer

DIN: 01916468

**Medappa Gowda J**

Chief Financial Officer &

Company Secretary

**Place: Bengaluru**

Date: May 29, 2024

**Place: Bengaluru**

Date: May 29, 2024

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>I Income</b>			
Revenue from operations	24	15,367.36	14,310.19
Other income	25	715.49	435.77
<b>Total income</b>		<b>16,082.85</b>	<b>14,745.96</b>
<b>II Expenses</b>			
Cost of materials consumed	26	9,407.63	8,952.14
Purchases of stock-in-trade	27	51.50	32.13
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	4.82	23.98
Employee benefits expense	29	2,074.98	1,832.45
Finance costs	30	212.01	162.18
Depreciation and amortization expense	31	359.26	292.13
Other expenses	32	1,069.65	974.16
<b>Total expenses</b>		<b>13,179.85</b>	<b>12,269.17</b>
<b>III Profit before tax expense (I-II)</b>		<b>2,903.00</b>	<b>2,476.79</b>
<b>IV Tax expense (net):</b>	33(a)		
Current tax		607.17	589.79
Deferred tax charge		50.46	19.18
Current tax relating to earlier periods		(114.56)	-
<b>Total tax expenses</b>		<b>543.07</b>	<b>608.97</b>
<b>V Profit for the year (III-IV)</b>		<b>2,359.93</b>	<b>1,867.82</b>
<b>VI Other comprehensive income/ (loss) ('OCI'), net of taxes</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Re-measurement gain/(loss) on defined benefit plan	33 (b)	(9.38)	(2.15)
<b>Total other comprehensive income/ (loss)</b>		<b>(9.38)</b>	<b>(2.15)</b>
<b>VII Total comprehensive income for the year (V+VI) comprising profit and other comprehensive Income</b>		<b>2,350.55</b>	<b>1,865.67</b>
<b>VIII Earnings per equity share [nominal value of share ₹ 1 (March 31, 2023: ₹ 1)]</b>	34		
Basic		17.05	13.50
Diluted		17.02	13.48

Corporate information and material accounting policies

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

1 & 2

**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: May 29, 2024

**K Ajith Kumar Rai**

Chairman

DIN: 01160327

**Place: Bengaluru**

Date: May 29, 2024

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

**Mohan Srinivasan Nagamangala**

Managing Director & Group Chief

Executive Officer

DIN: 01916468

**Medappa Gowda J**

Chief Financial Officer & Company Secretary

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity share capital (refer note 16)	Number	₹ in Million
Equity shares of ₹1 each issued, subscribed and fully paid-up		
<b>As at April 1, 2022</b>	13,83,85,170	138.39
Issue of shares during the year*	7,424	0.01
<b>As at March 31, 2023</b>	<b>13,83,92,594</b>	<b>138.39</b>
Issue of shares during the year*	68,379	0.07
<b>As at March 31, 2024</b>	<b>13,84,60,973</b>	<b>138.46</b>

\* During the year the Company allotted 68,379 (March 31, 2023-7,424) equity shares of ₹ 1 each, consequent to the exercise of employee stock appreciation rights. Also refer note 45.

### B. Other equity (refer note 17)

₹ in Million

	Attributable to equity holders of the Company						Total
	Reserves and surplus						
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserves	Surplus in the statement of profit & loss	
<b>As at April 1, 2022</b>	<b>5.13</b>	<b>295.2</b>	<b>1388.89</b>	<b>4,410.83</b>	<b>94.11</b>	<b>3,073.45</b>	<b>9,267.61</b>
Add: Profit for the year	-	-	-	-	-	1,867.82	1,867.82
Less: OCI - Re-measurement gain on defined benefit obligation (net of tax)	-	-	-	-	-	(2.15)	(2.15)
Add: Share based payments expense	-	-	-	-	24.40	-	24.40
Add/ Less: Exercise of employee stock appreciations rights	-	-	3.63	-	(3.63)	-	-
Less: Cash dividends	-	-	-	-	-	(297.54)	(297.54)
<b>Balance as at March 31, 2023</b>	<b>5.13</b>	<b>295.20</b>	<b>1,392.52</b>	<b>4,410.83</b>	<b>114.88</b>	<b>4,641.58</b>	<b>10,860.14</b>
Add: Profit for the year	-	-	-	-	-	2,359.93	2,359.93
Less: OCI - Re-measurement gain on defined benefit obligation (net of tax)	-	-	-	-	-	(9.38)	(9.38)
Add: Share based payments expense	-	-	-	-	11.42	-	11.42
Add/ Less: Exercise of employee stock appreciations rights	-	-	22.30	-	(22.30)	-	-
Less: Cash dividends	-	-	-	-	-	(325.33)	(325.33)
<b>Balance as at March 31, 2024</b>	<b>5.13</b>	<b>295.20</b>	<b>1,414.82</b>	<b>4,410.83</b>	<b>104.00</b>	<b>6,666.80</b>	<b>12,896.78</b>

Corporate information and material 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: May 29, 2024

**K Ajith Kumar Rai**

Chairman

DIN: 01160327

**Place: Bengaluru**

Date: May 29, 2024

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

**Mohan Srinivasan Nagamangala**

Managing Director & Group Chief

Executive Officer

DIN: 01916468

**Medappa Gowda J**

Chief Financial Officer & Company Secretary



**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024**

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Operating activities</b>		
Profit before tax expense	2,903.00	2,476.79
<b>Adjustments to reconcile profit before tax expense to net cash flows:</b>		
Depreciation and amortization expense	359.26	292.13
Allowance for doubtful receivables (net)	11.98	6.92
Loss /(profit) on disposal of property, plant and equipment (net)	1.15	(0.07)
Liabilities no longer required written back	-	(3.20)
Fair value gain in financial instruments	(366.99)	(141.77)
Write back of provision for diminution in value of investments in mutual funds	(26.44)	-
Finance cost	212.01	162.18
Interest income	(64.72)	(44.51)
Dividend Income	(155.88)	(69.55)
Financial guarantee income	(23.26)	(23.16)
Unrealised foreign exchange (gain)/ loss	(18.16)	(73.42)
Employee share based payments	10.00	22.03
<b>Operating profit before working capital changes</b>	<b>2,841.95</b>	<b>2,604.37</b>
<b>Working capital adjustments:</b>		
(Increase)/decrease in inventories	20.22	(48.42)
(Increase)/decrease in trade receivables	(267.85)	(65.47)
(Increase)/decrease in loans	(1.20)	(31.05)
(Increase)/decrease in other financial assets	(0.96)	5.59
(Increase)/decrease in other assets	(56.85)	9.05
Increase/(decrease) in trade payables	82.73	83.25
Increase/(decrease) in other financial liabilities	15.78	21.17
Increase/(decrease) in provisions	6.63	10.01
Increase/(decrease) in other liabilities	40.88	72.47
<b>Cash generated from operations</b>	<b>2,681.33</b>	<b>2,660.97</b>
Direct taxes paid (net of refund)	(615.76)	(600.91)
<b>Net cash flows from operating activities</b>	<b>2,065.57</b>	<b>2,060.06</b>
<b>B Investing activities</b>		
Purchase of property, plant and equipment and other intangible assets	(1,166.82)	(751.87)
Proceeds from sale of property, plant and equipment	1.84	1.58
Purchase of investments	(456.40)	(2,518.94)
Sales of investments	351.01	987.96
Movement in deposits (net) ( Refer note 12 )	39.32	(50.13)
Interest received	64.45	48.24
Dividend received from subsidiary companies	155.88	69.55
Corporate financial guarantee income realisation	23.26	24.45
Loan repayment from /(given to) subsidiary company	(831.63)	411.25
<b>Net cash flows used in investing activities</b>	<b>(1,819.09)</b>	<b>(1,777.91)</b>

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>C Financing activities</b>		
(Repayment) of working capital loans	(5,338.70)	(3,107.17)
Proceeds from working capital loans	5,726.81	2,777.79
(Repayment) of long term borrowings	(187.01)	(99.64)
Proceeds from long term borrowings	-	750.00
Interest paid	(215.01)	(161.63)
Payment of lease liabilities	(10.25)	(14.26)
Dividend paid to equity shareholders	(337.80)	(283.69)
Issue of share capital	0.07	0.01
<b>Net cash flows used in financing activities</b>	<b>(361.89)</b>	<b>(138.59)</b>
<b>D Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(115.41)</b>	<b>143.56</b>
Net foreign exchange difference on cash and cash equivalents	(0.07)	-
Cash and cash equivalents at the beginning of the year	417.12	273.56
<b>E Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>301.64</b>	<b>417.12</b>
<b>Cash and cash equivalents as at year end comprises -</b>		
Cash on hand	0.70	0.71
<b>Balance with banks on</b>		
Current accounts	265.12	279.07
EEFC accounts	35.82	137.34
<b>Total cash and cash equivalents</b>	<b>301.64</b>	<b>417.12</b>

Corporate information and material 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: May 29, 2024

**K Ajith Kumar Rai**

Chairman

DIN: 01160327

**Place: Bengaluru**

Date: May 29, 2024

**For and on behalf of the Board of**

**Directors of Suprajit Engineering Limited**

**Mohan Srinivasan Nagamangala**

Managing Director & Group Chief

Executive Officer

DIN: 01916468

**Medappa Gowda J**

Chief Financial Officer & Company Secretary

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 1. Corporate information

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

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

The standalone financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on May 29, 2024.

### 2. Material accounting policies

#### (a) Basis of preparation of standalone financial statements

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

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

#### (b) Use of estimates, assumptions and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities,

the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

#### 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 45.

### 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;

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- 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

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

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

### (d) Foreign currencies

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign

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

### (e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 365 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### Dividend

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

### (g) Government grants

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

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

### (h) Taxes

#### Current income tax

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

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

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

#### Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

### (i) Property, plant and equipment

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

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

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

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

### (j) Intangible assets

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

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

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

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

	Useful lives (years)
Trade mark	5
Software	3
Business rights	5
Patents	5

**(k) Borrowing costs**

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

**(l) Leases**

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

**The Company as a lessee**

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

**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
Buildings	2 to 5

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

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

**Lease Liabilities**

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

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

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

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 realisable 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the standalone statement of profit or loss, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### (o) Provisions

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

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

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

### (p) Retirement and other employee benefits

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 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)

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

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

### *Investment in subsidiary*

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

### *De-recognition*

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

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### *Subsequent measurement*

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

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

### *Loans and borrowings*

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

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

### *Financial guarantee*

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

### *De-recognition*

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

### **Offsetting of financial instruments**

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

### **(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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### (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 consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

### New and amended standards

Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the company has applied beginning April 1, 2023:

#### Amendment to Ind AS 1 "Presentation of Financial Statements"

The amendment requires the Company to disclose material accounting policies rather than significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of financial statements. The amendment had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's standalone financial statements.

Several other amendments and interpretations apply for the first effective April 1, 2023, but do not have an impact on the standalone financial statements of the Company. There are no standards that are notified and not yet effective as on the date.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 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
<b>Cost</b>											
As at April 1, 2022	234.39	27.04	1,410.81	219.68	1,596.27	108.62	71.76	45.47	68.53	46.00	3,828.57
Additions	-	-	239.80	1.19	272.09	30.41	26.24	2.30	36.08	8.29	616.40
Disposals	-	-	-	-	(6.99)	-	(0.03)	(1.56)	(0.16)	(1.14)	(9.88)
<b>As at March 31, 2023</b>	<b>234.39</b>	<b>27.04</b>	<b>1,650.61</b>	<b>220.87</b>	<b>1,861.37</b>	<b>139.03</b>	<b>97.97</b>	<b>46.21</b>	<b>104.45</b>	<b>53.15</b>	<b>4,435.09</b>
Additions	334.54	-	149.70	63.18	299.83	53.97	25.36	17.42	10.87	10.92	965.79
Disposals	-	-	-	-	(38.30)	-	(0.22)	(6.88)	(0.12)	(0.34)	(45.86)
<b>As at March 31, 2024</b>	<b>568.93</b>	<b>27.04</b>	<b>1,800.31</b>	<b>284.05</b>	<b>2,122.90</b>	<b>193.00</b>	<b>123.11</b>	<b>56.75</b>	<b>115.20</b>	<b>63.73</b>	<b>5,355.02</b>
<b>Depreciation</b>											
As at April 1, 2022	-	-	295.18	56.66	667.32	58.59	22.78	19.86	32.84	30.15	1,183.38
Charge for the year	-	-	58.26	11.72	143.20	19.71	6.36	5.24	9.24	7.51	261.24
Disposals	-	-	-	-	(5.51)	-	(0.03)	(1.53)	(0.16)	(1.14)	(8.37)
<b>As at March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>353.44</b>	<b>68.38</b>	<b>805.01</b>	<b>78.30</b>	<b>29.11</b>	<b>23.57</b>	<b>41.92</b>	<b>36.52</b>	<b>1,436.25</b>
Charge for the year	-	-	76.23	16.56	160.54	26.11	7.91	6.42	10.60	9.12	313.49
Disposals	-	-	-	-	(36.09)	-	(0.22)	(6.15)	(0.09)	(0.34)	(42.89)
<b>As at March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>429.67</b>	<b>84.94</b>	<b>929.46</b>	<b>104.41</b>	<b>36.80</b>	<b>23.84</b>	<b>52.43</b>	<b>45.30</b>	<b>1,706.85</b>
<b>Net book value</b>											
As at March 31, 2023	234.39	27.04	1,297.17	152.49	1,056.36	60.73	68.86	22.64	62.53	16.63	2,998.84
As at March 31, 2024	568.93	27.04	1,370.64	199.11	1,193.44	88.59	86.31	32.91	62.77	18.43	3,648.17

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

#### Notes:

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

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Gross block</b>	<b>749.68</b>	<b>749.68</b>
Additions	0.54	-
<b>Total gross block</b>	<b>750.22</b>	<b>749.68</b>
<b>Accumulated depreciation</b>	<b>(200.53)</b>	<b>(171.48)</b>
Charge for the year	(29.25)	(29.05)
<b>Total accumulated depreciation</b>	<b>(229.78)</b>	<b>(200.53)</b>
<b>Net book value</b>	<b>520.44</b>	<b>549.15</b>

### 3(ii) Capital work in progress

₹ in Million

	Total
<b>As at April 1, 2022</b>	<b>79.08</b>
Additions	466.17
Capitalised	(344.25)
<b>As at March 31, 2023</b>	<b>201.00</b>
Additions	221.27
Capitalised	(376.69)
<b>As at March 31, 2024</b>	<b>45.58</b>

#### Capital work in progress (CWIP) ageing schedule

₹ in Million

As at March 31, 2024	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	45.30	0.28	-	-	<b>45.58</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>45.30</b>	<b>0.28</b>	<b>-</b>	<b>-</b>	<b>45.58</b>

As at March 31, 2023	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	184.70	14.43	1.87	-	201.00
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>184.70</b>	<b>14.43</b>	<b>1.87</b>	<b>-</b>	<b>201.00</b>

There are no overdue or cost overrun projects compared to its original plan and no CWIP which are temporarily suspended, on the above mentioned reporting dates.

### 4. Right-of-use assets

The Company has lease contracts for leasehold land, prepaid leasehold land rentals, factory premises and office space. Leases generally have lease terms between 3 and 99 years.

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Buildings	Leasehold land	Total
<b>As at April 1, 2022</b>	<b>42.55</b>	<b>204.95</b>	<b>247.50</b>
Deletion	(10.04)	-	(10.04)
<b>As at March 31, 2023</b>	<b>32.51</b>	<b>204.95</b>	<b>237.46</b>
Additions	-	-	-
Deletion	-	-	-
<b>As at March 31, 2024</b>	<b>32.51</b>	<b>204.95</b>	<b>237.46</b>
<b>Accumulated depreciation</b>			
<b>As at April 1, 2022</b>	<b>9.28</b>	<b>14.48</b>	<b>23.76</b>
Depreciation expense	13.57	4.82	18.39
Deletion	(10.04)	-	(10.04)
<b>As at March 31, 2023</b>	<b>12.81</b>	<b>19.30</b>	<b>32.11</b>
Depreciation expense	8.24	4.83	13.07
Deletion	-	-	-
<b>As at March 31, 2024</b>	<b>21.05</b>	<b>24.13</b>	<b>45.18</b>
<b>Net book value as at March 31, 2023</b>	<b>19.70</b>	<b>185.65</b>	<b>205.35</b>
<b>Net book value as at March 31, 2024</b>	<b>11.46</b>	<b>180.82</b>	<b>192.28</b>

### 5 (i) Intangible assets

₹ in Million

Cost	Trade mark*	Business rights	Patents	Software	Total
<b>As at April 01, 2022</b>	-	<b>13.16</b>	<b>0.76</b>	<b>59.33</b>	<b>73.25</b>
Additions	-	-	2.50	35.34	<b>37.84</b>
<b>As at March 31, 2023</b>	-	<b>13.16</b>	<b>3.26</b>	<b>94.67</b>	<b>111.09</b>
Additions	371.42	-	-	17.96	<b>389.38</b>
Disposals	-	-	-	-	-
<b>As at March 31, 2024</b>	<b>371.42</b>	<b>13.16</b>	<b>3.26</b>	<b>112.63</b>	<b>500.47</b>
<b>Amortization</b>					
<b>As at April 01, 2022</b>	-	<b>13.16</b>	<b>0.50</b>	<b>47.71</b>	<b>61.37</b>
Charge for the year	-	-	0.30	12.20	<b>12.50</b>
<b>As at March 31, 2023</b>	-	<b>13.16</b>	<b>0.80</b>	<b>59.91</b>	<b>73.87</b>
Charge for the year	12.58	-	0.59	19.53	<b>32.70</b>
Disposals	-	-	-	-	-
<b>As at March 31, 2024</b>	<b>12.58</b>	<b>13.16</b>	<b>1.39</b>	<b>79.44</b>	<b>106.57</b>
<b>Net book value</b>					
<b>As at March 31, 2023</b>	-	-	<b>2.46</b>	<b>34.76</b>	<b>37.22</b>
<b>As at March 31, 2024</b>	<b>358.84</b>	-	<b>1.87</b>	<b>33.19</b>	<b>393.90</b>

\*As part of restructuring of Phoenix Lamps Division, the Company acquired Trademarks of Trifa Lamps GmbH from Luxlite Lamps on February 06, 2024.

### 5 (ii) Intangible assets under development

₹ in Million

	Total
<b>As at April 1, 2022</b>	<b>7.82</b>
Additions	2.07
Capitalised	(2.50)
Deletions	(3.32)
<b>As at March 31, 2023</b>	<b>4.07</b>
Additions	-
Capitalised	(1.04)
Deletions	(3.03)
<b>As at March 31, 2024</b>	<b>-</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### Intangible Asset under Development (IAUD) ageing schedule

₹ in Million

As at March 31, 2024	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
As at March 31, 2023	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2.07	1.11	0.51	0.38	<b>4.07</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2.07</b>	<b>1.11</b>	<b>0.51</b>	<b>0.38</b>	<b>4.07</b>

There are no overdue or cost overrun projects compared to its original plan and no IAUD which are temporarily suspended, on the above mentioned reporting dates.

## 6 Investments

### Non-current

#### Investment carried at cost (unquoted equity instruments)

₹ in Million

6 a) Investments in equity shares of wholly owned subsidiaries. (Refer Note e)	As at March 31, 2024	As at March 31, 2023
<b>Suprajit Automotive Private Limited, India</b> 1,990,000 (March 31, 2023: 1,990,000) equity shares of ₹10 each including beneficial holding of 1 equity share. (Refer Note e)	32.51	31.09
<b>Suprajit Europe Limited, UK</b> 2,200,000 (March 31, 2023: 2,200,000) equity shares of GBP 1 each.	186.00	186.00
<b>Trifa Lamps Germany, GmbH, Germany</b> 30,000 (March 31, 2023: 30,000) equity shares of Euro 1 each. [Net of impairment on investment ₹54.00 Million (March 31, 2023: ₹54.00) (Refer Note c)]	258.00	258.00
<b>Luxlite Lamp SARL, Luxembourg</b> 91,125 (March 31, 2023: 91,125) equity shares of Euro 100 each. [Net of impairment on investment ₹792.30 Million (March 31, 2023: ₹792.30.) (Refer Note b)]	-	-
<b>Suprajit USA Inc., USA</b> 1,000 (March 31, 2023: 1,000) Common Stock of USD 30,000 each. (Refer Note d & e)	2,124.50	2,124.50
<b>Total</b>	<b>2,601.01</b>	<b>2,599.59</b>
Aggregate amount of unquoted investment in subsidiaries	3,447.31	3,445.89
Less: Aggregate amount of impairment in value of investments	(846.30)	(846.30)
<b>Total</b>	<b>2,601.01</b>	<b>2,599.59</b>

#### Note:

a) Based on Net worth, future operational plan, projected cash flows and valuation carried out, the Company had assessed the carrying value of its investment in its wholly owned subsidiaries as at March 31, 2024 and March 31, 2023.

b) Based on the financial statements of the wholly owned subsidiary namely Luxlite Lamp SARL Luxembourg as at March 31, 2024, the net worth of the subsidiary is positive, though the subsidiary had incurred loss in the previous year and in the earlier years. The Company, carried out fair valuation of the aforesaid subsidiary as at March 31, 2024 and has considered the carrying value to be appropriate and accordingly provision for impairment in investment of ₹ 792.30 Million (March 31, 2023: ₹ 792.30 Million) has been retained.

c) Based on the financial results of the wholly owned subsidiary namely Trifa Lamps Germany, GmbH, Germany as at March 31, 2024, the net worth of the subsidiary has been evaluated and considered the carrying value to be appropriate and provision for impairment in investment of ₹ 54.00 Million (March 31, 2023: ₹ 54.00 Million) has been retained. The subsidiary is under liquidation and will be voluntarily wound up subject to statutory and other necessary approvals.

d) During the previous year ended March 31, 2023, the Company converted loan given to its wholly owned subsidiary Suprajit USA Inc. to the extent of USD 9 Million (₹ 682.74 Million) into equity /common stock effective April 01, 2022.

e) Includes investment in the form of :

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Share based payments expense relating to employees of the subsidiary:</b>		
Suprajit Automotive Private Limited	12.61	11.19
<b>Financial guarantee against borrowings of subsidiary</b>		
Suprajit USA Inc.	27.83	27.83
	<b>40.44</b>	<b>39.02</b>

### Valued at fair value through profit and loss

₹ in Million

6 b) Investments in quoted mutual funds	As at March 31, 2024			As at March 31, 2023		
Quoted mutual funds (fully paid-up)	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Franklin India Short Term Income Plan - Retail Plan - Direct Plan - Growth	127	5,168.67	0.67	4,567	4,963.01	22.67
Franklin India Credit Risk Fund - Direct Plan - Growth	-	-	-	79,322	25.06	1.99
<b>Total</b>			<b>0.67</b>			<b>24.66</b>
<b>Total Non current investment</b>			<b>2,601.68</b>			<b>2,624.25</b>
<b>Aggregate market value of quoted investments</b>			<b>0.67</b>			<b>24.66</b>

As on March 31, 2024, the Company has an investment of ₹ 0.67 Million (March 31, 2023: ₹ 24.66 Million) in the wound up schemes of Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) as on said date. The Company evaluated the provision made towards investment in Franklin Templeton Mutual Fund (FTMF) and reversed the provision of ₹ 26.44 Million (March 31, 2023: ₹ 71.51 Million) out of the total provision of ₹ 97.95 Million during the year ended March 31, 2024 and March 31, 2023 respectively considering the redemption and realisation of significant portion of investments in FTMF.

### 7 Inventories

(Valued at lower of cost and net realisable value)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Raw materials [includes goods in transit ₹ 137.36 Million (March 31, 2023: ₹ 112.37 Million)]	1,323.74	1,325.86
Work-in-progress	110.54	144.96
Finished goods	524.20	500.66
Traded goods	23.15	17.09
Less: Allowance towards slow and non-moving items	(98.27)	(84.99)
<b>Total</b>	<b>1,883.36</b>	<b>1,903.58</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 8. Investments

(Valued at fair value through profit and loss)

Current	As at March 31, 2024			As at March 31, 2023		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
<b>Quoted mutual funds (fully paid-up)*</b>						
Aditya Birla Sun Life Banking & PSU Debt Fund-Growth-Direct Plan (formerly known as Aditya Birla Sun Life Treasury Optimizer Plan)	2,45,120	342.88	84.05	2,45,120	318.59	78.09
HDFC Corporate Bond Fund - Regular Plan - Growth	22,51,847	29.33	66.06	22,51,847	27.18	61.21
HDFC Floating Rate Debt Fund - Direct Plan - Growth Option	18,13,231	45.86	83.15	18,13,231	42.37	76.83
SBI Magnum Medium Duration Fund Direct Growth	1,07,82,852	49.67	535.60	1,07,82,852	45.90	494.97
ICICI Prudential Savings Fund - Direct Plan - Growth	3,74,385	499.55	187.02	1,64,230	462.59	75.97
SBI Corporate Bond Fund - Direct Plan - Growth	16,81,535	14.35	24.13	42,27,965	13.33	56.34
HDFC Banking and PSU Debt Fund - Direct - Growth Option	56,21,128	21.58	121.32	56,21,128	20.02	112.55
Bandhan Banking & PSU Debt Fund-Regular Plan - Growth (Erstwhile IDFC Banking and PSU Debt Fund - Regular Plan - Growth)	-	-	-	10,72,005	20.89	22.39
Bandhan Banking & PSU Debt Fund-Direct Plan - Growth (Erstwhile IDFC Banking & PSU Debt Fund-Direct Plan - Growth)	63,93,041	22.90	146.43	63,93,041	21.35	136.51
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	30,85,130	28.15	86.83	30,85,130	26.03	80.30
HDFC Short Term Debt Fund - Direct Plan - Growth Option	80,57,517	29.69	239.24	80,57,517	27.49	221.53
HDFC Corporate Bond Fund - Direct Plan - Growth Option	57,32,848	29.88	171.32	69,77,542	27.62	192.71
SBI Short Term Debt Fund - Direct Plan - Growth	23,64,012	30.68	72.53	23,64,012	28.51	67.39
Kotak Banking and PSU Debt Fund - Direct - Growth	47,16,650	61.36	289.40	47,16,650	56.87	268.25
ICICI Prudential Short Term Fund - Direct Plan - Growth Option	52,29,320	58.93	308.18	52,29,320	54.37	284.31
Kotak Corporate Bond Fund Direct Growth	44,845	3,535.18	158.53	44,845	3,276.23	146.92
Aditya Birla Sun Life Corporate Bond Fund - Growth-Direct Plan (formerly known as Aditya Birla Sun Life Short Term Fund)	25,62,133	103.25	264.53	32,86,556	95.60	314.19
Aditya Birla Sun Life Corporate Bond Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Short Term Fund)	5,65,025	101.75	57.49	5,65,025	94.39	53.33
Bandhan Dynamic Bond Fund - Growth - (Direct Plan) (Erstwhile IDFC Dynamic Bond Fund - Growth - Direct Plan)	47,88,340	34.33	164.41	54,89,992	31.27	171.68
Aditya Birla Sun Life Short Term Fund - Growth-Direct Plan	21,45,056	46.20	99.10	21,45,056	42.77	91.74
Aditya Birla Sun Life Banking and PSU Debt Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Treasury Optimizer Plan)	2,97,539	331.77	98.72	2,97,539	309.33	92.04
Aditya Birla Sun Life Medium Term Plan - Growth-Direct Plan	14,61,138	37.01	54.08	14,61,138	34.24	50.03



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Current	As at March 31, 2024			As at March 31, 2023		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Axis Dynamic Bond Fund - Direct - Growth - DBDG	37,53,312	29.22	109.66	37,53,312	27.05	101.52
Axis Strategic Bond Fund - Direct Growth - IFDG	39,65,664	27.44	108.83	39,65,664	25.25	100.14
Bharat Bond ETF FOF-April 2032 - Direct Plan Growth - O2D1	1,78,29,538	11.35	202.40	1,78,29,538	10.46	186.53
HDFC Credit Risk Debt Fund-Direct - Growth	9,73,372	23.37	22.74	9,73,372	21.59	21.02
HSBC Medium Duration Fund - Direct Growth (Formerly known as L&T Resurgent India Bond Fund Direct Growth)	27,20,079	19.93	54.20	27,20,079	18.39	50.01
ICICI Prudential All Seasons Bond Fund - Direct Plan - Growth	30,49,893	35.67	108.79	30,49,893	32.81	100.07
ICICI Prudential Corporate Bond Fund - Growth	24,22,594	26.95	65.28	24,22,594	24.97	60.50
ICICI Prudential Medium Term Bond Fund Direct Plan - Growth	24,62,367	43.98	108.28	24,62,367	40.65	100.10
<b>Total</b>			<b>4,092.30</b>			<b>3,869.17</b>

### 8. Investments (cont.):

Quoted bonds	Units	₹ in Million	Units	₹ in Million
7.72% SBI Perpetual Bonds (ISIN: INE062A08280)	1	10.37	-	-
7.55% SBI Perpetual Bonds (ISIN: INE062A08306)	1	10.09	-	-
7.75% SBI Perpetual Bonds (ISIN: INE062A08314)	1	10.35	-	-
7.72% SBI Perpetual Bonds (ISIN: INE062A08298)	3	30.80	-	-
7.54% Government of India Bonds (ISIN: IN0020220029)	10,00,000	106.30	-	-
7.97% HDFC Bank Bonds (ISIN: INE040A08914)	500	51.44	-	-
7.98% Rural electrification corporation bonds (ISIN: INE020B08EJ6)	5	53.89	-	-
<b>Total</b>		<b>273.24</b>		-
<b>Aggregate market value of quoted investments</b>		<b>4,365.54</b>		<b>3,869.17</b>
*Refer note 6(b)				

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 9. Trade receivables

(Unsecured, carried at amortised cost)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Trade receivables from other than related parties	2,555.62	2,103.90
Receivables from related parties*	449.06	639.21
<b>Total</b>	<b>3,004.68</b>	<b>2,743.11</b>
<b>Break-up for security details:</b>		
<b>Current</b>		
Unsecured, considered good	3004.68	2743.11
Unsecured, credit impaired	25.19	13.75
<b>Total</b>	<b>3,029.87</b>	<b>2,756.86</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Trade receivables - credit impaired	(25.19)	(13.75)
<b>Total</b>	<b>3,004.68</b>	<b>2,743.11</b>

\* 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 365 days.

₹ in Million

Trade receivables ageing schedule	Outstanding for following periods from due date of payment						
	Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2024</b>							
<b>Undisputed trade receivables</b>							
Considered good	1,917.92	1,014.68	68.66	3.36	0.06	-	3,004.68
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	3.47	12.16	9.43	0.09	0.04	25.19
<b>Disputed trade receivables</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,917.92</b>	<b>1,018.15</b>	<b>80.82</b>	<b>12.79</b>	<b>0.15</b>	<b>0.04</b>	<b>3,029.87</b>

Trade receivables ageing schedule	Outstanding for following periods from due date of payment						
	Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>							
<b>Undisputed trade receivables</b>							
Considered good	1,610.61	799.92	316.31	16.02	0.25	-	2,743.11
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	8.46	3.31	1.12	0.63	0.23	13.75
<b>Disputed trade receivables</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,610.61</b>	<b>808.38</b>	<b>319.62</b>	<b>17.14</b>	<b>0.88</b>	<b>0.23</b>	<b>2,756.86</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 10. Loans

(Unsecured, considered good, carried at amortised cost)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Loan to subsidiary company	1,250.61	411.08
<b>Total</b>	<b>1,250.61</b>	<b>411.08</b>

Note:

a) During the year ended March 31, 2022, the Company provided a loan of USD 19 Million (₹ 1,440.33 Million) to Suprajit USA Inc. for the purpose of acquisition of Light Duty Cable (LDC) business from Kongsberg Automotive ASA, under Share and Asset Purchase Agreement with the Company and also to meet the working capital requirement. During the year ended March 31, 2023, the Company converted loan given to the extent of USD 9 Million (₹ 682.74 Million) into equity /common stock effective April 01, 2022. The remaining loan is repayable in 20 equal quarterly installments commencing from April 1, 2027 and interest is accrued on monthly basis and repaid on yearly basis.

Further, during the year ended March 31, 2024, the Company provided a loan of USD 10 Million (₹ 831.63 Million) to Suprajit USA Inc for capital expenditure and working capital requirements. The loan is repayable in 20 equal quarterly installments commencing from financial year 2028-29 and interest is accrued on monthly basis and repaid on yearly basis. Also refer note 40.

b) Intercompany loans are disclosed below as required by sec 186(4) of the Companies Act 2013

Name of the loanee	Year ended March 31, 2024	Year ended March 31, 2023	Secured/ unsecured	As at March 31, 2024	As at March 31, 2023
Suprajit USA Inc.	7.365%	6.830%	Unsecured	1,250.61	411.08

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Advances in the nature of loans to employees	12.71	11.79
<b>Total</b>	<b>12.71</b>	<b>11.79</b>

### 11. Cash and cash equivalents

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Cash on hand	0.70	0.71
Balance with banks on		
Current accounts	265.12	279.07
EEFC accounts	35.82	137.34
<b>Total</b>	<b>301.64</b>	<b>417.12</b>

### 12. Other bank balances

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Balance with banks on deposits with remaining maturity for less than 12 months	3.04	41.20
Earmarked balances with banks being unpaid dividend accounts*	27.33	26.23
<b>Total</b>	<b>30.37</b>	<b>67.43</b>

\*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities. The Company transferred ₹ 1.41 Million (March 31, 2023 ₹ 0.44 Million) during the year to investor education and protection fund as per the provisions of the Companies Act, 2013.

₹ in Million

Changes in other bank balances resulting from investing activities:-	Non current	Current
As at March 31, 2022	0.78	18.47
Investments	2.23	47.90
Others	-	(1.06)
<b>As at March 31, 2023</b>	<b>3.01</b>	<b>67.43</b>
Others	(2.26)	4.14
Redemptions	-	(41.20)
<b>As at March 31, 2024</b>	<b>0.75</b>	<b>30.37</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 13. Other financial assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Carried at amortised cost		
Security deposits	55.94	54.75
Margin money deposits	0.75	3.01
<i>Carried at fair value through profit and loss</i>		
Foreign currency forward contracts	1.79	-
<b>Total</b>	<b>58.48</b>	<b>57.76</b>
<b>Current</b>		
<i>Carried at fair value through profit and loss</i>		
Foreign currency forward contracts	4.29	2.57
<i>Carried at amortised cost</i>		
Interest receivable on bank deposits and others	1.68	1.41
<b>Total</b>	<b>5.97</b>	<b>3.98</b>

### 14. Other assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Capital advances	53.07	69.75
Balances with statutory/Government authorities	2.18	2.18
Others	0.89	0.89
<b>Total</b>	<b>56.14</b>	<b>72.82</b>
<b>Current</b>		
Advances to suppliers	73.12	44.84
Prepaid expenses	62.19	30.29
Export benefits receivable	0.90	0.91
Balances with statutory/Government authorities	22.13	25.45
Government grant	1.12	1.35
Others	0.39	0.17
<b>Total</b>	<b>159.85</b>	<b>103.01</b>

### 15. Income tax assets (net)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Advance income-tax, including paid under protest (net of provision for taxation)	96.92	22.68
<b>Total</b>	<b>96.92</b>	<b>22.68</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 16. Equity share capital

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Authorised share capital</b>		
850,000,000 (March 31, 2023: 850,000,000) equity shares of ₹ 1 each	850.00	850.00
<b>Issued, subscribed and fully paid-up equity share capital</b>		
138,460,973 (March 31, 2023: 138,392,594) equity shares of ₹ 1 each	138.46	138.39
<b>Total</b>	<b>138.46</b>	<b>138.39</b>

#### (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, 2024		Year ended March 31, 2023	
	Number	₹ in Million	Number	₹ in Million
<b>Equity shares</b>				
At the beginning of the year	13,83,92,594	138.39	13,83,85,170	138.39
Issue of shares during the year*	68,379	0.07	7,424	0.01
<b>Outstanding at the end of the year</b>	<b>13,84,60,973</b>	<b>138.46</b>	<b>13,83,92,594</b>	<b>138.39</b>

\* During the year the Company allotted 68,379 (March 31, 2023- 7,424) equity shares of ₹ 1 each, consequent to the exercise of employee stock appreciation rights. Also refer note 45.

#### (c) Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2024		As at March 31, 2023	
	Number	%	Number	%
<b>Equity shares of ₹ 1 each fully paid up</b>				
Supriyajith Family Trust	5,26,41,584	38.02%	5,26,41,584	38.04%
HDFC Small Cap Fund	1,11,02,319	8.02%	74,14,276	5.36%
DSP Small Cap Fund	94,47,197	6.82%	1,06,16,987	7.67%

#### (d) Details of shares held by promoters at the end of the year:

Name of the promoter	As at March 31, 2024				
	March 31, 2023	Change	March 31, 2024	% holding of equity shares	% change during the year
<b>Equity shares of ₹1 each fully paid up</b>					
Supriyajith Family Trust	5,26,41,584	-	5,26,41,584	38.02%	0.00%
K Ajith Kumar Rai	37,99,405	-	37,99,405	2.74%	0.00%
Supriya Ajithkumar Rai	17,39,510	-	17,39,510	1.26%	0.00%
Akhilesh Rai	12,01,766	-	12,01,766	0.87%	0.00%
Ashutosh Rai	11,97,012	-	11,97,012	0.86%	0.00%
Aashish Rai	11,95,000	-	11,95,000	0.86%	0.00%

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Name of the promoter	As at March 31, 2023				
	March 31, 2022	Change	March 31, 2023	% holding of equity shares	% change during the year
<b>Equity shares of ₹ 1 each fully paid up</b>					
Supriyajith Family Trust	5,26,41,584	-	5,26,41,584	38.04%	0.00%
K Ajith Kumar Rai	37,99,405	-	37,99,405	2.75%	0.00%
Supriya Ajithkumar Rai	17,39,510	-	17,39,510	1.26%	0.00%
Akhilesh Rai	12,01,766	-	12,01,766	0.87%	0.00%
Ashutosh Rai	11,97,012	-	11,97,012	0.86%	0.00%
Aashish Rai	11,95,000	-	11,95,000	0.86%	0.00%

**(e) Shares reserved for issue under share based payments**

Outstanding employee stock options under below schemes, granted/ available for grant (refer note 45):

	As at March 31, 2024	As at March 31, 2023
Employee Stock Appreciation Rights (SEL ESAR 2017)	8,47,968	10,43,295

**(f) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

	As at March 31, 2024	As at March 31, 2023
<b>Equity shares (No.)</b>		
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.	85,33,699	85,33,699

(g) The Company has not issued any bonus shares for the period of five years immediately preceding the date as at which the Balance sheet is prepared.

(h) The Company bought back 1,500,000 fully paid equity shares of ₹ 1 each during the year ended March 31, 2022. There have been no other buy back of shares for the period of five years immediately preceding the date at which the Balance sheet is prepared.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 17. Other Equity

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Capital reserve</b>		
Balance as per last financial statements	5.13	5.13
<b>Closing balance</b>	<b>5.13</b>	<b>5.13</b>
<b>Capital redemption reserve</b>		
Balance as per last financial statements	295.20	295.20
<b>Closing balance</b>	<b>295.20</b>	<b>295.20</b>
<b>Securities premium</b>		
Balance as per last financial statements	1,392.52	1,388.89
Add: On exercise of employee stock appreciation rights	22.30	3.63
<b>Closing balance</b>	<b>1,414.82</b>	<b>1,392.52</b>
<b>General reserve</b>		
Balance as per last financial statements	4,410.83	4,410.83
<b>Closing balance</b>	<b>4,410.83</b>	<b>4,410.83</b>
<b>Share based payments reserves</b>		
Balance as per last financial statements	114.88	94.11
Add: Share based payments expense (refer note 45)	11.42	24.40
Less: On account of exercise of stock options	(22.30)	(3.63)
<b>Closing balance</b>	<b>104.00</b>	<b>114.88</b>
<b>Surplus in the statement of profit &amp; loss</b>		
Balance as per last financial statements	4,641.58	3,073.45
Add: Profit for the year	2,359.93	1,867.82
Add/ (less): OCI - Re-measurement gain/ (loss) on defined benefit obligation (net of tax)	(9.38)	(2.15)
Less: Appropriations		
Interim dividend [₹ 1.10 (March 31, 2023: ₹ 1.05) per share]	(152.29)	(145.31)
Final dividend [March 31, 2023: ₹ 1.25 (March 31, 2022: ₹ 1.10) per share]	(173.04)	(152.23)
<b>Closing balance</b>	<b>6,666.80</b>	<b>4,641.58</b>
<b>Total</b>	<b>12,896.78</b>	<b>10,860.14</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

<b>Summary of other equity:</b>		₹ in Million
	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Capital reserve	5.13	5.13
Capital redemption reserve	295.20	295.20
Securities premium	1,414.82	1,392.52
General reserve	4,410.83	4,410.83
Share based payments reserves	104.00	114.88
Surplus in the statement of profit & loss	6,666.80	4,641.58
	<b>12,896.78</b>	<b>10,860.14</b>

### Distribution made and proposed ₹ in Million

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Cash dividends on equity shares declared and paid:</b>		
Interim dividend for the year ended March 31, 2024: ₹ 1.10 per share (March 31, 2023: ₹ 1.05 per share)	152.29	145.31
Final dividend for the year ended March 31, 2023: ₹ 1.25 per share (March 31, 2022: ₹ 1.10 per share)	173.04	152.23
	<b>325.33</b>	<b>297.54</b>
<b>Proposed dividends on equity shares:</b>		
Final dividend for the year ended on March 31, 2024: ₹ 1.40 per share (March 31, 2023: ₹ 1.25 per share)	193.85	172.99
	<b>193.85</b>	<b>172.99</b>

Proposed dividend on equity shares are subject to approval by shareholders at the Annual General Meeting and hence not recognised as a liability as at March 31, 2024.

The dividend declared/ proposed and paid is in accordance with section 123 of the Companies Act, 2013.

### Nature and purpose of reserves

#### 17.1 Capital reserve

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

#### 17.2 Capital redemption reserve

The Company recognised capital redemption reserve on redemption of Preference shares of erstwhile Phoenix Lamps Limited and upon merger of Phoenix Lamps Limited with the Company, the balances have been brought as such to the Company. Further, during the year ended March 31, 2022, the Company recognised capital redemption reserve (₹ 1.50 Million) on buy back of equity shares.

#### 17.3 Securities premium

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

#### 17.4 General reserve

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

#### 17.5 Share based payments reserves

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 18. (a) Borrowings

(Carried at amortised cost)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
<b>Secured</b>		
<b>Term loans</b>		
from banks (refer note [i (a)] below)	675.00	750.00
from banks - External Commercial Borrowing (ECB) (refer note [i (b)] below)	-	112.01
Less: Current maturities of long-term borrowings:		
Secured term loans	(150.00)	(187.01)
<b>Total</b>	<b>525.00</b>	<b>675.00</b>
<b>Current</b>		
<b>Secured</b>		
<b>Loans repayable on demand</b>		
Working capital loans from banks (refer note [ii] below)	1,968.05	1,579.94
Current maturities of long-term borrowings	150.00	187.01
<b>Total</b>	<b>2,118.05</b>	<b>1,766.95</b>

(i) (a) Indian rupee term loan of ₹ 675.00 Million (March 31, 2023: ₹ 750 Million), for which Interest is charged at 0.05% above MCLR (3 month) . The loan is repayable in 20 quarterly instalments of ₹ 37.50 Million each beginning October, 2023. The loan is secured by pari-passu first charge on the entire fixed assets of the Company.

(b) External commercial borrowing is the term loan of EURO Nil (₹ Nil) (March 31, 2023: EURO 1.25 Million [₹ 112.01 Million]) which carried fixed interest rate of EURIBOR plus 1.25% and was repayable by the Company in 16 quarterly instalments of EURO 0.31 Million, beginning May 20, 2020. To mitigate the risk of the floating rate, the Company had entered into interest rate swap agreement with bank and 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 of the Company and the loan was repaid in full by February 20, 2024.

(c) As per the loan arrangements, the Company is required to comply with certain debt covenants and the Company was in compliance with such covenants as at March 31, 2024. The Company has not defaulted on any loans payable.

#### (ii) Current secured 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 5.55% to 11.70% p.a. (March 31, 2023: 5.55% to 12.61% p.a.)

(b) Foreign Currency Loans are taken from bank and carry interest rate of 5.75 to 6.34% (March 31, 2023: 0.90 to 1.70%) to mitigate the risk of floating rate and currency fluctuation the Company entered into swap agreement with bank.

(c) Packing credit loans from banks are taken for a term not exceeding 180 days and carry interest rate of 5.14% to 6.54%. (March 31, 2023: 4.13% to 6.50%)

#### (iii) Changes in liabilities arising from financing activities:-

₹ in Million

	Long term borrowings	Short term borrowings	Total
<b>As at March 31, 2022</b>	211.65	1,909.32	2,120.97
Proceeds	750.00	2,777.79	1,805.12
Repayments	(99.64)	(3,107.17)	(1,484.14)
<b>As at March 31, 2023</b>	<b>862.01</b>	<b>1,579.94</b>	<b>2,441.95</b>
Proceeds	-	5,726.81	5,726.81
Repayments	(187.01)	(5,338.70)	(5,525.71)
<b>As at March 31, 2024</b>	<b>675.00</b>	<b>1,968.05</b>	<b>2,643.05</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 18. (b) Lease liabilities

(Carried at amortised cost)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Lease Liabilities	41.08	48.46
<b>Total</b>	<b>41.08</b>	<b>48.46</b>
<b>Current</b>		
Lease Liabilities	7.23	10.10
<b>Total</b>	<b>7.23</b>	<b>10.10</b>

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

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Balance as per last financial statements	58.56	72.82
Additions	-	-
Accretion of interest	5.07	6.24
Payments	(15.32)	(20.50)
<b>As at 31 March</b>	<b>48.31</b>	<b>58.56</b>
Current	7.23	10.10
Non-current	41.08	48.46
The effective interest rate for lease liabilities is 9.45%, with maturity in 2033.		

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	13.07	18.39
Interest expense on lease liabilities	5.07	6.24
Expense relating to short-term leases/ leases of low-value assets (included in other expenses)	2.36	1.93
<b>Total amount recognised in statement of profit and loss</b>	<b>20.50</b>	<b>26.56</b>

The Company had total cash outflows for leases of ₹ 15.32 Million in March 31, 2024 (March 31, 2023: ₹ 20.50 Million).

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

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

	Year ended March 31, 2024	Year ended March 31, 2023
Not later than one year	13.66	15.30
Later than one year and not later than five years	29.86	38.15
More than five years	22.82	28.19
<b>Total</b>	<b>66.34</b>	<b>81.64</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 19. Trade payables

(Carried at amortised cost)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Trade payables		
- Total outstanding dues of micro and small enterprises*	342.33	350.01
- Total outstanding dues of creditors other than micro and small enterprises#	1,185.49	1,096.23
<b>Total</b>	<b>1,527.82</b>	<b>1,446.24</b>
<b>Terms and conditions of the above financial liabilities:</b>		
- 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, 2024 and March 31, 2023. The details in respect of such dues are as follows:		

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid to any supplier at the end of accounting year	337.82	347.41
Interest due thereon remaining unpaid to any supplier at the end of accounting year	0.17	0.24
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	1.96	1.54
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	3.70	1.31
The amount of interest accrued and remaining unpaid at the end of accounting year	4.51	2.60
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.	4.51	2.60
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, 2024

### Trade payables ageing schedule

₹ in Million

As at March 31, 2024	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	301.36	40.97	-	-	-	342.33
Total outstanding dues of creditors other than micro enterprises and small enterprises	359.19	647.74	173.08	2.60	1.43	1.45	1,185.49
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>359.19</b>	<b>949.10</b>	<b>214.05</b>	<b>2.60</b>	<b>1.43</b>	<b>1.45</b>	<b>1,527.82</b>

As at March 31, 2023	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	313.73	36.28	-	-	-	350.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	324.93	402.64	362.59	1.45	1.66	2.96	1,096.23
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>324.93</b>	<b>716.37</b>	<b>398.87</b>	<b>1.45</b>	<b>1.66</b>	<b>2.96</b>	<b>1,446.24</b>

### 20. Other financial liabilities

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
<i>(Carried at amortised cost)</i>		
Security deposits*	26.57	27.92
<i>(Fair value through profit and loss)</i>		
Provision for MTM losses on foreign currency forward contracts	1.48	4.40
<b>Total</b>	<b>28.05</b>	<b>32.32</b>
<b>Current</b>		
<i>(Carried at amortised cost)</i>		
Interest accrued but not due on borrowings	4.21	7.21
Capital creditors	26.53	14.36
Employee related liabilities	106.85	95.00
Payable to directors (refer note 40)	61.44	54.45
Security deposits	0.07	0.07
Unpaid dividend	13.76	26.23
<i>(Fair value through profit and loss)</i>		
Provision for MTM losses on foreign currency forward contracts	0.86	0.63
Provision for MTM losses on Interest rate swap	-	(0.98)
<b>Total</b>	<b>213.72</b>	<b>196.97</b>

\*Includes security deposit received from subsidiaries for lease of freehold land (refer note 40).

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 21. Provisions

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Provision for employee benefits		
Gratuity (refer note 38(b))	43.28	36.88
Provision for diminution in value of investments	-	26.44
<b>Total</b>	<b>43.28</b>	<b>63.32</b>
<b>Current</b>		
Provision for employee benefits		
Gratuity (refer note 38(b))	34.64	29.87
Compensated absences	59.40	51.40
<b>Total</b>	<b>94.04</b>	<b>81.27</b>

### 22. Tax liabilities

₹ in Million

#### (a) Deferred tax liabilities (net)

	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax liabilities</b>		
Property, plant and equipment and Intangible assets	177.03	160.74
Fair valuation of financial instruments	93.58	62.20
<b>(A)</b>	<b>270.61</b>	<b>222.94</b>
<b>Deferred tax assets</b>		
Expenditure allowable for tax purposes when paid	2.69	3.38
Provision for diminution in value of investments	-	6.66
Provision for doubtful debts and advances	6.34	3.46
Provision for employee benefits	34.56	29.74
<b>(B)</b>	<b>43.59</b>	<b>43.24</b>
<b>Net deferred tax liabilities (A-B)</b>	<b>227.02</b>	<b>179.70</b>
<b>(b) Current tax liabilities (net)</b>		
Provision for income tax (net of advance tax and tax deducted at source)*	20.80	69.73
<b>Total</b>	<b>20.80</b>	<b>69.73</b>

\*represents tax payable for current year and provision made in respect of uncertain tax positions.

### 23. Other liabilities

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Government grants*	16.71	19.20
<b>Total</b>	<b>16.71</b>	<b>19.20</b>
<b>Current</b>		
Advances from customers	17.53	25.93
Government grants*	2.43	2.45
Statutory dues	189.88	138.09
<b>Total</b>	<b>209.84</b>	<b>166.47</b>

\*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.

	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	21.65	8.51
Add: Received during the year	1.36	19.17
'Less: Transferred to the standalone statement of profit and loss (refer note 25)	(3.87)	(6.03)
<b>Closing balance</b>	<b>19.14</b>	<b>21.65</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 24. Revenue from operations

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	15,324.35	14,269.12
Sale of services (processing charges)	8.49	7.94
Other operating revenue		
Scrap Sales	32.18	30.01
Export incentives	2.34	3.12
<b>Total</b>	<b>15,367.36</b>	<b>14,310.19</b>
<b>Set out below is the disaggregation of the Company's revenue from contracts with customers:</b>		
<b>a) Revenue by geography</b>		
India	13,935.78	12,804.89
USA	411.47	551.19
Rest of the world	1,020.11	954.11
<b>Total</b>	<b>15,367.36</b>	<b>14,310.19</b>
The revenue information above is based on the locations of the customers.		
<b>b) Timing of revenue recognition</b>		
Goods transferred at a point in time	15,356.53	14,299.13
Service transferred at a point in time	8.49	7.94
<b>Total revenue contract with customers</b>	<b>15,365.02</b>	<b>14,307.07</b>
<b>c) Revenue recognised from amounts included in contract liabilities at the beginning of the year</b>	<b>25.93</b>	<b>17.43</b>

### 25. Other income

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on		
Bank deposits	2.18	0.41
Income tax refund	-	1.05
Loan to subsidiary	61.24	42.07
Others	1.30	0.98
Dividend income	155.88	69.55
Liabilities no longer required written back	-	3.20
Write back of provision for diminution in value of investments in mutual funds (Refer note 6(b))	26.44	-
Gain on investments carried at fair value through profit or loss*	350.14	141.77
Gain on bonds carried at fair value through profit or loss	16.85	-
Government grant income	3.87	6.30
Exchange differences (net)**	60.32	135.47
Profit on disposal of property, plant and equipment (net)	-	0.07
Other non-operating income	37.27	34.90
<b>Total</b>	<b>715.49</b>	<b>435.77</b>
*Total net gain on fair value changes include ₹ 45.07 Million ( March 31, 2023 ₹ 13.18 Million) as net gain on sale/ redemption of investments.		
**Includes mark to market gain/(loss) on foreign currency forward contracts.		

### 26. Cost of materials consumed

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the beginning of the year	1,325.86	1,248.01
Add: Purchases	9,405.51	9,029.99
Less: Inventories at the end of the year	(1,323.74)	(1,325.86)
<b>Cost of materials consumed</b>	<b>9,407.63</b>	<b>8,952.14</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 27. Purchases of stock-in-trade

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Stop and tail lamps	29.51	22.87
Others	21.99	9.26
<b>Total</b>	<b>51.50</b>	<b>32.13</b>

### 28. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Inventories at the end of the year</b>		
Finished goods	524.20	500.66
Stock-in-trade	23.15	17.09
Work-in-progress	110.54	144.96
<b>Total (A)</b>	<b>657.89</b>	<b>662.71</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	500.66	544.01
Stock-in-trade	17.09	15.89
Work-in-progress	144.96	126.79
<b>Total (B)</b>	<b>662.71</b>	<b>686.69</b>
<b>Net change in inventories of finished goods, work-in-progress and stock-in-trade (B-A)</b>	<b>4.82</b>	<b>23.98</b>

### 29. Employee benefits expense

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	1,898.08	1,666.29
Contribution to provident and other funds (refer note 38(a))	89.16	81.83
Employee share based payments (refer note 45)	10.00	22.03
Staff welfare expenses	77.74	62.30
<b>Total</b>	<b>2,074.98</b>	<b>1,832.45</b>

### 30. Finance costs

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on		
Borrowings	194.74	119.59
Lease liabilities (refer note 18 (b))	5.07	6.24
Others	7.87	5.90
Exchange fluctuation on foreign currency borrowings, net (to the extent regarded as borrowing cost)	1.18	16.36
Loan processing and other charges	3.15	14.09
<b>Total</b>	<b>212.01</b>	<b>162.18</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 31. Depreciation and amortization expense

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 3)	313.49	261.24
Depreciation of right-of-use assets (refer note 4)	13.07	18.39
Amortization of intangible assets (refer note 5)	32.70	12.50
<b>Total</b>	<b>359.26</b>	<b>292.13</b>

### 32. Other expenses

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Power and fuel	215.56	210.32
Rent	2.36	1.93
Repairs and maintenance		
Buildings	26.75	14.95
Machinery	63.13	62.32
Others	126.95	91.21
Insurance	36.85	32.98
Rates and taxes	7.88	9.28
Travelling and conveyance	130.53	103.39
Legal and professional fees	69.52	51.11
Payment to auditors [refer note (i) below]	11.33	10.93
Freight and forwarding charges	190.77	209.72
Advertisement and sales promotion	21.64	20.07
Sales commission	1.08	0.74
Directors' sitting fees and commission	2.85	2.47
Allowance for doubtful receivables (net)	11.98	6.92
Printing and stationery	13.76	11.15
Security expenses	44.24	41.78
Communication expenses	9.63	8.79
Loss on disposal of property, plant and equipment (net)	1.15	-
Research & development expenses	12.86	24.07
CSR expenditure [refer note (ii) below]	42.45	37.39
Miscellaneous expenses	26.38	22.64
<b>Total</b>	<b>1,069.65</b>	<b>974.16</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### (i) Payment to auditors (excluding Goods and Services Tax)

₹ in Million

As auditor	Year ended March 31, 2024	Year ended March 31, 2023
Audit fee	4.55	4.33
Limited review fee	5.10	5.55
Certification fee	0.58	0.26
Reimbursement of expenses	1.10	0.79
<b>Total</b>	<b>11.33</b>	<b>10.93</b>

### (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.

₹ in Million

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year		42.45	37.33
<b>Total</b>		<b>42.45</b>	<b>37.33</b>
<b>b) Amount spent during the year ended March 31, 2024:</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
(i) Construction/acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	42.55	-	42.55
<b>c) Amount spent during the year ended March 31, 2023:</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
(i) Construction/acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	37.39	-	37.39
d) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.			
e) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.			
f) Details related to shortfall/ (excess) at the end of the year :			
		<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Shortfall/ (excess) at the end of the year		(0.10)	-
g) 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, 2024

### 33. (a) Tax expense (net)

Income tax expense in the standalone statement of profit and loss consist of the following:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	607.17	589.79
Deferred tax charge/ (credit)	50.46	19.18
Current tax relating to earlier periods*	(114.56)	-
<b>Total</b>	<b>543.07</b>	<b>608.97</b>
*During the year ended March 31, 2024, the Company reversed provision for income tax of ₹ 114.56 Million (March 31, 2023 ₹ Nil), pertaining to earlier years on completion of tax assessment.		
Income tax expense in the standalone other comprehensive Income consist of the following:		
Deferred tax arising on income and expense recognised in other comprehensive income:		
Re-measurement loss on defined benefit obligation	(3.16)	(0.72)
<b>Total</b>	<b>(3.16)</b>	<b>(0.72)</b>

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, 2024	Year ended March 31, 2023
<b>Profit before tax expense</b>	2,903.00	2,476.79
Applicable tax rates in India	25.17%	25.17%
<b>Computed tax charge (A)</b>	<b>730.63</b>	<b>623.36</b>
<b>Components of tax expense</b>		
Tax effect of exempt income	(39.23)	(17.50)
Tax effect of income taxed on lower rate	(47.49)	(8.16)
Current tax relating to earlier periods	(114.56)	-
Others	13.72	11.27
<b>Total adjustments (B)</b>	<b>(187.56)</b>	<b>(14.39)</b>
<b>Total tax expense (A+B)</b>	<b>543.07</b>	<b>608.97</b>

### 33 (b). Other comprehensive income/ (loss) ('OCI'), net of taxes

	Year ended March 31, 2024	Year ended March 31, 2023
Items that will not be reclassified subsequently to profit or loss:		
Re-measurement gain /(loss) on defined benefit plan	(12.54)	(2.87)
Income tax effect on above	3.16	0.72
<b>Total other comprehensive income/ (loss)</b>	<b>(9.38)</b>	<b>(2.15)</b>

### 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, 2024	Year ended March 31, 2023
Profit attributable to equity shareholders (₹ in Million)	2,359.93	1,867.82
Nominal value per equity share (₹ per share)	1	1
<b>Basic</b>		
Weighted average number of equity shares (No. in Million)	138.42	138.39
Basic earnings per share (₹ per share)	17.05	13.50
<b>Diluted</b>		
Effect of potential equity shares on ESARs outstanding (No in million)	0.25	0.18
Weighted average number of equity shares (No. in Million)	138.67	138.57
Diluted earnings per share (₹ per share)	17.02	13.48

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 35 Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 254.32 Million (March 31, 2023: ₹ 123.13 Million).
b) Proposed dividend on equity shares, subject to approval by shareholders at the Annual General Meeting of the Company is ₹ 193.85 Million

### 36. Contingent liabilities

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>(a) Claims against Company not acknowledge as debts*</b>		
Income tax demands**	58.99	32.56
Goods and service tax <sup>^</sup>	132.30	131.81
Others	14.03	12.52
<b>(A)</b>	<b>205.32</b>	<b>176.89</b>
<b>(b) Others</b>		
Bonds executed in favour of customs authority	15.00	15.00
Bank guarantees (furnished to tax authorities)	1.08	1.58
Corporate guarantees (issued on behalf of subsidiaries to their bankers towards credit facilities)#	4,877.37	4,809.69
Corporate guarantees (issued on behalf of a subsidiary to another lending subsidiary towards credit facilities).The loan was settled by the subsidiary towards the lending subsidiary during the year ended March 31, 2024.	-	137.10
Others	1.43	1.23
<b>(B)</b>	<b>4,894.88</b>	<b>4,964.60</b>
<b>Total (A+B)</b>	<b>5,100.20</b>	<b>5,141.49</b>

\*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.

#Corporate guarantee of USD 58.5 Million given before March 31, 2022 became effective from April 1, 2022.

<sup>^</sup>During the year ended March 31, 2023, the Company received a show cause notice in respect of classification of a product under Goods and Services Tax (GST), to pay additional liability of ₹ 130.99 million along with interest and penalty pertaining to the period July 01, 2017 to September 19, 2021. In this regard, the Company has evaluated and filed the response to the concerned GST authorities and basis internal and external evaluation, the Company is of the view that the said claim of the GST authorities is not tenable.

(c) The Company has issued comfort letter to provide continued financial support to its subsidiary Luxlite Lamp SARL.

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, 2024 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 financial statements, particularly on account of tax expense and that of provision for taxation.

### 38. Employee benefit plans

<b>(a) Defined contribution plans</b>
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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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, 2024	Year ended March 31, 2023
Employers contribution to Provident Fund	58.24	52.22
Employers contribution to Employee State Insurance	5.85	6.31

<b>(b) Defined benefit plans</b>	
<b>Gratuity</b>	
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.	
<b>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.</b>	

### Disclosure as per Ind AS 19

₹ in Million

	March 31, 2024	March 31, 2023
<b>A. Change in defined benefit obligation</b>		
Obligations at beginning of the year	265.80	238.20
Service cost	18.61	16.42
Interest cost	18.81	17.50
Benefits settled	(12.81)	(8.18)
Transfer in	1.08	-
Actuarial (gain)/ loss (through OCI)	12.76	1.86
<b>Obligations at end of the year (Gross)</b>	<b>304.25</b>	<b>265.80</b>

₹ in Million

	March 31, 2024	March 31, 2023
<b>B. Change in plan assets</b>		
Plan assets at beginning of the year, at fair value	199.05	186.05
Expected return on plan assets	14.87	13.95
Contributions	25.00	9.05
Benefits settled	(12.81)	(8.19)
Actuarial gain/ (loss) (through OCI)	0.22	(1.01)
Admin expenses/Taxes paid from plan assets	-	(0.80)
<b>Plan assets at the end of the year</b>	<b>226.33</b>	<b>199.05</b>
Present value of defined benefit obligation at the end of the year	(304.25)	(265.80)
Fair value of plan assets at the end of the year	226.33	199.05
<b>C. Net liability recognised in the standalone balance sheet</b>	<b>(77.92)</b>	<b>(66.75)</b>

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>D. Expenses recognised in the standalone statement of profit and loss:</b>		
Service cost	18.61	16.42
Interest cost	18.81	17.50
Expected return on plan assets	(14.87)	(13.95)
Administrative Expenses/Taxes/Insurance Cost/ Exchange Rate cost	-	0.80
<b>Net gratuity cost</b>	<b>22.55</b>	<b>20.77</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>E. Re-measurement (gain)/ loss in OCI</b>		
Actuarial (gain)/ loss due to financial assumption changes in DBO	6.28	(1.18)
Actuarial (gain)/ loss due to experience on DBO	6.48	3.04
Return on plan assets (greater)/ less than discount rate	(0.22)	1.01
<b>Total Actuarial (Gain)/loss included in OCI</b>	<b>12.54</b>	<b>2.87</b>

<b>F. Actual return on plan assets</b>	<b>15.09</b>	<b>12.94</b>
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	March 31, 2024	March 31, 2023
<b>G. Assumptions</b>		
Discount rate	7.25%	7.55%
Estimated rate of return on plan assets	7.25%	7.48%
Salary increase rate (refer note K (i))	9.00%	9.00%
Attrition Rate	9.73% upto age 40 from Age 40-45 7.68%, Age 45-50 5.12%, Age 50-55 2.56%, Age 55 & above 1.28%.	9.73% upto age 40 from Age 40-45 7.68%, Age 45-50 5.12%, Age 50-55 2.56%, Age 55 & above 1.28%.
Retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

₹ in Million

	March 31, 2024	March 31, 2023
<b>H. Pay-outs to the plan assets</b>		
Within one year	34.64	29.87
After one year but not more than five years	69.68	59.29
After five years	116.51	103.20
	<b>220.83</b>	<b>192.36</b>

<b>I. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:</b>		
Investment with insurer	100%	100%

₹ in Million

	As at March 31, 2024		As at March 31, 2023	
	1% increase	1% decrease	1% increase	1% decrease
Effect of change in discount rate	(18.23)	20.93	(15.88)	18.20
Effect of change in salary growth	20.07	(17.82)	17.50	(15.54)
Effect of change in attrition rate	(3.38)	3.82	(2.64)	2.98

<b>K. Notes</b>
(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 11.63 years (March 31, 2023: 11.43 years).



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 39. Segment reporting

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

### 40. Related party transactions

#### A. Related parties under Ind AS 24 and Companies Act, 2013

Related party relationship	Name of the related party
<b>Subsidiaries (Direct):</b>	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, under liquidation ('Trifa Lamps')
<b>Subsidiaries (Indirect):</b>	Wescon Controls LLC ('Wescon') Suprajit Brownsville, LLC (formerly known as Kongsberg Interior Systems II, LLC)* Suprajit Mexico S de RLde CV (formerly known as Kongsberg Interior Systems S de RLde CV)* Suprajit Hungary Kft (formerly known as Kongsberg Interior Systems Kft)* Shanghai Lone Star Cable Co.Ltd.* Grunderbaum F24-G147 GmbH (Subsequent to the year ended March 31, 2024 Suprajit USA Inc has set up its wholly owned subsidiary in Germany for meeting the operational requirements. The Company is in the process of registering the change in name to Suprajit Germany GmbH).

\*The Company entered into a definitive Share and Asset Purchase Agreement with Kongsberg Automotive ASA, Norway and through its wholly owned subsidiary, Suprajit USA Inc., acquired Light Duty Cable (LDC) business. The transaction completed with economic completion date of April 1, 2022 for a total cash consideration of ₹ 3,187.33 Million. The LDC business unit is engaged in the development, manufacture and sales of mechanical and electro-mechanical light-duty cables used in the automotive and off-highway applications. This acquisition allows for the opportunity to increase manufacturing capacity and expand internationally. The LDC business unit consists of three manufacturing plants located in Matamoros, Mexico; Siofok, Hungary; and Shanghai, China along with a distribution center in Brownsville, Texas.

<b>Key Management Personnel (KMP) of the Company:</b>	Mr. K Ajith Kumar Rai Mr. Mohan Srinivasan Nagamangala Mr. Akhilesh Rai Mr. Medappa Gowda J  Mr. Ian Williamson Mr. Suresh Shetty  Mrs. Dr. Supriya A Rai Mrs. Bharathi Rao Mr. M. Lakshminarayan Mr. Harish Hassan Visweswara Mr Bhagya Chandra Rao	Chairman Managing Director & Group Chief Executive Officer Director & Chief Strategy Officer Chief Financial Officer and Company Secretary Independent Director (Upto March 31, 2023) Independent Director (Upto March 31, 2023) Non-Executive Director Independent Director Independent Director Independent Director Independent Director (w.e.f April 1, 2023)
<b>Relatives of KMP:</b>	Mr. Ashutosh Rai Mr. Aashish Rai Mr. Ashok Kumar Rai Mrs. Arati Shetty Mrs. Deeksha Bhandary	
<b>Enterprises in which directors/ shareholders have significant influence</b>	Suprajit Foundation Supriyajith Family Trust VST Tillers Tractors Limited	

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### B. Details of transactions entered into with related parties are as given below :

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Sale of products and services</b>		
<b>Subsidiaries</b>		
Suprajit Automotive	1.76	1.38
Luxlite Lamp	550.35	474.16
Suprajit Brownsville	0.11	-
Suprajit Hungary	0.03	-
Wescon	61.43	124.58
<b>Others</b>		
VST Tillers Tractors Limited	0.22	-
	<b>613.90</b>	<b>600.12</b>
<b>Sale of Property, plant and equipment</b>		
<b>Subsidiaries</b>		
Suprajit Automotive	4.99	1.10
<b>KMP</b>		
Mr. Medappa Gowda J	0.14	-
	<b>5.13</b>	<b>1.10</b>
<b>Lease Rent Received</b>		
<b>Subsidiaries</b>		
Suprajit Automotive	5.87	5.59
	<b>5.87</b>	<b>5.59</b>
<b>Interest Income on loan</b>		
<b>Subsidiaries</b>		
Suprajit USA	61.24	42.07
	<b>61.24</b>	<b>42.07</b>
<b>Dividend income</b>		
<b>Subsidiaries</b>		
Suprajit Automotive	119.40	59.70
Suprajit Europe	36.48	9.85
	<b>155.88</b>	<b>69.55</b>
<b>Income on financial guarantee given</b>		
<b>Subsidiaries</b>		
Suprajit USA	23.26	23.16
	<b>23.26</b>	<b>23.16</b>
<b>Investment made</b>		
<b>Subsidiaries</b>		
Suprajit Automotive (share based payments expense relating to employees of the subsidiary )	1.42	2.38
Suprajit USA (conversion of loan given to the extent of USD 9 Million into equity/common stock)	-	682.74
	<b>1.42</b>	<b>685.12</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Purchase of materials</b>		
<b><i>Subsidiaries</i></b>		
Suprajit Automotive	1.65	3.71
Suprajit Brownsville^	0.00	-
Wescon	1.06	0.43
Suprajit Europe	0.23	-
	<b>2.94</b>	<b>4.14</b>
^ Rounded off		
<b>Purchase of Property, plant and equipment &amp; Intangible assets</b>		
<b><i>Subsidiaries</i></b>		
Suprajit Automotive	-	0.20
Luxlite Lamp	375.99	-
	<b>375.99</b>	<b>0.20</b>
<b>Salary and perquisites:*</b>		
<b><i>KMP</i></b>		
Mr. K Ajith Kumar Rai	78.51	72.01
Mr. Mohan Srinivasan Nagamangala	27.92	25.78
Mr. Medappa Gowda J	9.76	9.46
Mr. Akhilesh Rai	14.54	9.13
<b><i>Relatives of KMP</i></b>		
Mr. Ashutosh Rai	8.16	4.57
	<b>138.89</b>	<b>120.95</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### B. Details of transactions entered into with related parties are as given below (cont.):

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Independent Directors remuneration (Commission and Sitting fee)</b>		
Mr. Suresh Shetty	-	0.64
Mrs. Bharathi Rao	0.72	0.62
Mr. M. Lakshminarayan	0.73	0.60
Mr. Harish Hassan Visweswara	0.76	0.61
Mr. Bhagya Chandra Rao	0.64	-
	<b>2.85</b>	<b>2.47</b>
<b>Category-wise break up of compensation to KMP's during the year is as follows*</b>		
Short-term benefits	132.37	116.39
Share based payments(refer note 45)	1.21	2.46
	<b>133.58</b>	<b>118.85</b>
*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.		

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Dividend Paid</b>		
<b>Enterprises in which directors / shareholders have significant influence</b>		
Supriyajith Family Trust	123.71	113.18
<b>KMP</b>		
Mr. K Ajith Kumar Rai	8.93	8.17
Mr. Mohan Srinivasan Nagamangala	0.02	0.01
Mr. Medappa Gowda J <sup>^</sup>	-	-
Mr. Akhilesh Rai	2.82	2.58
Mrs. Supriya Rai	4.09	3.74
Mr. Suresh Shetty	-	1.64
Mr. M. Lakshminarayan	0.01	0.01
<b>Relatives of KMP</b>		
Mr. Ashutosh Rai	2.81	2.57
Mr. Aashish Rai	2.81	2.57
Mr. Ashok Kumar Rai	0.04	0.04
Mrs. Arati Shetty	-	0.98
Mrs. Deeksha Bhandary	0.02	0.02
	<b>145.26</b>	<b>135.51</b>
^ Rounded off		

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### B. Details of transactions entered into with related parties are as given below (cont.):

₹ in Million

Reimbursements of expenses to	Year ended March 31, 2024	Year ended March 31, 2023
<b>KMP</b>		
Mr. K Ajith Kumar Rai	1.94	1.47
Mr. Mohan Srinivasan Nagamangala	1.35	0.07
Mr. Medappa Gowda J	0.20	0.14
Mr. Akhilesh Rai	1.34	0.41
<b>Relatives of KMP</b>		
Mr. Ashutosh Rai	0.25	0.06
	<b>5.08</b>	<b>2.15</b>
<b>CSR expenditure (Contributed to)</b>		
Suprajit Foundation (refer note 32(ii))	33.55	37.32
	<b>33.55</b>	<b>37.32</b>
<b>Recovery of expenses from</b>		
<b>Subsidiaries</b>		
Suprajit Automotive	9.91	5.96
Wescon	0.49	0.66
	<b>10.40</b>	<b>6.62</b>
<b>Loan given</b>		
<b>Subsidiaries</b>		
Suprajit USA [USD 10.00 Million (March 31, 2023 - USD Nil)]	831.63	-
	<b>831.63</b>	-
<b>Repayment of loan by subsidiary</b>		
Suprajit USA	-	411.25
	-	<b>411.25</b>
<b>Corporate guarantees issued</b>		
Suprajit USA [USD Nil (March 31, 2023 - USD 58.50 Million)]	-	4,809.69
	-	<b>4,809.69</b>
<b>Corporate guarantee closed</b>		
Suprajit USA [USD Nil (March 31, 2023 - USD 12.5 Million)]	-	1,027.71
	-	<b>1,027.71</b>

### C. Balances outstanding as at year ends:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Investment in shares</b>		
<b>Subsidiaries</b>		
Suprajit Automotive*	32.51	31.09
Suprajit Europe	186.00	186.00
Suprajit USA**	2,124.50	2,124.50
Luxlite Lamp	792.30	792.30
Trifa Lamps	312.00	312.00
	<b>3,447.31</b>	<b>3,445.89</b>

\*Includes share based payments expense towards employees of subsidiary amounting to ₹ 12.61 Million (March 31, 2023 ₹ 11.19 Million).

\*\*Includes investments in the form of Financial guarantee provided to bankers of Suprajit USA Inc. amounting to ₹ 27.83 (March 31, 2023 ₹ 27.83 Million). During the year ended March 31, 2023, the Company converted loan given to its wholly owned subsidiary Suprajit USA Inc. to the extent of USD 9 Million ₹ 682.74 Million) into equity /common stock effective from April 01, 2022.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### C. Balances outstanding as at year ends (cont.):

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Allowance for impairment in value of investments</b>		
<b>Subsidiaries</b>		
Luxlite Lamp	792.30	792.30
Trifa Lamps	54.00	54.00
	<b>846.30</b>	<b>846.30</b>
<b>Loan given</b>		
<b>Subsidiaries</b>		
Suprajit USA [USD 15.00 Million (March 31, 2023 - USD 5.00 Million)]	1,250.61	411.08
	<b>1,250.61</b>	<b>411.08</b>
<b>Trade receivables</b>		
<b>Subsidiaries</b>		
Wescon	2.85	3.83
Luxlite Lamp	446.13	635.38
Suprajit Hungary	0.03	-
<b>Others</b>		
VST Tillers Tractors Limited	0.05	-
	<b>449.06</b>	<b>639.21</b>
<b>Lease deposit payable</b>		
<b>Subsidiaries</b>		
Suprajit Automotive	1.00	1.00
	<b>1.00</b>	<b>1.00</b>
<b>Trade payables</b>		
<b>Subsidiaries</b>		
Trifa Lamps	0.21	-
Wescon	0.61	0.07
Suprajit Europe	0.23	-
	<b>1.05</b>	<b>0.07</b>
<b>Payable to</b>		
<b>Subsidiaries</b>		
Luxlite Lamp	4.57	-
	<b>4.57</b>	-
<b>KMP</b>		
Mr. K Ajith Kumar Rai	46.89	42.40
Mr. Mohan Srinivasan Nagamangala	8.53	7.64
Mr. Medappa Gowda J	2.52	2.31
Mr. Akhilesh Rai	4.00	2.41
Mr. Suresh Shetty	-	0.50
Mrs. Bharathi Rao	0.50	0.50
Mr. M. Lakshminarayan	0.50	0.50
Mr. Harish Hassan Visweswara	0.50	0.50
Mr. Bhagya Chandra Rao	0.52	-
<b>Relatives of KMP</b>		
Mr. Ashuthosh Rai	2.24	1.10
	<b>66.20</b>	<b>57.86</b>
<b>Receivable from KMP</b>		
Mr. Medappa Gowda J	0.14	-
	<b>0.14</b>	-
<b>Corporate guarantees (refer note 36(b))</b>		
Suprajit USA [USD 58.5 Million (March 31, 2023 - USD 58.5 Million)]*	4,877.37	4809.69
	<b>4,877.37</b>	<b>4809.69</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### C. Balances outstanding as at year ends (cont.):

\*Corporate guarantee Of USD 58.5 Million was given before March 31, 2022 and became effective from April 1, 2022. Also refer note 36(c) for comfort letter given to subsidiary and note 36(b) with respect to guarantee for loan provided by one subsidiary to another subsidiary. The loan was settled during the year ended March 31, 2024.

#### 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. All outstanding balances are unsecured and interest free and settlement occurs in cash except loan which is interest bearing. For the year ended March 31, 2024 the Company has not recorded any impairment of assets relating to amounts owed by related parties (March 31, 2023: ₹ Nil being impairment of Luxlite Lamps). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 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 ₹5.87 Million ( March 31, 2023 ₹ 5.59Million).

The future minimum lease receivable under non-cancellable operating leases are as follows:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Not later than one year	6.16	5.87
Later than one year and not later than five years	27.89	26.56
More than five years	225.79	233.28
<b>Total</b>	<b>259.84</b>	<b>265.71</b>

### 42. (i) Fair value

The carrying value of financial instruments by categories is as follows:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Financial assets measured at amortized cost</b>		
Trade receivables*	3,004.68	2,743.11
Security deposits^	55.94	54.75
Loan to subsidiary company^	1,250.61	411.08
Advances to employees*	12.71	11.79
Interest receivable on bank deposit and others*	1.68	1.41
<b>Financial assets measured at fair value through profit and loss^</b>		
Investment in mutual funds	4,092.97	3,893.83
Investment in bonds	273.24	-
Foreign currency forward contracts	6.08	2.57
	<b>8,697.91</b>	<b>7,118.54</b>
<b>Cash and cash equivalents and other balances with banks#</b>		
Cash on hand	0.70	0.71
Balance with banks in current accounts	265.12	279.07
Balance with banks in EEFC accounts	35.82	137.34
Balance with banks in deposit accounts	3.79	44.21
Earmarked balances with banks being unpaid dividend accounts	27.33	26.23
	<b>332.76</b>	<b>487.56</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 42. (i) Fair value (contd...)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Financial liabilities measured at amortized cost<sup>^</sup></b>		
Borrowings	2,643.05	2,441.95
Lease liabilities	48.31	58.56
Trade payables	1,527.82	1,446.24
Employee related liabilities	106.85	95.00
Interest accrued but not due on borrowings	4.21	7.21
Capital creditors	26.53	14.36
Payable to directors	61.44	54.45
Security deposits	26.64	27.99
Unpaid dividend	13.76	26.23
<b>Financial liabilities measured at fair value through profit and loss<sup>^</sup></b>		
Provision for MTM losses on foreign currency forward contract	2.34	5.03
Provision for MTM losses on Interest rate swap	-	(0.98)
	<b>4,460.95</b>	<b>4,176.04</b>
<p>* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature.  <sup>^</sup> The fair value of remaining financial instruments except investment in mutual funds and bonds and forward contracts are determined on transaction date based on discounted cashflow method using current lending/ borrowing rate.  # These accounts are considered to be highly liquid/ liquid and the carrying amount of these are considered to be the same as their fair value.</p>		

### 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, 2024			
<b>Financial assets and liabilities measured at fair values</b>				
<b>Financial assets measured at fair value through profit and loss</b>				
Investment in mutual funds	4,092.97	-	-	4,092.97
Investment in bonds	273.24	-	-	273.24
Foreign currency forward contracts	-	6.08	-	6.08
<b>Total financial assets measured at fair value</b>	<b>4,366.21</b>	<b>6.08</b>	<b>-</b>	<b>4,372.29</b>
<b>Financial liabilities measured at fair value through profit and loss</b>				
Provision for MTM losses on foreign currency forward contract	-	2.34	-	2.34
Provision for MTM losses on Interest rate swap	-	-	-	-
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>2.34</b>	<b>-</b>	<b>2.34</b>
	Level 1	Level 2	Level 3	Total
	March 31, 2023			
<b>Financial assets and liabilities measured at fair values</b>				
<b>Financial assets measured at fair value through profit and loss</b>				
Investment in mutual funds	3,893.83	-	-	3,893.83
Foreign currency forward contracts	-	2.57	-	2.57
<b>Total financial assets measured at fair value</b>	<b>3,893.83</b>	<b>2.57</b>	<b>-</b>	<b>3,896.40</b>
<b>Financial liabilities measured at fair value through profit and loss</b>				
Provision for MTM losses on foreign currency forward contract	-	5.03	-	5.03
Provision for MTM losses on Interest rate swap	-	(0.98)	-	(0.98)
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>4.05</b>	<b>-</b>	<b>4.05</b>

There have been no transfer between Level 1, Level 2 and Level 3 during the year ended March 31, 2024 and March 31, 2023.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 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 has investment in quoted mutual funds/ bonds. The investments other than investment in subsidiaries are carried at fair value through profit and loss using quoted prices in active markets and accordingly classified within 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, 2024	As at March 31, 2023
<b>A. Total equity attributable to the share holders of the Company (Capital)</b>	<b>13,035.24</b>	<b>10,998.53</b>
<b>B. Borrowings</b>		
Non-current borrowings	525.00	675.00
Current borrowings	2,118.05	1,766.95
Lease Liabilities	48.31	58.56
Less: Cash and cash equivalents	(301.64)	(417.12)
Less: Current investments (limited to the extent of borrowings)	(2,389.72)	(2,083.39)
<b>Net debt</b>	<b>-</b>	<b>-</b>
<b>C. Total capital and net debt (A+B)</b>	<b>13,035.24</b>	<b>10,998.53</b>
<b>D. Gearing ratio (B / C)</b>	<b>0%</b>	<b>0%</b>

- (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, Investment in mutual funds and bonds, 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, 2024

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

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, 2024.

### (i) (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate due to change in the market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates.

The Company enters into contracts with financial institutions in nature of interest rate swap, to mitigate the risk of changes in interest rates in respect of its borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's profit before tax due to change in the interest rate/ fair value of financial liabilities are as disclosed below:

₹ in Million

	Year ended March 31, 2024		Year ended March 31, 2023	
	1% increase	1% decrease	1% increase	1% decrease
Effect of profit before tax expense	(27.18)	27.18	(25.28)	25.28

### (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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Financial assets</b>				
USD	18.06	9.23	1,505.01	756.10
EUR	4.44	6.86	400.30	615.06
GBP	0.06	0.23	6.34	23.68
<b>Total</b>			<b>1,911.65</b>	<b>1,394.84</b>
<b>Financial liabilities</b>				
USD	0.94	1.16	77.98	95.05
EUR	0.76	6.96	68.12	623.41
GBP^	-	-	0.38	-
Others	1.98	1.70	22.81	20.30
<b>Total</b>			<b>169.29</b>	<b>738.76</b>
<b>Net financial assets</b>			<b>1,742.36</b>	<b>656.08</b>
^ 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, 2024

Forward contracts outstanding are as below:

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
EUR*	1.00	0.40	91.76	38.13
EUR**	4.50	2.40	422.60	219.85
GBP*	0.20	-	21.25	-
GBP**	0.90	-	96.25	-
			<b>631.86</b>	<b>257.98</b>

\* 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 0.11% (March 31, 2023: 0.05%).

#### (i) (c) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of automotive cables & lamps and therefore require a continuous supply of below said products. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

#### Commodity price sensitivity

The following table shows the effect of price changes in below said products:

₹ in Million

	Year ended March 31, 2024		Year ended March 31, 2023	
	1% increase	1% decrease	1% increase	1% decrease
<b>Impact on profit before tax</b>				
Steel wire	(16.67)	16.67	(16.25)	16.25
Cable components	(57.98)	57.98	(52.88)	52.88
Glass tube	(3.11)	3.11	(2.79)	2.79
Lamp components	(16.31)	16.31	(17.60)	17.60

#### (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, loan to subsidiary, 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 0-365 days. The credit risk exposure of the Company is as below:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Trade receivables (A)</b>	<b>3,029.87</b>	<b>2,756.86</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Balance as per last financial statements	13.75	8.48
Add/ (Less): Charge / (reversal) for the year	11.98	6.92
Less: Utilised during the year	(0.54)	(1.65)
<b>Closing balance (B)</b>	<b>25.19</b>	<b>13.75</b>
<b>Total (A - B)</b>	<b>3,004.68</b>	<b>2,743.11</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

### 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 and bonds. 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, bonds 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, 2024	As at March 31, 2023
Cash on hand	0.70	0.71
Balance with banks	303.98	457.61
Investment in mutual funds	4,092.30	3,869.17
Investment in bonds	273.24	-
	<b>4,670.22</b>	<b>4,327.49</b>

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
<b>March 31, 2024</b>					
Non-current borrowings	-	-	-	525.00	525.00
Current borrowings	1,968.05	75.00	75.00	-	2,118.05
Lease liabilities*	-	7.79	5.87	52.68	66.34
Trade payables	-	1,527.82	-	-	1,527.82
Other financial liabilities	13.76	199.96	-	28.05	241.77
<b>Total</b>	<b>1,981.81</b>	<b>1,810.57</b>	<b>80.87</b>	<b>605.73</b>	<b>4,478.98</b>
<b>March 31, 2023</b>					
Non-current borrowings	-	-	-	675.00	675.00
Current borrowings	1,579.94	93.51	93.50	-	1,766.95
Lease liabilities*	-	7.54	7.76	66.34	81.64
Trade payables	-	1,446.24	-	-	1,446.24
Other financial liabilities	26.23	170.74	-	32.32	229.29
<b>Total</b>	<b>1,606.17</b>	<b>1,718.03</b>	<b>101.26</b>	<b>773.66</b>	<b>4,199.12</b>
*Includes future cash outflow toward estimated interest on lease liabilities.					

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 45. 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, 2024 is set out below

	Year ended March 31, 2024	Year ended March 31, 2023
<b>The ESAR 2017 Plan</b>	<b>No. of stock appreciation rights</b>	
SARs Outstanding at the beginning of the year	10,43,295	10,86,019
SARs Granted during the period	-	-
SARs Forfeited / Surrendered during the year	21,016	13,994
SARs Lapsed during the year	-	-
SARs Exercised during the year	1,74,311	28,730
<b>SARs Outstanding at the end of the year</b>	<b>8,47,968</b>	<b>10,43,295</b>
SARs exercisable at the end of the year	6,05,429	5,13,814

The stock appreciation rights outstanding on March 31, 2024 has the weighted average remaining contractual life of 4.07 years (March 31, 2023 4.93 years).

The weighted average market price of SARs exercised during the year ended March 31, 2024 is ₹ 407.48 ( March 31, 2023: ₹ 332.06 )

The weighted average fair value of stock appreciation rights granted during the year ended March 31, 2024 was ₹ Nil (March 31, 2023 ₹ Nil). The Black - Scholes valuation model has been used for computing the weighted fair value considering the following inputs:

	Input Values-Grants FY 2021-22	Input Values-Grants FY 2018-19
Weighted average share price on the date of Grant (₹)	365.05	257.65
Exercise Price (₹)	1	1
Expected Volatility*	38.64%	35.79%
Life of rights granted in years	1-5 Years	1-5 Years
Average risk free interest rate	6.10	7.92
Dividend Yield	0.48	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 ₹ 10.00 Million [March 31, 2023: ₹ 22.03 Million] net of cross charge to subsidiary.

#### Employee-wise details of ESAR's granted to:

##### Senior managerial personnel

No ESAR's were granted to senior management of the Company during the year ended March 31, 2024 (March 31, 2023: Nil).

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 46 Ratios

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	2.33	2.44	(4.52%)	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.21	0.23	(9.18%)	-
Debt Service Coverage ratio	Earnings for debt service = net profit after taxes + Non-cash operating expenses+Finance cost	Debt service = Interest & Lease Payments + Principal Repayments	7.88	6.39	23.29%	-
Return on Equity ratio	Net profits after taxes – Preference Dividend	Average Shareholder's Equity	19.64	18.31	7.27%	-
Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.00	4.79	4.28%	-
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.35	5.31	0.63%	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return + Other Expenses	Average Trade Payables	7.04	7.11	(0.98%)	-
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.76	2.66	3.70%	-
Net profit ratio	Net profit	Net sales = Total sales - sales return	15.36	13.05	17.65%	-
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	19.60	19.02	3.04%	-
Return on Investment	Income generated from invested funds	Invested funds in treasury investments	8.08	6.12	32.01%	Refer note a

**Note:**

a) Increase in interest rate on loan to subsidiary and yield on investment in mutual funds.

### 47. Events after the reporting period

Subsequent to the year ended March 31, 2024 Suprajit USA Inc has set up its wholly owned subsidiary in Germany for meeting the operational requirements. The Company is in the process of registering the change name to Suprajit Germany GmbH.

48. The Board of Directors of the Company have proposed final dividend of ₹ 1.40 per share after the balance sheet date which is subject to approval by the shareholders at the annual general meeting.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 49. Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) Except as disclosed in note 10 to the standalone financial statements, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

vii)The Company has used 3 accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to the aforesaid accounting software i.e. Oracle, SAP and Peopleworks. Further no instance of audit trail feature being tampered with was noted where audit trail has been enabled.

The management is taking steps to ensure that the books of account are maintained as required under the applicable statute.

(viii)The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

#### As per our report of even date

#### For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

#### per Rajeev Kumar

Partner

Membership No.: 213803

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

#### K Ajith Kumar Rai

Chairman

DIN: 01160327

#### Mohan Srinivasan Nagamangala

Managing Director &

Group Chief Executive Officer

DIN: 01916468

#### Medappa Gowda J

Chief Financial Officer &

Company Secretary

Place : Bengaluru

Date : May 29, 2024

Place : Bengaluru

Date : May 29, 2024

# **CONSOLIDATED FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

To ,  
The Members of Suprajit Engineering Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Suprajit Engineering Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) comprising of the consolidated Balance sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income/ (loss), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, their consolidated profit including other comprehensive income/ (loss), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Key audit matters	How our audit addressed the key audit matter
<p>Impairment assessment of Goodwill (as described in Note 5 of the consolidated financial statements)</p> <p>As at March 31, 2024, the total goodwill recognized in the consolidated balance sheet amounts to ₹ 1,381.95 Million (net of impairment) pertaining to two acquired entities i.e, Wescon Controls LLC and Luxlite Lamp SARM., which are separate cash generating units (‘CGUs’).</p> <p>To assess if there is an impairment in the goodwill, the management conducts impairment tests at CGU level to which the goodwill is attributable, annually or whenever changes in circumstances or events indicate that, the carrying amount of such goodwill may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value.</p> <p>The recoverable amount of the CGU is estimated by calculating the value in use of the CGU to which goodwill is attributable, basis valuation conducted by the management factoring future business plans and such valuation report/future business plans which are reviewed and approved by the Audit Committee/Board of Directors of the Company.</p> <p>This is a key audit matter as the testing of goodwill impairment is complex and involves significant judgement. The key assumptions included in impairment tests are projected revenue growth, operating margins, discount rates and terminal growth.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• We tested the key assumptions and considered the sensitivity scenarios performed by the management;</li> <li>• We tested the methodologies used and the computations by the management in their valuation; and</li> <li>• We assessed the disclosures made in the consolidated financial statements.</li> </ul>

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### Other Information

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

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

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

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income/(loss), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Those Charged with Governance of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

(a) We did not audit the financial statements and other financial information, in respect of nine subsidiaries, whose financial statements (before consolidation adjustments) include total assets of Rs 11,530.91 million as at March 31, 2024, and total revenues of Rs 15,530.10 million and net cash inflows of Rs 103.01 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary, whose financial statements and other financial information (before consolidation adjustments) reflect total assets of Rs. 289.15 million as at March 31, 2024, and total revenues of Rs. 6.76 million and net cash inflows of Rs. 167.97 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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 the subsidiary company incorporated in India, as noted in the 'Other Matter' paragraph we report that there are no qualifications or adverse remarks in the CARO report.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in paragraph (i)(vi) below on reporting under Rule 11(g);

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income/ (Loss), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

(g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2024 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;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer note 37 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer note 20 and 42(ii) to the consolidated financial statements in respect of such items as it relates to the Group;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company's subsidiary, incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the note 50(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or

kind of funds) by the Holding Company or any of such subsidiary, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

b) The interim dividend declared and paid during the year by the Holding Company and its subsidiary being companies incorporated in India and until the date of the respective audit reports of such Holding Company, and subsidiary is in accordance with section 123 of the Act.

c) As stated in note 17 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

is subject to the approval of the members of the Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi) Based on our examination which included test checks, the Company and its subsidiary incorporated in India have used three accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software except that, audit trail feature is not enabled for certain changes made using administrative access rights in respect of the said three accounting software, as described in note 50(vii) to the consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the aforesaid software.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Rajeev Kumar**

Partner

Membership Number: 213803

Unique Document Identification Number (UDIN):

24213803BKGWMD4046

Place of Signature: Bengaluru

Date: May 29, 2024

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

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

In conjunction with our audit of the consolidated financial statements of Suprajit Engineering Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company (the Holding Company and its subsidiary company together referred to as "the Group"), which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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

### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

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

### **Opinion**

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary company incorporated in India.

#### **For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

#### **per Rajeev Kumar**

Partner

Membership Number: 213803

Unique Document Identification Number (UDIN):

24213803BKGWMD4046

Place of Signature: Bengaluru

Date: May 29, 2024

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

₹ in Million

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,228.13	4662.94
Capital work in progress	3	72.05	273.69
Right-of-use assets	4	952.21	886.68
Goodwill	5	1,381.95	1363.87
Other intangible assets	6	953.14	1161.40
Intangible assets under development	6	-	4.07
<b>Financial assets</b>			
Investments	8	0.65	24.66
Other financial assets	13	120.02	81.41
Deferred tax assets (net)	23	164.34	124.82
Income tax assets (net)	14	108.68	22.68
Other non-current assets	15	115.64	116.63
		<b>9,096.81</b>	<b>8,722.85</b>
<b>Current assets</b>			
Inventories	7	4,449.31	4,826.04
<b>Financial assets</b>			
Investments	8	5,126.37	4,426.81
Trade receivables	9	5,185.55	4,608.36
Cash and cash equivalents	10	1,155.25	1,001.04
Other bank balances	11	30.37	67.43
Loans	12	16.55	13.20
Other financial assets	13	48.42	24.50
Income tax assets (net)	14	-	138.83
Other current assets	15	685.76	516.14
		<b>16,697.58</b>	<b>15,622.35</b>
<b>Total assets</b>		<b>25,794.39</b>	<b>24,345.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	138.46	138.39
Other equity	17	13,483.41	12,106.41
<b>Total equity</b>		<b>13,621.87</b>	<b>12,244.80</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18 (a)	2,025.73	2,648.21
Lease Liabilities	18 (b)	642.31	531.68
Other financial liabilities	20	34.31	60.84
Provisions	21	57.80	75.72
Deferred tax liability (net)	23	467.61	607.28
Other non current liabilities	24	19.98	22.64
		<b>3,247.74</b>	<b>3,946.37</b>

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

₹ in Million

	Notes	As at March 31, 2024	As at March 31, 2023
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	<b>18(a)</b>	4,212.88	3,769.16
Lease Liabilities	<b>18(b)</b>	200.05	226.16
Trade payables	<b>19</b>		
Total outstanding dues of micro and small enterprises		354.24	360.76
Total outstanding dues of creditors other than micro and small enterprises		2,926.26	2,562.40
Other financial liabilities	<b>20</b>	518.33	514.97
Other current liabilities	<b>24</b>	239.90	234.79
Provisions	<b>21</b>	405.50	348.40
Current tax liabilities (net)	<b>22</b>	67.62	137.39
		<b>8,924.78</b>	<b>8,154.03</b>
<b>Total liabilities</b>		<b>12,172.52</b>	<b>12,100.40</b>
<b>Total equity and liabilities</b>		<b>25,794.39</b>	<b>24,345.20</b>

Corporate information and material 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

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

**per Rajeev Kumar**

Partner

Membership No.: 213803

**K Ajith Kumar Rai**

Chairman

DIN: 01160327

**Mohan Srinivasan Nagamangala**

Managing Director & Group Chief

Executive Officer

DIN: 01916468

**Medappa Gowda J**

Chief Financial Officer &

Company Secretary

**Place: Bengaluru**

Date: May 29, 2024

**Place: Bengaluru**

Date: May 29, 2024

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>I Income</b>			
Revenue from operations	25	28,958.55	27,523.55
Other income	26	599.21	386.38
<b>Total income</b>		<b>29,557.76</b>	<b>27,909.93</b>
<b>II Expenses</b>			
Cost of materials consumed	27	16,403.99	15,756.54
Purchases of stock-in-trade	28	456.95	437.11
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	121.38	(24.35)
Employee benefits expense	30	6,206.28	5,744.03
Finance costs	31	513.79	355.71
Depreciation and amortization expense	32	1,037.47	954.55
Other expenses	33	2,540.15	2,483.94
<b>Total expenses</b>		<b>27,280.01</b>	<b>25,707.53</b>
<b>III Profit before tax expense (I-II)</b>		<b>2,277.75</b>	<b>2,202.40</b>
<b>IV Tax expense (net):</b>	34(a)		
Current tax		887.14	695.01
Deferred tax charge/ (credit)		(167.53)	(13.70)
Current tax relating to earlier periods		(114.56)	-
<b>Total tax expenses</b>		<b>605.05</b>	<b>681.31</b>
<b>V Profit for the year (III-IV)</b>		<b>1,672.70</b>	<b>1,521.09</b>
<b>VI Other comprehensive income/ (loss) ('OCI'), net of taxes</b>	34(b)		
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Re-measurement gain/(loss) on defined benefit plan		(10.95)	(3.71)
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Net exchange differences on translation of foreign operations		29.16	160.87
<b>Total other comprehensive income/ (loss)</b>		<b>18.21</b>	<b>157.16</b>
<b>VII Total comprehensive income for the year (VII+VIII) comprising profit and other comprehensive Income</b>		<b>1,690.91</b>	<b>1,678.25</b>
<b>VIII Earnings per equity share [nominal value of share ₹ 1 (March 31, 2023: ₹ 1)]</b>	35		
Basic		12.08	10.99
Diluted		12.06	10.98

Corporate information and material 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: May 29, 2024

**K Ajith Kumar Rai**

Chairman

DIN: 01160327

**Place: Bengaluru**

Date: May 29, 2024

**For and on behalf of the Board of**

**Directors of Suprajit Engineering Limited**

**Mohan Srinivasan Nagamangala**

Managing Director & Group Chief

Executive Officer

DIN: 01916468

**Medappa Gowda J**

Chief Financial Officer & Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity share capital (refer note 16)	Number	₹ in Million
Equity shares of ₹ 1 each issued, subscribed and fully paid-up		
<b>As at April 1, 2022</b>	13,83,85,170	138.39
Issue of shares during the year*	7,424	0.01
<b>As at March 31, 2023</b>	<b>138,392,594</b>	<b>138.39</b>
Issue of shares during the year*	68,379	0.07
<b>As at March 31, 2024</b>	138,460,973	138.46

\* During the year the Company allotted 68,379 (March 31, 2023- 7,424) equity shares of ₹ 1 each, consequent to the exercise of employee stock appreciation rights. Also refer note 45.

### B. Other equity (refer note 17)

₹ in Million

	Attributable to equity holders of the Company							Total
	Reserves and surplus						OCI	
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserves	Surplus in the statement of profit & loss	Foreign currency translation reserve	
As at April 1, 2022	<b>5.13</b>	<b>295.20</b>	<b>1388.89</b>	<b>4818.33</b>	<b>94.11</b>	<b>3,673.54</b>	<b>426.10</b>	<b>10,701.30</b>
Add: Profit for the year	-	-	-	-	-	1521.09	-	1,521.09
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	(3.71)	-	(3.71)
Add: Share based payments expense	-	-	-	-	24.41	-	-	24.41
Add/ Less: Exercise of employee stock appreciations rights	-	-	3.63	-	(3.63)	-	-	-
Less: Cash dividends	-	-	-	-	-	(297.54)	-	(297.54)
Add: Net exchange differences on translation of foreign operations	-	-	-	-	-	-	160.86	160.86
<b>Balance as at March 31, 2023</b>	<b>5.13</b>	<b>295.20</b>	<b>1,392.52</b>	<b>4,818.33</b>	<b>114.89</b>	<b>4,893.38</b>	<b>586.96</b>	<b>12,106.41</b>
Add: Profit for the year	-	-	-	-	-	1,672.70	-	1,672.70
Less: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	(10.95)	-	(10.95)
Add: Share based payments expense	-	-	-	-	11.42	-	-	11.42
Add/ Less: Exercise of employee stock appreciations rights	-	-	22.30	-	(22.30)	-	-	-
Less: Cash dividends	-	-	-	-	-	(325.33)	-	(325.33)
Add: Net exchange differences on translation of foreign operations	-	-	-	-	-	-	29.16	29.16
<b>Balance as at March 31, 2024</b>	<b>5.13</b>	<b>295.20</b>	<b>1,414.82</b>	<b>4,818.33</b>	<b>104.01</b>	<b>6,229.80</b>	<b>616.12</b>	<b>13,483.41</b>

Corporate information and material 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: May 29, 2024

**K Ajith Kumar Rai**

Chairman

DIN: 01160327

**Place: Bengaluru**

Date: May 29, 2024

**For and on behalf of the Board of**

**Directors of Suprajit Engineering Limited**

**Mohan Srinivasan Nagamangala**

Managing Director & Group Chief

Executive Officer

DIN: 01916468

**Medappa Gowda J**

Chief Financial Officer & Company Secretary



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Operating activities</b>		
Profit before tax expense	2,277.75	2,202.40
<i>Adjustments to reconcile profit before tax expense to net cash flows:</i>		
Depreciation and amortization expense	1,037.47	954.55
Allowance for doubtful receivables (net)	19.61	12.30
Loss /(profit) on disposal of property, plant and equipment (net)	5.70	7.83
Liabilities no longer required written back	(0.96)	(4.09)
Fair value gain in financial instruments	(422.26)	(164.68)
Write back of provision for diminution in value of investments in mutual funds	(26.44)	-
Finance cost	513.79	355.71
Interest income	(4.37)	(3.47)
Unrealised foreign exchange (gain)/ loss	(63.68)	(8.22)
Employee share based payments	11.42	24.41
<b>Operating profit before working capital changes</b>	<b>3,348.03</b>	<b>3,376.74</b>
<b>Working capital adjustments:</b>		
(Increase)/decrease in inventories	390.51	(272.29)
(Increase)/decrease in trade receivables	(545.01)	415.50
(Increase)/decrease in loans	6.27	18.23
(Increase)/decrease in other financial assets	(5.36)	35.92
(Increase)/decrease in other assets	(229.12)	(226.53)
Increase/(decrease) in trade payables	339.83	(178.16)
Increase/(decrease) in other financial liabilities	(56.01)	290.27
Increase/(decrease) in provisions	28.96	(340.35)
Increase/(decrease) in other liabilities	3.26	118.91
<b>Cash generated from operations</b>	<b>3,281.36</b>	<b>3,238.24</b>
Direct taxes paid (net of refund)	(789.14)	(847.36)
<b>Net cash flows from operating activities</b>	<b>2,492.22</b>	<b>2,390.88</b>
<b>B Investing activities</b>		
Purchase of property, plant and equipment and other intangible assets	(911.75)	(919.03)
Proceeds from sale of property, plant and equipment	1.84	3.50
Consideration paid towards acquisition of Light Duty Cable (LDC) business unit	-	(3,167.76)
Purchase of investments	(606.39)	(2,770.00)
Sales of investments	353.10	1,102.11
Movement in deposits (net) ( Refer note 11)	39.32	(50.13)
Interest received	4.10	8.41
<b>Net cash flows used in investing activities</b>	<b>(1,119.78)</b>	<b>(5,792.90)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>C Financing activities</b>		
(Repayment) of working capital loans	(8,030.65)	(4,945.04)
Proceeds from working capital loans	8,392.69	5,085.02
(Repayment) of long term borrowings	(596.67)	(418.98)
Proceeds from long term borrowings	-	3,196.50
Interest paid	(517.99)	(335.28)
Payment of lease liabilities [note 18(b)]	(154.17)	(66.64)
Dividend paid to equity shareholders	(310.66)	(283.69)
Issue of share capital	0.07	0.01
<b>Net cash flows from/ (used) in financing activities</b>	<b>(1,217.38)</b>	<b>2,231.90</b>
<b>D Net increase in cash and cash equivalents (A+B+C)</b>	<b>155.06</b>	<b>(1,170.12)</b>
Net foreign exchange difference on cash and cash equivalents	(0.85)	103.97
Cash and cash equivalents at the beginning of the year	1,001.04	1,860.73
Cash and cash equivalents on business acquisition	-	206.46
<b>E Cash and cash equivalents at the end of the year (refer note 10)</b>	<b>1,155.25</b>	<b>1,001.04</b>
<b>Cash and cash equivalents at the end of the year comprises -</b>		
Cash on hand	1.08	1.06
<b>Balance with banks on</b>		
Current accounts	1,078.46	849.36
EEFC accounts	75.71	150.62
<b>Total cash and cash equivalents</b>	<b>1,155.25</b>	<b>1,001.04</b>

Corporate information and material 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

K Ajith Kumar Rai

Chairman

DIN: 01160327

For and on behalf of the Board of

Directors of Suprajit Engineering Limited

Mohan Srinivasan Nagamangala

Managing Director & Group Chief

Executive Officer

DIN: 01916468

Medappa Gowda J

Chief Financial Officer & Company Secretary

Place: Bengaluru

Date: May 29, 2024

Place: Bengaluru

Date: May 29, 2024

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 1. Corporate information

The consolidated financial statements comprise financial statements of Suprajit Engineering Limited ('SEL' or 'the Company' or 'the Holding Company') and its subsidiaries (collectively, 'the Group'). SEL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange in India. The registered office of the Holding Company is situated at No. 100 & 101, Bommasandra Industrial Area, Bengaluru - 560 099.

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on May 29, 2024.

### 2. Material 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, 2024 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, 2024	March 31, 2023
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%
Suprajit Brownsville, LLC	Subsidiary of Suprajit USA Inc	USA	100%	100%
Suprajit Mexico S de RL de CV	Subsidiary of Suprajit USA Inc	Mexico	100%	100%
Suprajit Hungary Kft	Subsidiary of Suprajit USA Inc	Hungary	100%	100%
Shanghai Lone Star Cable Co., Ltd.	Subsidiary of Suprajit USA Inc	China	100%	100%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

All the above subsidiaries are under the same management. Suprajit USA Inc. is an investment company holding certain subsidiaries 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 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.

### 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance 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 46, 5 and 6).

### 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 39).

The Group operates defined benefit plans in certain overseas jurisdictions, in accordance with local laws. Liabilities with regard to these defined benefit plans are determined by valuation at each Balance Sheet date using the projected unit credit method.

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 45.

### 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 34.

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

### Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually as at March 31 or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in the consolidated statement of profit and loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

### (f) Foreign currencies

The Consolidated financial statements are presented in Indian Rupee (₹), which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the Company and its Indian subsidiaries is Indian Rupee whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the consolidated balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the consolidated statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the consolidated balance sheet date. Statement of profit and loss have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the consolidated statement of changes in equity.

### (g) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

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

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

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

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

### (h) Revenue from contract with customer

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

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

#### Contract assets

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

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

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

#### Sale of goods

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

The revenue is collected immediately upon sale of goods or as per agreed credit terms which is within 0 to 365 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

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

### (j) Taxes on income

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

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

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

### Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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
Lease hold Improvements	3 to 6
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.

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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 lives (years)
Software	3
Business rights	5
Patents	5
Customer relationship	10
Non-compete agreement	1
Trade marks	5 to 10

### (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 lives (years)
Leasehold land	15 to 99
Buildings	1 to 5

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 18(b)).

### Short-term leases and leases of low-value assets

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

### (o) Inventories

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

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

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

### (p) Impairment of non-financial assets

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 45).

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)



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### *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. 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.

**New and amended standards**

Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the company has applied beginning April 1, 2023:

**Amendment to Ind AS 1 "Presentation of Financial Statements"**

The amendment requires the Group to disclose material accounting policies rather than significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of financial statements. The amendment had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's consolidated financial statements.

Several other amendments and interpretations apply for the first effective April 1, 2023, but do not have an impact on the consolidated financial statements of the Group. There are no standards that are notified and not yet effective as on the date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

3 (i) Property, plant and equipment	Freehold Land	Leasehold land*	Leasehold improvement	Buildings	Electrical installations	Plant and equipments	Dies and moulds	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
<b>As at April 1, 2022</b>	281.23	27.74	-	1,937.48	270.23	2,332.80	142.08	86.32	53.73	175.86	53.65	5,361.12
Additions	-	-	14.97	252.21	1.19	417.24	38.56	29.71	2.30	30.83	9.52	796.53
Additions through business combination (refer note 46)	-	-	35.41	-	-	701.85	43.41	0.34	1.91	3.51	12.19	798.62
Disposals	-	-	-	-	(2.92)	(72.47)	-	(0.03)	(1.56)	(16.29)	(2.91)	(96.18)
Exchange differences	-	-	4.49	18.97	-	94.28	3.17	0.22	0.39	8.88	0.82	131.22
<b>As at March 31, 2023</b>	281.23	27.74	54.87	2,208.66	268.50	3,473.70	227.22	116.56	56.77	202.79	73.27	6,991.31
Additions	334.54	-	0.83	162.59	63.33	417.57	70.90	26.10	17.42	14.75	24.98	1,133.01
Disposals	-	-	-	(2.83)	-	(73.23)	-	(1.07)	(7.05)	(0.45)	(0.73)	(85.36)
Exchange differences	-	-	0.53	6.19	-	31.79	2.98	1.50	(0.21)	(1.40)	(2.51)	38.87
<b>As at March 31, 2024</b>	615.77	27.74	56.23	2,374.61	331.83	3,849.83	301.10	143.09	66.93	215.69	95.01	8,077.83
<b>Depreciation</b>												
<b>As at April 1, 2022</b>	-	0.70	-	410.09	64.99	1,079.38	84.77	26.23	27.41	123.64	33.06	1,850.27
Charge for the year	-	-	2.87	89.35	14.59	323.15	35.37	8.62	6.02	19.75	12.22	511.94
Disposals	-	-	-	(0.70)	(2.77)	(66.06)	-	(0.03)	(1.53)	(14.41)	(2.91)	(88.41)
Exchange differences	-	-	0.12	5.78	0.01	39.44	0.28	0.24	0.35	8.09	0.26	54.57
<b>As at March 31, 2023</b>	-	0.70	2.99	504.52	76.82	1,375.91	120.42	35.06	32.25	137.07	42.63	2,328.37
Charge for the year	-	-	1.94	108.19	18.84	351.69	40.52	8.96	7.07	18.77	12.82	568.80
Disposals	-	-	-	-	-	(70.19)	-	(0.45)	(6.32)	(0.14)	(0.72)	(77.82)
Exchange differences	-	-	0.47	2.17	-	28.22	2.30	0.17	(0.13)	(0.30)	(2.55)	30.35
<b>As at March 31, 2024</b>	-	0.70	5.40	614.88	95.66	1,685.63	163.24	43.74	32.87	155.40	52.18	2,849.70
<b>Net book value</b>												
<b>As at March 31, 2023</b>	281.23	27.04	51.88	1,704.14	191.68	2,097.79	106.80	81.50	24.52	65.72	30.64	4,662.94
<b>As at March 31, 2024</b>	615.77	27.04	50.83	1,759.73	236.17	2,164.20	137.86	99.35	34.06	60.29	42.83	5,228.13

\* 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:

(a) Property, plant and equipment except leasehold land and assets capitalised under finance lease arrangement is owned by the Group. The title deeds of the immovable properties are held in the name of the Group companies subject to charge created for borrowings as detailed in note 18(a).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 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, 2024	As at March 31, 2023
<b>Gross block</b>	<b>749.68</b>	<b>749.68</b>
Additions	0.54	-
<b>Total gross block</b>	<b>750.22</b>	<b>749.68</b>
<b>Accumulated depreciation</b>	<b>(200.53)</b>	<b>(171.48)</b>
Charge for the year	(29.25)	(29.05)
<b>Total accumulated depreciation</b>	<b>(229.78)</b>	<b>(200.53)</b>
<b>Net book value</b>	<b>520.44</b>	<b>549.15</b>

### 3(ii) Capital work in progress

₹ in Million

	Total
<b>As at April 1, 2022</b>	<b>93.90</b>
Additions through business combination (refer note 46)	89.76
Additions	500.35
Capitalised	(420.60)
Exchange differences	10.28
<b>As at March 31, 2023</b>	<b>273.69</b>
Additions	284.11
Capitalised	(483.99)
Exchange differences	(1.76)
<b>As at March 31, 2024</b>	<b>72.05</b>

### Capital work in progress (CWIP) ageing schedule

₹ in Million

As at March 31, 2024	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	60.89	6.75	3.51	0.90	<b>72.05</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>60.89</b>	<b>6.75</b>	<b>3.51</b>	<b>0.90</b>	<b>72.05</b>

As at March 31, 2023	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	220.02	34.83	10.67	8.17	<b>273.69</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>220.02</b>	<b>34.83</b>	<b>10.67</b>	<b>8.17</b>	<b>273.69</b>

There are no overdue or cost overrun projects compared to its original plan and no CWIP which are temporarily suspended, on the above mentioned reporting dates.

## 4. 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 18(b) for lease liabilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Buildings	Vehicles	Leasehold land	Total
<b>As at April 1, 2022</b>	<b>289.16</b>	-	<b>204.95</b>	494.11
Additions	349.30	0.81	-	350.11
Additions through business combination (refer note 46)	292.87	23.12	-	315.99
Deletion	(147.44)	(3.95)	-	(151.39)
Exchange differences	34.88	1.57	-	36.45
<b>As at March 31, 2023</b>	<b>818.77</b>	<b>21.55</b>	<b>204.95</b>	<b>1,045.27</b>
Additions	245.07	24.06	-	269.13
Deletion	(44.76)	(12.92)	-	(57.68)
Exchange differences	37.80	(0.84)	-	36.96
<b>As at March 31, 2024</b>	<b>1,056.88</b>	<b>31.85</b>	<b>204.95</b>	<b>1,293.68</b>
<b>Accumulated depreciation</b>				
<b>As at April 1, 2022</b>	77.37	-	14.48	91.85
Depreciation expense	197.58	13.15	4.82	215.55
Deletion	(147.44)	(3.95)	-	(151.39)
Exchange differences	2.58	-	-	2.58
<b>As at March 31, 2023</b>	<b>130.09</b>	<b>9.20</b>	<b>19.30</b>	<b>158.59</b>
Depreciation expense	219.61	6.58	2.41	228.60
Deletion	(44.76)	(12.92)	-	(57.68)
Exchange differences	12.53	(0.57)	-	11.96
<b>As at March 31, 2024</b>	<b>317.47</b>	<b>2.29</b>	<b>21.71</b>	<b>341.47</b>
<b>Net book value as at March 31, 2023</b>	<b>688.68</b>	<b>12.35</b>	<b>185.65</b>	<b>886.68</b>
<b>Net book value as at March 31, 2024</b>	<b>739.41</b>	<b>29.56</b>	<b>183.24</b>	<b>952.21</b>

### 5 Goodwill

Following is the movement of carrying value of Goodwill:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Carrying value as per last financial statement</b>	1,363.87	1,261.00
Exchange differences	18.08	102.87
<b>Closing balance</b>	<b>1,381.95</b>	<b>1,363.87</b>

Below is the Cash Generating Unit ('CGU') wise break-up of goodwill:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Wescon Controls LLC	1,228.70	1,211.65
Luxlite Lamps SARL, Luxembourg ('Luxlite Lamps')	153.25	152.22
<b>Total</b>	<b>1,381.95</b>	<b>1,363.87</b>

#### 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, 2024	As at March 31, 2023
Growth rate	1% to 20.20%	0.5% to 17.29%
Operating margins	10.2% to 12.9%	7.1% to 10.80%
Discount rate	10.4% to 14.5%	14.7% to 15.06%

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

As at March 31, 2024, and March 31, 2023 the Group assessed the carrying value of Luxlite Lamps and Wescon controls LLC at their CGU level, based on future operational plan, projected cash flows and valuation carried out. Considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill as at March 31, 2024 and March 31, 2023 is appropriate.

### 6 (i) Other intangible assets

₹ in Million

	Business rights	Patents	Software	Customer relationship	Non-compete agreement	Trade marks	Total
<b>Cost</b>							
<b>As at March 31, 2022</b>	<b>13.16</b>	<b>0.76</b>	<b>69.75</b>	<b>1,266.86</b>	<b>12.13</b>	<b>107.64</b>	<b>1,470.30</b>
Additions	-	2.50	36.70	-	-	-	<b>39.20</b>
Additions through business combination (refer note 46)		399.12				149.67	<b>548.79</b>
Disposals	-	-	(0.77)	-	-	-	<b>(0.77)</b>
Exchange differences	-	34.77	0.97	106.98	1.03	22.14	<b>165.89</b>
<b>As at March 31, 2023</b>	<b>13.16</b>	<b>437.15</b>	<b>106.65</b>	<b>1,373.84</b>	<b>13.16</b>	<b>279.45</b>	<b>2,223.41</b>
Additions	-	-	17.96	-	-	-	<b>17.96</b>
Disposals	-	-	-	-	-	-	-
Exchange differences	-	5.17	0.63	18.74	-	4.78	<b>29.32</b>
<b>As at March 31, 2024</b>	<b>13.16</b>	<b>442.32</b>	<b>125.24</b>	<b>1,392.58</b>	<b>13.16</b>	<b>284.23</b>	<b>2,270.69</b>
<b>Amortization</b>							
<b>As at March 31, 2022</b>	<b>13.16</b>	<b>0.50</b>	<b>53.74</b>	<b>656.45</b>	<b>12.13</b>	<b>32.29</b>	<b>768.27</b>
Charge for the year	-	40.61	16.30	141.09	-	29.06	<b>227.06</b>
Disposals	-	-	(0.71)	-	-	-	<b>(0.71)</b>
Exchange differences	-	0.92	0.93	61.12	1.03	3.39	<b>67.39</b>
<b>As at March 31, 2023</b>	<b>13.16</b>	<b>42.03</b>	<b>70.26</b>	<b>858.66</b>	<b>13.16</b>	<b>64.74</b>	<b>1,062.01</b>
Charge for the year	-	42.10	22.74	147.90	-	27.32	<b>240.06</b>
Disposals	-	-	-	-	-	-	-
Exchange differences	-	0.81	0.44	13.07	-	1.16	<b>15.48</b>
<b>As at March 31, 2024</b>	<b>13.16</b>	<b>84.94</b>	<b>93.44</b>	<b>1,019.63</b>	<b>13.16</b>	<b>93.22</b>	<b>1,317.55</b>
<b>Net book value</b>							
<b>As at March 31, 2023</b>	-	<b>395.12</b>	<b>36.39</b>	<b>515.18</b>	-	<b>214.71</b>	<b>1,161.40</b>
<b>As at March 31, 2024</b>	-	<b>357.38</b>	<b>31.80</b>	<b>372.95</b>	-	<b>191.01</b>	<b>953.14</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 6(ii) Intangible assets under development

₹ in Million

	<b>Total</b>
<b>As at April 1, 2022</b>	<b>7.82</b>
Additions	2.07
Capitalised	(2.50)
Deletions	(3.32)
<b>As at March 31, 2023</b>	<b>4.07</b>
Additions	-
Capitalised	(1.04)
Deletions	(3.03)
<b>As at March 31, 2024</b>	<b>-</b>

### Intangible Asset under Development (IAUD) ageing schedule

₹ in Million

As at March 31, 2024	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at March 31, 2023	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2.07	1.11	0.51	0.38	4.07
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2.07</b>	<b>1.11</b>	<b>0.51</b>	<b>0.38</b>	<b>4.07</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 7. Inventories

(Valued at lower of cost and net realisable value)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Raw materials [includes goods in transit ₹ 228.27 Million (March 31, 2023: ₹ 199.98 Million)]	3,255.29	3,433.20
Work-in-progress	298.63	402.94
Finished goods	1,291.58	1,212.20
Traded goods	178.18	269.98
Less: Allowance towards slow and non-moving items	(574.37)	(492.28)
<b>Total</b>	<b>4,449.31</b>	<b>4,826.04</b>

### 8. Investments

(Valued at fair value through profit and loss)

Non-current	As at March 31, 2024			As at March 31, 2023		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
<b>Quoted mutual funds (fully paid-up)</b>						
Franklin India Short Term Income Plan - Retail Plan - Direct Plan - Growth	127	5,168.67	0.65	4,567	4,963.01	22.67
Franklin India Credit Risk Fund - Direct Plan - Growth	-	-	-	79,322	25.06	1.99
			<b>0.65</b>			<b>24.66</b>
<b>Aggregate market value of quoted investments</b>			<b>0.65</b>			<b>24.66</b>

As on March 31, 2024, the Group has an investment of ₹ 0.65 Million (March 31, 2023: ₹ 24.66 Million) in the wound up schemes of Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) as on said date. The Group evaluated the provision made towards investment in Franklin Templeton Mutual Fund (FTMF) and reversed the provision of ₹ 26.44 Million (March 31, 2023: ₹ 82.09 Million) out of the total provision of ₹ 108.53 Million during the year ended March 31, 2024 and March 31, 2023 respectively considering the redemption and realisation of significant portion of investments in FTMF.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 8. Investments (contd...)

(Valued at fair value through profit and loss)

Current	As at March 31, 2024			As at March 31, 2023		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
<b>Quoted mutual funds (fully paid-up)</b>						
Aditya Birla Sun Life Banking & PSU Debt Fund- Growth-Direct Plan (formerly known as Aditya Birla Sun Life Treasury Optimizer Plan)	2,45,120	342.88	84.05	2,45,120	318.59	78.09
HDFC Floating Rate Debt fund - Direct Plan - Growth option	25,67,564	45.86	117.74	25,67,564	42.37	108.79
ICICI Prudential Savings Fund - Direct Plan - Growth	4,42,974	499.55	221.29	2,32,819	462.59	107.70
HDFC Corporate Bond Fund - Regular Plan - Growth	22,51,847	29.33	66.06	22,51,847	27.18	61.21
SBI Magnum Medium Duration Fund Direct Growth	1,14,78,287	49.67	570.15	1,14,78,287	45.90	526.89
SBI Corporate Bond Fund - Direct Plan - Growth	16,81,535	14.35	24.13	42,27,965	13.33	56.34
HDFC Banking and PSU Debt Fund - Direct - Growth Option	69,78,782	21.58	150.62	69,78,782	20.02	139.73
Bandhan Banking & PSU Debt Fund-Regular Plan-Growth (Erstwhile IDFC Banking and PSU Debt Fund - Regular Plan - Growth)	-	-	-	10,72,005	20.89	22.39
Bandhan Banking & PSU Debt Fund-Direct Plan - Growth (Erstwhile IDFC Banking & PSU Debt Fund-Direct Plan - Growth)	63,93,041	22.90	146.43	63,93,041	21.35	136.51
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	30,85,130	28.15	86.83	30,85,130	26.03	80.30
HDFC Short Term Debt Fund - Direct Plan - Growth	80,57,517	29.69	239.24	80,57,517	27.49	221.53
HDFC Corporate Bond Fund - Direct Plan - Growth	87,11,262	29.88	260.32	99,55,956	27.62	274.98
SBI Short Term Debt Fund - Direct Plan - Growth	23,64,012	30.68	72.53	2,364,012	28.51	67.39
Bandhan Dynamic Bond Fund-Growth-(Direct Plan) (Erstwhile IDFC Dynamic Bond Fund - Growth - Direct Plan)	47,88,340	34.33	164.41	54,89,992	31.27	171.68
Kotak Banking and PSU Debt Fund - Direct- Growth	53,82,016	61.36	330.23	53,82,016	56.87	306.09
Aditya Birla Sun Life Short Term Fund-Growth-Direct Plan	35,61,252	46.20	164.53	35,61,252	42.77	152.31
Axis Treasury Advantage Fund - Direct - Growth - TADG	14,174	2,938.38	41.65	14,174	2,730.31	38.70
ICICI Prudential Short Term Fund - Direct Plan - Growth	60,97,257	58.93	359.32	57,39,222	54.37	312.03

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 8. Investments (contd...)

(Valued at fair value through profit and loss)

Current	As at March 31, 2024			As at March 31, 2023		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
<b>Quoted mutual funds (fully paid-up)</b>						
Kotak Corporate Bond - Fund Direct - Growth	48,145	3,535.18	170.20	48,145	3,276.24	157.73
Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan (formerly known as Aditya Birla Sun Life Short Term Fund)	31,45,594	103.25	324.77	38,70,016	95.60	369.97
Aditya Birla Sun Life Corporate Bond Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Short Term Fund)	5,65,025	101.75	57.49	5,65,025	94.39	53.33
Aditya Birla Sun Life Banking and PSU Debt Fund-Growth-Regular Plan (formerly known as Aditya Birla Sun Life Treasury Optimizer Plan)	2,97,539	331.77	98.72	2,97,539	309.33	92.04
Aditya Birla Sun Life Medium Term Plan-Growth-Direct Plan	14,61,138	37.01	54.08	14,61,138	34.24	50.03
Axis Dynamic Bond Fund - Direct - Growth - DBDG	56,06,444	29.22	163.81	56,06,444	27.05	151.65
Axis Strategic Bond Fund - Direct Growth - IFDGG	59,04,009	27.44	162.03	39,65,664	25.25	100.14
Bharat Bond ETF FOF-April 2032 - Direct Plan Growth - OD21	2,46,19,410	11.35	279.48	2,46,19,410	10.46	257.56
HDFC Credit Risk Debt Fund-Direct Growth	9,73,372	23.37	22.74	9,73,372	21.59	21.02
HSBC Medium Duration Fund - Direct Growth (Formerly known as L&T Resurgent India Bond Fund Direct Growth)	27,20,079	19.93	54.20	27,20,079	18.39	50.01
ICICI Prudential All Seasons Bond Fund Direct Plan - Growth	45,00,672	35.67	160.53	30,49,893	32.81	100.07
ICICI Prudential Corporate Bond Fund - Growth	24,22,594	26.95	65.28	24,22,594	24.97	60.50
ICICI Prudential Medium Term Bond Fund Direct Plan - Growth	31,89,933	43.98	140.27	24,62,367	40.65	100.10
<b>Total</b>			<b>4,853.13</b>			<b>4,426.81</b>

Quoted bonds	Units	₹ in Million	Units	₹ in Million
7.72% SBI Perpetual Bonds (ISIN: INE062A08280)	1	10.37	-	-
7.55% SBI Perpetual Bonds (ISIN: INE062A08306)	1	10.09	-	-
7.75% SBI Perpetual Bonds (ISIN: INE062A08314)	1	10.35	-	-
7.72% SBI Perpetual Bonds (ISIN: INE062A08298)	3	30.80	-	-
7.54% Government of India Bonds (ISIN: IN0020220029)	1,000,000	106.30	-	-
7.97% HDFC Bank Bonds (ISIN: INE040A08914)	500	51.44	-	-
7.98% Rural electrification corporation bonds (ISIN: INE020B08EJ6)	5	53.89	-	-
<b>Total</b>		<b>273.24</b>		-
<b>Aggregate market value of quoted investments</b>		<b>5,126.37</b>		<b>4,426.81</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 9. Trade receivables

(Unsecured, carried at amortized cost)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Trade receivables	5,185.55	4,608.36
<b>Total</b>	<b>5,185.55</b>	<b>4,608.36</b>
<b>Break-up for security details:</b>		
<b>Current</b>		
Unsecured, considered good	5,185.55	4,608.36
Trade receivables - credit impaired	40.85	28.56
<b>Total</b>	<b>5,226.40</b>	<b>4,636.92</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Trade receivables - credit impaired	(40.85)	(28.56)
<b>Total</b>	<b>5,185.55</b>	<b>4,608.36</b>

Trade receivables are non-interest bearing and are generally on terms of 0 to 365 days.

Except as disclosed in note 41, no trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person or from firms or private companies in which any director is a partner, a director or a member.

₹ in Million

Trade receivables ageing schedule	Outstanding for following periods from due date of payment						
	Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2024</b>							
<b>Undisputed trade receivables</b>							
Considered good	4,177.05	995.75	2.72	9.98	0.05	-	5,185.55
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	10.47	17.78	12.46	0.09	0.05	40.85
<b>Disputed trade receivables</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>4,177.05</b>	<b>1,006.22</b>	<b>20.50</b>	<b>22.44</b>	<b>0.14</b>	<b>0.05</b>	<b>5,226.40</b>

Trade receivables ageing schedule	Outstanding for following periods from due date of payment						
	Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>							
<b>Undisputed trade receivables</b>							
Considered good	3,703.86	888.42	14.85	1.23	-	-	4,608.36
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	15.56	10.70	1.18	0.71	0.41	28.56
<b>Disputed trade receivables</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,703.86</b>	<b>903.98</b>	<b>25.55</b>	<b>2.41</b>	<b>0.71</b>	<b>0.41</b>	<b>4,636.92</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 10. Cash and cash equivalents

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Cash on hand	1.08	1.06
Balance with banks on		
Current accounts	1,078.46	849.36
EEFC accounts	75.71	150.62
<b>Total</b>	<b>1,155.25</b>	<b>1,001.04</b>

### 11. Other bank balances

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Balance with banks on deposits with remaining maturity for less than 12 months	3.04	41.20
Earmarked balances with banks being unpaid dividend accounts*	27.33	26.23
<b>Total</b>	<b>30.37</b>	<b>67.43</b>

\*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities. The Company transferred ₹ 1.41 Million (March 31, 2023 ₹ 0.44 Million) during the year to investor education and protection fund as per the provisions of the Companies Act, 2013.

₹ in Million

Changes in other bank deposits resulting from investing activities:-	Non current	Current
As at March 31, 2022	0.78	18.47
Investments	2.23	47.90
Others	-	(1.06)
<b>As at March 31, 2023</b>	<b>3.01</b>	<b>67.43</b>
Redemptions	-	(41.20)
Others	(2.26)	4.14
<b>As at March 31, 2024</b>	<b>0.75</b>	<b>30.37</b>

### 12. Loans

(Unsecured, considered good, carried at amortized cost)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Advances in the nature of loans to employees	16.55	13.20
<b>Total</b>	<b>16.55</b>	<b>13.20</b>

### 13. Other financial assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
<i>Carried at amortised cost</i>		
Security deposits	88.57	78.40
Margin money deposits	0.75	3.01
<i>Carried at fair value through profit and loss</i>		
Foreign currency forward contracts	30.70	-
<b>Total</b>	<b>120.02</b>	<b>81.41</b>
<b>Current</b>		
<i>Carried at fair value through profit and loss</i>		
Foreign currency forward contracts	43.10	23.09
<i>Carried at amortised cost</i>		
Interest receivable on bank deposits and others	1.68	1.41
Others	3.64	-
<b>Total</b>	<b>48.42</b>	<b>24.50</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 14. Income tax assets (net)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Advance income-tax, including paid under protest (net of provision for taxation)	108.68	22.68
<b>Total</b>	<b>108.68</b>	<b>22.68</b>
<b>Current</b>		
Advance income-tax (net of provision for taxation)	-	138.83
<b>Total</b>	<b>-</b>	<b>138.83</b>

### 15. Other assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Capital advances	57.66	72.96
Balances with statutory / Government authorities	5.74	5.74
Others	52.24	37.93
<b>Total</b>	<b>115.64</b>	<b>116.63</b>
<b>Current</b>		
Advances to suppliers	103.79	99.21
Pre-paid expenses	219.11	153.40
Export benefits receivable	0.90	0.91
Balances with statutory / Government authorities	339.06	247.64
Government grant	2.60	3.45
Others	20.30	11.53
<b>Total</b>	<b>685.76</b>	<b>516.14</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 16. Equity share capital

₹ in Million

	As at March 31, 2024		As at March 31, 2023		
<b>Authorised share capital</b>					
850,000,000 (March 31, 2023: 850,000,000) equity shares of ₹ 1 each	850.00		850.00		
<b>Issued, subscribed and fully paid-up equity share capital</b>					
138,460,973 (March 31, 2023: 138,392,594) equity shares of ₹ 1 each	138.46		138.39		
<b>Total</b>	<b>138.46</b>		<b>138.39</b>		
<b>(a) Terms / rights attached to equity shares:</b>					
<p>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.</p> <p>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.</p>					
<b>(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>					
	As at March 31, 2024		As at March 31, 2023		
	Number	₹ in Million	Number	₹ in Million	
<b>Equity shares</b>					
At the beginning of the year	138,392,594	138.39	138,385,170	138.39	
Issue of shares during the year*	68,379	0.07	7,424	0.01	
<b>Outstanding at the end of the year</b>	<b>138,460,973</b>	<b>138.46</b>	<b>138,392,594</b>	<b>138.39</b>	
* During the year the Company allotted 68,379 (March 31, 2023- 7,424) equity shares of ₹ 1 each, consequent to the exercise of employee stock appreciation rights. Also refer note 45.					
<b>(c) Details of shareholders holding more than 5% shares in the Company:</b>					
	As at March 31, 2024		As at March 31, 2023		
	Number	%	Number	%	
<b>Equity shares of ₹ 1 each fully paid</b>					
Supriyajith Family Trust	5,26,41,584	38.02%	5,26,41,584	38.04%	
HDFC small cap fund	1,11,02,319	8.02%	74,14,276	5.38%	
DSP small cap fund	94,47,197	6.82%	1,06,16,987	7.67%	
<b>(d) Details of Shares held by promoters at the end of the year:</b>					
Name of the promoter	As at March 31, 2024				
	March 31, 2023	Change	March 31, 2024	% holding of equity shares	% change during the year
<b>Equity shares of ₹ 1 each fully paid up</b>					
Supriyajith Family Trust	5,26,41,584	-	5,26,41,584	38.02%	0.00%
K Ajith Kumar Rai	37,99,405	-	37,99,405	2.74%	0.00%
Supriya Ajith Kumar Rai	17,39,510	-	17,39,510	1.26%	0.00%
Akhilesh Rai	12,01,766	-	12,01,766	0.87%	0.00%
Ashutosh Rai	11,97,012	-	11,97,012	0.86%	0.00%
Aashish Rai	11,95,000	-	11,95,000	0.86%	0.00%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

Name of the promoter	As at March 31, 2023				
	March 31, 2022	Change	March 31, 2023	% holding of equity shares	% change during the year
<b>Equity shares of ₹ 1 each fully paid-up</b>					
Supriyajith Family Trust	5,26,41,584	-	5,26,41,584	38.04%	0.00%
K Ajith Kumar Rai	37,99,405	-	37,99,405	2.75%	0.00%
Supriya Ajith Kumar Rai	17,39,510	-	17,39,510	1.26%	0.00%
Akhilesh Rai	12,01,766	-	12,01,766	0.87%	0.00%
Ashutosh Rai	11,97,012	-	11,97,012	0.86%	0.00%
Aashish Rai	11,95,000	-	11,95,000	0.86%	0.00%
<b>(e) Shares reserved for issue under share-based payments</b>					
	As at March 31, 2024		As at March 31, 2023		
Outstanding employee stock options under below schemes, granted/ available for grant (refer note 45):					
Employee Stock Appreciation Rights (SEL ESAR 2017)	8,47,968		10,43,295		
<b>(f) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:</b>					
	As at March 31, 2024		As at March 31, 2023		
<b>Equity shares (No.)</b>					
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	85,33,699		85,33,699		
(g) The Company has not issued any bonus shares for the period of five years immediately preceding the date as at which the Balance sheet is prepared.					
(h) The Company bought back 1,500,000 fully paid equity shares of ₹ 1 each during the year ended March 31, 2022. There have been no other buy back of shares for the period of five years immediately preceding the date at which the Balance sheet is prepared.					

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 17. Other equity

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Capital reserve</b>		
Balance as per last financial statements	5.13	5.13
<b>Closing balance</b>	<b>5.13</b>	<b>5.13</b>
<b>Capital redemption reserve</b>		
Balance as per last financial statements	295.20	295.20
<b>Closing balance</b>	<b>295.20</b>	<b>295.20</b>
<b>Securities premium</b>		
Balance as per last financial statements	1,392.52	1,388.89
Add: On exercise of employee stock appreciation rights	22.30	3.63
<b>Closing balance</b>	<b>1,414.82</b>	<b>1,392.52</b>
<b>General reserve</b>		
Balance as per last financial statements	4,818.33	4,818.33
<b>Closing balance</b>	<b>4,818.33</b>	<b>4,818.33</b>
<b>Share-based payments reserves</b>		
Balance as per last financial statements	114.89	94.11
Add: Share-based payments expense (refer note 45)	11.42	24.41
Less: On account of exercise of stock options	(22.30)	(3.63)
<b>Closing balance</b>	<b>104.01</b>	<b>114.89</b>
<b>Surplus in the statement of profit &amp; loss</b>		
Balance as per last financial statements	4,893.38	3,673.54
Add: Profit for the year	1,672.70	1,521.09
Add/ (less): OCI - Re-measurement gain / (loss) on defined benefit obligation (net of tax)	(10.95)	(3.71)
Less: Appropriations		
Interim dividend [Interim dividend [₹1.10 (March 31, 2023: ₹ 1.05) per share]	(152.29)	(145.31)
Final dividend [March 31, 2023: ₹ 1.25 (March 31, 2022: ₹ 1.10) per share]	(173.04)	(152.23)
<b>Closing balance</b>	<b>6,229.80</b>	<b>4,893.38</b>
<b>Foreign currency translation reserve</b>		
Balance as per last financial statements	586.96	426.10
Add: Net exchange differences on translation of foreign operations	29.16	160.86
<b>Closing balance</b>	<b>616.12</b>	<b>586.96</b>
<b>Total</b>	<b>13,483.41</b>	<b>12,106.41</b>
<b>Summary of other equity:</b>		₹ in Million
	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Capital reserve	5.13	5.13
Capital redemption reserve	295.20	295.20
Securities premium	1,414.82	1,392.52
General reserve	4,818.33	4,818.33
Share-based payments reserves	104.01	114.89
Surplus in the statement of profit & loss	6,229.80	4,893.38
Foreign currency translation reserve	616.12	586.96
	<b>13,483.41</b>	<b>12,106.41</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### Distribution made and proposed

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Cash dividends on equity shares declared and paid:</b>		
Interim dividend for the year ended March 31, 2024: ₹ 1.10 per share (March 31, 2023: ₹ 1.05 per share)	152.29	145.31
Final dividend for the year ended March 31, 2024: ₹ 1.25 per share (March 31, 2023: ₹ 1.10 per share)	173.04	152.23
	<b>325.33</b>	<b>297.54</b>
<b>Proposed dividends on equity shares:</b>		
Final dividend for the year ended on March 31, 2024: ₹ 1.40 per share (March 31, 2023: ₹ 1.25 per share)	193.85	172.99
	<b>193.85</b>	<b>172.99</b>
Proposed dividend on equity shares are subject to approval by shareholders at the Annual General Meeting and hence not recognised as a liability as at March 31, 2024.		
The dividend declared/ proposed and paid is in accordance with section 123 of the Companies Act, 2013.		

## Nature and purpose of reserves

### 17.1 Capital reserve

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

### 17.2 Capital redemption reserve

The Group recognised capital redemption reserve on redemption of Preference shares of erstwhile Phoenix Lamps Limited and upon merger of erstwhile Phoenix Lamps Limited with the Company, the balances have been brought as such to the Company. Further, during the year, the Company recognised capital redemption reserve (₹ 1.50 Million) on buy back of equity shares.

### 17.3 Securities premium

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

### 17.4 General reserve

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

### 17.5 Share-based payments reserves

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

### 17.6 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 18. (a) Borrowings

(Carried at amortized cost)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
<b>Secured</b>		
<b>Term loans</b>		
from banks (refer note [i] below)	2,801.03	3,251.01
from banks - External Commercial Borrowing (ECB) (refer note [ii] below)	-	112.01
	<b>2,801.03</b>	<b>3,363.02</b>
Less: Current maturities of long-term borrowings:		
Secured term loans	(775.30)	(714.81)
<b>Total</b>	<b>2,025.73</b>	<b>2,648.21</b>
<b>Current</b>		
<b>Secured</b>		
<b>Loans repayable on demand</b>		
Working capital loan from banks and financial institutions (refer note [iii] below)	3,437.58	3,054.35
Current maturities of long-term borrowings	775.30	714.81
<b>Total</b>	<b>4,212.88</b>	<b>3,769.16</b>

#### (i) Term loan from bank consists of:

(a) Term Loan of USD 25.50 Million ( ` 2,126.03 Million) (March 31, 2023: USD 30.00 Million [₹ 2,466.51 Million]), borrowed by Suprajit USA Inc., during the year ended March 31, 2023 towards acquisition of Light Duty Cable (LDC) business, the term loan carried interest at SOFR rate plus 1.50%, with the loan repayable in twenty equal quarterly instalments of USD 1.50 Million ( ` 125.06 Million) from June 2023. The term loan matures on March 31, 2028. The loan is collateralised by substantially all of the assets of the Suprajit USA Inc. and is guaranteed by the parent Company.

(b) Foreign currency term loan in Suprajit Automotive Private Limited (SAPL) of EURO Nil (₹ Nil) (March 31, 2023: EURO 0.38 Million [₹ 34.50 Million]) carried interest rate at USD-Libor-BBA plus 2% and was repayable in 16 quarterly instalments of EURO 0.19 Million from November, 2019. The loan was 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. The loan was repaid in full by June 2023. SAPL is in the process of making the regulatory filings for the satisfaction of charge in this regard. To mitigate the risk of the floating rate, SAPL had entered into interest rate swap agreement with bank.

(c) Indian rupee term loan of ₹ 675.00 Million (March 31, 2023: ₹ 750.00 Million), for which Interest is charged at 0.05% above MCLR (3 month) . The loan is repayable in 20 quarterly instalments of ₹ 37.50 Million each beginning October, 2023. The loan is secured by pari-passu first charge on the entire fixed assets of the Company.

(ii) External commercial borrowing is the term loan of EURO Nil (₹ Nil) (March 31, 2023: EURO 1.25 Million [₹ 112.01 Million]) which carried fixed interest rate of EURIBOR plus 1.25% and was repayable by the Company in 16 quarterly instalments of EURO 0.31 Million, beginning May 20, 2020. To mitigate the risk of the floating rate, the Company had entered into interest rate swap agreement with bank and 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 of the Holding Company and the loan was repaid in full by February 20, 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### (iii) 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 5.55% to 11.70% p.a. (March 31, 2023: 5.55% to 12.61% p.a.).

- Line of credit availed by Suprajit USA Inc. is collateralized by substantially all of the assets of that Suprajit USA Inc., and is guaranteed by the Holding Company with interest varying with the SOFR rate plus 1.5%, which was 6.94% (March 31, 2023: 6.22%)

- Foreign Currency Loans are taken from bank and carry interest rate of 5.75 to 6.34% (March 31, 2023: 0.90 to 1.70%) to mitigate the risk of floating rate and currency fluctuation the Company entered into swap agreement with bank.

- Packing credit loans from banks are taken for a term not exceeding 180 days and carry interest rate of 5.02% to 6.59%. (March 31, 2023: 3.50% to 6.59%).

(iv) As per the loan arrangements, the Group is required to comply with certain debt covenants and the Group was in compliance with such covenants as at March 31, 2024. The Group has not defaulted on any loans payable.

(vi) Changes in liabilities arising from financing activities:-

₹ in Million

	Long term borrowings	Short term borrowings	Total
<b>As at March 31, 2022</b>	<b>309.36</b>	<b>2,805.68</b>	<b>3,115.04</b>
Proceeds	3,196.50	5,085.02	8,281.52
Repayments	(418.98)	(4,945.04)	(5,364.02)
Exchange differences	276.14	108.69	384.83
<b>As at March 31, 2023</b>	<b>3,363.02</b>	<b>3,054.35</b>	<b>6,417.37</b>
Proceeds	-	8,392.69	8,392.69
Repayments	(596.67)	(8,030.65)	(8,627.32)
Exchange differences	34.68	21.19	55.87
<b>As at March 31, 2024</b>	<b>2,801.03</b>	<b>3,437.58</b>	<b>6,238.61</b>

### 18. (b) Lease liabilities

(Carried at amortised cost)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Lease Liabilities	642.31	531.68
<b>Total</b>	<b>642.31</b>	<b>531.68</b>
<b>Current</b>		
Lease Liabilities	200.05	226.16
<b>Total</b>	<b>200.05</b>	<b>226.16</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

	Year ended March 31, 2024	Year ended March 31, 2023
Balance as per last financial statements	757.84	250.32
Additions	269.13	350.11
Additions through business combination (refer note 46)	-	338.65
Accretion of interest	50.21	32.48
Payments	(204.38)	(249.66)
On account of restatement	(30.44)	35.94
<b>As at 31 March</b>	<b>842.36</b>	<b>757.84</b>
Current	200.05	226.16
Non-current	642.31	531.68

The effective interest rate for lease liabilities is 3% to 9.45%, with maturities between 2024 and 2033.

The following are the amounts recognised in profit or loss: ₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense of right-of-use assets	228.61	215.55
Interest expense on lease liabilities	50.21	32.48
Expense relating to short-term leases / leases of low-value assets (included in other expenses)	33.75	38.94
<b>Total amount recognised in statement of profit and loss</b>	<b>312.57</b>	<b>286.97</b>

The Group had total cash outflows for leases of ₹ 204.38 Million in March 31, 2024 (March 31, 2023: ₹ 249.66 Million). During the year ended March 31, 2024, the Group had non-cash additions to right-of-use assets of ₹ 269.13 Million (March 31, 2023: ₹ 350.11 Million) and lease liabilities of ₹ 269.13 Million (March 31, 2023: ₹ 350.11 Million)

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

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

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Not later than one year	242.90	232.23
Later than one year and not later than five years	591.40	591.63
More than five years	127.63	40.92
<b>Total</b>	<b>961.93</b>	<b>864.78</b>

### 19. Trade payables

(Carried at amortized cost)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Trade payables		
- Total outstanding dues of micro and small enterprises*	354.24	360.76
- Total outstanding dues of creditors other than micro and small enterprises	2,926.26	2,562.40
<b>Total</b>	<b>3,280.50</b>	<b>2,923.16</b>

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 44).

\*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, 2024 and March 31, 2023. The details in respect of such dues are as follows:



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid to any supplier at the end of accounting year	349.73	358.16
Interest due thereon remaining unpaid to any supplier at the end of accounting year	0.18	0.24
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	1.96	1.55
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	3.70	1.31
The amount of interest accrued and remaining unpaid at the end of accounting year	4.52	2.60
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.	4.52	2.60
The information given above has been determined to the extent such parties have been identified on the basis of information available with the Group.		

₹ in Million

Trade payables ageing schedule	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2024</b>							
Total outstanding dues of micro enterprises and small enterprises	-	311.68	42.56	-	-	-	354.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	745.01	1,600.95	568.73	6.49	3.14	1.94	2,926.26
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>745.01</b>	<b>1,912.63</b>	<b>611.29</b>	<b>6.49</b>	<b>3.14</b>	<b>1.94</b>	<b>3,280.50</b>

₹ in Million

Trade payables ageing schedule	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at March 31, 2023</b>							
Total outstanding dues of micro enterprises and small enterprises	-	324.45	36.31	-	-	-	360.76
Total outstanding dues of creditors other than micro enterprises and small enterprises	542.29	1,254.04	746.82	7.01	8.57	3.67	2,562.40
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>542.29</b>	<b>1,578.49</b>	<b>783.13</b>	<b>7.01</b>	<b>8.57</b>	<b>3.67</b>	<b>2,923.16</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 20. Other financial liabilities

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
<i>(Carried at amortized cost)</i>		
Security deposits	28.15	30.83
<i>(Fair value through profit and loss)</i>		
Provision for MTM losses on foreign currency forward contracts	6.16	30.01
<b>Total</b>	<b>34.31</b>	<b>60.84</b>
<b>Current</b>		
<i>(Carried at amortized cost)</i>		
Interest accrued but not due on borrowings	23.89	28.09
Capital creditors	26.56	15.46
Employee related liabilities	344.14	355.30
Payable to directors (refer note 41)	61.44	54.45
Security deposits	0.07	0.07
Unpaid dividend	13.76	26.23
Others	35.87	30.34
<i>(Fair value through profit and loss)</i>		
Provision for MTM losses on foreign currency forward contracts	12.60	6.01
Provision for MTM losses on Interest rate swap	-	(0.98)
<b>Total</b>	<b>518.33</b>	<b>514.97</b>

### 21. Provisions

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Provision for employee benefits		
Gratuity (refer note 39(b))	46.92	39.99
Others	10.88	9.29
Provision for diminution in value of investments (refer note 8)	-	26.44
<b>Total</b>	<b>57.80</b>	<b>75.72</b>

<b>Current</b>		
Provision for employee benefits		
Gratuity (refer note 39(b))	37.40	32.31
Compensated absences	112.35	111.58
Others*	230.39	189.77
Provision for warranties**	25.36	14.74
<b>Total</b>	<b>405.50</b>	<b>348.40</b>

\*With respect to liabilities for seniority premium, post employment benefits and other employment benefits payable in geographies other than India.

\*\*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. The carrying value of provision for warranties is as follows:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	14.74	9.29
Additions through business combination	-	10.86
Add: Charge for the year	11.39	13.78
Add/ Less: Utilised during the year	(0.77)	(19.19)
<b>Closing balance</b>	<b>25.36</b>	<b>14.74</b>

### 22. Current tax liabilities (net)

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Provision for income tax (net of advance tax and tax deducted at source)*	67.62	137.39
<b>Total</b>	<b>67.62</b>	<b>137.39</b>

\*represents tax payable for current year and provision made in respect of uncertain tax positions.

### 23. Deferred tax assets/ (liability)

Components of deferred tax assets and liabilities as at March 31, 2024 is as below:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax liabilities</b>		
Property, plant and equipment and Intangible assets	(591.03)	(733.72)
Fair valuation of financial instruments	(107.83)	(72.58)
<b>(A)</b>	<b>(698.86)</b>	<b>(806.30)</b>
<b>Deferred tax assets</b>		
Expenditure allowable for tax purposes when paid	221.91	155.64
Provision for diminution in value of investments	-	6.66
Provision for doubtful debts and advances	9.09	6.02
Provision for employee benefits	37.43	127.29
Property, plant and equipment and Intangible assets	23.76	15.72
On intercompany stock eliminations	6.66	12.51
Foreign tax credit	98.60	-
Net operating loss carried forward	265.02	-
Valuation allowance*	(266.88)	-
<b>(B)</b>	<b>395.59</b>	<b>323.84</b>
<b>Net deferred tax assets/ (liabilities) (A+B)</b>	<b>(303.27)</b>	<b>(482.46)</b>
<b>Disclosed as</b>		
Deferred tax assets	164.34	124.82
Deferred tax liabilities	467.61	607.28

Upon the acquisition of Light duty cable business from April 1, 2022, the Company had acquired deferred tax assets of ₹ 61.99 Million being the difference between the carrying amounts and tax base of assets and liabilities of the entities acquired.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

\*The Group has deferred tax assets on net operating loss carryforward in Suprajit USA Inc and certain of its subsidiaries of USD 3.20 Million ( ` 266.88 Million) as of March 31, 2024. Based upon projections of future taxable income, management believes it is more likely than not that the respective entities will not realize the full benefits of these attributes. Due to the uncertainty of the realization of deferred tax assets, the Group has established a valuation allowance equal to the deferred tax assets on net operating loss carried forward in certain jurisdictions.

The valuation allowance has been recorded to adjust the deferred tax asset balances to the amount that is more likely than not to be realized as of March 31, 2024.

### 24. Other liabilities

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Government grants*	19.98	22.64
<b>Total</b>	<b>19.98</b>	<b>22.64</b>
<b>Current</b>		
Advances from customers	24.23	38.17
Government grants*	4.15	4.81
Statutory dues	210.83	188.74
Others	0.69	3.07
<b>Total</b>	<b>239.90</b>	<b>234.79</b>
*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.		
	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
At the beginning of the year	27.45	15.54
Add: Received during the year	6.78	23.89
Less: Transferred to the consolidated statement of profit and loss (refer note 26)	(10.10)	(11.98)
<b>Closing balance</b>	<b>24.13</b>	<b>27.45</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 25. Revenue from operations

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	28,909.69	27,478.60
Sale of services (processing charges)	8.26	4.95
Other operating revenue		
Sale of scrap	38.26	36.88
Export incentives	2.34	3.12
<b>Total</b>	<b>28,958.55</b>	<b>27,523.55</b>
<b>Set out below is the disaggregation of the Group's revenue from contracts with customers:</b>		
<b>a) Revenue by geography</b>		
Refer note 40 for disaggregate revenue details based on customer geographical location.		
<b>b) Timing of revenue recognition</b>		
Goods transferred at a point in time	28,947.95	27,515.48
Service transferred at a point in time	8.26	4.95
<b>Total revenue contract with customers</b>	<b>28,956.21</b>	<b>27,520.43</b>
<b>c) Revenue recognised from amounts included in contract liabilities at the beginning of the year</b>	<b>38.17</b>	<b>21.59</b>

### 26. Other income

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on		
Bank deposits	2.18	1.44
Income tax refund	-	1.05
Others	2.19	0.98
Liabilities no longer required written back	0.96	4.09
Write back of provision for diminution in value of investments in mutual funds (Refer note 8)	26.44	-
Gain on investments carried at fair value through profit or loss*	405.41	164.68
Gain on bonds carried at fair value through profit or loss	16.85	-
Government grant income	10.10	12.25
Exchange differences (net)**	135.06	172.15
Other non-operating income	0.02	29.74
<b>Total</b>	<b>599.21</b>	<b>386.38</b>
*Total net gain on fair value changes include ₹ 47.15 Million ( March 31, 2023 ₹ 15.83 Million) as net gain on sale/ redemption of investments.		
**Includes mark to market gain / (loss) on foreign currency forward contracts.		

### 27. Cost of materials consumed

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the beginning of the year	3,433.20	2,142.02
Add: Additions through business combination ( refer note 46)	-	945.69
Add: Purchases	16,226.08	16,102.03
Less: Inventories at the end of the year	(3,255.29)	(3,433.20)
<b>Cost of materials consumed</b>	<b>16,403.99</b>	<b>15,756.54</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 28. Purchases of stock-in-trade

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Auto lamps	400.64	400.19
Stop and tail lamps	29.51	22.87
Others	26.80	14.05
<b>Total</b>	<b>456.95</b>	<b>437.11</b>

### 29. Changes in inventories of finished goods, work in progress and stock-in-trade

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Inventories at the end of the year</b>		
Finished goods	1,291.58	1,212.20
Stock-in-trade	178.18	269.98
Work in progress	298.63	402.94
<b>Total (A)</b>	<b>1,768.39</b>	<b>1,885.12</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	1,212.20	1,077.10
Stock-in-trade	269.98	194.38
Work in progress	402.94	202.11
Additions through business combination (refer note 46)	-	235.13
<b>Total (B)</b>	<b>1,885.12</b>	<b>1,708.72</b>
Currency fluctuation arising on consolidation (C)	4.65	152.05
<b>Net change in inventories of finished goods, work-in-progress and stock-in-trade (B-A+C)</b>	<b>121.38</b>	<b>(24.35)</b>

### 30. Employee benefits expense

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	5,264.24	4,877.64
Contribution to provident and other funds (refer note 39(a))	705.40	643.14
Employee Share-based payments (refer note 45)	11.42	24.41
Staff welfare expenses	225.22	198.84
<b>Total</b>	<b>6,206.28</b>	<b>5,744.03</b>

### 31. Finance costs

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on		
Borrowings	451.12	284.68
Lease liabilities (refer note 18 (b))	50.21	32.48
Others	8.13	6.69
Exchange fluctuation on foreign currency borrowings, net (to the extent regarded as borrowing cost)	1.18	17.77
Loan processing and other charges	3.15	14.09
<b>Total</b>	<b>513.79</b>	<b>355.71</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 32. Depreciation and amortization expense

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 3)	568.80	511.94
Depreciation of right-of-use assets (refer note 4)	228.61	215.55
Amortization of intangible assets (refer note 6)	240.06	227.06
<b>Total</b>	<b>1,037.47</b>	<b>954.55</b>

### 33. Other expenses

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Power and fuel	421.71	404.00
Labour charges	9.76	7.26
Sorting & Inspection charges	22.70	25.79
Rent	33.75	38.94
Repairs and maintenance		
Buildings	56.83	44.22
Machinery	176.27	200.30
Others	242.56	204.81
Insurance	107.00	101.28
Rates and taxes	44.04	44.24
Travelling and conveyance	196.33	164.68
Legal and professional fees	236.94	272.47
Payment to auditors	45.70	39.52
Freight and forwarding charges	485.01	530.67
Advertisement and sales promotion	29.05	28.19
Sales commission	82.11	80.12
Directors' sitting fees and commission	3.35	3.47
Allowance for doubtful receivables (net)	19.61	13.69
Printing and stationery	21.49	18.13
Security expenses	68.83	56.96
Communication expenses	43.10	38.99
Loss on disposal of property, plant and equipment (net)	5.70	7.83
Research and development expenses	16.01	26.02
CSR expenditure (refer note (i) below)	48.99	42.97
Warranty expenses	11.39	13.78
Miscellaneous expenses	111.92	75.61
<b>Total</b>	<b>2,540.15</b>	<b>2,483.94</b>

#### (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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
a) Gross amount required to be spent by the Group during the year		48.99	42.91
<b>Total</b>		<b>48.99</b>	<b>42.91</b>
<b>b) Amount spent during the year ended March 31, 2024</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
(i) Construction / acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	49.09	-	49.09
<b>c) Amount spent during the year ended March 31, 2023</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
(i) Construction / acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	42.97	-	42.97
d) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.			
e) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.			
f) Details related to shortfall/ (excess) at the end of the year :			

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Shortfall/ (excess) at the end of the year	(0.10)	-
g) Refer note 41 (b) for details of contribution to Suprajit foundation in relation with CSR expenditure.		

### 34 (a). Tax expense (net)

Income tax expense in the consolidated statement of profit and loss consist of the following:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	887.14	695.01
Deferred tax charge / (credit)	(167.53)	(13.70)
Current tax relating to earlier periods*	(114.56)	-
<b>Total</b>	<b>605.05</b>	<b>681.31</b>
*During the year ended March 31, 2024, the Holding Company reversed provision for income tax of ₹ 114.56 Million (March 31, 2023 ₹ Nil), pertaining to earlier years on completion of tax assessment.		
Income tax expense in the consolidated other comprehensive income consist of the following :		
Deferred tax arising on income and expense recognised in other comprehensive income :		
Re-measurement loss on defined benefit obligation	(3.70)	(1.25)
<b>Total</b>	<b>(3.70)</b>	<b>(1.25)</b>

Reconciliation of tax to the amount computed by applying the statutory income tax rate to the income before tax is summarized below:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Profit before tax expense</b>	<b>2,277.75</b>	<b>2,202.40</b>
Applicable tax rates in India	25.17%	25.17%
<b>Computed tax charge (A)</b>	<b>573.26</b>	<b>554.30</b>
<b>Components of tax expense</b>		
Deferred tax assets not recognised because realisation is not probable and effect of different tax rates in other jurisdictions on it	264.48	75.27
Tax effect of income taxed on lower rate	(54.21)	(10.26)
Current tax relating to earlier periods	(114.56)	-
Others	(63.92)	62.00
<b>Total adjustments (B)</b>	<b>31.79</b>	<b>127.01</b>
<b>Total tax expense (A+B)</b>	<b>605.05</b>	<b>681.31</b>

### 34(b) Other comprehensive income/ (loss) ('OCI'), net of taxes

₹ in Million

	As at March 31, 2024	As at March 31, 2023
Items that will not be reclassified subsequently to profit or loss:		
Re-measurement gain /(loss) on defined benefit plan	(14.65)	(4.96)
Income tax effect on above	3.70	1.25
Items that will be reclassified subsequently to profit or loss:		
Net exchange differences on translation of foreign operations	29.16	160.87
<b>Total other comprehensive income/ (loss)</b>	<b>18.21</b>	<b>157.16</b>

### 35. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the 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, 2024	Year ended March 31, 2023
Profit attributable to equity shareholders (₹ in Million)	1,672.70	1,521.09
Nominal value per equity share (₹ per share)	1	1
<b>Basic</b>		
Weighted average number of equity shares (No. in Million)	138.42	138.39
Basic earnings per share basic (₹ per share)	12.08	10.99
<b>Diluted</b>		
Effect of potential equity shares on ESARs outstanding (No. in Million)	0.25	0.18
Weighted average number of equity shares (No. in Million)	138.67	138.57
Diluted earnings per share (₹ per share)	12.06	10.98

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 36. Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 257.44 Million (March 31, 2023 : ₹ 137.54 Million).

b) Proposed dividend on equity shares, subject to approval by shareholders at the Annual General Meeting of the Company is ₹ 193.85 Million

### 37. Contingent liabilities

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>(a) Claims against Group not acknowledge as debts*</b>		
Income tax demands**	58.99	32.56
Goods and service tax#	132.30	131.81
Excise duty / service tax demand	15.47	15.47
Others	14.03	12.52
<b>(A)</b>	<b>220.79</b>	<b>192.36</b>
<b>(b) Others</b>		
Bonds executed in favour of customs authority	15.00	15.00
Bank guarantees (furnished to tax authorities)	1.08	1.58
Others	1.43	1.23
<b>(B)</b>	<b>17.51</b>	<b>17.81</b>
<b>Total</b>	<b>238.30</b>	<b>210.17</b>

\*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.

#During the year ended March 31, 2023, the Company received a show cause notice in respect of classification of a product under Goods and Services Tax (GST), to pay additional liability of ₹ 130.99 million along with interest and penalty pertaining to the period July 01, 2017 to September 19, 2021. In this regard, the Company has evaluated and filed the response to the concerned GST authorities and basis internal and external evaluation, the Company is of the view that the said claim of the GST authorities is not tenable.

38. The Group Companies have 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, 2024 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, 2024

### 39. Employee benefit Plans

<b>(a) Defined contribution plans</b>
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, 2024	Year ended March 31, 2023
Employers contribution to Provident Fund	63.38	56.91
Employers contribution to Employee State Insurance	6.38	7.00
Employers contribution to 401(k) plan	28.29	45.75
Employers contribution to other contribution plan	211.95	189.70

<b>(b) Defined benefit plans</b>
<b>Gratuity</b>
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.
<b>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.</b>

#### Disclosure as per Ind AS 19

₹ in Million

	March 31, 2024	March 31, 2023
<b>A. Change in defined benefit obligation</b>		
Obligations at beginning of the year	287.62	255.82
Service cost	20.67	18.14
Interest cost	20.37	18.80
Benefits settled	(13.15)	(8.84)
Transfer in	1.06	-
Transfer Out	(1.07)	-
Actuarial (gain) / loss (through OCI)	14.88	3.70
<b>Obligations at end of the year</b>	<b>330.38</b>	<b>287.62</b>

	March 31, 2024	March 31, 2023
<b>B. Change in plan assets</b>		
Plan assets at beginning of the year, at fair value	215.32	199.58
Expected return on plan assets	16.12	15.04
Contributions	27.54	11.61
Benefits settled	(13.15)	(8.84)
Actuarial gain / (loss) (through OCI)	0.23	(1.26)
Admin expenses / Taxes paid from plan assets	-	(0.80)
<b>Plan assets at the end of the year</b>	<b>246.06</b>	<b>215.32</b>
Present value of defined benefit obligation at the end of the year	(330.38)	(287.62)
Fair value of plan assets at the end of the year	246.06	215.32
<b>C. Net liability recognised in the consolidated balance sheet</b>	<b>(84.32)</b>	<b>(72.30)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>D. Expenses recognised in the consolidated statement of profit and loss:</b>		
Service cost	20.67	18.14
Interest cost	20.37	18.80
Expected return on plan assets	(16.12)	(15.04)
Administrative Expenses / Taxes / Insurance Cost / Exchange Rate cost	-	0.80
<b>Net gratuity cost</b>	<b>24.92</b>	<b>22.70</b>

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>E. Re-measurement (gain) / loss in OCI</b>		
Actuarial (gain)/ loss due to financial assumption changes in DBO	7.37	(1.15)
Actuarial (gain)/ loss due to experience on DBO	7.51	4.85
Return on plan assets (greater) / less than discount rate	(0.23)	1.26
<b>Total Actuarial (Gain)/loss included in OCI</b>	<b>14.65</b>	<b>4.96</b>

<b>F. Actual return on plan assets</b>	<b>16.36</b>	<b>13.78</b>
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	Year ended March 31, 2024	Year ended March 31, 2023
<b>G. Assumptions</b>		
Discount rate	7.22% to 7.25%	7.52% to 7.53%
Estimated rate of return on plan assets	7.22% to 7.25%	7.48% to 7.53%
Salary increase rate [refer note K (i)]	9.00%	9.00%
Attrition Rate	9.73% upto age 40 from Age 40-45 7.68%, Age 45-50 5.12%, Age 50-55 1.28%.	9.73% upto age 40 from Age 40-45 7.68%, Age 45-50 5.12%, Age 50-55 1.28%.
Retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

₹ in Million

	March 31, 2024	March 31, 2023
<b>H. Pay-outs to the plan assets</b>		
Within one year	37.40	32.31
After one year but not more than five years	70.93	61.04
After five years	125.42	110.15
	<b>233.75</b>	<b>203.50</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

<b>I. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:</b>		
Investment with insurer	100%	100%

**J. A quantitative sensitivity analysis for significant assumption is as below (refer note K (ii) below)** ₹ in Million

	As at March 31, 2024		As at March 31, 2023	
	1% increase	1% decrease	1% increase	1% decrease
Effect of change in discount rate	(21.27)	24.56	(18.37)	21.19
Effect of change in salary growth	23.59	(20.83)	20.40	(18.01)
Effect of change in attrition rate	(3.99)	4.50	(3.10)	3.51

<b>K. Notes</b>	
(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)	(iii) The weighted average duration of the defined benefit obligation at the end of the reporting period is 11.63 to 16.76 years (March 31, 2023: 11.43 to 16.92 years).

### 40. 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', 'Luxembourg', 'Hungary' and 'China'. Customer relationships are driven based on customer domicile.

**Segment revenue by geographical location are as follows:\*** ₹ in Million

Region	Year ended March 31, 2024	Year ended March 31, 2023
<b>Revenue from operations</b>		
India	14,030.66	12,956.23
USA	8,064.74	8,472.45
Rest of the World	6,863.15	6,094.87
	<b>28,958.55</b>	<b>27,523.55</b>

\* 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, 2024 and March 31, 2023.

**Non-current operating assets by geographical location are as follows:\*\*** ₹ in Million

Region	As at March 31, 2024	As at March 31, 2023
India	4,367.77	3,945.76
USA	2,906.58	3,409.23
Rest of the World	1,313.13	997.66
	<b>8,587.48</b>	<b>8,352.65</b>

\*\* 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.

## 41. Related party transactions

### A. Related parties under Ind AS 24 and Companies Act, 2013

#### Key Management Personnel (KMP) of the Company

Mr. K Ajith Kumar Rai	Chairman
Mr. Mohan Srinivasan Nagamangala	Managing Director & Group Chief Executive Officer
Mr. Akhilesh Rai	Director & Chief Strategy Officer
Mr. Medappa Gowda J	Chief Financial Officer and Company Secretary
Mrs. Dr. Supriya A Rai	Non-Executive Director
Mr. Suresh Shetty	Independent Director (up to March 31, 2023)
Mr. Ian Williamson	Independent Director ( up to March 31, 2023)
Mrs. Bharathi Rao	Independent Director
Mr. M. Lakshminarayan	Independent Director
Mr. Harish Hassan Visweswara	Independent Director
Mr. Bhagya Chandra Rao	Independent Director (w.e.f April 1, 2023)

#### Relatives of KMP

Mr. Ashutosh Rai
Mr. Aashish Rai
Mr. Ashok Kumar Rai
Mrs. Arati Shetty
Mrs. Deeksha Bhandary

#### Enterprises in which directors / shareholders have *significant influence*

Suprajit Foundation
Supriyajith Family Trust
VST Tillers Tractors Limited



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### B. Details of transactions with key management personnel are as given below:

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Sale of products and services</b>		
<b>Others</b>		
VST Tillers Tractors Limited	0.22	-
	<b>0.22</b>	-
<b>Salary and perquisites:*</b>		
<b>KMP</b>		
Mr. K Ajith Kumar Rai	78.51	72.01
Mr. Mohan Srinivasan Nagamangala	27.92	25.78
Mr. Medappa Gowda J	9.76	9.46
Mr. Akhilesh Rai	14.54	9.13
<b>Relatives of KMP</b>		
Mr. Ashutosh Rai	8.16	4.57
	<b>138.89</b>	<b>120.95</b>
<b>Independent Directors remuneration (Commission and Sitting fee)</b>		
Mr. Suresh Shetty	-	0.64
Mrs. Bharathi Rao	0.72	0.62
Mr. M. Lakshminarayan	0.73	0.60
Mr. Harish Hassan Visweswara	0.76	0.61
Mr. Bhagya Chandra Rao	0.64	-
	<b>2.85</b>	<b>2.47</b>
<b>Category-wise break up of compensation to KMP's during the year is as follows*</b>		
Short-term benefits	132.37	116.39
Share based payments (refer note 45)	1.21	2.46
	<b>133.58</b>	<b>118.85</b>
*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.		

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Dividend Paid</b>		
<b>Enterprises in which directors / shareholders have significant influence</b>		
Supriyajith Family Trust	123.71	113.18
<b>KMP</b>		
Mr. K Ajith Kumar Rai	8.93	8.17
Mr. Mohan Srinivasan Nagamangala	0.02	0.01
Mr. Medappa Gowda J <sup>^</sup>	-	-
Mr. Akhilesh Rai	2.82	2.58
Mrs. Supriya Rai	4.09	3.74
Mr. Suresh Shetty	-	1.64
Mr. M. Lakshminarayan	0.01	0.01

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### B. Details of transactions with key management personnel are as given below (cont.):

₹ in Million

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Relatives of KMP</b>		
Mr. Ashutosh Rai	2.81	2.57
Mr. Aashish Rai	2.81	2.57
Mr. Ashok Kumar Rai	0.04	0.04
Mrs. Arati Shetty	-	0.98
Mrs. Deeksha Bhandary	0.02	0.02
	<b>145.26</b>	<b>135.51</b>
^ Rounded off		
<b>Reimbursements of expenses to KMP</b>		
Mr. K Ajith Kumar Rai	1.94	1.47
Mr. Mohan Srinivasan Nagamangala	1.35	0.07
Mr. Medappa Gowda J	0.20	0.14
Mr. Akhilesh Rai	1.34	0.41
<b>Relatives of KMP</b>		
Mr. Ashutosh Rai	0.25	0.06
	<b>5.08</b>	<b>2.15</b>
<b>CSR expenditure (Contributed to)</b>		
Suprajit Foundation (refer note 33(i))	38.48	42.90
	<b>38.48</b>	<b>42.90</b>

### C. Balances outstanding as at year end:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Trade receivable</b>		
<b>Others</b>		
VST Tillers Tractors Limited	0.05	-
<b>Total</b>	<b>0.05</b>	<b>-</b>
<b>Payable to KMP</b>		
Mr. K Ajith Kumar Rai	46.89	42.40
Mr. Mohan Srinivasan Nagamangala	8.53	7.64
Mr. Medappa Gowda J	2.52	2.31
Mr. Akhilesh Rai	4.00	2.41
Mr. Suresh Shetty	-	0.50
Mrs. Bharathi Rao	0.50	0.50
Mr. M. Lakshminarayan	0.50	0.50
Mr. Harish Hassan Visweswara	0.50	0.50
Mr. Bhagya Chandra Rao	0.52	-
<b>Relatives of KMP</b>		
Mr. Ashuthosh Rai	2.24	1.10
	<b>66.20</b>	<b>57.86</b>
<b>Receivable from KMP</b>		
Mr. Medappa Gowda J	0.14	-
	<b>0.14</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 42. (i) Fair value

The carrying value of financial instruments by categories is as follows:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Financial assets measured at amortized cost</b>		
Trade receivables*	5,185.55	4,608.36
Security deposits <sup>^</sup>	88.57	78.40
Advances to employees*	16.55	13.20
Interest receivable on bank deposit and others*	1.68	1.41
Others*	3.64	-
<b>Financial assets measured at fair value through profit and loss<sup>^</sup></b>		
Investment in mutual funds	4,853.78	4,451.47
Investment in bonds	273.24	-
Foreign currency forward contracts	73.80	23.09
	<b>10,496.81</b>	<b>9,175.93</b>
<b>Cash and cash equivalents and other balances with banks#</b>		
Cash on hand	1.08	1.06
Balance with banks on current accounts	1,078.46	849.36
Balance with banks on EEFC accounts	75.71	150.62
Balance with banks on deposit accounts	3.79	44.21
Earmarked balances with banks being unpaid dividend accounts	27.33	26.23
	<b>1,186.37</b>	<b>1,071.48</b>
<b>Financial liabilities measured at amortized cost</b>		
Borrowings <sup>^</sup>	6,238.61	6,417.37
Lease liabilities <sup>^</sup>	842.36	757.84
Trade payables*	3,280.50	2,923.16
Employee related liabilities*	344.14	355.30
Interest accrued but not due on borrowings*	23.89	28.09
Capital creditors*	26.56	15.46
Payable to directors*	61.44	54.45
Security deposits <sup>^</sup>	28.22	30.90
Unpaid dividend*	13.76	26.23
Others*	35.87	30.34
<b>Financial liabilities measured at fair value through profit and loss<sup>^</sup></b>		
Provision for MTM losses on foreign currency forward contracts	18.76	36.02
Provision for MTM losses on Interest rate swap	-	(0.98)
	<b>10,914.11</b>	<b>10,674.18</b>

\* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature.

<sup>^</sup> The fair value of remaining financial instruments except investment in mutual funds and bonds, interest rate swap and forward contracts are determined on transaction date based on discounted cashflow method using current lending/ borrowing rate.

# 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, 2024

### 42. (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, 2024			
<b>Financial assets and liabilities measured at fair values</b>				
<b>Financial assets measured at fair value through profit and loss</b>				
Investment in mutual funds	4,853.78	-	-	4,853.78
Investment in bonds	273.24			273.24
Foreign currency forward contracts	-	73.80	-	73.80
<b>Total financial assets measured at fair value</b>	<b>5,127.02</b>	<b>73.80</b>	<b>-</b>	<b>5,200.82</b>
<b>Financial liabilities measured at fair value through profit and loss</b>				
Provision for MTM losses on foreign currency forward contract	-	18.76	-	18.76
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>18.76</b>	<b>-</b>	<b>18.76</b>

	Level 1	Level 2	Level 3	Total
	March 31, 2023			
<b>Financial assets and liabilities measured at fair values</b>				
<b>Financial assets measured at fair value through profit and loss</b>				
Investment in mutual funds	4,451.47	-	-	4,451.47
Foreign currency forward contracts	-	23.09	-	23.09
<b>Total financial assets measured at fair value</b>	<b>4,451.47</b>	<b>23.09</b>	<b>-</b>	<b>4,474.56</b>
<b>Financial liabilities measured at fair value through profit and loss</b>				
Provision for MTM losses on foreign currency forward contract	-	36.02	-	36.02
Provision for MTM losses on Interest rate swap	-	(0.98)	-	(0.98)
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>35.04</b>	<b>-</b>	<b>35.04</b>

### 42. (iii) Valuation technique used to determine fair value

- The Group holds derivative financial instruments such as foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Hence, the valuation is considered Level 2 by the management.
- The Group enters into contracts with financial institutions in nature Of interest rate swap, the fair value Of which is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data, therefore, are classified with in Level 2 of the valuation hierarchy.
- The Group has investment in quoted mutual funds/ bonds. These investments are carried at fair value through profit and loss using quoted prices in active markets and accordingly classified within Level 1 of the valuation hierarchy.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 43. 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, 2024	As at March 31, 2023
<b>A. Total equity attributable to the shareholders of the Company (Capital)</b>	<b>13,621.87</b>	<b>12,244.80</b>
<b>B. Borrowings</b>		
Non-current borrowings	2,025.73	2,648.21
Current borrowings	4,212.88	3,769.16
Lease Liabilities	842.36	757.84
Less: Cash and cash equivalents	(1,155.25)	(1,001.04)
Less: Current investments	(5,126.37)	(4,426.81)
<b>Net debt</b>	<b>799.35</b>	<b>1,747.36</b>
<b>C. Total capital and net debt (A+B)</b>	<b>14,421.22</b>	<b>13,992.16</b>
<b>D. Gearing ratio (B / C)</b>	<b>6%</b>	<b>12%</b>

- (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.

### 44. 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 investment in mutual funds and bonds, 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:

#### (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, 2024 and March 31, 2023.

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, 2024.

#### (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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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, 2024		Year ended March 31, 2023	
	1% increase	1% decrease	1% increase	1% decrease
Effect of profit before tax expense	(71.09)	71.09	(72.06)	72.06

### (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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Financial assets</b>				
USD	3.97	5.13	331.11	418.78
EUR	6.84	7.16	617.40	641.61
GBP	0.06	0.23	6.34	23.68
<b>Total</b>			<b>954.85</b>	<b>1,084.07</b>
<b>Financial liabilities</b>				
USD	4.77	5.01	397.47	411.91
EUR	3.89	10.10	350.95	904.65
GBP	0.05	0.04	5.73	4.43
Others	37.99	1.83	23.46	28.83
<b>Total</b>			<b>777.61</b>	<b>1,349.82</b>
<b>Net financial assets</b>			<b>177.24</b>	<b>(265.75)</b>

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.

Forward contracts outstanding are as below:

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
EUR*	2.10	2.80	190.91	266.91
EUR**	27.13	15.00	2,528.13	1,374.51
GBP*	0.20	2.60	21.25	269.81
GBP**	4.75	-	498.81	-
USD*	0.40	-	33.50	-
USD**	1.80	-	154.06	-
<b>Total</b>			<b>3,426.66</b>	<b>1,911.23</b>

\* 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 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 0.01% (March 31, 2023: 0.01%).

#### (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, 2024		Year ended March 31, 2023	
	1% increase	1% decrease	1% increase	1% decrease
<b>Impact on profit before tax</b>				
Steel wire	(29.92)	29.92	(29.19)	29.19
Cable components	(114.74)	114.74	(107.87)	105.58
Glass tube	(3.11)	3.11	(2.79)	2.79
Lamp components	(16.41)	16.41	(17.72)	20.00

#### (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.

##### b. Credit risk exposure

The Group's credit period generally ranges from 0-365 days. The credit risk exposure of the Group is as below:

₹ in Million

	As at March 31, 2024	As at March 31, 2023
<b>Trade receivables (A)</b>	<b>5,226.40</b>	<b>4,636.92</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Balance as per last financial statements	28.56	14.57
Add: Additions through business combination (refer note 46)	-	1.62
Add: Charge for the year	19.61	13.69
Add / Less: Utilised during the year	(7.60)	(1.82)
Add : Exchange differences	0.28	0.50
<b>Closing balance (B)</b>	<b>40.85</b>	<b>28.56</b>
<b>Total (A - B)</b>	<b>5,185.55</b>	<b>4,608.36</b>

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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 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, 2024	As at March 31, 2023
Cash on hand	1.08	1.06
Balance with banks	1,157.21	1,041.18
Investment in mutual funds	4,853.13	4,426.81
Investment in bonds	273.24	-
	<b>6,284.66</b>	<b>5,469.05</b>

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
<b>March 31, 2024</b>					
Non-current borrowings	-	-	-	2,025.73	2,025.73
Current borrowings	3,437.58	450.18	325.12	-	4,212.88
Lease liabilities*	-	122.34	120.56	719.03	961.93
Trade payables	-	3,280.50	-	-	3,280.50
Other financial liabilities	13.76	504.57	-	34.31	552.64
<b>Total</b>	<b>3,451.34</b>	<b>4,357.59</b>	<b>445.68</b>	<b>2,779.07</b>	<b>11,033.68</b>
<b>March 31, 2023</b>					
Non-current borrowings	-	-	-	2,648.21	2,648.21
Current borrowings	3,054.35	337.15	377.66	-	3,769.16
Lease liabilities*	-	119.96	112.27	632.55	864.78
Trade payables	-	2,923.16	-	-	2,923.16
Other financial liabilities	26.23	488.74	-	60.84	575.81
<b>Total</b>	<b>3,080.58</b>	<b>3,869.01</b>	<b>489.93</b>	<b>3,341.60</b>	<b>10,781.12</b>

\*Includes future cash outflow toward estimated interest on lease liabilities.

### 45. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The movement in the rights under the ESAR 2017 plan for the year ended March 31, 2024 is set out below

	Year ended March 31, 2024	Year ended March 31, 2023
<b>The ESAR 2017 Plan</b>	<b>No. of stock appreciation rights</b>	
SARs Outstanding at the beginning of the year	10,43,295	10,86,019
SARs Granted during the period	-	-
SARs Forfeited / Surrendered during the year	21,016	13,994
SARs Lapsed during the year	-	-
SARs Exercised during the year	174,311	28,730
<b>SARs Outstanding at the end of the year</b>	<b>8,47,968</b>	<b>10,43,295</b>
SARs exercisable at the end of the year	6,05,429	5,13,814

The stock appreciation rights outstanding on March 31, 2024 has the weighted average remaining contractual life of 4.07 years (March 31, 2023 4.93 years).

The weighted average market price of SARs exercised during the year ended March 31, 2024 is ₹ 407.48 (March 31, 2023: ₹ 332.06)

The weighted average fair value of stock appreciation rights granted during the year ended March 31, 2024 was ₹ Nil (March 31, 2023 ₹ Nil). The Black - Scholes valuation model has been used for computing the weighted fair value considering the following inputs:

	Input Values- Grants-FY 2021-22	Input Values- Grants-FY 2018-19
Weighted average share price on the date of Grant (₹)	365.05	257.65
Exercise Price (₹)	1	1
Expected Volatility*	38.64%	35.79%
Life of rights granted in years	1-5 Years	1-5 Years
Average risk free interest rate	6.10	7.92
Dividend Yield	0.48	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 ₹ 11.42 Million [(March 31, 2023: ₹ 24.41 Million)].

### Employee-wise details of ESAR's granted during the year ended March 31, 2024 to:

#### Senior managerial personnel

No ESAR's were granted to senior management of the Company during the year ended March 31, 2024 (March 31, 2023: Nil).

#### 46. Business combination

The Group had entered into a definitive Share and Asset Purchase Agreement with Kongsberg Automotive ASA, Norway and acquired Light Duty Cable (LDC) business which consists of Suprajit Brownsville, LLC, Suprajit Mexico S de RLde CV, Suprajit Hungary Kft. and Shanghai Lone Star Cable Co. Ltd. The transaction was completed with economic completion date of April 1, 2022 for a total cash consideration of ₹ 3,187.33 Million. The Group accounted the business acquisition on the basis of purchase price allocation as per the valuation carried out by an independent valuer. The LDC business unit is engaged in the development, manufacture and sales of mechanical and electro-mechanical light-duty cables used in the automotive and off-highway applications. This acquisition allowed for the opportunity to increase manufacturing capacity and expand internationally. The LDC business unit consists of three manufacturing plants located in Matamoros, Mexico; Siofok, Hungary; and Shanghai, China along with a distribution center in Brownville, Texas.

The following table presents the purchase price allocation :

Particulars	₹ in Million
Property, plant and equipment	798.62
Capital work in progress	89.76
Right-of-use assets	315.99
- Patents	399.12
- Trade marks/ names	149.67
Other Non Current Assets	42.20
Deferred tax assets	61.99
Trade receivables	1,813.83
Inventories	960.80
Cash and Cash Equivalents	205.79
Other Current Assets	155.54
Lease Liabilities	(338.65)
Trade Payables	(986.98)
Current income tax liabilities	(25.90)
Other Current Liabilities	(454.44)
<b>Total</b>	<b>3,187.33</b>
Purchase Consideration	3,187.33
<b>Goodwill/ (Capital reserve)</b>	-

During the year ended March 31, 2024, March 31, 2023 and March 31, 2022, the Group incurred ₹ Nil, ₹ 38.52 Million and ₹ 67.91 Million, respectively of acquisition-related third-party costs.

No goodwill was recorded as part of this transaction.

The acquisition of LDC contributed revenues of ₹ 7477.60 Million (March 31, 2023: ₹ 6,930.79 Million) and profit after taxes of ₹ (476.11) Million (March 31, 2023: ₹ 306.16 million) for the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 47. Additional information pursuant to para 2 of General Instructions for the Preparation of Consolidated Financial Statements :

Contribution of net assets/ (liability), share of profit, share of comprehensive income in the consolidated financial statements:

#### A. As at and for the year ended March 31, 2024

₹ 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
<b>Parent</b>								
Suprajit Engineering Limited	61%	13,035.24	108%	2,359.93	(17%)	(9.38)	105%	2,350.55
<b>Indian subsidiary</b>								
Suprajit Automotive Private Limited	7%	1,506.85	16%	360.18	(3%)	(1.57)	16%	358.61
<b>Foreign subsidiaries</b>								
Suprajit Europe Limited	2%	417.40	0%	2.39	27%	14.71	1%	17.10
Suprajit USA Inc.	8%	1,626.09	(8%)	(170.65)	42%	23.77	(6%)	(146.88)
Wescon Controls LLC	13%	2,777.04	(8%)	(180.31)	14%	7.75	(8%)	(172.56)
Trifa Lamps Germany, GmbH	1%	289.15	2%	43.69	3%	1.86	2%	45.55
Luxlite Lamps SARL, Luxembourg	0%	88.28	14%	300.84	(0.1%)	(0.06)	13%	300.78
Suprajit Brownsville, LLC	2%	456.99	(23%)	(500.98)	19%	10.27	(22%)	(490.71)
Suprajit Mexico S de RLde CV	2%	334.52	5%	107.69	70%	38.30	6%	145.99
Suprajit Hungary Kft	2%	493.02	(5%)	(101.42)	(22%)	(12.29)	(5%)	(113.71)
Shanghai Lone Star Cable Co., Ltd.	2%	441.72	(1%)	(29.22)	(33%)	(18.28)	(2%)	(47.50)
<b>Total</b>	<b>100%</b>	<b>21,466.30</b>	<b>100%</b>	<b>2,192.14</b>	<b>100%</b>	<b>55.08</b>	<b>100%</b>	<b>2,247.22</b>
Adjustments arising out of consolidation		(7,844.43)		(519.44)		(36.87)		(556.31)
<b>Total</b>		<b>13,621.87</b>		<b>1,672.70</b>		<b>18.21</b>		<b>1,690.91</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### B. As at and for the year ended March 31, 2023

₹ 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
<b>Parent</b>								
Suprajit Engineering Limited	55%	10,998.53	117%	1,867.82	0.4%	(2.15)	87%	1,865.67
<b>Indian subsidiary</b>								
Suprajit Automotive Private Limited	6%	1,266.22	16%	250.91	(0.3%)	(1.56)	12%	249.35
<b>Foreign subsidiaries</b>								
Suprajit Europe Limited	2%	437.17	4%	60.91	2%	11.40	3%	72.31
Suprajit USA Inc.	10%	1,772.97	(8%)	(122.84)	30%	170.11	2%	47.27
Wescon Controls LLC	15%	3,047.48	(5%)	(72.80)	39%	216.91	6%	144.11
Trifa Lamps Germany, GmbH	1%	243.60	(2%)	(26.48)	2%	13.15	(1%)	(13.33)
Luxlite Lamps SARL, Luxembourg	(1%)	(212.49)	(4%)	(56.79)	(2%)	(12.37)	(3%)	(69.16)
Suprajit Brownsville, LLC	5%	947.70	(11%)	(182.55)	15%	83.47	(5%)	(99.08)
Suprajit Mexico S de RLde CV	2%	451.08	2%	26.67	13%	70.20	5%	96.87
Suprajit Hungary Kft	3%	606.73	(14%)	(227.91)	1%	5.23	(10%)	(222.68)
Shanghai Lone Star Cable Co., Ltd.	2%	489.22	5%	76.47	1%	4.61	4%	81.08
<b>Total</b>	<b>100%</b>	<b>20,048.21</b>	<b>100%</b>	<b>1,593.41</b>	<b>100%</b>	<b>559.00</b>	<b>100%</b>	<b>2,152.41</b>
Adjustments arising out of consolidation		(7,803.41)		(72.32)		(401.84)		(474.16)
<b>Total</b>		<b>12,244.80</b>		<b>1,521.09</b>		<b>157.16</b>		<b>1,678.25</b>

#### 48. Events after the reporting period

Subsequent to the year ended March 31, 2024 Suprajit USA Inc has set up its wholly owned subsidiary in Germany for meeting the operational requirements. The Company is in the process of registering the change name to Suprajit Germany GmbH.

49. The Board of Directors of the Company have proposed final dividend of ₹ 1.40 per share after the balance sheet date which is subject to approval by the shareholders at the annual general meeting.

**50. Other statutory information:**

(i) The Holding Company and subsidiary incorporated in India do not have any Benami property, where any proceeding has been initiated or pending against the Holding Company and subsidiary incorporated in India for holding any Benami property.

(ii) The Holding Company and subsidiary incorporated in India do not have any transaction with companies struck off.

(iii) The Holding Company and subsidiary incorporated in India do not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Holding Company and subsidiary incorporated in India have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person or entity (outside the Group), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Holding Company and subsidiary incorporated in India have used 3 accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to the aforesaid accounting software i.e. Oracle, SAP and Peopleworks. Further no instance of audit trail feature being tampered with was noted where audit trail has been enabled. The management is taking steps to ensure that the books of account are maintained as required under the applicable statute.

(viii) The Holding Company and subsidiary incorporated in India do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**As per our report of even date**

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W / E300004

**per Rajeev Kumar**

Partner

Membership No.: 213803

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

**K Ajith Kumar Rai**

Chairman

DIN: 01160327

**Mohan Srinivasan Nagamangala**

Managing Director &

Group Chief Executive Officer

DIN: 01916468

**Medappa Gowda J**

Chief Financial Officer &

Company Secretary

Place: Bengaluru

Date: May 29, 2024

Place: Bengaluru

Date: May 29, 2024

# An Expanded Global Footprint

**Plants:**

- India - 18
- US - 1
- Mexico - 2
- Hungary - 1
- China - 1
- UK - 1

**Warehouses:**

- US - 1
- UK - 1
- Slovenia - 1
- Luxembourg - 1



# An Expanded Global Footprint





**SUPRAJIT ENGINEERING LIMITED****CIN: L29199KA1985PLC006934**

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

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

Website [www.suprajit.com](http://www.suprajit.com), Email: [info@suprajit.com](mailto:info@suprajit.com)

May 29, 2024

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/D-PID/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](mailto:irg@integratedindia.in)

We are sure you would appreciate this initiative taken by the Ministry of Corporate Affairs to reduce consumption of paper and thereby, protect the environment. We expect to receive your support and co-operation in helping the Company to contribute its share to the said initiative.

Thanking you

Yours faithfully

For Suprajit Engineering Limited

Medappa Gowda J  
Company Secretary

**SUPRAJIT ENGINEERING LIMITED**

**CIN: L29199KA1985PLC006934**

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

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

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

**ECS MANDATE FORM**

Members Holding Shares in Physical Mode  
Please inform  
Integrated Registry Management Services  
Private Limited  
No. 30, Ramana Residency  
4th Cross, Sampige Road, Malleswaram  
Bengaluru - 560 003

Members Holding Shares in Demat Mode  
Please inform Your DPs directly  
(if not done earlier)

I hereby consent to have the amount of Dividend on my Equity Shares credited through the Electronic Clearing Service (Cash Clearing) (ECS). The particulars are:

1. Folio NO. /Certificate No.	
2. Name of the 1 <sup>st</sup> 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 : \_\_\_\_\_

\_\_\_\_\_

# CUSTOMERS

**40+**

PV OEMs and Tier 1s



**10+**

2W OEMs and Tier 1s



**20+**

OFH OEMs and Tier 1s



**15+**

Lighting Tier 1s



Top 10 Customers span all verticals

Extensive Global Customer Base



**40+**  
PV OEMs and Tier 1s

**20+**  
OFH OEMs and Tier 1s

**10+**  
2W OEMs and Tier 1s

**15+**  
Lighting Tier 1s

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